MME Form 9
Rev. Nov. 65

UNITED STATES
DEPARTMENT OF THE INTERIOR
Geological Survey

OFFICIAL DOCKET FILE Contract No. _____ Docket No. 6642

Application
- [ ] Denied
- [x] Withdrawn

Contract
- [ ] Terminated - Not Certified
- [ ] Terminated - Certified
- [ ] Cancelled
- [ ] Royalty Agreement

The records contained in this file are marked (x) and arranged in this order:

Folder No. 1:

Left Side

- [ ] Royalty Audits
- [ ] Certification of Discovery
- [ ] Closing Letter
- [ ] Cost Audits
- [ ] Termination Notice or Agreement
- [ ] Recision Notice
- [ ] Assignment of Contract
- [ ] Contract Amendments
- [ ] Contract with all exhibits and annexes
- [ ] Owner's Consent to Lien and Subordination Agreement
- [x] Application and Attachments

Right Side

- [ ] Project Summary (final)
- [ ] Work Completed Analysis (final)

All other material filed in chronological order including the following reports if checked:

- [ ] Field Team Semiannual Report for Certified Project
- [ ] Final Field Team Report (Tab)
- [ ] Operator's Final Report (Tab)
- [ ] Interim Field Team Reports
- [ ] Operator's monthly reports and all attachments
- [ ] On-site Exam. Report (Tab)
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Left Side

Folders No. _____: Reports

- [ ] Analysis of Semiannual Inspection Reports
- [ ] Project Summary (Interim) by MME Engineers

Right Side

- [ ] Field Team Semiannual Report for Certified Project
- [ ] Field Team Interim Reports
- [ ] Operator's Monthly Reports with Transmittal, Narrative and Maps

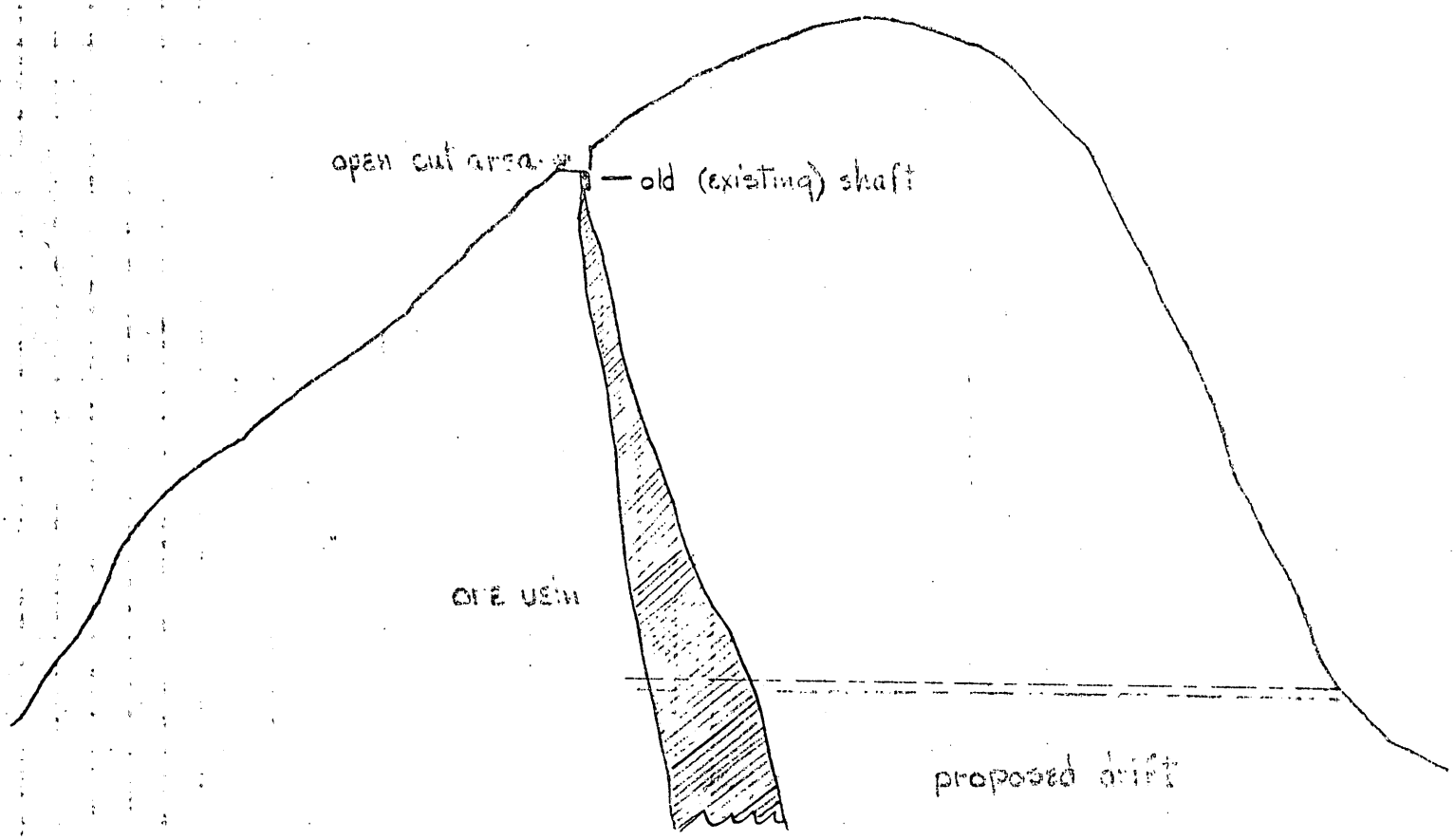
Folders No. _____: Maps (Use pocket folder or envelope)

Folders No. _____: Settlement Sheets

Folders No. _____: Drill Logs

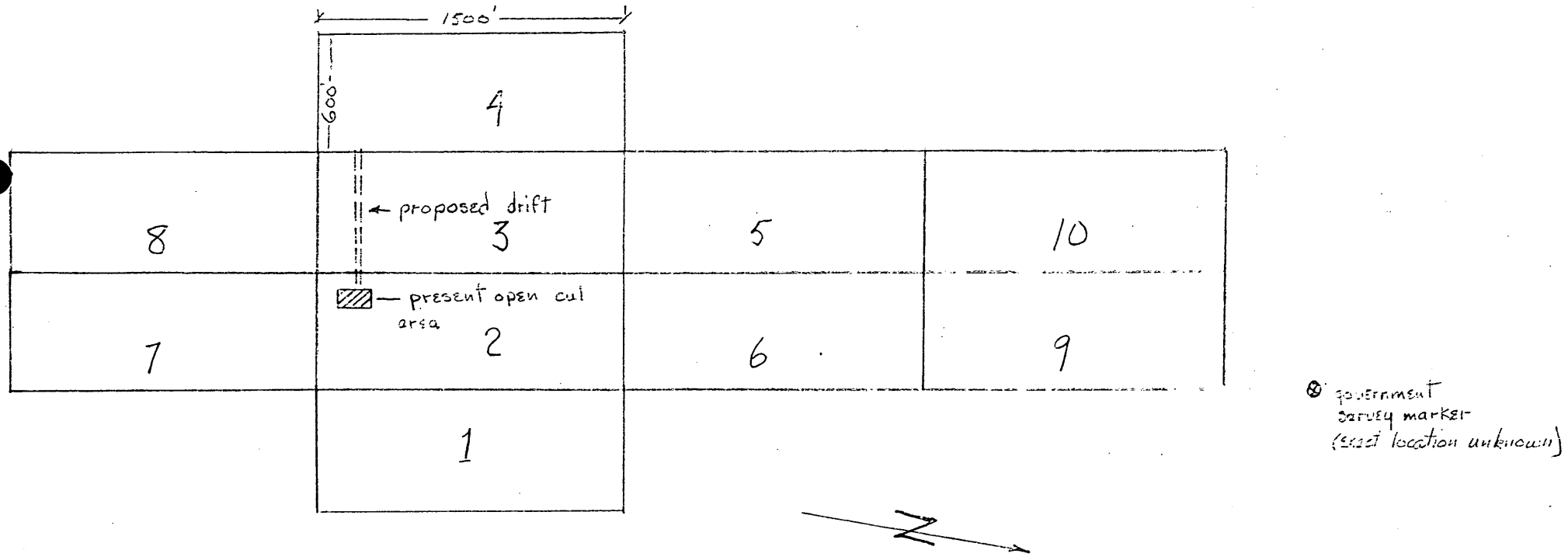
Folders No. _____: Royalty Material

72195-65



Proposed Drift
Silvercrest Mine
Madison County, Montana

letter 10/3/67



Beaverhead Claims #1—10
Silvercrest Mines
Madison County Montana

cascade northern company

telephone west 5-4165 post office box 6692 seattle 16, washington

TO WHOM IT MAY CONCERN:

In consideration of the sum of ~~$[illegible]~~ 1,472.00 to pay fuel bills, we the undersigned, hereby grant to Cascade Northern Co. for a period of 90 days, an option to lease the Silver Crest mining claims in return for 25% of the net profits.
ON OWN 75% OF CLAIMS
It is understood & agreed that during this option period, Cascade Northern Co. will pay the authorized operating expenses, that the undersigned will be furnished an accounting of the expenses and income and 25% of any net profits earned.

+ 1,368.00 due to pay bills

Frank Ludwick
Frank Ludwick

Perry Blakeley
Perry Blakely

Mel Wessel
Mel Wessel

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
July 18, 1967

OFFICIAL COPY
JUL 1967

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: Transmittal of Application for Assistance (Silver-Copper)
Cascade Northern Company
Silvercrest Mine
Madison County, Montana

Several points regarding this application should be clarified before referral to the field.

