MME Form 9
Rev. Nov. 65

UNITED STATES
DEPARTMENT OF THE INTERIOR
Geological Survey

OFFICIAL DOCKET FILE Contract No. _____ Docket No. 6871

Application
- [ ] Denied
- [ ] Withdrawn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

RECEIVED
JUN 6 1972
O. M. E.
SPOKANE, WASH.

P. O. Box 522
Philipsburg, Montana

June 2, 1972

Mr. Willard P. Puffett
Field Officer, Region I
Office of Minerals Exploration
West 920 Riverside Ave. Room 656
Spokane, Washington, 99201

Dear Mr. Puffett:

Enclosed please find a completed financial statement. As you may wish any questions in regards to the data included in this statement can be referred to the Flint Creek Valley Bank in Philipsburg.

Also enclosed are field notes relating to survey work performed in the area of these claims in the early 1920's. The last work recorded on the Ozark claim was in 1940 by Angus McDonald and a fellow named Berthud. Jerry McKinney, wko originally located these claims and resided on one of them, has been deceased for many years.

It was our understanding from correspondence with the Bureau of Land Management at Missoula that the area involved was subject to location under terms of the federal and state statutes relating to lode claims.

Please advise if you require additional information on either of the above matters.

Sincerely yours,

Norman and Charles Byam

O. M. E. 6871

FEDERAL RESERVE BANK OF MINNEAPOLIS—Form No. CR-6 **INDIVIDUAL**

NAME Charles - Norman Byam

ADDRESS Box 522 Philipsburg, mont.

TYPE OF BUSINESS mining

TO

For the purpose of obtaining loans and discounting paper with you, and otherwise procuring credit from time to time, I furnish the following true and accurate statement of my financial condition. I agree to and will notify you immediately in writing of any materially unfavorable change in my financial condition, and in the absence of such notice or of a new and full written statement, this may be considered as a continuing statement and substantially correct; and it is hereby expressly agreed that upon application for further credit, this statement shall have the same force and effect as if delivered as an original statement of my financial condition at the time such further credit is requested.

FINANCIAL CONDITION AS OF May 30 1922

(Fill all blanks, writing "no" or "none" where necessary to complete information.)

ASSETS

	THOUSANDS	HUNDREDS	CENTS
CASH ON HAND AND IN BANK		500	00
ACCOUNTS RECEIVABLE (less than 90 days old)	1	000	00
NOTES RECEIVABLE (less than 12 months maturity)	9	500	00
INVENTORY—Finished $	3	300	
Unfinished $			
Raw Material $			
INVESTMENTS (Government bonds and listed securities. See schedule.) NONE			
TOTAL CURRENT ASSETS			
REAL ESTATE AND BUILDINGS (Used in business. See schedule)	5	000	00
MACHINERY, EQUIPMENT AND FIXTURES	16	000	00
ACCOUNTS RECEIVABLE OR NOTES RECEIVABLE OTHER THAN ABOVE			
INVESTMENTS (Securities owned other than above. See schedule)			
LIFE INSURANCE: Cash Surrender Value			
PREPAID EXPENSES (Insurance, etc.)			
OTHER REAL ESTATE (See schedule)	1	000	00
TOTAL ASSETS			

LIABILITIES

	THOUSANDS	HUNDREDS	CENTS
NOTES PAYABLE TO BANK	NONE		
NOTES PAYABLE OTHER	NONE		
ACCOUNTS PAYABLE	NONE		
OWING TO RELATIVES, FRIENDS AND EMPLOYEES	NONE		
RESERVED FOR, AND ACCRUED INCOME TAXES	NONE		
RESERVED FOR, AND ACCRUED EXPENSES, OTHER	NONE		
TOTAL CURRENT LIABILITIES	NONE		
MORTGAGES ON REAL ESTATE (Used in Business)	NONE		
MORTGAGES ON OTHER REAL ESTATE	NONE		
RESERVES:			
TOTAL LIABILITIES	NONE		
NET WORTH	26	800	00
TOTAL LIABILITIES AND NET WORTH			

DESCRIBE ANY OF THE ABOVE ASSETS PLEDGED AS COLLATERAL Property, machinery -

DESCRIBE ANY OF THE ABOVE LIABILITIES SECURED BY COLLATERAL NONE

DESCRIBE CONTINGENT LIABILITIES: Notes Receivable of Customers Discounted or Sold and Not Included in Assets Enumerated Above, Litigation, etc. NONE

PROFIT AND LOSS ACCOUNT

FOR PERIOD FROM ..... TO .....

NET SALES			
COST OF GOODS SOLD			
GROSS PROFIT			
OTHER INCOME			
PROPRIETOR'S COMPENSATION			
BAD DEBTS CHARGED OFF			
DEPRECIATION CHARGED OFF			
ALL OTHER EXPENSES			
NET PROFIT OR LOSS			

RECONCILEMENT OF NET WORTH

FOR PERIOD FROM ..... TO .....

NET WORTH—Beginning of Period			
NET PROFIT FOR PERIOD			
OTHER ADDITIONS			
WITHDRAWALS —other than salary			
OTHER DEDUCTIONS			
NET WORTH AS SHOWN IN THIS STATEMENT			

(OVER)

REAL ESTATE—Used in Business and Other

DESCRIPTION	VALUE	MORTGAGES AMOUNT	MORTGAGES TERMS & MORTGAGEE
1965 IHC Dump truck	6 000 00		None
Chicago Pneumatic Compressor	3 500 00		None
Melroe Bobcat Loader	4 500 00		None
2 Pickup trucks	4 000 00		None
Misc. mine Equiptment	4 000 00		None

INVESTMENTS

DESCRIPTION	FACE VALUE	MARKET VALUE
None		

GENERAL INFORMATION

Bank accounts: Where kept, etc. Flint creek Valley Bank Notes Receivable

Accounts receivable less than 30 days $....., 60 days $....., 90 days $ 1,000.00, over 90 days $ 3300.00. Time of year when accounts receivable are generally maximum.....minimum.....

Inventory: Is statement based on actual or estimated inventory? Estimated Priced cost or market? Market Amount of consigned goods included in inventory $ None. Fire insurance $ None. Other insurance (describe) Automobile insurance $.....

Time of year when inventory on hand is generally maximum.....minimum.....

Describe notes payable to other banks None

Describe notes payable other None

Describe amounts owing to relatives, friends and employees None

Amount of accounts payable not due $ None past due $ None

Time of year when liabilities are maximum None minimum None

Are machinery, equipment and fixtures modern? Yes In good condition? Yes Insurance: Fire $ Some Other insurance (describe) $.....

In whose name is title to above real estate held? Own

Is real estate held in fee simple or leasehold? No Insurance on buildings: Fire $ House Windstorm $ Some

Other insurance (describe) $.....

Remarks and other information:

I, the undersigned, hereby certify and declare that the foregoing statement and representations constitute a true and correct account of my financial condition as of the date first above given.

Date signed May 30 1972 (Signature) [illegible]

Statements submitted to Federal Reserve Bank must either be signed originals or certified copies. If copies are furnished, following certificate must be officially signed by member bank:

WE HEREBY CERTIFY THAT THE FORECOING IS A TRUE AND CORRECT COPY OF A SIGNED FINANCIAL STATEMENT OF THE ABOVE MENTIONED INDIVIDUAL NOW ON FILE IN THIS BANK.

(NAME OF MEMBER BANK) .....

(OFFICIAL SIGNATURE) .....

(Title)

(Statements certified by chartered public accountants may, in the discretion of the Discount Committee of the Federal Reserve Bank, be accepted.)

(OVER)

P. O. Box 237
Philipsburg, Montana

RECEIVED
MAR 29 1972
O. M. E.
SPOKANE, WASH.

March 23, 1972

Mr. Willard P. Puffett
Field Officer, Region I
Office of Minerals Exploration
West 920 Riverside Ave. Room 656
Spokane, Washington 99201

Dear Mr. Puffett:

Enclosed please find two copies of an application for mineral exploration assistance on the Silver King property in Granite County, Montana

During the past two years some effort has been directed toward the outlining and evaluation of the mineral occurances as described in this application. A market for material meeting certain specifications is assured at the copper smelter of the Anaconda Company at Anaconda, Montana

From the trend of the past work the limited area explored has indicated a possible operation of some scale. However, mineralization to date has been erratic and variable. It is the intent of the work outlined to explore to some lengths the horizon that has been the source of recent shipments. In addition, testing of the walls for existance of similar, parallel structures through diamond drilling is proposed.

Underground exploration is favored over surface work due to the extent of surface material that would have to be moved and because the character of the mineralization would be more accurately defined away from the influence of surface alteration.

The relationship of a granodiorite intrusion as exposed in a road cut on the Silver King #1 claim is felt to be worth exploring.

The project, as outlined, is felt to be the fastest and least expensive means towards accomplishing the goals described. Should you require additional information relative to this application please contact me at the above address.

We shall look forward with interest to your thoughts and comments on this project.

Sincerely yours,

Jack B McCoy

Jack B. McCoy

MME Form 40
(Revised Nov. 68)

Budget Bureau No. 42-R1368
Approval expires Dec. 1971

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

OFFICIAL COPY O. M. E. RECEIVED 31 1972 INITIALS CODE

RECEIVED
MAR 29 1972
O. M. E.
SPOKANE, WASH.

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.)*

CHARLES BYAM & NORMAN BYAM
P. O. BOX 522
PHILIPSBURG, MONTANA 59858

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER 6871

DATE RECEIVED 3/31/72

REGION I

DIVISION CODE

BUSINESS ORGANIZATION *(Check one)*

- INDIVIDUAL [ ]
- CORPORATION [ ]
- PARTNERSHIP [X]
- OTHER *(Specify)* [ ]

STATE IN WHICH FIRM IS ORGANIZED

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE
Charles Byam	P. O. Box 522 Philipsburg	
Norman Byam	Same	

MINERAL(S) FOR WHICH YOU WISH TO EXPLORE
Silver & Gold

ESTIMATED COST OF PROJECT
$29, 892.90

PROPERTY NAME / LOCATION COUNTY / STATE
Silver King #1 & #2 Granite 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. II). 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 Department of the Interior, U.S. Geological Survey, Office of Minerals Exploration, 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.

3-28-72
DATED

BY *(Signature)*

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 (1) true copies of your letters to credit sources which show date of loan request, amount and terms requested, and proposed use of loan funds and (2) true copies of 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 signed by owner on MME Form 52. If the agreements cannot be obtained, state reasons and whether you can furnish a performance bond.

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.

(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) 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. State your reasons for expecting to find ore.

(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, address, and telephone number 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 time and materials *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 price 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).]

APPLICATION FOR FINANCIAL ASSISTANCE IN MINERAL EXPLORATION - OME CONTRACT

Charles and Norman Byam Partnership
Philipsburg, Montana

RECEIVED
MAR 29 1972
O. M. E.
SPOKANE, WASH.

1. FINANCIAL ELIGIBILITY

(a) See Exhibits 1 and 1A

(b) None

(c) The applicants intend to provide their share of the cost of the exploration work in one or more of the following ways:

(1) Their full time and services will be devoted to the project.

(2) Certain portions of the material resulting from the exploration wotk will be marketable. Although not of sufficient value to cover the cost of the work it could provide enough to pay the Operators share of the costs. (This would likewise provide some royalty to the Government.)

(3) Credit lines at banks based on chattel mortgages on equipment owned by the applicants could be arranged to cover their share of project costs.

2. APPLICANTS RIGHT IN LAND

(a) Not applicable.

(b) Copies of location notices, affidavit of annual work and claim map are attached. As shown, the claims are in Sec. 5, T6N, R15W, Granite County, Montana. Locations are filed in Book 26, Cert. of Locations, pages 323 and 324, and affidavit of annual work in Book 9, Annual Representations, page 593, in Granite County Court House, Philipsburg, Montana. Claim was also known as "Ozark". See Exhibits 2, 2A, and 2B.

3. PHYSICAL DESCRIPTION

(a) See Exhibit 3.

(b) Owners.

(c) See Exhibit 4.

(d) Reserves as such are non-existant. Some marketable material could be obtained from the area of the old workings but economics of recovery of value from this production does not warrant removal at this time.

(e) See Exhibit 5, and Exhibit 7.

(Physical Description Cont.)

(f) Material shipped during recent months is representative of ore quality and grade. Spot sampling of narrow sections of the mineralized zone indicate high grade portions representing from 6 to 12 inches of the total width. See Exhibit 6 et seq.

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MAR 29 1972
U. M. E.
SPOKANE, WASH.

(g) See Exhibit 7. (Need not be returned.)

4. ACCESSIBILITY OF PROPERTY

(a) Contact Mr. Charles Byam, of Mr. Norman Byam, P. O. Box 522, Philipsburg, Montana. Phones- Area 406- 859-3593 and 859-3557. Advance notice with initial meeting at Philipsburg is advised.

(b) Shipping distance to the Anaconda Company Smelter at Anaconda, is approximately 45 miles. Rail service (Burlington Northern) is available at Philipsburg, eighteen miles from the mine.

5. EXPLORATION WORK

(a) From the present face in the adit, at the start of the contract, drift along the mineralized structure (approx S30°E) for a distance of 300 feet. (See Exhibit 8 for plan) From the extent of this drifting crosscut some 30 feet at right angles to this drift in a southwesterly direction to provide a diamond drill station from which a total of 1000 feet of core drilling will be performed. Individual length and direction of drill holes to be agreed on in advance by the Government and the operator based on information gained in the course of the work. Each round of advance in the 5' by 7' drift will be sampled and assayed for gold, silver, and SiO_2. From a point in the drift near the site of the crosscut, drive a raise up the mineralized zone some 150 feet to test the nature and grade of the structure. Sampling of each round of the raise will be performed and assays for gold, silver, and SiO_2 will be run.
One of the principle objectives of the drifting and drilling is to test the potential of the area within the zone of possible intersection of the granodiorite and the silicious bedding being tested. The attitude and nature of the intrusive as exposed on the surface of the claim in a road cut to the southeast of the present drift face has not been determined to any extent as yet. As the drifting progresses it is entirely probable that irregular occurances of this granodiorite will be encountered. Sill-like or stock-like structures could be the source of the mineralization expressed in the work to date.

(b) An access road and a bridge spanning the main fork of Rock Creek were completed during the past year and provide year-around accessibility to the property.

(c) Work under the Contract could start immediately. On drifts and crosscuts approximately 80 feet of advance per month would be expected. Raise advance would be approximately 60 feet per month. Drilling rates would be dependant on the number and depth of holes but the total drilling program should be accomplished within a sixty to ninety day period. Total time to complete the Contract work would be approximately one year.

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SPOKANE, WASH.

6. EXPERIENCE

Charles and Norman Byam have been active for many years in mining and contract work. Jack McCoy, who will supervise and plan the work has been in supervisory work in mining and milling for a period of twenty-five years. As Asst. Manager of The Taylor-Knapp Company work under O.M.E. Contracts came under his his direct supervision. Currently Mr. McCoy is a metallurgist in the Metallurgical Engineering and Planning Dept. of Montana Operations of The Anaconda Company at Butte, Montana

7. ESTIMATE OF THE COST

Drifting and Crosscutting 5'by 7' cross-section 330 feet total

(a) None)

(b) Labor - As with all supplies and services the relation of the requirements for each round of advance is used as the basis for cost calculation.

2 manshifts/5' of advance @ $30.00/shift =	$60.00
Taxes and Insurance on payroll- 24.3%	14.58
Engineering, Supervision, Consulting	10.00
Administrative- Payroll, book keeping etc	5.00

(c) Operating supplies and materials.

Explosives-	
Ammonium nitrate 25lbs/5' of advance	1.79
Spec Gel 16 sticks 7/8 by 8"	1.28
Blasting caps 16	0.51
Fuse 16-5' lengths	1.48
Pipe	
2" Air line 5'	2.00
1" Water line 5'	1.05
Rail	
20 lb rail- 10 feet /5 feet of track	6.00
Ties, spikes and splice bars	0.50
Fuel, oil, lubricants, filters, etc (8hrs of Oper)	10.80
Fan bag 5'	3.00
Bits and steel (allows 1 steel and 5 bits/mo.)	2.10

(d) Operating equipment (Based on 20 drift rounds/mo.)

Compressor	12.00
Trammer-Air	4.50
Loader- Eimco-12B	13.75
Jack-leg-	1.25
Fan	0.50

(e & f) None

(g)

Repair - Allow 4 manshifts/month	7.15
Est parts and repair supplies-	2.45
Mileage- 38 miles rd. trip each day	4.56
Sampling and assaying	8.00
Total per 5' of advance	$174.25

TOTAL COST DRIFTING AND CROSSCUTTING $11,500.50

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SPOKANE, WASH.

(Estimate of Cost, cont.)

Raising- 9' by 4' crosssection- 150 feet total

(a) None

(b) Labor Using five feet of advance per round and calculating cost per round.

2 manshifts/5' of advance @ $30.00/shift	$60.00
Taxes and Insurance on payroll - 24.3%	14.58
Engineering, Supervision, Consulting	10.00
Administrative- Payroll,book keeping,etc.	5.00

(c) Operating supplies and materials

Explosives-	
Ammonium nitrate 30lbs/5' of advance	2.15
Spec Gel 18 sticks 7/8 by 8"	1.44
Blasting caps 16	0.58
Fuse 18-5' lengths	1.67
Pipe	
2" Air line	2.00
1" Water line	1.05
Timber	
Stulls-	2.50
Chute lining (one side) 3"	3.60
Timber slide 2"	1.60
Fan bag 5'	3.00
Bits and steel	2.30
Fuel, oil, lubricants, filters. (8hrs oper.)	10.80

(d) Operating equipment (Based on 20 raise rounds/mo.)

Compressor	12.00
Trammer- air	4.50
Loader- (Used rather than installing chutes)	13.75
Stoper or jack-leg	1.25
Fan	0.50

(e & f) None

(g) Repair- Allow 4 manshifts/mo.

Repair- Allow 4 manshifts/mo.	7.15
Est. parts and repair supplies-	2.45
Mileage- 38 miles rd. trip each day	4.56
Sampling and assaying	8.00
Total per 5' of advance	$ 176.43

TOTAL COST RAISING $5,292.90

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O. M. E.
SPOKANE, WASH.

(Estimate of cost, cont.)

Diamond Drilling- Underground sites- A total of 1000 feet assume 3-5 holes, avg 200-300 feet each.

(a) None

(b) Labor- Calculated on basis of 100 foot units, including set-up time, collaring hole, sampling of sludge,etc.

16 manshifts/100 feet of hole drilled.-	$480.00
Taxes and Insurance on payroll	116.85
Engineering, Supervision, Consulting	56.00
Administration-Payroll, book keeping	40.00

(c) Supplies- Operating, drilling

Bit charge (diamonds and resetting)	82.00
Reaming shell and accessories	12.50
Drilling oil, grease, graphite,etc.	6.50
Water, hauling	18.00
Fuel, oil, compressor supplies	84.60

(d) Operating equipment

Compressor-315 cu. ft.	90.00
Diamond Drill (Rental, Longyear-Wolverine AX, with rods, pump etc.	72.00

(e & f) None

(g) Repair- Allow four shifts/month and parts. 58.00
Mileage- 8 round trips- 288 miles @ 12¢ 33.50
Sampling and assaying- (each 5 foot interval) 160.00

Total per each 100 feet- $1,309.95

TOTAL COST DIAMOND DRILLING $13,099.50

Recap of estimated cost.

Drifting and Crosscutting--- 330 feet	$11,500.50
Raising -- 150 feet	5,292.90
Diamond Drilling-- 1000 feet	13,099.50
Total Estimated Cost	$29,892.90

Charles and Norman Byam

RECEIVED
MAR 29 1972
O. M. E.
SPOKANE, WASH.

COST-PRICE DATA USED IN CALCULATION OF UNIT COSTS

Labor-- Based on current day's pay miner rate in Butte, Montana.		$30.00 per shift
State Industrial Accident		16.0 percent
State and Federal Unemployment Insurance		3.1 percent
Employers share F.I.C.A.		5.2 percent
Supplies		
Blasting-		
Ammonium Nitrate	$7.15/cwt=	$0.0715/lb.
Special Gelatine	$39.00/cwt=	$0.390 /lb.
Blasting caps	$32.00/M =	$0.032/ea.
Fuse	$18.50/M =	$0.0185/ft.
Pipe- Used		
2" Air line		40¢/ft.
1" Water line		21¢/ft
Rail- Used 20lb/yd-	$180.00/ton=	60¢/ft
Fan-bag Used 8 inch		60¢/ft
Timber-		
2" and 3" rough sawed lumber		$80.00/M
Rough sawed stulls		$70.00/M
Drill bits- One use carbide 13/8 dia.		$ 5.25/ea
Drill steel- Alloy rod- 51/2' o'all		$16.00/ea
Equipment-Rental rates- Butte Machinery, Butte MountainTractor Company, Missoula.		
Air compressor 215 cu. ft.		$240.00/mo.
Trammer- Air		$ 90.00/mo.
Mine car loader-Eimco-12B, 18"ga.		$275.00/mo.
Jack-leg air drill		$ 25.00/mo.
Fan- Vent-air type		$ 10.00/mo.
Services-		
Sampling and assaying -Montana Laboratory		$ 8.00/sample
Engineering and consulting		$200.00/mo.
Administration- Payroll,book keeping etc.		$100.00/mo.
Repair labor-		
Based on same day's pay rate as for miner		$ 30.00/shift

EXHIBIT 1

RECEIVED

March 1, 1972

MAR 29 1972

O. M. E.
SPOKANE, WASH.

First National Bank
Anaconda, Montana

Dear Sirs:

We would like to apply for a loan in the Amount of Twenty Thousand dollars for Development and Exploration work on our Silver King mining claims Number one and Number two.

Is your bank interested in a loan of this type? We would appreciate a prompt reply to this matter.

Yours truly,

EXHIBIT 1

FIRST NATIONAL BANK
120 WEST PARK ST. · ANACONDA, MONTANA 59711

RECEIVED
MAR 29 1972
O. M. E.
SPOKANE, WASH.

March 8, 1972

Mr. Charles Byam
NormanByam
Box 522
Philipsburg, Montana

Dear Sir:

In reply to your written request dated March 1, 1972 for $20,000 to develop and explore the Silver King Mine, it is not our bank policy to loan money for such speculation purposes as small claim mining.

We are sorry but we will be unable to assist you in this matter.

Very truly yours,

G. M. Winship

G. M. Winship
Assistant Cashier

GMW:cj

EXHIBIT 1A

March 1, 1972

RECEIVED
MAR 29 1972
O. M. E.
SPOKANE, WASH.

Flint Creek Valley Bank
Philipsburg, Montana

Mr. Zane Murfitt
Vice President

Dear Sir:

We would like to apply for a loan in the Amount of Twenty Thousand dollars for Development and Exploration work on our Silver King claims numbers 1 and 2.

Is your Bank interested in a loan of this type ? We would appreciate a prompt reply to this matter.