1. Apparently the applicant is a partnership composed of Larry Ladum, d.b.a. Cascade Northern Company and Gilbert Reel who together own 75 percent of the claim group by right of purchase, and control the remaining 25 percent by an Assignment of Mining Claims and Agreement dated April 23, 1966.

2. Contrary to the statement at the end of the second paragraph, item 2, Lien and Subordination Agreements executed by the assignors of their 25 percent ownership are applicable.

3. The Assignment in the first paragraph on page 2 mentions an agreement between the parties, a copy of which "is attached hereto." No such copy is attached to the Assignment nor is one included in the application material.

4. No claim map nor any other map or sketch is included although they are mentioned in items 3 and 5.

Some of the costs are difficult to understand, but they can best be handled in the field if a referral is made.

D. R. MacLaren

D. R. MacLaren

Enclosures

MME Form 40
Jan. 65

RECEIVED
JUL 17 1967

Budget Bureau No. 42-R1508
Approval expires Dec. 31, 1968

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

OFFICIAL COPY
O. M. E.
RECEIVED
JUL 20 1967
INITIALS CODE

APPLICATION FOR FINANCIAL ASSISTANCE IN MINERALS EXPLORATION

Pursuant to Public Law 85–701 (72 Stat. 700; 30 U.S.C. 641)

NAME OF APPLICANT *(Full legal name and mailing address as they should appear on contract if one is executed.)*

Cascade Northern Company
75 A Marion Street Viaduct
Seattle, Washington 98104

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER 6642

DATE RECEIVED 7.20.67

REGION I

DIVISION CODE

BUSINESS ORGANIZATION *(Check one)*

INDIVIDUAL	
CORPORATION	
PARTNERSHIP	X
OTHER *(Specify)*	

STATE IN WHICH FIRM IS ORGANIZED Washington

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE

MINERAL(S) FOR WHICH YOU WISH TO EXPLORE
Silver - copper

ESTIMATED COST OF PROJECT
$ 23,944 basic - alternate $87,561.

PROPERTY NAME	LOCATION COUNTY	STATE
Silvercrest	Madison	Montana

GENERAL INSTRUCTIONS

Before filling out this application, please read the *OME Regulations for Obtaining Federal Assistance in Financing Explorations for Mineral Reserves* (30 CFR Chap. III). To assure prompt action, your application must provide all applicable material and information specified on the back of this application form. Avoid unnecessary correspondence and delays by submitting complete and accurate information. *Please submit two copies of this application and all accompanying papers* except as otherwise noted. Place your name and address on each sheet. Each item of information, maps, and reports required as a part of this application is described on the back of this form. Identify each attached statement by the item number to which it applies. If an item does not apply to your application, show the item number on your statement and after it write "not applicable." Maps or sketches should be used to supplement narrative descriptions of the property location and boundaries in item 2, existing mine workings and geology in item 3, and the proposed exploration work in item 5. When this information is not too complex, all of it may be shown on one map or sketch. All documents and other attachments submitted as a part of this application, except those in item 3(g) which you mark to be returned, become the property of the Government and will not be returned to the applicant. Send true copies, *not originals*, of leases, contracts, and other documents which are an essential part of your business records. *File this application with the Office of Minerals Exploration, Department of the Interior,* ~~Washington 25, D. C. or with the nearest OME Field Office.~~ Washington, D. C., 20242, or with the nearest OME Field Office.

CERTIFICATION

The undersigned, whether as an individual, corporate officer, partner, or otherwise, both in his own behalf and acting for the applicant, certifies that the information set forth in this form and accompanying papers is correct and complete, to the best of his knowledge and belief, and that he would not ordinarily undertake the proposed exploration under current conditions and circumstances at his sole expense.

14 July 1967
DATED

Larry Ladum
BY *(Signature)* Larry Ladum

Partner
TITLE

A wilfully false statement or certification to any Department or Agency of the United States Government is a criminal offense. U. S. Code, Title 18, Sec. 1001.

INFORMATION REQUIRED WITH THIS APPLICATION

1. Financial Eligibility:

(a) Submit evidence of efforts made within 90 days preceding the filing of this application to obtain credit from your bank of account and at least one other banking institution or other private source of credit. Such evidence shall include true copies of correspondence which show: (1) date of loan request, (2) amount and terms requested, (3) proposed use of loan funds, and (4) the replies from credit sources. If the loan was offered under terms which you consider unreasonable, state why you consider them so.

(b) List names and addresses of affiliated, parent, or controlling companies or organizations and state extent and nature of their interest.

(c) State how you propose to furnish your share of the cost of the exploration work.

2. Applicant's Rights in Land:

(a) State your interest in the land and mineral rights, whether owner, lessee, purchaser under contract, or other. If you are not the owner, submit one true copy of the lease, contract, or other document (with address of owner) under which you control the property. Describe all liens, mortgages, or other encumbrances on the land and state book and page number and official place where recorded.

(b) State the legal description (section, township, and range; metes and bounds; patent number of claims) of the land upon which you wish to explore and all adjacent land which you own or control. Describe any part of the land or workings which should not be subject to Government royalty and liens. If the land consists of unpatented claims, state book and page number for each recorded location notice, including amended locations, and official place where recorded. State all the names by which you know the property.

(c) For all land or mineral rights encumbered or not owned, submit five copies of Lien and Subordination Agreements on MME Form 52. If the agreements cannot be obtained, state reasons and provide copies of letters of refusal.

3. Physical Description:

(a) Describe in detail and illustrate with maps or sketches all mining or exploration operations which you know have been or are being conducted upon the land. Include existing mine workings and all production facilities.

(b) State your interest, if any, in operations described in (a).

(c) State, if you know, the past and current production, supporting your statement with copies of settlement sheets, mine records, or published data if available.

(d) Describe known ore reserves, giving quantities and grades and sampling methods used. Support your statement with copies of assay certificates and assay maps if available.

(e) Describe by narrative and maps or sketches the geologic features of the property, including ore minerals, geologic formations if known, and type of deposit (vein, bedded, etc.).

(f) State your reasons for expecting to find ore, and if you have sampled the area you propose to explore, show where the samples were taken, describe sampling methods used, and provide copies of assay certificates.

(g) Send with your application at least *two* copies of all geologic or engineering reports, assay maps, or technologic information which you have, indicating whether you require their return.

4. Accessibility of Property:

(a) To aid the OME representative who may examine the property, state name and address of person who will meet him; give directions for reaching the property; and describe accessibility of property and of any mine workings.

(b) Name the shipping and supply points and state the distances to the property.

5. Exploration Work:

(a) Describe fully the proposed exploration work giving individual footages and sizes of openings *for each item of work.* Use narrative, maps, plans, and sections as necessary. Show location of the proposed work as related to geologic features such as veins, ore-bearing beds, contacts of rock formations, etc. Show also the relation of the proposed work to any existing mine workings and to *land boundaries* or to the closest identifiable corner.

(b) If an access road must be built, show the proposed location on the property map and state the length, type and construction methods proposed.

(c) If an OME contract is executed, state how soon thereafter work would be started and finished. State your anticipated average daily or monthly rate of progress for each type of work.

6. Experience:

State your operating experience and background to conduct this exploration work and also that of the person who will supervise the work.

7. Estimate of Costs:

Furnish detailed estimates of the necessary costs *for each item of the work proposed in 5(a)* under the headings listed below with a total for each heading and the estimated total cost of the work. Costs for any work to be performed by an independent contractor should be listed separately under category (a) below. Costs for any work that is not to be performed by an independent contractor should be listed under categories (b) through (g).

(a) Independent contracts. State the total cost of any proposed independent contract for all or any part of the work, and the number of units and the unit cost for each type of work, such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, or per cubic yard of material moved. Cost estimates should be supported by bids from three contractors if possible. (*Note*—If none of the work is to be contracted, write "none" after this item.)

(b) Personal services. The cost of supervision, engineering and geological services, outside consultants, and labor should be itemized by numbers and classes of employees; rates of wages, salaries or fees; and periods of employment. State whether these services are available.

(c) Operating materials and supplies. List items of material and supplies giving quantity and cost of each. Include under this heading power, water, and fuel, and units of equipment and tools costing less than $50 each.

(d) Operating equipment. List items of equipment and tools costing $50 or more per unit. Give specifications and indicate how each item is to be acquired—i.e., rented, purchased or provided by the applicant. If rented or purchased, state the estimated rental or purchase price. If furnished by the applicant, state condition and present fair market value.

(e) Initial rehabilitation and repairs. Describe the type and the cost of *initial* rehabilitation or repair of existing buildings, fixtures, installations (exclusive of mine workings), and movable operating equipment now owned by the applicant which will be used in the exploration work.

(f) New buildings, fixtures, installations. Describe each building, fixed improvement, and installation to be purchased, constructed, or installed for the exploration work, stating specifications and cost including labor, materials, and supervision.

(g) Miscellaneous. Describe the type and estimate the cost of repairs and maintenance of the operating equipment listed in 7(d). Do not repeat initial repairs listed in 7(e). Show also the costs of analytical work, accounting, workmen's compensation and employees' liability insurance, payroll taxes, and other required costs that do not fall within the previous categories. [*Note*—The Government will not contribute to costs incurred before the date of the contract, or to costs of or incident to: (1) acquiring, using, or possessing land and any existing improvements, facilities, buildings, installations, and appurtenances, or the depreciation and depletion thereof; (2) general overhead, corporate management, interest and taxes (other than payroll and sales taxes); (3) insurance (other than employees' liability insurance); and (4) damages to persons or property (other than authorized repair to or replacement of equipment or other property used in the work).]