Yours truly,

EXHIBIT 1A

Flint Creek Valley BANK

PHILIPSBURG, MONTANA 59858

B. G. PAIGE, PRESIDENT
ZANE G. MURFITT, VICE PRESIDENT AND CASHIER

CLAUDE J. SORENSEN, ASSISTANT CASHIER
AGNES L. KEARNS, AUDITOR

March 8, 1971

RECEIVED
MAR 29 1972
U. M. E.
SPOKANE, WASH

Charles and Norman Byam
Philipsburg, Montana

Gentlemen:

This will acknowledge receipt of your letter serving as a loan application for $20,000.00 to develop and explore your Silver King claims.

At the present time, we are unable to meet this request.

Sincerely,

Zane G. Murfitt
Cashier

EXHIBIT 2

AMENDED CERTIFICATE OF LOCATION

86811 Book 26 Cert. of Loca. Page 323 (2 pages) Microfilmed
Page 1

NO. 114A — CERTIFICATE OF LOCATION. STATE PUBLISHING CO., HELENA, MONT.

AMENDED

CERTIFICATE OF LOCATION

Of the SIVER KING #1 Quartz Lode Mining Claim

I, Charles Byam a citizen of the United States of lawful age, do hereby certify and declare as follows, to-wit:

That on the 1st day of December A. D. 1969, the Silver King #1 Quartz Lode Mining Claim, situate in Mining District, County of Granite State of Montana, was duly discovered.

That on said day a written or printed Notice of Location of said claim was duly posted, conspicuously, at the point of discovery on said claim, which said notice contained the name of the locator, the date of the location (which said date of location was the date of the posting of such notice), and the approximate area of the claim intended to be appropriated.

That thereafter and within thirty days of the posting of said notice of location the locator distinctly marked the location of said claim on the ground so that its boundaries could be readily traced, by placing monuments at each corner and angle of said claim, which said monuments consist of trees, post, stumps, stones and boulders described as follows, to-wit:

Beginning at the No Cor. No. 1 of this claim which is a Post marked NE Cor. No. 1 of the Silver King #1 Lode.

Thence First Course S. 30 degrees E. a distance of 1500 feet to the SE Cor. No. 2 of this claim, which is a Post marked SE Cor. No. 2 of the Silver King #1 Lode.

Thence Second Course S. 60 degrees W. a distance of 600 feet to the SW Cor. No. 3 of this claim, which is a Post marked SW Cor. No. 3 of the Silver King #1 Lode.

Thence Third Course N. 30 degrees W. a distance of 1500 feet to the NW Cor. No. 4 of this claim, which is a Post marked NW Cor. No. 4 of the Silver King #1 Lode.

Thence Fourth Course N. 60 degrees E. a distance of 600 feet to the NE Cor. No. 1, the place of beginning.

That each tree so marked was at least eight inches in diameter, and blazed on four sides; that each post so marked was at least four inches square by four feet and six inches in length set one foot in the ground, except where solid rock occurred at less depth, in which case the post was set upon such rock, and in all cases such posts were surrounded by a mound of earth and stone at least four feet in diameter by two feet in height, that each stump so marked was squared and was at least eight inches in diameter by four feet in height, and was surrounded by a mound of earth and stone four feet in diameter by two feet in height; that each stone so marked was at least six inches square by eighteen inches in length, set two-thirds of its length in the ground, with a mound of earth and stone alongside at least four feet in diameter by two feet in height; that each boulder so marked was at least three feet above the natural surface of the ground on the upper side of said boulder.

That within sixty days after the date of posting said notice of location:

1. The locator.... named herein sunk a discovery shaft on said claim at the point of discovery ..... feet by ..... feet, to the depth of at least ten feet vertically, below the lowest part of the rim of such shaft at the surface, and that the cubical contents of said shaft excavated is not less than one hundred and fifty cubic feet. (If you sink a discovery shaft, cancel all of paragraphs 2 and 3.)

2. The locators named herein excavated an open cut on said claim at the point of discovery 20 feet wide by 100 feet long and to the depth of at least ten feet, vertically, below the natural surface of the ground, and which said cut consists of at least one hundred and fifty cubic feet of excavation. (If you excavate an open cut, cancel all of paragraphs 1 and 3.)

3. The locator.... named herein excavated a tunnel on said claim at the point of discovery ..... feet wide by ..... feet in height, and ..... feet in length, and to the depth of at least ten feet, vertically, below the natural surface of the ground, and which said tunnel consists of at least one hundred and fifty cubic feet of excavation. (If you excavate a tunnel, cancel all of paragraphs 1 and 2.)

That said locators did there, in the bottom of said cut (Shaft, Cut or Tunnel) at the lowest vertical depth thereof, disclose the vein, lode or deposit so located.

That said locators claim 1200 feet in a southerly direction, and 300 feet in a northerly direction, along the course of the vein each way from the discovery shaft, and 300 feet on each side of the center of the vein, the same being 600 feet wide by 1500 feet in length.

RECEIVED
MAR 29 1972
O. M. L.
SPOKANE, WASH.

EXHIBIT 2A

AMENDED CERTIFICATE OF LOCATION

86812 Book 26 Cert. of Loca. Page 324 (2 pages) Microfilmed

Page 1

NO. 114A — CERTIFICATE OF LOCATION

STATE PUBLISHING CO., HELENA, MONT.

AMENDED CERTIFICATE OF LOCATION

Of the SILVER KING #2 Quartz Lode Mining Claim

I, Charles Byam a citizen of the United States of lawful age, do hereby certify and declare as follows, to-wit:

That on the 25th day of May A. D. 1970, the Silver King #2 Quartz Lode Mining Claim, situate in Mining District, County of Granite State of Montana, was duly discovered.

That on said day a written or printed Notice of Location of said claim was duly posted, conspicuously, at the point of discovery on said claim, which said notice contained the name of the locator, the date of the location (which said date of location was the date of the posting of such notice), and the approximate area of the claim intended to be appropriated.

That thereafter and within thirty days of the posting of said notice of location the locator distinctly marked the location of said claim on the ground so that its boundaries could be readily traced, by placing monuments at each corner and angle of said claim, which said monuments consist of trees, posts, stumps, stones and boulders described as follows, to-wit:

Beginning at the Ne Cor. No. 1 of this claim which is a Post marked NE Cor. No. 1 of the Silver King #2 Lode,

Thence First Course S. 30 degrees E. a distance of 1500 feet to the SE Cor. No. 2 of this claim, which is a Post marked Se Cor. No. 2 of the Silver King #2 Lode,

Thence Second Course S. 60 degrees W. a distance of 600 feet to the SW Cor. No. 3 of this claim, which is a Post marked SW Cor. No. 3 of the Silver King #2 Lode,

Thence Third Course N. 30 degrees W. a distance of 1500 feet to the NW Cor. No. 4 of this claim, which is a Post marked NW Cor. No. 4 of the Silver King #2 Lode,

Thence Fourth Course N. 60 degrees E. a distance of 600 feet to the NE Cor. No. 1, the place of beginning.

That each tree so marked was at least eight inches in diameter, and blazed on four sides; that each post so marked was at least four inches square by four feet and six inches in length set one foot in the ground, except where solid rock occurred at less depth, in which case the post was set upon such rock, and in all cases such posts were surrounded by a mound of earth and stone at least four feet in diameter by two feet in height, that each stump so marked was squared and was at least eight inches in diameter by four feet in height, and was surrounded by a mound of earth and stone four feet in diameter by two feet in height; that each stone so marked was at least six inches square by eighteen inches in length, set two-thirds of its length in the ground, with a mound of earth and stone alongside at least four feet in diameter by two feet in height; that each boulder so marked was at least three feet above the natural surface of the ground on the upper side of said boulder.

That within sixty days after the date of posting said notice of location:

1. The locator.... named herein sunk a discovery shaft on said claim at the point of discovery ..... feet by ..... feet, to the depth of at least ten feet vertically, below the lowest part of the rim of such shaft at the surface, and that the cubical contents of said shaft excavated is not less than one hundred and fifty cubic feet. (If you sink a discovery shaft, cancel all of paragraphs 2 and 3.)

2. The locator.s named herein excavated an open cut on said claim at the point of discovery 10 feet wide by 10 feet long and to the depth of at least ten feet, vertically, below the natural surface of the ground, and which said cut consists of at least one hundred and fifty cubic feet of excavation. (If you excavate an open cut, cancel all of paragraphs 1 and 3.)

3. The locator.... named herein excavated a tunnel on said claim at the point of discovery ..... feet wide by ..... feet in height, and ..... feet in length, and to the depth of at least ten feet, vertically, below the natural surface of the ground, and which said tunnel consists of at least one hundred and fifty cubic feet of excavation. (If you excavate a tunnel, cancel all of paragraphs 1 and 2.)

That said locator.s did there, in the bottom of said cut (Shaft, Cut or Tunnel) at the lowest vertical depth thereof, disclose the vein, lode or deposit so located.

That said locator.s claim 1500 feet in a southerly direction, and 0 feet in a northerly direction, along the course of the vein each way from the discovery shaft, and 300 feet on each side of the center of the vein, the same being 600 feet wide by 1500 feet in length.

RECEIVED
MAR 29 1972
SPOKANE, WASH.

EXHIBIT 2B

NO. 101 — AFFIDAVIT OF ANNUAL REPRESENTATION OF MINING CLAIM. STATE PUBLISHING CO., HELENA, MONT.

AFFIDAVIT OF ANNUAL REPRESENTATION OF MINING CLAIM

STATE OF MONTANA
County of Granite } ss.

of lawful age, being duly sworn depose..... and say.....:

I. That They acquainted with the Silver King # 1 and Silver King # 2 Mining Claims situate; lying and being in Rock Creek Mining District in the County of Granite State of Montana Book 26 page 323 to 324

II. That They did 90 days work and labor upon said mining claim and placed the following improvements thereon, to-wit:
build 1 Compressor House
Extend present drift 50 feet
Stoped on the vein a total of 100 feet
build 1 ore Bin + Extend mine track
and that the value of said improvements is 5,000 Dollars

III. That said work and labor was done and performed and said improvements were commenced on the 1st day of April A. D. 19 71, and finished on the 1st day of Aug A. D. 19 71.

IV. That said work was done and said improvements were made at the instance and request of the owners of said mining claim.

V. That the actual amount paid for said labor and improvements is 5,000 Dollars, lawful money of the United States, and that said sum was paid by

Chas Byam

INDEXED

Subscribed and sworn to before me this 31 day of August, 19 71

Marie Morrison
Notary Public in and for said County and State
MARIE MORRISON
CLERK AND RECORDER
GRANITE COUNTY
My Commission expires.....

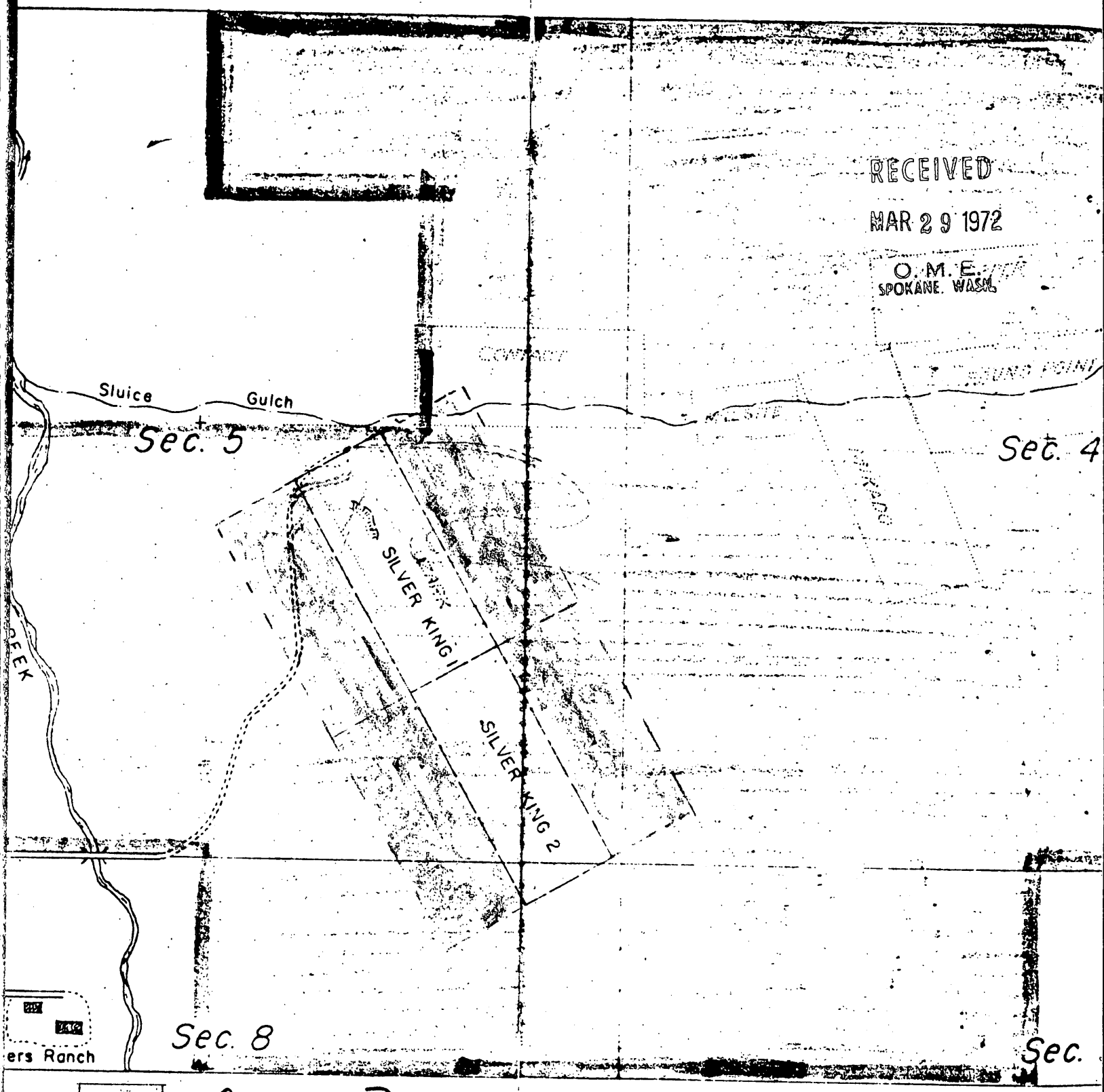
Space Below for Recorder's Use Only
RECORDER'S OFFICE
Philipsburg, Montana } ss.
Filed for record on the 31 day of August, A. D. 19 71 at 11:10 o'clock A M., and recorded in Volume 9 of Affidavits of Annual Representation on Page 593 Records of Granite County, Montana.
Marie Morrison
County Recorder.
By..... Deputy
Fee $ 2.50

SEAL OF GRANITE COUNTY STATE OF MONTANA

GRANITE COUNTY STATE OF MONTANA

RECEIVED
MAR 29 1972
O. M. E.
SPOKANE, WASH.

EXHIBIT 3



CLAIMS IN PROCESS OF LOCATION -

SILVER KING MINE AREA

T. 6 N., R. 15 W.

GRANITE CO., MONT.

EXHIBIT 4 + EXHIBIT 6 CHARLES + NORMAN BYAM

SILVER KING CLAIMS

MATERIAL SHIPPED TO THE ANACONA CO.
ANACONDA, MONTANA

RECEIVED
MAR 29 1972
O. M. E.
SPOKANE, WASH.

DATE	TONS	% Cu	oz Ag/TON	oz Au/TON	VALUE
8/21/70	8.3985	0.19	63.96	.292	$904.52
8/21	16.4425	0.06	3.99	.142	123.81
10/5	16.3450	0.07	11.00	.192	387.70
10/13	17.6720	0.12	21.37	.181	597.84
11/9	14.5525	0.12	28.50	.197	730.97
1/12/71	33.6975	0.05	4.97	.222	497.04
2/18	18.8045	0.10	8.55	.076	277.14
3/2	18.2805	0.17	11.45	.105	361.22
3/8	16.4495	0.08	14.53	.126	411.57
3/19	16.3010	0.10	9.33	.113	284.62
6/8	27.1110	0.10	27.81	.203	1,317.05
SUB TOTAL	204.0515	(AVG: $28.80/TON)			$5,893.49
10/27/71	37.8265	0.14	13.80	.143	832.18
1/4/72	58.6750	0.06	14.79	.150	1416.41
1/19	75.0580	0.11	10.08	.124	1283.49
2/8	72.3930	0.05	6.63	.118	1017.85
2/11	27.3300	0.06	6.43	.123	383.17
2/22	60.3995	0.06	10.20	.151	1,009.83
SUB TOTAL	331.6820	(AVG: $17.92/TON			$5,942.98

THE ANACONA COMPANY

RECEIVED
MAR 29 1972
O. M. E.
SPOKANE, WASH.

ANACONDA SAMPLER

(Effective July 10, 1968)
Subject to change without notice

SCHEDULE FOR PURCHASE OF SILICEOUS ORES AND SILICEOUS TAILINGS

If the Silica (SiO_2) content minus the iron (Fe) and the alumina (Al_2O_3) is 70% or more we will pay for:

Copper - 96% of copper content, with minimum deduction of 10 pounds per ton, at METALS WEEK average price of electrolytic for week ending Friday preceding date of sampling, less 3.5¢ per pound.

Silver - 100% of silver content at 87.5513% of the average market price as quoted by METALS WEEK for week ending Friday preceding date of sampling.

Gold - - Pay for 91% of the gold content, with a minimum deduction of .01 ounce per ton, at the average London final price for the week ending Friday preceding date of sampling, as quoted in METALS WEEK.

Silica - 2.5¢ per unit for each unit over 70%.

Treatment Charge - None

Weighing, Moisture and Sampling as done by the Buyer according to standard practice promptly after receipt of the product will be accepted as final.

The Anaconda Company reserves the right to curtail or halt any or all shipments on written notice.

SHIPPING INSTRUCTIONS:

Consign all shipments to: The Anaconda Company, Anaconda Sampler, Anaconda, Montana; unless instructed otherwise.

Forward bills of lading and communications to: The Anaconda Company, Anaconda Reduction Department, Ore purchasing Department, Anaconda, Montana.

Advise name of mine, trucking charges, royalty payments, etc.

We request that shipments be made in flat bottom gondola cars or end-dump trucks.

Lots of less than ten tons will be assessed and extra sampling charge of $5.00 flat on each lot.

Anaconda will not accept shipments unless prior arrangements have been made.

THE ANACONDA COMPANY - THE ANACONDA SAMPLER

7

RECEIVED FROM: Charles & Norman Byam.

ANACONDA, MONTANA February, 1972.

ADDRESS: Philipsburg, Montana.

SMELTER LOT NO.: B - 129. (Feb, a/c).

MINE: Silver King Ore.

DATE RECEIVED: 2/11/72.

REGULAR SCHEDULE

Cu:

Ag:

Au:

Total

Less: Treatment Charge

= Net Value Per Ton

SILICEOUS ORE SCHEDULE

SiO_2	81.1 %			
- Al_2O_3	6.0 %			
- Fe	3.3 %			
=	71.8 %			
- Base	70.0 %			
= Excess	1.8 @	2.5 ¢		.05
+ Ag	6.43 @	133.866 ¢		8.61
+ Au	.123 x 91% = .112 @	$ 47.900		5.36
TOTAL				14.02
+ Cu				
TOTAL				

	WEIGHTS			ASSAYS			Treatment Charge	Price Per Ton	VALUE
	Pounds Gross	% H_2O	Pounds Dry	% Cu	Ozs. Ag	Ozs. Au			
2 Trucks	57,890.	5.58.	54,660.	.06.	6.43.	.123.		14.02	383 17

Silica : 81.1.
Alumina: 6.0.
Iron : 3.3.
Lime : 0.5.

METAL PRICES

Copper: - ¢

Silver: 152.900 ¢.
@ 87.5513 %.
133.866 ¢.

Gold: $ 47.900.

RECEIVED
MAR 29 1972
O. M. E.
SPOKANE, WASH.

PAYMENT FOR METALS

Copper: Less .5% @ less 3¢

Silver: 100% @ 133.866¢. 8.61.

Gold: 91% @ $47.900. 5.36.

Silica: .05

DATE OF QUOTATIONS: 2/4/72.

TREATMENT CHARGE

Base:

Add: 12¢ for each 1% Fe

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

Deduct: 2.5% for each 1% Silica in excess of Alumina + Iron

K. F. Ruckwardt

THE ANACONDA COMPANY - THE ANACONDA SAMPLER

7

RECEIVED FROM: Charles & Norman Byam

ANACONDA, MONTANA February, 1972.

ADDRESS: Philipsburg, Montana

SMELTER LOT NO.: B-116 (Feb. a/c)

MINE: Silver King Ore

DATE RECEIVED: 2/8/72

REGULAR SCHEDULE

Cu:
Ag:
Au:
Total
Less: Treatment Charge
= Net Value Per Ton

SILICEOUS ORE SCHEDULE

SiO_2	80.5 %		
- Al_2O_3	4.8 %		
- Fe	3.6 %		
=	72.1 %		
- Base	70.0 %		
= Excess	2.1	@ 2.5 ¢	.05
+ Ag	6.63	@ 133.8664 ¢	8.88
+ Au	.118 x 91% = .107	@ $ #47.900	5.13
TOTAL			14.06
+ Cu			
TOTAL			

Car No.	WEIGHTS Pounds Gross	% H_2O	Pounds Dry	ASSAYS % Cu	Ozs. Ag	Ozs. Au	Treatment Charge	Price Per Ton	VALUE
5 Trucks	152,470	5.04	144,786	.05	6.63	.118		14.06	1,017.85

Silica : 80.5
Alumina: 4.8
Iron : 3.6
Lime : 0.4

METAL PRICES

Copper: - ¢

Silver: 182.900 ¢
@ 87.5513 %
133.8664 ¢

Gold: $ 47.900

RECEIVED
MAR 29 1972
O.M.E.
SPOKANE, WASH.

PAYMENT FOR METALS

Copper: Less .5% @	less 3¢		
Silver: 100% @	133.8664	8.88	
Gold: 91% @	#47.900	5.13	
S cal		.05	

DATE OF QUOTATIONS: 2/4/72

TREATMENT CHARGE

Base:

Add: 12¢ for each 1% Fe

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

Deduct: 2.5% for each 1% Silica in excess of Alumina + Iron

K. P. Ruckwardt

RECEIVED
MAR 29 1972
O. M. E.
SPOKANE WASH.

181-P-15645

The Anaconda Company, Anaconda Sampler

RECEIVED FROM Charles & Norman Byam
ADDRESS Philipsburg, Montana

ANACONDA, MONTANA, 59711 January 19, 1972

MINE Silver King Ore

SMELTER LOT NO. B - 99 (January a/c)

CAR NUMBER	WEIGHTS			ASSAYS			TREATMENT CHARGE	PRICE PER TON	VALUE	Draft No.
	Pounds Gross	Per Cent Water	Pounds Dry	Per Cent Copper	Ounces Silver	Ounces Gold	Dollars	Dollars	Dollars	
4 Trucks	157,190	4.50	150,116	.11	10.08	.124		17.10	1,283.49	

SILICA 81.4
ALUMINA 5.1
IRON 4.1
CaO 0.7

COPY

PAYMENT FOR METALS				
Copper		@	Less 3½c	
Silver	100%	@	120.252¢	12.12
Gold	91%	@	$ 43.529	4.92
Silica		@		.06
Date of Quotations	12/31/71			

TREATMENT

BASE

Add – 12¢ for each 1% Iron

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

Deduct – 2.5¢ 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 K. F. Buchwardt

RECEIVED
MAR 29 1972
O. M. E.
SPOKANE, WASH.