CASCADE NORTHERN COMPANY

75A Marion Street Viaduct
Seattle, Washington 98104
MAin 3-3384

July 14, 1967

U.S. Department of the Interior
Office of Minerals Exploration
South 157 Howard Street
Spokane, Washington 99204

Re: Application for Financial Assistance in Minerals Exploration for the Silvercrest Mine, Alder, Montana

Gentlemen:

The following information is submitted to supplement MME form 40.

1. Financial eligibility
   a. True copies of correspondence with two banking institutions are enclosed which indicate efforts to obtain credit for the exploration work.
   b. There are no affiliated, parent or controlling companies.
   c. We propose to furnish our share of the cost of the exploration work by establishing a separate bank account.

2. Applicant's rights in land:
   a. On April 23, 1966, we purchased 75% of the mineral claims from the former owners. There are no liens, mortgages or emcumbrances on the land. ?
   b. The legal description of the claims is fully described in the accompanying "Assignment of Mining Claims and Agreement". The claims are Snowdrift #1 thru #10 in the Blacktail Mining District. The property is known to us as the Silvercrest Mine or Snowdrift claims. copy & L & S agreement

   All of the land would be subject to government lien and royalty. The claims are recorded in Book 220, Page 29 (34574) in the Madison County Courthouse, Virginia City, Montana.
   c. Lien & Subordination Agreements (Form MME 52) are not applicable.

map ?

CASCADE NORTHERN COMPANY

75A Marion Street Viaduct
Seattle, Washington 98104
MAin 3-3384

3. Physical Description:
   a. Mining and exploration work that has taken place is as follows:
      1. The first operations were reportedly carried out by a Mr. Olson in the early part of the century and later in the 1940's by a Mr. Johnson. A shaft was dug which is still in existence, in the location shown on the enclosed sketch, as a result of these operations.
      2. In 1965, Frank Ludwig, one of the three claimants, bulldozed and excavated from the surface two railcars of ore which were shipped to the Anaconda Co.
      3. In September and October of 1966, we bulldozed along the vein as shown on the enclosed sketch. No ore was shipped at this time as it was primarily exploratory to test the feasibility of open cut mining.
   b. We were responsible only for the last operation (3 above)
   c. The past production has been as follows:
      1. Production by Olson & Johnson - unknown.
      2. Production by Ludwig - a copy of the settlement sheet is enclosed.
      3. None
   d. The ore reserves, estimated quantities and grades are described in the enclosed geologic report of E.E. Scheitlin. Assay certificates are enclosed.
   e. For geologic features, ore minerals and formations and type of deposit, see attached report.
   f. Our reasons for expecting to find ore are (1) the ore vein is on the surface, (2) previous production and (3) advice of geologists along with our own observations.
   g. Two copies of geologic reports are enclosed. They do not need to be returned.

4. Accessibility of Property:
   a. The name and address of persons to contact to show OME represenative the property are:

Gilbert Reel	75 A Marion Street Viaduct
or Larry Ladum	Seattle 98104
	MAin 3-3384

   b. The shipping and supply points is Alder, Montana which is approximately 40 miles by road from the mine.

CASCADE NORTHERN COMPANY

75A Marion Street Viaduct
Seattle, Washington 98104
MAin 3-3384

5. Exploration Work:
   a. The proposed exploration work involves driving a crosscut (as per enclosed sketch) approximately 600 ft. from the west side of Olson's Peak which would intersect the vein some 400 ft. below the surface outcropping. The work would require a short road for access.

   If the ore body develops as anticipated, we would like to drive a 500 ft. shaft to explore the extent of the vein. We would also like to continue the open cut work that was started last year (1966).
   b. The location of the access road is shown on the enclosed map. The type of roadwork required would be largely bulldozing and grading.
   c. If an OME contract is executed, we would anticipate starting within 30 days and completing the crosscut and open cut within 4 months after starting.

6. Experience:
   Mr. Gilbert Reel who is one of the partners, has had previous experience in all phases of mining in the Wallace - Kellog area. We have 4 experienced hard rock miners who have expressed a willingness to do the work. Mr. Ed Scheitlin and a retired geologist for the Anaconda Co. who lives near Alder will act as consultants.

7. Estimate of Costs - attached

Cordially yours,

Larry Ladum

Encl.
LL/jj

CASCADE NORTHERN COMPANY

75A Marion Street Viaduct
Seattle, Washington 98104
MAin 3-3384

July 14, 1967

7. Estimate of Costs:

a. Independent contracts - not anticipated		
b. Personal services:		
Miners 300 shifts @ $25.67 / shift		7701.
Supervision $40 day x 80 days		3200.
Consultants 5 days @ $100		500.
		11401.
c. Operating materials		
Gasoline	460.	
Shovels - picks	40.	
Misc. tools	50.	
		550.
d. Operating Equipment		
Air pipe	350.	
Rail	1260.	
Ties	262.	
Fish plates, bolts, spikes	197.	
Dynamite	660.	
Electric caps	537.	
Drill steel & bits	620.	
Rentals:		
Compressor 4 month @ 500	2000.	
Jack leg 4 " 160	640.	
Air hose 4 " 98	392.	
Car & motor 4 " 500	2000.	
Mucking machine 4 month @ 350	1400.	
		10318.
e. Initial rehabilitation - none		
f. New Buildings		
Tool shack 10 x 14 ft.		287.
g. Miscellaneous		
Build road to mine portal	720.	
Level work area	360.	
Collar portal & timber	308.	
		1388.
Total est. cost for crosscut		$23,944.00

6

$39.91/ft

CASCADE NORTHERN COMPANY

75A Marion Street Viaduct
Seattle, Washington 98104
MAin 3-3384

July 14, 1967

Cost Estimate for Open Cut exploration for 2 months:

D-9 cat	6000.	
Compressor	1000.	
" gas	300.	
Drill steel & bits	125.	
Hammer rental	100.	
Dynamite & caps	500.	
Wages	3050.	
Total for Open Cut		$11,075

Cost estimate for a 500 ft. shaft if applicable

Labor 1.5 ft shift 3 men 61.60 l.f.	30,800.
Hoist	6,000.
Timber	400.
Pipe	310.
Track & Accessories	1,350.
Compressor	2,500.
Hammer	800.
Steel & bits	250.
Motor & car rental	2,500.
Mucking machine rental	1,750.
Dynamite	1,250.
Caps	1,132.
Dump for skip	3,500.
Total for shaft	$52,542.

105.08/ft

CASCADE NORTHERN COMPANY

75A Marion Street Viaduct
Seattle, Washington 98104
MAin 3-3384

May 16, 1967

Great Western National Bank
P.O. Box 1191
Portland, Oregon

Gentlemen:

We have a silver mine near Alder, Montana on which we intend to do some exploration and developement work this summer.

We would like to inquire as to the possiblity of obtaining a loan for a portion of the developement work. The cost of the work has been estimated at approximately $65,000 and we would like to borrow about 15% of this amount.

Please advise if you would have any interest in this proposal.

Cordially yours,

Larry Ladum

GREAT WESTERN
NATIONAL BANK

POST OFFICE BOX 1191
PORTLAND, OREGON 97207
TELEPHONE 224-3660

May 24, 1967

Cascade Northern Company
75A Marion Street Viaduct
Seattle, Washington 98104

Gentlemen:

You have requested a development loan for exploration and development work incident to a silver mine operation near Alder, Montana, estimating the cost of the work at about $65,000.00 and your borrowing needs to be about 75% of this amount.

After reviewing this with our Loan Committee, the consensus was that we are unable to help you at this time as the loan is both out of our lending community and more particularly does not fit into our loan portfolio at this time. This happens to be the type of transaction that would be more properly supported by equity capital. NG

Thank you very much for considering us.

Sincerely yours,

JOHN B. OLIN
Vice President

JBO:kb

CASCADE NORTHERN COMPANY

75A Marion Street Viaduct
Seattle, Washington 98104
MAin 3-3384

May 25, 1967

Main Branch
Seattle 1st National Bank
2nd & Cherry
Seattle, Washington

Gentlemen:

We have a silver mine near Alder, Montana on which we intend to do some exploration and developement work this summer.

We would like to inquire as to the possibility of obtaining a loan for a portion of the developement work. The cost of the work has been estimated at approximately $65,000.00 and we would like to borrow 75% of this amount.

Please advise if you have any interest in our proposal or if we can furnish any additional information.

Cordially yours,

Larry Ladum

SEATTLE-FIRST NATIONAL BANK

ESTABLISHED 1870

SEATTLE, WASHINGTON 98124

BRIAN J. DUCEY
Assistant Vice President

May 25, 1967

Mr. Larry Ladum, President
Cascade Northern Company
75A Marion Street Viaduct
Seattle, Washington 98104

Dear Mr. Ladum:

You have requested a loan in the approximate amount of $47,000 to assist your company in silver exploration and development of your mining property near Alder, Montana.

Please be advised that we find it necessary to decline this application inasmuch as it has a number of elements of a speculative nature which, from the bank's point of view do not make this a desirable credit.

Sorry we are unable to be of assistance to you in this particular matter but we do appreciate your fine relationship with the bank.