181-P-15645

The Anaconda Company, Anaconda Sampler

RECEIVED FROM Charles & Norman Byam
ADDRESS Philipsburg, Montana

ANACONDA, MONTANA, 59711 January 4, 1972

MINE Silver King Ore

SMELTER LOT NO. B - 94 (December a/c)

CAR NUMBER	WEIGHTS			ASSAYS			TREATMENT CHARGE	PRICE PER TON	VALUE	Draft No.
	Pounds Gross	Per Cent Water	Pounds Dry	Per Cent Copper	Ounces Silver	Ounces Gold	Dollars	Dollars	Dollars	
4 Trucks	124,840	6.00	117,350	.06	14.79	.150		24.14	1,416.41	

SILICA 81.0
ALUMINA 3.9
IRON 5.3
CaO 0.5

COPY

PAYMENT FOR METALS				
Copper		@	Less 3½c	
Silver	100%	@ 122.362¢	~~less 4c~~	18.10
Gold	91%	@$ 43.713		5.99
Silica		@		.05
Date of Quotations	12/10/71			

TREATMENT

BASE

Add – 12¢ for each 1% Iron

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

Deduct – 2.5¢ 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 K. F. Buchwardt

RECEIVED
MAR 29 1972
O.M.E.
SPOKANE, WASH.

181-P-15645

The Anaconda Company, Anaconda Sampler

RECEIVED FROM Charles and Norman Byam
ADDRESS Philipsburg, Montana

ANACONDA, MONTANA, 59711 October 27, 1971

MINE Silver King Ore

SMELTER LOT NO. B - 33 (Oct. a/c)

CAR NUMBER	WEIGHTS			ASSAYS			TREATMENT CHARGE	PRICE PER TON	VALUE	Draft No.
	Pounds Gross	Per Cent Water	Pounds Dry	Per Cent Copper	Ounces Silver	Ounces Gold	Dollars	Dollars	Dollars	
2 Trucks	77,040	1.80	75,653	.14	13.80	.143		22.00	832.18	
Harold Ellingson, Haul @ $3.00 per ton									115.56	
									716.62	
SILICA	83.5									
ALUMINA	4.5									
IRON	4.4									
CaO	0.1									COPY

PAYMENT FOR METALS				
Copper		@	Less 3½c	
Silver	100%	@ 118.527¢	~~Less 6c~~	16.36
Gold	91%	@ $ 42.479		5.52
Silica		@		.12
Date of Quotations	10/8/71			

TREATMENT

BASE

Add – 12¢ for each 1% Iron

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

Deduct – 2.5¢ 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 A. J. Zerkin

EXHIBIT 7

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THE SILVER KING MINE

GRANITE COUNTY, MONTANA

A Reconnaissance Report

by

Charles M. Hauptman
Consulting Geologist
Billings, Montana

October 28, 1970

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THE SILVER KING MINE
GRANITE COUNTY, MONTANA

Introduction

At the request of Mr. Thomas Pett, a reconnaissance examination of the Silver King property west of Philipsburg, Montana was made by the writer on October 14, 1970. The brief examination on the ground was followed by a literature search for information pertaining to the area and a search of the records of the U.S. Bureau of Land Management regarding previous work in the area and the surveys affecting the specific locality of interest.

The Silver King ore body is a bedding-plane vein, concordant with the enclosing siliceous limestone which dips easterly at about 40°. A number of truck loads of ore have been shipped recently from shallow workings on one claim, which shipments have contained from 21 to 60 ounces of silver per ton of ore. Facilities and manpower are conveniently available for continued exploitation at lowest possible cost.

Location and Accessibility

The Silver King mine, located in Sec.5, T.6N., R.15W., is in the Rock Creek district (unorganized) in western Granite County, Montana. The nearest town is Philipsburg, county seat of Granite County, which is about eighteen miles east via good graded county roads. From Philipsburg, a main highway, U.S. 10, extends southeast to the cities of Anaconda and Butte and northwest to Helena and Missoula. A branch line of the Burlington Northern Railroad from the mainline at Drummond terminates at Philipsburg.

The mine is on a barren slope near the mouth of Sluice Gulch immediately adjacent to the valley of Rock Creek. It is connected by a newly completed road and heavy-duty bridge to the county road about three fourths of a mile to the west. The elevation at the mine workings is approximately 5300 feet. An all-year operation could be maintained at this property with ease.

History and Production

The area in the vicinity of the Silver King mine has been of interest to prospectors since about 1900. But as the ores contain mostly silver values and little gold, there has been no previous sustained interest. A number of unpatented locations were segregated by survey in 1922 when some of the land came under application for patent as stock-raising homesteads. These claims, shown by dotted outline on the attached map, were subsequently permitted to expire, but the surface and minerals were continued to be excluded from all patents. At an even earlier date, the land was recognized as being mineral-bearing when some reconveyances were recorded in 1914 by the Northern Pacific Railroad. The railroad had previously acquired title to the alternate sections in the area by land grant, but the government had explicitly excluded any mineralized lands from such grant.

The old claims mentioned above were worked to some extent with unknown results. The Ozark Claim, which occupied part of the ground now included in the Silver King No. 1 Claim, was investigated by means of three tunnels on the vein and a shallow shaft. The tunnels were from sixty to one hundred

feet in length on the dip of the vein. No production records are known from this work.

Physical Features and Climate

The valley of Rock Creek is approximately one mile wide below the Silver King mine and the elevation there is about 5000 feet. Although this area is in a mountainous region, the mine locality and the immediate vicinity is an area of moderate relief, most of the slopes being under 25°.

Overburden in the mineralized area is thin, ranging in thickness from a few inches to five or six feet. Only scattered pine and fir trees grow in the area, most of the hills being sparsely covered with grasses and sagebrush. Large timber, suitable for mine support, is available to the west in the Deer Lodge National Forest.

No mill sites have been located for the Silver King property. Such sites are available, however, on vacant public domain along Rock Creek to the west. This stream has a year-around flow sufficient for nearly any size milling plant, depending on the ability of the operator to secure the necessary water rights. Tailings sites may be a problem as the private property so closely adjoins the federal lands near the creek.

The climate is typical of all mountainous regions in Montana. The summers are dry and cool; winters are severe. Snow is common after November 1 and usually covers the ground until late May. The main highways and the county road along Rock Creek are regularly maintained so winter access presents no problem.

Electric power is available from the Montana Power line which traverses the Rock Creek valley along the county road.

Labor and Supplies

Skilled labor is normally available at Philipsburg. Large crews can be recruited at near-by larger centers, such as Butte and Missoula. Board and lodging for small crews and some family housing facilities may be obtained in Philipsburg also.

Philipsburg has been a mining camp for a long time and most small supplies, as well as sawn lumber and timber, is available there. Larger facilities and heavy materials for nearly any kind of mining activity are available at either Butte or Helena at distances of less than one hundred miles by excellent roads.

Property and Ownership

The Silver King property is owned by Charles and Norman Byam of Philipsburg, Montana. There are six claims, four of which are so recently located as to be yet unqualified for filing in the county records. The Silver King Nos. 1 and 2 were located in December 1969 and May 1970 respectively and

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certificates of location are on file in the court house at Philipsburg. The other four claims, two each adjoining the Silver King Nos. 1 and 2 on both the east and west, are in the location process, with the proper posting and required discovery work now in progress.

The Silver King Nos. 1 and 2 are described by general directions (northwesterly, south-easterly, etc.) rather than by specific bearings and are not "tied" to a permanent land mark. Therefore, the location of the claims on the attached map is approximate. They are drawn as they appear to lie according to the discovery work, the general description of the claims in the certificate of location, and the location of the vein and previous workings from the segregation survey of 1922. The suggestion has been made to the owners that the bearings of the end and side lines of the claims be ascertained and a tie made to a permanent monument as soon as possible.

Mine Workings

Development work has been done almost exclusively on the Silver King No. 1 Claim. The initial work was done in the outcrop of the vein about 300 feet from the northwest end of said claim. This work consisted of open-cutting along the vein in the vicinity of the old Ozark workings. The old tunnel portals were cut across and new sections of the surface exposure of the vein opened up for a distance of about one hundred feet. Beginning near the west end of the Silver King No. 1, a drift bearing southeast has been driven for a distance of about 160 feet. From the drift, two small stopes were raised along the vein. The first, about 100 feet from the portal, encountered an old working and holed-out in less than fifty feet. The second stope, at the end of the tunnel, has been raised approximately thirty feet. This stope is estimated to be 80 to 100 feet from holing-out to the surface.

The ground holds up well with little support. Timbering in the drift is limited to the portal and a few sets near stopes. Only stulls and head boards are used in the stopes. The drift is dry.

Geology

The geology of the Philipsburg area, including most of the area of the Silver King mine, has been described in an early, and now classic, report by Emmons and Calkins[1]. Since this report of 1913, there has been no further published information of the geology in the vicinity of Silver King. The following description of the general geology of the area is summarized mainly from Emmon's and Calkin's report.

The Silver King area lies on the west flank of the greater Boulder batholith which generally occupies the triangle of Helena, Butte and Philipsburg. To the west near the state line, the Idaho batholith forms the predominant geologic feature. Close to and within the outlines of the batholiths, the remaining sedementary rocks are intensely deformed and altered. Structural features are complex and intimately associated with igneous intrusives and

1. Emmons, W.H. and Calkins, F.C., Geology and Ore Deposits of the Philipsburg Quadrangle, Montana; U.S. Geol. Surv. Prof. Paper 78, 1913.

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extrusives. Between the above-mentioned two batholiths, the bedrock consists of more gently deformed rocks of pre-Cambrian age which are included in the Belt series. In the Silver King area, these rocks are represented by the Newland formation which is the only outcropping sedimentary formation within a mile or two of the mine. Farther to the north in the Long John Mountains in the Spokane formation, which overlies the Newland formation and is uppermost in the Belt Series, forms the bedrock.

The Newland formation consists of thin-bedded calcareous rocks which are quite siliceous. The beds are fairly rich in magnesium and iron and contain abundant quartz. These rocks in the Silver King area are mostly gray on fresh fracture but are yellow-ochre stained where weathered, both on the surface and in the underground workings. They appear to be little altered by metamorphism in the mine area and are but slightly resistant to erosion as evidenced by the gentle rounded slopes of the hills. Elsewhere the rock becomes a tough resistant hornfels where subject to contact metamorphism.

The fine-grained and thin-bedded rock at the mine breaks in flags less than six inches thick except under the vein where at various places it has been decomposed and altered to a soft talc-like consistency and is more massive. The contact of the siliceous limestone with the vein is everywhere sharp and there is no evidence of replacement of the lime during the vein replacement. The alteration may be the result of bedding-plane fault movement. Such movement would provide the void space into which the vein material was injected.

The vein itself is cloudy to milky quartz and is from four inches to approximately 30 inches in thickness. Where exposed in the workings both underground and on the surface, the vein rock appears quite vesicular due to removal of part of the metallic mineralization. This was apparently mostly pyrite as evidenced by the abundance of earthy limonite in the voids. On fresh break, the visible metallic minerals are pyrite and argentite. No galena is evident.

The vein is concordant with the dip of the bedding of the Newland formation which in the mine area varies from 37° to 42° to the east and northeast. Thus, the vein dips under the slope to the east rapidly becoming deeply buried. The source of the vein may be assumed to be a tertiary granodiorite intrusive mass which reportedly is exposed in a small area in Sluice Gulch in Section 4 to the east. Such an association occurs farther north in the region where a number of now idle mines, such as the Combination mine and those near Henderson Mountain, produced substantial amounts of gold and silver from bedding plane deposits in the Newland and overlying Spokane formations adjacent to small grandiorite intrusives.