Very truly yours,

B J Ducey

Brian J. Ducey
Assistant Vice President

BJD/w

Letter of Transmittal

Virginia City, Montana
August 21, 1965

Mr. Perry Blakeley,
Virginia City, Montana

Dear Sir:

In compliance with your request of August 4, 1965, I have made a study of the geology and ore deposits of the Silver Crest Mine property. A survey was also made to determine the best means by which the mine could be developed.

The following report relates my findings and recommendations. The survey map has been included at the end of the report.

Sincerely yours,

Edward E. Scheitlin

Edward E. Scheitlin
B. S. Mining Engineering
B. S. Geological Engineering

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General

The Silver Crest Mine holdings consist of 7 unpatented mining claims situated in the Snowy Mountains, Blacktail Mining District, Madison County, Montana. These 7 claims are contiguous in a North-South direction encompassing almost two miles of a strong quartz vein structure which had been extensively prospected in the early days for gold, silver, copper and lead. All of the ore produced in the early days was carried ½ mile by hand to where it could be loaded onto stone boats and dragged to a wagon road 1½ miles lower on the mountain.

Location and Geography

The Silver Crest lode claims are located in the Beaverhead National Forest in the Northwestern portion of Madison County, Montana. They encompass not only the saddle between Olsen's Peak and Sunset Mountain, but also include the entire Eastern flank of Olsen's Peak. This saddle forms the main divide between Robb Creek, which flows into the Ruby River and Blacktail Creek, which flows into the Beaverhead River.

Alder, Montana, the nearest railhead, lies exactly 33 airline miles due North of the property while Dillon, Montana, is exactly 34 airline miles Northwest of the mine. The present mine workings are approximately 40 miles by road from Alder.

The present mine development program is being carried on near the center of the saddle. The area is very rugged with the mountain sloping off in both directions at approximately 35°. The elevation of the saddle is 10,100 feet above sea level.

Climate, Roads and Facilities

The region near the mine has between 20 and 25 inches of annual precipitation with most of the moisture occurring as snow and rain during the months of February through June. There are frequent storms during these months and most of these storms are accompanied by high winds. The climate is classified as temperate to cold, with maximum temperatures of 80° in the summer and minimum temperatures of 35° below zero in the winter. Low winter temperatures are usually accompanied by dry and moderately calm atmosphere which is not detrimental to mining.

Since the present mine operations in the saddle are much higher than most of the surrounding terrain, they are entirely at the mercy of the elements and in the best years, could only be worked 6 months. The site of the proposed crosscut, on the other hand, is almost 600 feet below the crest of the saddle in a deep bowl and would be well protected from the weather and would insure year round operations.

The nearest shipping point for crude ore is at the Northern Pacific railhead at Alder, Montana. A preferential rail rate of $2.70 per ton for silica ore has been established for all ore shipped from Alder to the smelter at Anaconda, Montana, a distance of 102 miles. A 'local' train services the area twice a week.

The mine is approximately 40 miles from Alder by dirt and gravel roads. Of this distance, 23 miles are county roads, and as such, are maintained by the county. The remaining roads would be strictly private and would have to be maintained by the mine operator. Of the remaining road, 15 miles are in a rolling prairie country and would require very little maintainence. The last two miles of road to the present operations in the saddle is very steep and a four-wheel-drive road and would have to be extensively rebuilt before any amount of ore

could be hauled over it, and even then it could be used only 4 or 5 months a year for ore haulage. On the other hand, the road to the site of the proposed crosscut would be a 'water grade' road and could easily be kept operational year round.

No timber exists on the property but much nut pine and spruce can be found within a mile radius. The nut pine is well suited for mine timber and has been used extensively for mine support in this area. A great deal of timber will not be required for the proposed operations.

No water is available for mine operations or exploration drilling near the saddle, and would have to be hauled approximately 2 miles from the nearest creek. There is sufficient water at the proposed site of the crosscut for both mining and camp purposes.

No electric power or telephone services are available in the area, the closest line being nearly 21 miles away. Communications would have to be through a tie-in with the present short wave radio stations now operating in the area, while all power requirements would have to be supplied by gasoline or diesel engines. There are two oil bulk plants at Alder and no extra charge is made for deliveries of large amounts of fuel.

No custom mills for ore treatment are located in the immediate area. An excellent mill site lies less than a mile below the adit campsite and more than sufficient water is available for milling purposes at that site. Concentrates may be shipped to either the smelter at Anaconda or the smelter at East Helena.

The high silica content of the ore is very desirable for flux ore at the Anaconda smelter, where they will process the ore at no cost and somtimes even pay a silica bonus for very high grade silica ores.

Geology

The Silver Crest vein is actually a thick (24 foot wide) bed of the Permian Phosphoria formation that has been tilted up from its normal horizontal position by forces deep within the earth. The Horizontal axis of the vein is along a North-South direction. Near the surface, the vein dips 41° to the West, but flattens out to a dip of 36° at a depth of 200 feet. This flattening of dip probably continues with depths, as the sedimentary beds a few miles to the West are essentially horizontal.

The chert formation was badly broken up by the forces that caused the upthrust. Some strike faulting and high angle cross faulting also added to the brecciation of the chert. The cracks left in the quartz by these processes were later filled with iron, copper, lead, silver and gold.

It must be noted here that the iron mineralization, along with the silver and gold, is quite uniform over the entire length of the vein, while the copper mineralization confines itself to the area of the saddle on the South end of the vein, while the lead is concentrated on the North end. The silver and gold values are more or less uniform over the entire length of the vein and vary from $4.00 per ton to $12.00 per ton.

The commercial ore zones found in the vein are directly related to the amount of brecciation of the chert, which provided passageway and room for the later mineralization. The amount of brecciation needed for an ore zone seems to have been determined by the closeness of the high angle cross faults. The cross faults do not usually offset the vein more than a few inches. The greatest displacement noted was 4 feet. Chert is very brittle and does not require a great deal of movement or pressure to fracture it.

Present mining efforts are concentrated wholly on the copper mineralization in the saddle. Here, the vein has been stripped by a bulldozer for a distance of over 300 feet and the copper mineralization can be found for most of that distance. A shaft was sunk an incline distance of 200 feet by Mr. Olsen, and gives a good idea of the vein structure.

On the surface the vein was relatively barren, assaying 1½% copper. At a depth of only 8 feet, and over a width of 5 feet along the North endline of the shaft, a channel sample assayed 8.3% copper, 1.6 ounces of silver and 0.14 ounces of gold. The mineralization extended into both the hanging wall and the footwall of the shaft at this point. The copper mineralization seemed to maintain this grade to a depth of 30 feet where the values began to diminish. Minimum mining grade was reached at a depth of 47 feet on the North end line of the shaft and at 54 feet on the South end line. This indicates the ore zone plunges 49° to the South, and that the incline shaft was sunk through the ore zone into the lower grade ore. A raise at the 47 foot level showed the vein structure to be 24 feet wide at that point.

The predominant copper minerals found near the surface are all secondary in origin and consist of azurite, malachite, chrisacola and tenorite. Primary copper minnerals were found in the shaft and consist chiefly of chalcocite, copperous pyrite and minor tetrahedrite. The ore analysis taken indicates to date 6% grade of ore can be mined from the secondary enriched zone near surface. The mining grade would probably drop to 4% copper as the primary ore is reached with depth. The surface exposures indicate the ore body to average 7 feet wide and to be at least 250 feet long.

It has been reported that Mr. Olsen, the original locator of the property, shipped some extremely high grade gold ore from this property. Mr. Johnson also

shipped some fabulously high grade gold from the No. 2 incline shaft in 1948, but though the structure and conditions do exist for high grade gold ore, none was found at this time.

Conclusions and Recommendations

The Silver Crest Mine contains a substantial tonnage of enriched copper ore near the surface with an expected mining grade of between $35.00 and $40.00 per ton, and a huge tonnage of primary ore at greater depth which should assay close to $20.00 per ton. However, because of the location of the present mining operations in the saddle, mining and haulage costs would be very high which would result in a lower per ton profit.

With all the handicaps of the present location in mind, a survey was conducted to determine the most feasible and profitable method by which the mine property could be developed and the ore mined. The results of the survey indicate the ore body could best be developed through a short crosscut. The benefits gained by this development could easily cut the mining and haulage costs by as much as 60%.

This crosscut would be driven from the West side of the saddle between Sunset Mountain and Olsen's Peak and would intersect the vein 403 vertical feet below its surface outcrop. The crosscut would be approximately 465 feet long or possibly somewhat less if the vein continues to flatten. Almost 75 feet of this distance could be driven with a front end loader, greatly reducing the overall costs. The crosscut would intersect the vein 56 feet North of the projected ore zone. The incline distance along the dip of the vein to surface would be 672 feet. The indicated ore above the crosscut would be in excess of 100,000 tons if the ore body maintains the present dimensions found on the surface.

It would be necessary to build roughly 2 miles of new road to reach the portal site of the crosscut. This road would have no grades in excess of 2% and would be an all weather road. An excellent camp site is availabe near the portal and sufficient water is available for both the mine and camp. The portal and camp site would be completely surrounded by high mountain ridges which would protect them from the elements.

The cost of the entire project should not exceed $20,000.00 and would convert the property from a short lived marginal operation to a profitable operation of long duration.