Recent shipments of ore from the Silver King this past summer and fall have been to the Anaconda smalter at Anadonda, Montana. The ore is acceptable at this facility because of its high silica content, desireable in the large company's smelting operation. Copies of two settlement sheets are enclosed, showing silver content of from about 22 to 64 ounces per ton. Gold content of the ore is minimal, being from .18 to .29 oz. per ton. The lead content of the ore is unknown as the Anaconda Company does not pay for that metal in ores accepted at the Anaconda smelter.

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Recommendations for Future Operations

The Silver King mine shows considerable promise as a silver producer for the following reasons:

1) The vein is persistent and probably exposed for a considerable distance on the surface to the south, although active tracement of the outcrop is not in evidence.

2) The average thickness of the vein is approximately 12 inches. However, thickening into larger ore shoots appears common and the ore grade is higher in such shoots according to the present operators.

3) The vein can easily be explored over a long distance by horizontal drifts at two and possibly three levels from surface adits.

4) Water seems to present no problem in surface adits.

5) Other veins, yet unknown, could occupy similar bedding-plane positions either higher or lower in section in the Newland formation. An indicator of this possibility is the location and orientation of the old Mikado Claim to the east which parallels the Silver King vein and may have been located on such a vein higher in the Newland section.

Therefore, it is the writer's recommendation that further exploration be carried out in the following manner:

1) The present drift on the Silver King No. 1 claim should be continued, to explore the known vein. By following the vein on such level, more and more stoping ground will be developed over the drift. As the drift is driven, the heading will be farther and farther from the surfact up-dip on the vein.

2) The outcrop of the known vein should be carefully traced and mapped. This activity would aid the underground work, such as anticipating faulting and possible displacement of the vein. Any change in the attitude or constitution of the vein at the surface might be expected to extend or have some bearing on the first or second underground levels.

3) The ground now open, particularly east of the Silver King group, in Sec. 4 should be located to provide room for development and exploration. Such locating is particularly recommended as far as and including the old Mikado Claim.

4) Mill sites should be located on the available valley bottom in Sec. 5 to provide development of a mill if desireable.

5) Diamond drilling, to intersect the underlying bedding at right angles, should be undertaken on the claimed ground in Sections 4 and 5. Such drilling would be done on an incline to the west or southwest to determine if there are in fact other bedding-plane veins beside the one now known.

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6) If the ore potential in the present adit continues to be encouraging as such adit is driven and if the core drilling program indicates good potential down dip from the first adit, then a second level should be considered. This adit also would be driven from the surface further east in Sluice Gulch but down dip on the vein at least 100 feet.

The above recommendations need not be undertaken in the order presented. In fact, the first action should be (besides continuing the present drift) to acquire by location all the necessary ground for the project. Until this is done, there is always the possibility of location of the ground by outsiders who move in at the first sign of any important activity.

The cost of the above-mentioned exploration program will depend in large part on the number of steps taken and to the detail given to each step. Thus, if only the staking of additional locations and the continuance of the present drift is undertaken for, say, 500 feet, the cost would be approximately $25,000. Some return would, of course, be expected from the sale of ore extracted during the exploration. Should the complete program be carried out, an expenditure of approximately $150,000 could be anticipated for surface exploration and mapping, claim staking and validating, core drilling, and driving of adits on two levels to a distance of 2000 feet each. Such cost estimates are highly speculative at this time with the information available. Considerably more time and effort will have to be expended to arrive at a complete exploration program and accurate cost estimates. However, the property has excellent potential for becoming a very productive mine and merits such a complete and thorough program of exploration.

Respectfully submitted,

C. M. Hauptman

C. M. Hauptman

October 28, 1970

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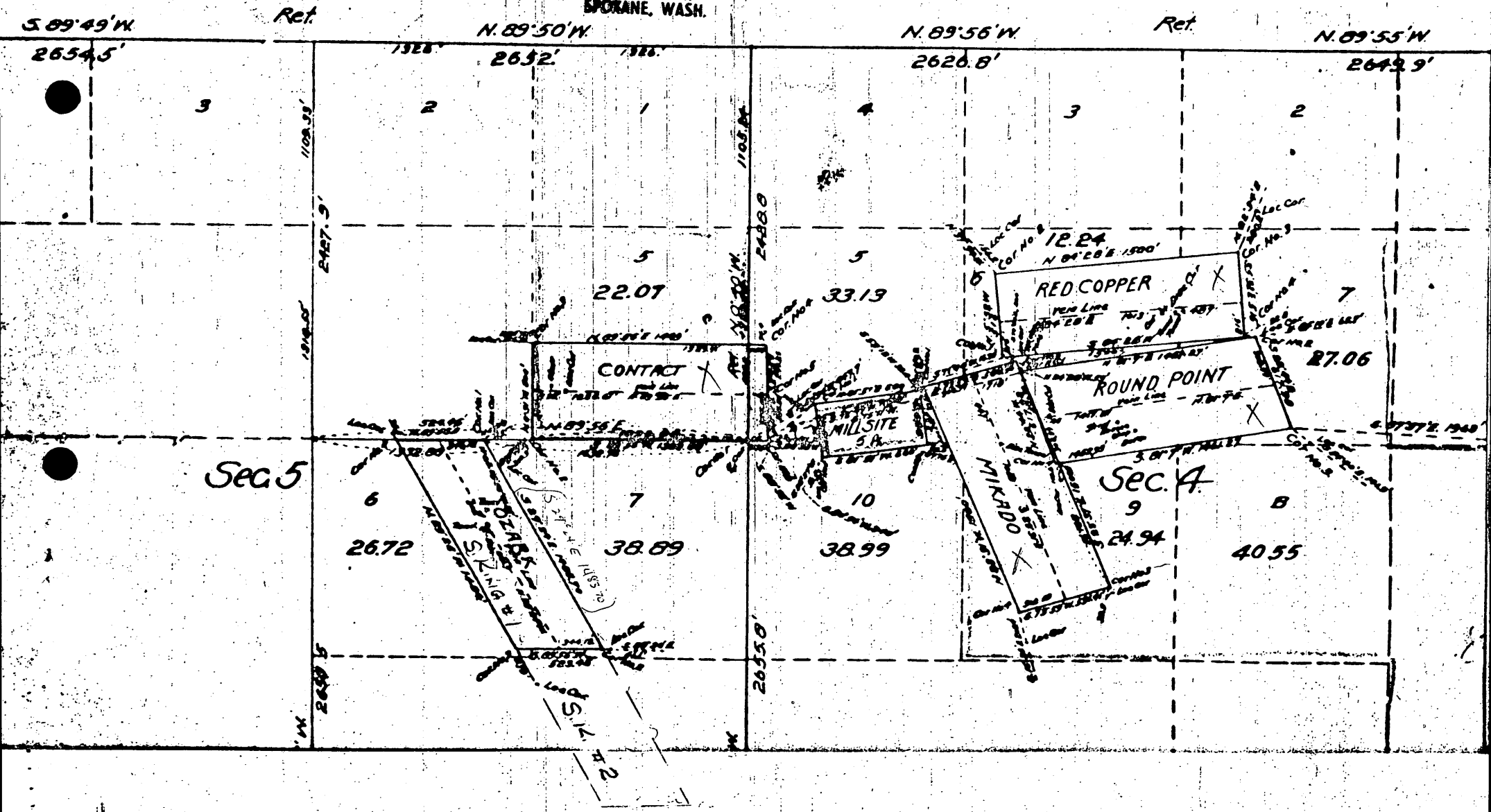