181-P-15645—5M—11-2-64

The Anaconda Company, Anaconda Sampler

RECEIVED FROM Frank Ludwick

ADDRESS Box 178 - Alder, Montana

MINE Silver Crest Ore

ANACONDA, MONTANA, 59711
October 22, 1965

SMELTER LOT B-312 (October a/c)

CAR NUMBER	WEIGHTS Pounds Gross	WEIGHTS Per Cent Water	WEIGHTS Pounds Dry	ASSAYS Per Cent Copper	ASSAYS Ounces Silver	ASSAYS Ounces Gold	TREATMENT CHARGE Dollars	PRICE PER TON Dollars	VALUE Dollars	Draft No.
MP ~~50644~~	111,200	2.77	103,120	2.0	.25	.002		10.13	$ 547.63	
MP By Freight									150.12	
									$ 397.51	

SILICA	82.1
ALUMINA	1.2
IRON	4.7
CaO	.9

COPY

PAYMENT FOR METALS

Copper	Loss .5%	@ 35.600¢	Less 3½c	9.63
Silver	100%	@ 112.854¢	~~Less 6c~~	.28
Gold	100%	@ $ 31.81825		.06
~~Silica~~				~~.16~~

Date of Quotations 10/ 8/65

TREATMENT

BASE

Add—12c for each 1% Iron

Add—10% of sum of metal payments in excess of $15.00

Deduct—2.5c for each 1% Silica in excess of Alumina _____

NET TREATMENT - - - - - - - - - - _____

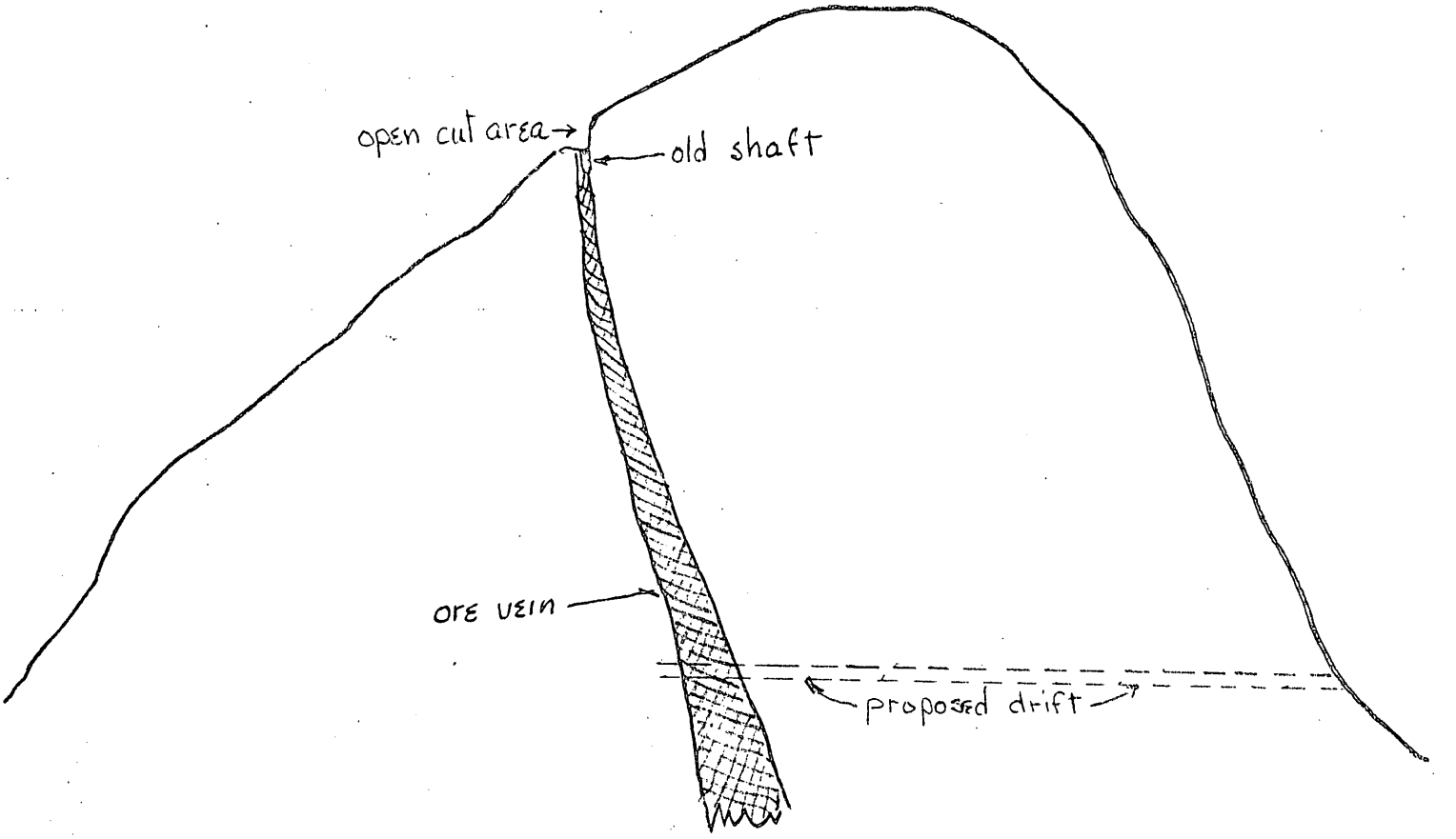
An extra charge of $5.00 made for sampling all lots under ten tons.

Rates subject to change without notice.

Extensions and footings correct.

The Anaconda Co., Anaconda Sampler

By [signature]



Proposed Drift
Silvercrest Mine Alder Montana

ASSAYERS • CHEMISTS
SPECTROGRAPHIC ANALYSIS

PHYSICAL AND
NON-DESTRUCTIVE TESTING

INLAND ANALYTICAL LABORATORIES, INC.

PHONE KE 5-3021
NORTH 314 HOGAN STREET
TERMINAL ANNEX BOX 2967
SPOKANE, WASH. 99220

Report to Cascade Northern Company
75A Marion Street Viaduct
Seattle, Washington 98104

Date March 28, 1967

Lab. No. B 0980

A report on four (4) samples for analysis.

	GOLD	SILVER	COPPER	LEAD
SAMPLE #1	trace	4.0	----	79.6%
SAMPLE #2	trace	1.5	8.23%	----
SAMPLE #3	0.03	130.0	5.93%	----
SAMPLE #4	trace	1.5	17.40%	----

INLAND ANALYTICAL LABORATORIES, INC.

BY Fred Townsend
FRED TOWNSEND

35479

INDEXED JW
PLATTED JV

ASSIGNMENT OF MINING CLAIMS AND AGREEMENT

THIS ASSIGNMENT AND AGREEMENT is made and entered into between the parties hereto this 23 day of April, 1966.

WHEREAS:

LARRY LADUM, doing business as CASCADE NORTHERN COMPANY, has paid certain obligations at the request of FRANK LUDWICK, PERRY BLAKELY and MEL WESSEL (hereinafter referred to as "Assignors"); and

LARRY LADUM, d/b/a CASCADE NORTHERN COMPANY, and GILBERT REEL (hereinafter referred to as "Assignees") desire to operate the mining claims set forth herein, now therefore,

IT IS HEREBY AGREED AS FOLLOWS:

First: Assignors, FRANK LUDWICK, PERRY BLAKELY and MEL WESSEL, do hereb assign, grant and convey to Assignees, LARRY LADUM, d/b/a CASCADE NORTHERN COMPANY, and GILBERT REEL, the mining claims known as the "Silver Crest" mining claims, legally described as follows:

Snowdrift #1 Blacktail Mining District Section 18 Township 11 So Range 4 West

Snowdrift #2 Blacktail Mining District Section 18 Township 11 So Range 4 West

Snowdrift #3 Blacktail Mining District Section 19 Township 11 So Range 4 West

Snowdrift #4 Blacktail Mining District Section 19 Township 11 So Range 4 West

Snowdrift #5 Blacktail Mining District Section 19 Township 11 So Range 4 West

Snowdrift #6 Blacktail Mining District Township 11 So Range 4 West Section 19

Snowdrift #7 Blacktail Mining District Section 19 Township 11 So Range 4 West

Snowdrift #8 Blacktail Mining District Section 19 Township 11 So Range 4 West

Snowdrift #9 Blacktail Mining District Section 19 Township 11 So Range 4 West

Snowdrift #10 Blacktail Mining District Section 19 Township 11 So Range 4 West

Second: It is understood and agreed that the agreement entered into by the parties is part of the consideration of this agreement; a copy of said agreement is attached hereto.

Third: In consideration of said assignment, Assignees do hereby convey to Assignors an undivided one-fourth (1/4) interest in the mining claims described above.

Fourth: It is hereby agreed that distribution of profits will be made seventy-five per cent (75%) to LARRY LADUM and GILBERT REEL; twenty-five per cent (25%) to Assignors.

Fifth: It is further agreed that an accounting will be furnished at mutually agreed intervals by LARRY LADUM and GILBERT REEL and that LARRY LADUM and GILBERT REEL will control and manage the mining operation.

Frank Ludwick
FRANK LUDWICK

Perry B Lakely
PERRY BLAKELY

Mel Wessel
MEL WESSEL

ASSIGNORS

Larry Ladum
LARRY LADUM, d/b/a CASCADE NORTHERN COMPANY

Gilbert Reel
GILBERT REEL

ASSIGNEES

STATE OF MONTANA)
) ss.
COUNTY OF Madison)

On this day personally appeared before me FRANK LUDWICK, PERRY BLAKELY and MEL WESSEL, to me known to be the individuals described in and who executed the within and foregoing instrument, and acknowledged that they signed the same as their free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 23rd day of April, 1966.

Minnie Kitson
NOTARY PUBLIC in and for the State of Montana, residing at Alder

NOTARY PUBLIC for the State of Montana
Residing at Alder, Montana
My Commission Expires October 3, 1967

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this day personally appeared before me LARRY LADUM, d/b/a CASCADE NORTHERN COMPANY, and GILBERT REEL, to me known to be the individuals described in and who executed the within and foregoing instrument, and acknowledged that they signed the same as their free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 6th day of May, 1966.

NOTARY PUBLIC in and for the State of Washington, residing at Seattle.

OFFICIAL
COPY
O. M. E.
RECEIVED
JUL 20 1967

INITIALS	CODE

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
8/12/69	Peterson	120
		120
		220
		120M

AUG 12 1969

AIRMAIL

Mr. Larry Ladum
Cascade Northern Company
75A Marion Street Viaduct
Seattle, Washington 98104

Re: OME-6642 (Silver-Copper)
Cascade Northern Company
Silvercrest Mine
Madison County, Montana

Dear Mr. Ladum:

Thank you for your letter of August 7 advising us of your decision to withdraw the subject application. Accordingly, we are considering the application as having been withdrawn and are placing it in our inactive files.

If you wish to reopen this case at any time in the future, you may do so by filing a new application, referring to this OME docket number, and furnishing the information pertinent to your new proposal. This information should include new bank letters dated within 90 days of filing the new application, but need not repeat data already submitted.

Sincerely yours,

Harold Kirkemo (bsl)

Harold Kirkemo, Chief
Office of Minerals Exploration

cc: Director's Reading File
Mineral Resources File
OME Docket
OME Reading File
Region IV
Mr. Peterson

ECPeterson/bsl 8/12/69

MME FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS EXPLORATION

	DATE	INITIALS
TO: Chief, OME	8/ 8/69	
1.		
Re: OME-6642 (Silver-Copper)		
2. Cascade Northern Company		
Silvercrest Mine		
3. Madison County, Montana		
4.		
5. Willard P. Puffett		
FROM: Field Officer, OME, Region I		

FOR: Check items for action desired

X Action ____ Reply for signature of ____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions ____ Your information

REMARKS: Attached is a copy of a letter dated 8/ 7/69 from Larry Ladum, one of the partners of the above-cited company, requesting that the application be withdrawn.

DUP. SEC., WASH., D.C. M56300-62

WMP

CASCADE NORTHERN COMPANY

75A Marion Street Viaduct
Seattle, Washington 98104
MAin 3-3384

Aug. 7, 1969

CENTRAL COPY
O. M. E.
RECEIVED
AUG 11 1969

INITIALS	CODE
HR	120
bal	120
✓	120
	120

U.S. Dept of the Interior
Geological Survey
Rm 656 U.S. Court House
Spokane, Wash.

Re: OME-6642
Silvercrest Mine
Madison County, Montana

Attn: Mr. Puffet:

Gentlemen:

Regarding our earlier conversation on the application for the Silvercrest Mine, please withdraw our application.

If the situation changes where you are again in a position to grant loans, I would appreciate your advising me.

Cordially yours,

Larry Ladum

Larry Ladum

RECEIVED
AUG 8 1969
O. M. E.
SPOKANE, WASH.

WPP
2-22-69
Noted
MLS
7/21/69

CASCADE NORTHERN COMPANY

75A Marion Street Viaduct
Seattle, Washington 98104
MAin 3-3384

July 18, 1969

OFFICIAL
COPY
O. M. E.
RECEIVED
JUL 24 1969

INITIALS	CODE
	130
bol	120
HK	120
	120

Geological Survey
U.S. Court House Rm. 656
West 920 Riverside Ave.
Spokane, Wash.

Re: OME-6642 Silvercrest Mine

Gentlemen :

You recently wrote to us about examining our mine and at that time we advised you that it was still snowed in.

It is now open and we would be ready to show you the property at any time after July 28. Please advise if this would be convenient.

Cordially yours,

Larry Ladum

Larry Ladum

PS: I will be out of town until the 28 of July so it would have to be a few days after the 28.

RECEIVED
JUL 21 1969
O. M. E.
SPOKANE, WASH.

OFFICIAL COPY
O. M. E.
RECEIVED
JUN 12 1969

INITIALS	CODE
	130
bal	120
	120
	120

CASCADE NORTHERN COMPANY

75A Marion Street Viaduct
Seattle, Washington 98104
MAin 3-3384

June 9, 1969

Willard E. Puffett
Geological Survey
Rm. 656, U.S. Corut House
Spokane 99201

Re: OME-6642, Silvercrest Mine

Dear Mr. Puffett:

Regarding your letter of June 3, I have checked and found that there is still too much snow to get to the mine. If you would have any advance notice of when your next trip to the area would be, I will check again and see if we could make it to the mine.

Cordially yours,

Larry Ladum

Larry Ladum

RECEIVED
JUN 10 1969
O. M. E.
SPOKANE, WASH.

U.S. Court House, Rm. 656
West 920 Riverside Avenue
Spokane, Washington 99201
June 3, 1969

OFFICIAL
COPY
O. M. E.
RECEIVED
JUN 9 1969

INITIALS	CODE
	~~130~~
gla	120
HK	120
~~[illegible]~~	~~120~~

Mr. Larry Ladum
c/o Cascade Northern Company
75A Marion Street Viaduct
Seattle, Washington 98104

Re: OME-6642 (Silver-Copper)
Cascade Northern Company
Silvercrest Mine
Madison County, Montana

Dear Mr. Ladum:

I am planning to be in the Dillon, Montana area around June 21, 1969. If the snow conditions permit, this would be a convenient time for me to make an examination of the Silvercrest mine. If you learn that the snow is gone from the property and can arrange to be there, I would like to arrange for the examination.

We have not heard from you for several months regarding the application, and it might be that you no longer are interested in further work at your property. If so, please let me know.

Sincerely,

Willard P. Puffett
Field Officer, OME
Region I

WPPuffett:mls

cc: OME

Director's Reading File

U.S. Court House, Rm. 656
West 920 Riverside Avenue
Spokane, Washington 99201
February 26, 1969

OFFICIAL COPY
O. M. E.
RECEIVED
FEB 28 1969
INITIALS | CODE
~~130~~
gla | 120
HK | 120
~~120~~

Mr. Larry Ladum
Cascade Northern Company
75A Marion Street Viaduct
Seattle, Washington 98104

Re: OME-6642 (Silver-Copper)
Cascade Northern Company
Silvercrest Mine
Madison County, Montana

Dear Mr. Ladum:

In order to assure an early examination of the Silvercrest mine during the coming field season, will you please notify this office as soon as the snow is gone and the area is accessible. We will then schedule an inspection as soon as possible.

According to your telephone call last year, there was still a considerable amount of snow as late as the end of May. An attempt to do the job as early as August 16 was again frustrated by snow. If you will keep us informed as to snow and access conditions, we will, if possible, make a special trip during July which seems to be the safest month in that altitude and area.

Sincerely,

D. R. MacLaren
Field Officer, OME
Region I

DRMacLaren:mls

cc: OME

Director's Reading File

MME FORM 6 REFERENCE SLIP

REV. 59 OFFICE OF MINERALS EXPLORATION

	DATE	INITIALS
TO: Chief, OME	8/28/68	
1. Re: OME-6642 (Silver-Copper)		
2. Cascade Northern Company		
Silvercrest Mine		
3. Madison County, Montana		
4.		
5. D. R. MacLaren		
FROM: Fld. Officer, Reg. I		

FOR: Check items for action desired

____ Action ____ Reply for signature of _____ Surname

____ Approval ____ Investigate

____ Comment ____ Recommendations _____ Signature

____ Conference ____ Rewrite _____ File

____ Instructions X Your information

REMARKS:

OFFICE COPY
U. S. G. S.
RECEIVED
AUG 30 1968

INITIALS	CODE
	130
	120
	110
	120

INT.-DUP. SEC., WASH., D.C. M56300-62

CASCADE NORTHERN COMPANY

[illegible] Marion Street
Seattle, Washington [illegible]
MA [illegible]

Aug. 26, 1964

Office of Minerals Exploration
U.S. Court House
Spokane, Wash.

Re: [illegible]
Silverforest Mine

Attn: Mr. Willard Tuffet

Gentlemen:

I wanted to let you know that we did show up for our proposed meeting in Billem on the 16th but that we were late as we had a minor breakdown and we completely overlooked the hours time difference.

The motel manager said that you had waited until 10:30 - we arrived about 11:30. We had tried to call from a town on the way but noone answered. In any case, the snow would have prevented any proper evaluation.

Regarding your call of Aug 26 offering to meet us at the mine if the snow is gone, we are completely unable to make it right now and the way the weather is going here, it still might not be possible to get to the mine.

Possibly it will work out better a little later.

Cordially yours,

(S) Larry [illegible]
Larry [illegible]

AUG 28 1964
[illegible]

ome

GEOLOGICAL SURVEY
U. S. Court House, Rm. 656
W. 920 Riverside Avenue
Spokane, Washington 99201
August 26, 1968

SECOND COPY
AUG 28 1968
INITIALS CODE

Memorandum

To: Files

From: Willard P. Puffett, Geologist

Subject: OME-6642 (Silver and Copper)
Cascade Northern Company
Silvercrest Mine
Madison County, Montana

An examination of the Silvercrest mine was scheduled for Friday, August 16, 1968. On August 14 and 15 there were snowstorms on the Snowcrest Range and, from a lower elevation, it appeared that snow obscured all exposures above about 9,500 feet. The area to be examined is above 10,000 feet, so it was assumed that an examination of the surface would be impossible. The applicant did not contact me at Dillon, Montana, where I had arranged to meet him and I assumed that he had learned about the snow and did not make the trip from his home in Seattle to Dillon.