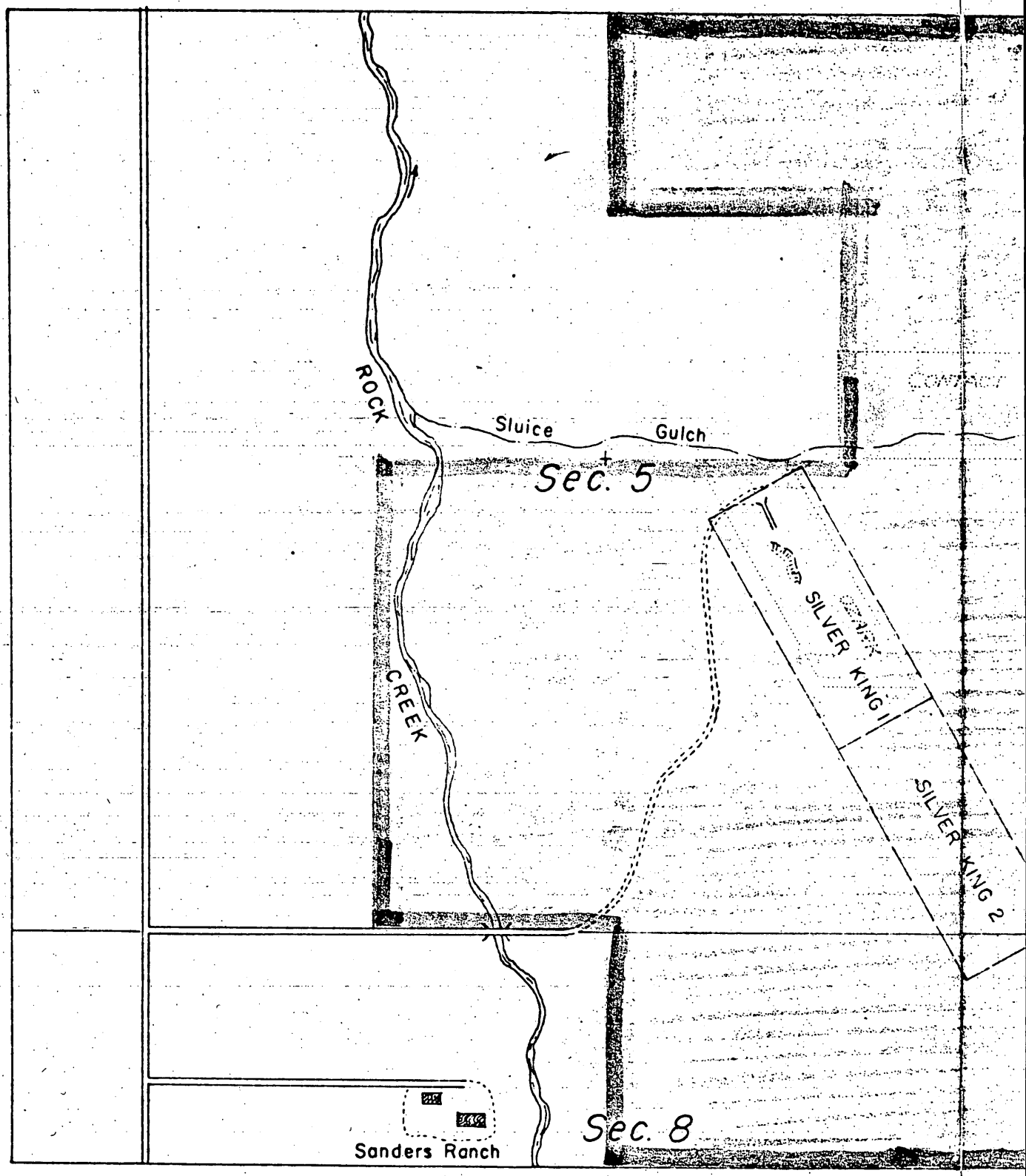

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SILVER KING

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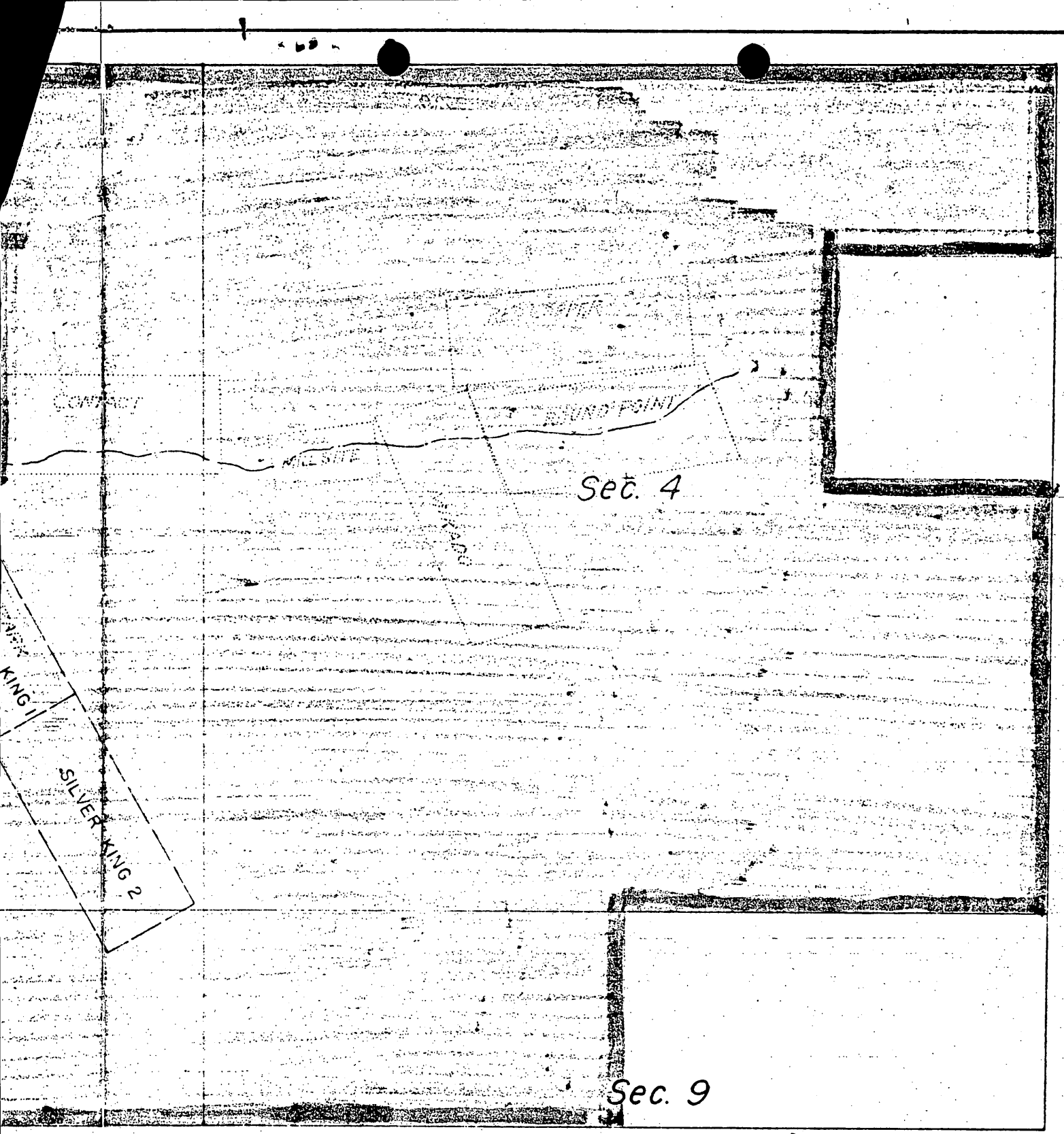

KING MINE AREA

T. 6 N., R. 15 W.

RANITE CO., MONT.

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US minerals under stockraising patents and vacant public domain.

CMH 10/70

Form 1541–1
(May 1967)

Received
Wash. D.C.
6/12/72

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SHORT NOTE TRANSMITTAL

6/6/72
(Date)

TO : Willard Puffett

FROM : Bob Newman

SUBJECT:

Here ~~is~~ are the data you asked me about. If you need further info. give me a ring.

R. D. Newman

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Form 1541-1
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GPO 835-112

Circular No. 2289

Regulations Pertaining to Mining Claims Under the General Mining Laws of 1872

Willard:

See p. 3, 4

As contained in Title 43 of the Code of Federal Regulations

U.S. Department of the Interior

Bureau of Land Management

Reprint of regulations current as of July 15, 1971

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Group 3800—Mining Claims Under the General Mining Laws

PART 3810—LANDS AND MINERALS SUBJECT TO LOCATION

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3811.2 Lands; specific.
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3811.2-2 Lands in national parks and national monuments.
3811.2-3 Lands in Indian reservations.
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3811.2-6 Lands in powersite withdrawals.
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3811.2-9 Lands under Color of Title Act.

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3812.1 Minerals subject to location.

Subpart 3813—Disposal of Reserved Minerals Under the Act of July 17, 1914

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3813.1 Minerals received by the Act of July 17, 1914, subject to mineral location, entry, and patenting.
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Subpart 3811—Lands Subject to Location and Purchase

§ 3811.1 Lands; general.

Vacant public surveyed or unsurveyed lands are open to prospecting, and upon discovery of mineral, to location and purchase. The act of June 4, 1897 (30 Stat. 36), provides that "any mineral lands in any forest reservation which have been or which may be shown to be such, and subject to entry under the existing mining laws of the United States and the rules and regulations applying thereto, shall continue to be subject to such location and entry," notwithstanding the reservation. This makes mineral lands in the forest reserves in the public land states, subject to location and entry under the general mining laws in the usual manner. Lands entered or patented under the stockraising homestead law (title to minerals and the use of the surface necessary for mining purposes can be acquired), lands entered under other agricultural laws but not perfected, where prospecting can be done peaceably are open to location.

§ 3811.2 Lands; specific.

§ 3811.2-1 States where locations may be made.

(a) Mining locations may be made in the States of Alaska, Arizona, Arkansas, California, Colorado, Florida, Idaho, Louisiana, Mississippi, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oregon, South Dakota, Utah, Washington, and Wyoming.

(b) The laws of the United States relating to mining claims were extended to Alaska by section 8 of the act of May 17, 1884 (23 Stat. 26), and sections 15, 16, and 26 of the act of June 6, 1900 (31 Stat. 327, 329; 48 U.S.C. 119, 120, 381-383) again, in terms, extended the mining laws of the United States and all right incident thereto, to the State, with certain further provisions with respect to the acquisition of claims thereunder.

(c) The law in respect to placer claims in Alaska was modified and amended by the act of August 1, 1912 (37 Stat. 242) and section 4 of that act was amended by the act of March 3, 1925 (43 Stat. 1118).

(d) By the act of May 4, 1934 (43 Stat. 663; 48 U.S.C. 381a) the acts of August 1, 1912, and March 3, 1925, were repealed and the general mining laws of the United States applicable to placer mining claims were declared to be in full force and effect in the State.

§ 3811.2-2 Lands in national parks and national monuments.

Lands in national parks and national monuments are not subject to mining location, except where specifically authorized by law.

(a) The mining laws were extended to the Death Valley National Monument, Calif., by the Act of June 13, 1933 (48 Stat. 139; 16 U.S.C. 447). The Act provides that surface use of locations, entries, or patents is subject to general regulations prescribed by the Secretary of the Interior. The regulations governing surface use in Death Valley National Monument are in 36 CFR 7.26.

(b) Mining locations may be made on lands in the Mount McKinley National Park, under the provisions of the act of February 26, 1917 (39 Stat. 938; 16 U.S.C. 347-354) which expressly provides that the United States mining laws shall be applicable to mineral lands in that area. See § 3826.1.

(c) Regulations relative to mining in the Glacier Bay National Monument are contained in § 3826.4 of this chapter.

(d) Mining locations in the Olympic National Park, Washington, made prior to June 29, 1943, are governed by § 3826.2 of this chapter.

(e) Mining locations in the Organ Pipe Cactus National Monument may be made pursuant to § 3826.5 of this chapter.

[35 F.R. 9743, June 13, 1970, as amended by Circ. 2275, 35 F.R. 12723, Aug. 11, 1970]

§ 3811.2–3 Lands in Indian reservations.

Lands in Indian reservations are not subject to the United States mining laws, except in the Papago Indian Reservation from June 18, 1934 to May 27, 1955. See § 3825 of this chapter.

§ 3811.2–4 Lands in national forests.

For mining claims in national forests, see subpart § 3811.1.

§ 3811.2–5 O and C and Coos Bay Wagon Road lands.

Revested Oregon and California Railroad and Reconveyed Coos Bay Wagon Road Grant Lands, located in Oregon, are subject to mining locations in accordance with provisions of Subpart 3821 of this chapter.

§ 3811.2–6 Lands in powersite withdrawals.

Mining claims may be located on power site withdrawals subject to the provisions of Subpart 3720 of this chapter.

§ 3811.2–7 Fissionable source material on coal lands.

Mining claims for fissionable source materials may be located on lands known to be valuable for coal under certain conditions. See Subpart 3720 of this chapter.

§ 3811.2–8 Lands under Alaska Public Sale Act.

(i) Lands segregated for classification or sold under the Alaska Public Sale Act of August 30, 1949 (63 Stat. 679; 48 U.S.C. 364a–364e), are subject to mineral appropriation under the provision of section 3 of that act for the development of the reserved minerals under applicable laws, including the United States mining laws, and subject to the rules and regulations of the Secretary of the Interior necessary to provide protection and compensation for damages from mining activities to the surface and improvements thereon. See Subpart 2770 and 3922 of this chapter.

§ 3811.2–9 Lands under Color of Title Act.

Lands patented under the Color of Title Act (43 U.S.C. 1068), by exchange under the Taylor Grazing Act (43 U.S.C. 415g) and by Forest Exchanges (16 U.S.C. 485) with mineral reservation to the United States, are subject to appropriation under the mining or mineral leasing laws for the reserved materials. See Group 2200 and subpart 2540 of this chapter. Minerals in acquired lands of the United States are not subject to mining location but the minerals therein may be acquired in accordance with the regulations contained in Subpart 3500.

Subpart 3812—Minerals Under the Mining Laws

§ 3812.1 Minerals subject to location.

Whatever is recognized as a mineral by the standard authorities, whether metallic or other substance, when found in public lands in quantity and quality sufficient to render the lands valuable on account thereof, is treated as coming within the purview of the mining laws. Deposits of oil, gas, coal, potassium, sodium, phosphate, oil shale, native asphalt, solid and semisolid bitumen, and bituminous rock including oil-impregnated rock or sands from which oil is recoverable only by special treatment after the deposit is mined or quarried, the deposits of sulphur in Louisiana and New Mexico belonging to the United States can be acquired under the mineral leasing laws (see § 3100.0–3(a)(1)), and are not subject to location and purchase under the United States mining laws. The so-called "common variety" mineral materials and petrified wood on the public lands may be acquired under the Materials Act, as amended (see Part 3600).

Subpart 3813—Disposal of Reserved Minerals Under the Act of July 17, 1914

§ 3813.0–3 Authority.

The Act of July 20, 1956 (70 Stat. 592), which amended the act of July 17, 1914 (38 Stat. 509; 30 U.S.C. sec. 122), was enacted to permit the disposal of certain reserved mineral deposits under the mining laws of the United States.

§ 3813.1 Minerals reserved by the Act of July 17, 1914, subject to mineral location, entry and patenting.