I attempted to contact Mr. Ladum, the applicant by telephone, on the morning of August 26, 1968, but he was not in his office. I left word with his secretary that should he learn that the property was once again snow free we could schedule an examination very quickly thereafter.

cc: OME

Willard P. Puffett

WPPuffett/mls

Director's Reading File

MME FORM 6 REFERENCE SLIP
REV. 2 OFFICE OF MINERALS EXPLORATION

TO: Chief, OME	DATE	INITIALS
1.	4/10/68	
Re: OME-6642 (Silver-Copper)		
2. Cascade Northern Co.		
Silvercrest Mine		
3. Madison County, Montana		
4.		
5. D. R. MacLaren		
FROM: Field Officer, Reg. I		

FOR: Check items for action desired

____ Action	____ Reply for signature	____ Surname
____ Approval	____ Investigate	____ Signature
____ Comment	____ Recommendations	____ File
____ Conference	____ Rewrite	
____ Instructions	X Your information	

OFFICIAL COPY OF M. E. RECEIVED APR 12 1968

REMARKS:

INITIALS	CODE
	130
	120
	110
EP	120 P

INT.-DUP. SEC., WASH., D.C. M56300-62

CASCADE NORTHERN COMPANY

[illegible]
Seattle [illegible]
[illegible]

April 8, 1968

U.S. Geological Survey
Office of Minerals Exploration
U.S. Court House
Spokane, Wash.

Re: Silvercrest Mine, Alder Montana

Dear Mr. MacLaren:

Regarding your telephone call of this date, I am confident that there would be too much snow at this time to get into the Silvercrest Mine.

I note that you plan another trip in about a month - we will find out about the conditions and it may be clear at that time.

Cordially yours,

Larry Ladum

RECEIVED
APR 9 196[illegible]

GEOLOGICAL SURVEY
U. S. Court House, Rm. 656
W. 920 Riverside Avenue
Spokane, Washington 99201
October 26, 1967

Mr. Larry Ladum
Cascade Northern Company
75 A Marion Street Viaduct
Seattle, Washington 98104

Re: OME-6642 (Silver and Copper)
Cascade Northern Company
Silvercrest Mine
Madison County, Montana

Dear Mr. Ladum:

When I returned from the field October 1, 1967, I had hoped to have cleaned up by about the 10th or 15th of November reports of several application examinations made during that trip and the back log that always piles up when I am away. However, our recent office move necessitated a complete stoppage of all office work for two weeks. As a result, the earliest I can hope to get out in the field again will be about the 27th of November, and I cannot at this time guarantee that; it could possibly be as late as December 5, 1967.

I note in Mr. Scheitlin's report that the saddle between Olsen's Peak and Sunset Mountain is at an altitude of 10,100 feet. In U. S. Geological Survey Bulletin 969-C it is stated that the highest point in the area is 10,605 feet above sea level, at the summit of Hogback Mountain. From the profile in Mr. Scheitlin's report the open cut area is somewhere between these two altitudes.

In view of the above, I doubt that I will be able to visit the property before snow will create a barrier to a proper inspection if not to access. However, you are more familiar with the local weather habit, and will have to decide as to when you should get the D-9 cat out.

I will get in touch with you as soon as I can make a firm commitment. In the event an inspection cannot be made by late November or early December, I will be over as soon as possible after you advise me that snow is gone.

Sincerely yours,
D. R. MacLaren, OME
Region I

DRMacLaren/mls
cc: OME w/cpy incoming

Director's Reading File

CASCADE NORTHERN COMPANY

75A Marion Street Viaduct
Seattle, Washington 98104
MAin 3-3384

Oct. 24, 1967

Mr. D.R. MacLaren
Office of Minerals Exploration
U.S. Courthouse
West 920 Riverside
Spokan, Wash.

Re: OME 6642
Silvercrest Mine

Dear Mr. MacLaren:

The last time that I talked to you, you indicated that you would be busy with moving to your new office but it would be very helpful to us if you would send us a note and advising if you think there is any chance of still getting over to the mine this year.

The reason for this is that we have somewhat of a problem in that we have a D-9 Cat at the mine site and we do not know whether to get it out of there before winter sets in or leave it. A self-addressed, stamped envelope is enclosed for your convenience.

Cordially yours,

/s/ Larry Ladum

Larry Ladum

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
10/10	Peterson	120
10/10/67	Kirkham	120
		110
		220
		120M

OCT 1 0 1967

AIRMAIL

Mr. Larry Ladum
Cascade Northern Company
75 A Marion Street Viaduct
Seattle, Washington 98104

Re: OME-6642 (Silver and Copper)
Cascade Northern Company
Silvercrest Mine
Madison County, Montana

Dear Mr. Ladum:

Thank you for your letter of October 3, 1967, enclosing additional information in support of the subject application for exploration assistance.

We have noted your assurance that Cascade Northern Company would furnish a performance bond covering the Government's share of the costs in event of a contract.

The application is now being referred to Mr. D. R. MacLaren, Field Officer, Region I, Office of Minerals Exploration, U. S. Geological Survey, South 157 Howard Street, Spokane, Washington, 99204.

Mr. MacLaren will contact you if he requires additional information and to arrange for an on-site examination of the property, if necessary.

Sincerely yours,

FRANK E. JOHNSON (FK)

Frank E. Johnson
Chief, Office of
Minerals Exploration

Director's Reading File
Division File
Economic Geology File
OME Docket
OME Reading File
Region I
Mr. Peterson

ECPeterson/bsl 10-10-67

23263

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
10/10	Peterson	120
10/10/67	Williams	120
		110
		220
		120M

OCT 1 0 1967

AIRMAIL

Memorandum

To: Field Officer, Region I

From: Chief, Office of Minerals Exploration

Subject: OME-6642 (Silver and Copper)
Cascade Northern Company
Silvercrest Mine
Madison County, Montana

The subject application is referred to you for further consideration, a field examination if warranted, and recommendations.

The assay data as well as the geological report of August 21, 1965, by Edward Scheitlin indicate that copper is the major eligible metal present rather than silver as theorized by the Applicant in his recent letter.

Please note that in event of a contract the Applicant will furnish a Performance Bond in lieu of Lien and Subordination Agreements.

FRANK E. JOHNSON

Frank E. Johnson

Enclosures

cc: Director's Reading File
Division File
Economic Geology File
OME File
OME Reading File
Mr. Peterson
130

ECPeterson/bl 9/13/67

23263

CASCADE NORTHERN COMPANY

75A Marion Street Viaduct
Seattle, Washington 98104
MAin 3-3384

Oct. 3, 1967

OFFICIAL COPY
O. M. E.
RECEIVED
OCT 6 1967

INITIALS	CODE
gla	130
GK	120 M
~~Jad~~	110
	120 P

Mr. Frank E. Johnson
Office of Minerals Exploration
U.S. Dept. of the Interior
Washington, D.C. 20242

Re: OME-6642
Silvercrest Mine
Madison County, Montana

Dear Mr. Johnson:

In response to your letter of Sept. 28, 1967, we would be willing to furnish a performance bond in lieu of the Lien and Subordination Agreements.

Regarding your letter of July 26, enclosed are the following:

1. Two copies of the agreement entered into between assignees and assignors which is mentioned in the Assignment of Mining Claims.
2. Two copies of the claim map showing relation of present and proposed workings.
3. A Forest Service map showing the access road to the mine. Two of these maps were also delivered to your Spokane office.
4. Two sketches of proposed work.

You have also requested sample and assay data to support our view if we believe that predominantly silver-bearing exploration targets are present on the property. While it is true that the ore shipped and three of the four samples on the assay were predominantly copper, Sample #3 (on the copy sent to you) assayed at 130 ounces of silver. There is a copper vein and a silver vein and we believe that the silver will ultimately constitute a greater share of the ore value than will the copper. We would propose to establish this at the mine with your representative.

Cordially yours,

Larry Ladum

Larry Ladum

Enclosures

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MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
9/28	Peterson	120
9/28/67	Ku-Remo	120
		110
9/28	cae	220
9/28	bff	120M

AIRMAIL

Mr. Larry Ladum
Cascade Northern Company
75 A Marion Street Viaduct
Seattle, Washington 98104

SEP 28 1967

Re: OME-6642 (Silver and Copper)
Cascade Northern Company
Silvercrest Mine
Madison County, Montana

Dear Mr. Ladum:

This will acknowledge receipt of your letter of September 25 informing us that one of the property owners has refused to sign the Lien and Subordination Agreements.

In lieu of these agreements you may furnish a Performance Bond covering the Government's share of the estimated cost of the proposed work. Please inform us whether the Cascade Northern Company would be willing to furnish such a bond in the event of an exploration contract. A standard Performance Bond Form 25 is enclosed for your study.

We shall continue to hold your application until we receive this assurance, and the additional information requested in our letter of July 26, 1967.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

Enclosure

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Reading File
Region I
Mr. Peterson

ECPeterson/bsl 9/28/67

23263

CASCADE NORTHERN COMPANY

75A Marion Street Viaduct
Seattle, Washington 98104
MAin 3-3334

Sept. 25, 1967

OFFICIAL COPY
O. M. E.
RECEIVED
SEP 27 1967
INITIALS | CODE
120
120
110
130

Frank E. Johnson
Office of Mineral Exploration
Dept of the Interior
Washington, D.C.

Re: OME-6642, Silvercrest Mine, Madison County, Montana

Dear Mr. Johnson:

Your letter of Sept 21 requests that we advise you of our plans regarding the application.

In your letter of July 26 you requested Lien & Subordination agreements from the three individuals who had a 25% interest in the mine. We sent the forms to Virginia City, Montana for their signatures and when they were not promptly returned, made a trip over to expedite the execution of the forms. However, one of the individuals is upset because more progress was not made this year and has refused to sign.

We have looked for alternate procedures and in this regard, we are unable to get a letter of refusal from the individual, as provided on MME Form 40.

To answer your inquiry, we would like to continue on with our application except for the above problem. If there is anything else that we can do that would satisfy your requirements, please advise.

Cordially yours,

Larry Ladum

Larry Ladum

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
9/21	Peterson	120
9/21/67	Kirkemo	120
		110
9/21	Cole	220
9/22	Bkt	120M

AIRMAIL

Mr. Larry Ladum
Cascade Northern Company
75 A Marion Street Viaduct
Seattle, Washington 98104

Re: OME-6642 (Silver and Copper)
Cascade Northern Company
Silvercrest Mine
Madison County, Montana

Dear Mr. Ladum:

We have not had a reply to our letter of July 26, 1967. Will you please inform us of your plans regarding the application. If you have decided not to pursue it further, will you please so inform us.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Reading File
Region I
Mr. Peterson

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MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
7/25/67	Peterson	120
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AIRMAIL

JUL 26 1967

Mr. Larry Ladum
Cascade Northern Company
75 A Marion Street Viaduct
Seattle, Washington 98104

Re: OME-6642 (Silver and Copper)
Cascade Northern Company
Silvercrest Mine
Madison County, Montana

Dear Mr. Ladum:

A preliminary review of your application for exploration assistance indicates that additional information and clarification of several items are required before we can continue its processing.

It is not certain from the evidence submitted whether silver may be present on the property in sufficient quantity to qualify for Government assistance at 75 percent of acceptable costs allowed for silver in the event of a contract. Instead, the information suggests that the copper content would constitute a greater share of the ore value and, therefore, Government contribution to allowable costs would be limited to 50 percent. This difference in possible contribution by the Government may influence the total estimated cost of your project proposal because your share would be 50 percent instead of 25 percent as originally estimated.

However, if you believe that predominantly silver-bearing exploration targets are present on your property, you should submit sample and assay data to support this view. Information as to the location of samples taken, how sampled, sample widths, and copies of the assay certificates should be forwarded for our evaluation.

As the minority share owners of the claim group still retain a 25 percent interest in the property, Lien and Subordination Agreements signed by them are required. Six Lien and Subordination Agreements forms (MME Form 52) are enclosed for your possible use. Five executed copies should be returned to this office.

Also, a copy of the agreement entered into between the Assignees and Assignors, which is mentioned in the Assignment of Mining Claims and Agreement document should be forwarded to us.

23263

A claim map showing all of the claims and their relation to present and proposed workings should be furnished. The sketches mentioned under Items 3 and 5 of your narration were not received with the application.

Please note that allowable costs under an OME contract do not include full book value allowances to the operator for his equipment used on a contract. Rather, for each piece of his equipment used the Operator is compensated by allowing depreciation to the extent of 1/60th of the fair market value of the equipment or its book value, whichever is less, for each month used. If the equipment is rented, a fair rental charge per month is allowed.

This request for additional information should not be construed as a commitment by the Government to grant an exploration contract. We shall hold the further processing of your application until the requested data are received.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

Enclosures

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Reading File
OME Region I
Mr. Peterson

ECPeterson/gla 7-25-67

July 20, 1967

Mr. Larry Ladum
Cascade Northern Company
75 A Marion Street Viaduct
Seattle, Washington 98104

Subject: OME-6642

Dear Mr. Ladum:

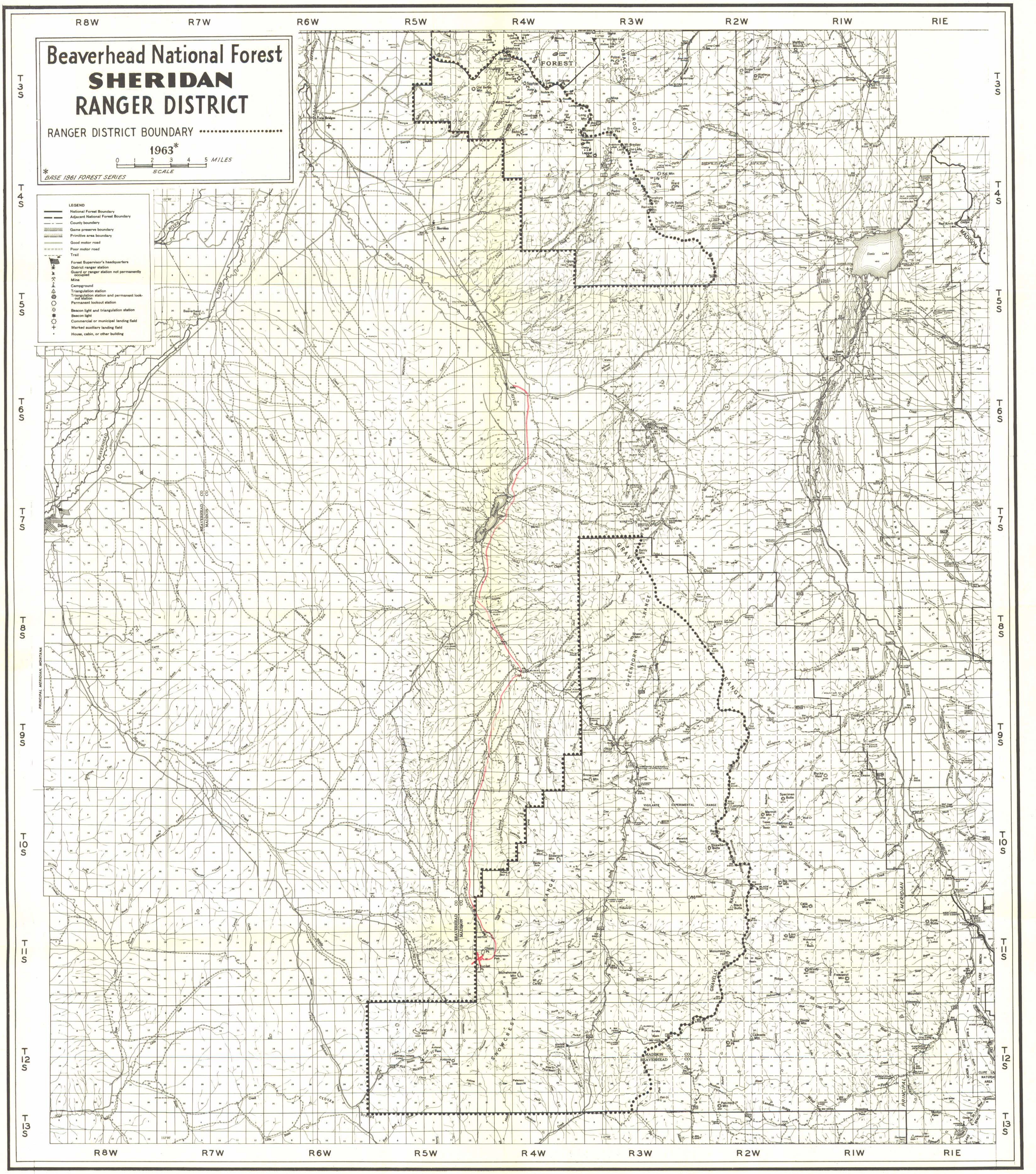
Your application for explorat on assistance, dated July 14, 1967, submitted to our office at Spokane, Washington, has been assigned Docket No. OME-6642.

Please identify all future correspondence relating to your application by this docket number.

Sincerely yours,

Frank E Johnson
Chief, Office of
Minerals Exploration

Copy to Region I


Beaverhead National Forest
SHERIDAN
RANGER DISTRICT
RANGER DISTRICT BOUNDARY
1963*
0 1 2 3 4 5 MILES
SCALE
* BASE 1961 FOREST SERIES
LEGEND
National Forest Boundary
Adjacent National Forest Boundary
County boundary
Game preserve boundary
Primitive area boundary
Good motor road
Poor motor road
Trail
Forest Supervisor's headquarters
District ranger station
Guard or ranger station not permanently occupied
Mine
Campground
Triangulation station
Triangulation station and permanent lookout station
Permanent lookout station
Beacon light and triangulation station
Beacon light
Commercial or municipal landing field
Marked auxiliary landing field
House, cabin, or other building
R8W R7W R6W R5W R4W R3W R2W R1W R1E
T3S T4S T5S T6S T7S T8S T9S T10S T11S T12S T13S
PRINCIPAL MERIDIAN, MONTANA
Twin Bridges
Sheridan
Dillon
Virginia City
Ennis
Ennis Lake
Ruby Reservoir
TOBACCO ROOT
GRAVELLY RANGE
GREENHORN RANGE
SNOWCREST RANGE
VIGILANTE EXPERIMENTAL RANGE
BEAVERHEAD CO
MADISON CO
RUBY RIVER
MADISON RIVER
BEAVERHEAD RIVER
CLIFF LAKE NATURAL AREA