The act of July 17, 1914 (38 Stat. 509; 30 U.S.C. sec. 122), as amended by the act of July 20, 1956 (70 Stat. 592), provides in part as follows:

> * * * such deposits to be subject to disposal by the United States only as shall be hereafter expressly directed by law: *Provided, however,* That all mineral deposits heretofore or hereafter reserved to the United States under this Act which are subject, at the time of application for patent to valid and subsisting rights acquired by discovery and location under the mining laws of the United States made prior to the date of the Mineral Leasing Act of February 25, 1920 (41 Stat. 437), shall hereafter be subject to disposal to the holders of those valid and subsisting rights by patent under the mining laws of the United States in force at the time of such disposal. Any person qualified to acquire the reserved deposits may enter upon said lands with a view of prospecting

for the same upon the approval of the Secretary of the Interior of a bond or undertaking to be filed with him as security for the payment of all damages of the crops and improvements on such lands by reason of such prospecting, the measure of any such damage to be fixed by agreement of parties or by a court of competent jurisdiction. Any person who has acquired from the United States the title to or the right to mine and remove the reserved deposits, should the United States dispose of the mineral deposits in lands, may re-enter and occupy so much of the surface thereof as may be required for all purposes reasonably incident to the mining and removel of the minerals therefrom; and mine and remove such minerals, upon payment of damages caused thereby to the owner of the land, or upon giving a good and sufficient bond or undertaking therefor in an action instituted in any competent court to ascertain and fix said damages:

§ 3813.2 Minerals subject to disposition.

The Act of July 20, 1956, applies only to any mineral deposit discovered and located under the U.S. mining laws prior to February 25, 1920, and reserved to the United States under the Act of July 17, 1914 (38 Stat. 509; 30 U.S.C. 122), and which, at the time of application for mineral patent, is subject to valid and subsisting rights under the said mining laws. Only that mineral deposit together with the right to use the surface to prospect for, mine, and remove the said deposit shall, on or after July 20, 1956, be subject to disposal to the holders of such valid and subsisting rights by patent under the mining laws in force at the time of such disposal. "Oil" reserved under the Act of 1914 has been held to include oil shale. See 52 L.D. 329.

§ 3813.3 Provisions of the mineral patent.

(a) Each patent issued under the Act of July 20, 1956, shall specifically name the discovered mineral deposit which had been reserved to the United States under the Act of July 17, 1914, and shall recite that, in accordance with the reservation in the land patent, the mineral patentee and its successors (or his heirs and assigns, if a person) shall have the right to prospect for, mine and remove the mineral deposit for which the patent is issued.

(b) If, when it is determined that mineral deposit is subject to patenting under the mining laws pursuant to the Act of July 20, 1956, there is a subsisting mineral lease or permit covering such deposit, the mineral patent shall be issued subject to the mineral lease or permit for so long as rights under the lease or permit shall exist, the patentee being substituted for the United States as lessor or permittor and the patentee being entitled to all revenues derived subsequent to the issuance of patent from any such lease or permit.

Subpart 3814—Disposal of Reserved Minerals Under the Stockraising Homestead Act

§ 3814.1 Mineral reservation in entry and patent; mining and removal of reserved deposits; bonds.

(a) Section 9 of the Act of December 29, 1916 (39 Stat. 864; 43 U.S.C. 299), provides that all entries made and patents issued under its provisions shall contain a reservation to the United States of all coal and other minerals in the lands so entered and patented, together with the right to prospect for, mine, and remove the same; also that the coal and other mineral deposits in such lands shall be subject to disposal by the United States in accordance with the provisions of the coal and mineral land laws in force at the time of such disposal.

This means land is open to staking of claims.

(b) Said section 9 also provides that any person qualified to locate and enter the coal or other mineral deposits, or having the right to mine and remove the same under the laws of the United States, shall have the right at all times to enter upon the lands entered or patented under the act, for the purpose of prospecting for the coal or other mineral therein, provided he shall not injure, damage, or destroy the permanent improvements of the entryman or patentee and shall be liable to and shall compensate the entryman or patentee for all damages to the crops on the land by reason of such prospecting.

(c) It is further provided in said section 9 that any person who has acquired from the United States the coal or other mineral deposits in any such land or the right to mine and remove the same, may reenter and occupy so much of the surface thereof as may be required for all purposes reasonably incident to the mining or removal of the coal, or other minerals, first, upon securing the written consent or waiver of the homestead entryman or patentee; or, second, upon payment of the damages to crops or other tangible improvements to the owner thereof under agreement; or, third, in lieu of either of the foregoing provisions, upon the execution of a good and sufficient bond or undertaking to the United States for the use and benefit of the entryman or owner of the land, to secure payment of such damages to the crops or tangible improvements of the entryman or owner as may be determined and fixed in an action brought upon the bond or undertaking in a court of competent jurisdiction against the principal and sureties thereon. This bond on Form 3400–1 must be executed by the person who has acquired from the United States the coal or other mineral deposits reserved, as directed in said section 9, as principal, with two competent individual sureties, or a bonding company which has complied with the requirements of the act of August 13, 1894 (28 Stat. 279; 6 U.S.C. 6–13), as amended by the act of March 23, 1910 (36 Stat. 241; 6 U.S.C. 8, 9), and must be in the sum of not less than $1,000. Qualified corporate sureties are preferred and may be accepted as sole surety. Except in the case of a bond given by a qualified corporate surety there must be filed therewith affidavits of justification by the sureties and a certificate by a judge or clerk of a court of record, a United States district attorney, a United States commissioner, or a United States postmaster as to the identity, signatures, and financial competency of the sureties. Said bond, with

accompanying papers, must be filed with the manager of the land office of the district wherein the land is situate, and there must also be filed with such bond evidence of service of a copy of the bond upon the homestead entryman or owner of the land.

(d) If at the expiration of 30 days after the receipt of the aforesaid copy of the bond by the entryman or owner of the land, no objections are made by such entryman or owner of the land and filed with the manager against the approval of the bond by them, he may, if all else be regular, approve said bond. If, however, after receipt by the homestead entryman or owner of the lands of copy of the bond, such homestead entryman or owner of the land timely objects to the approval of the bond by said manager, the said officer will immediately give consideration to said bond, accompanying papers, and objections filed as aforesaid to the approval of the bond, and if, in consequence of such consideration he shall find and conclude that the proffered bond ought not to be approved, he will render decision accordingly and give due notice thereof to the person proffering the bond, at the same time advising such person of his right of appeal to the Director of the Bureau of Land Management from the action in disapproving the bond so filed and proffered. If, however, the manager, after full and complete examination and consideration of all the papers filed, is of the opinion that the proffered bond is a good and sufficient one and that the objections interposed as provided herein against the approval thereof do not set forth sufficient reasons to justify him in refusing to approve said proffered bond, he will, in writing, duly notify the homestead entryman or owner of the land of his decision in this regard and allow such homestead entryman or owner of the land 30 days in which to appeal to the Director of the Bureau of Land Management. If appeal from the adverse decision of the manager be not timely filed by the person proffering the bond, the manager will indorse upon the bond "disapproved" and other appropriate notations, and close the case. If, on the other hand, the homestead entryman or owner of the lands fails to timely appeal from the decision of the manager adverse to the contentions of said homestead entryman or owners of the lands, said manager may, if all else be regular, approve the bond.

(e) The coal and other mineral deposits in the lands entered or patented under the act of December 29, 1916, will become subject to existing laws, as to purchase or lease, at any time after allowance of the homestead entry unless the lands or the coal or other mineral deposits are, at the time of said allowance, withdrawn or reserved from disposition.

§ 3814.2 Mineral reservation in patent; conditions to be noted on mineral applications.

(a) There will be incorporated in patents issued on homestead entries under this act the following:

Excepting and reserving, however, to the United States all the coal and other minerals in the lands so entered and patented, and to it, or persons authorized by it, the right to prospect for, mine, and remove all the coal and other minerals from the same upon compliance with the conditions, and subject to the provisions and limitations, of the act of December 29, 1916 (39 Stat. 862).

(b) Mineral applications for the reserved deposits disposable under the act must bear on the face of the same, before being signed by the declarant or applicant and presented to the manager, the following notation:

Patents shall contain appropriate notations declaring same subject to the provisions of the act of December 29, 1916 (39 Stat. 862), with reference to disposition, occupancy, and use of the land as permitted to an entryman under said act.

Subpart 3815—Mineral Locations in Stock Driveway Withdrawals

§ 3815.1 Mineral locations.

Under authority of the provisions of the act of January 29, 1929 (45 Stat. 1144; 43 U.S.C. 300), the rules, regulations, and restrictions in this section are prescribed for prospecting for minerals of the kinds subject to the United States mining laws, and the locating of mining claims upon discovery of such minerals, in lands within stock driveway withdrawals made before or after May 4, 1929.

§ 3815.2 Prospecting and mining.

All prospecting and mining operations shall be conducted in such manner as to cause no interference with the use of the surface of the land for stock driveway purposes, except such as may actually be necessary.

§ 3815.3 Surface limitation.

While a mining location will be made in accordance with the usual procedure for locating mining claims, and will describe a tract of land, having due regard to the limitations of area fixed by the mining laws, the locator will be limited under his location to the right to the minerals discovered in the land and to mine and remove the same, and to occupy so much of the surface of the claim as may be required for all purposes reasonably incident to the mining and removal of the minerals.

§ 3815.4 Protection of stock.

All excavations and other mining work and improvements made in prospecting and mining operations shall be fenced or otherwise protected to prevent the same from being a menace to stock on the land.

§ 3815.5 Access to stock watering places.

No watering places shall be inclosed, nor proper and lawful access of stock thereto prevented, nor the watering of stock thereat interfered with.

§ 3815.6 Locations subject to mining laws.

Prospecting for minerals and the location of mining claims on lands in such withdrawals shall be subject to the provisions and conditions of the mining laws and the regulations thereunder.

§ 3815.7 Mining claims subject to stock driveway withdrawals.

Mining claims on lands within stock driveway withdrawals, located prior to May 4, 1929, and subsequent to the date of the withdrawal, may be held and perfected subject to the provisions and regulations in this section.

§ 3815.8 Notation required in application for patent; conditions required in patent.

(a) Every application for patent for any minerals located subject to this act must bear on its face, before being executed by the applicant and presented for filing, the following notation:

Subject to the provisions of section 10 of the act of December 29, 1916 (39 Stat. 862), as amended by the act of January 29, 1929 (45 Stat. 1144).

Like notation will be made by the manager on the final certificates issued on such a mineral application.

(b) Patents issued on such applications will contain the added condition:

That this patent is issued subject to the provisions of the act of December 29, 1916 (39 Stat. 862), as amended by the act of January 29, 1929 (45 Stat. 1144), with reference to the disposition, occupancy and use of the land as permitted to an entryman under said act.

Subpart 3816—Mineral Locations in Reclamation Withdrawals

§ 3816.1 Mineral locations.

The act of April 23, 1932 (47 Stat. 136; 43 U.S.C. 154), authorizes the Secretary of the Interior in his discretion to open to location, entry and patent under the general mining laws with reservation of rights, ways and easements, public lands of the United States which are known or believed to contain valuable deposits of minerals and which are withdrawn from development and acquisition because they are included within the limits of withdrawals made pursuant to section 3 of the reclamation act of June 17, 1902 (32 Stat. 388; 43 U.S.C. 416).

§ 3816.2 Application to open lands to location.

Application to open lands to location under the act may be filed by a person, association or corporation qualified to locate and purchase claims under the general mining laws. The application must be executed in duplicate and filed in the land office of the district in which the lands are situated, must describe the land the applicant desires to locate, by legal subdivision if surveyed, or by metes and bounds if unsurveyed, and must set out the facts upon which is based the knowledge or belief that the lands contain valuable mineral deposits, giving such detail as the applicant may be able to furnish as to the nature of the formation, kind and character of the mineral deposits. Each application shall be accompanied by a $10 nonrefundable service charge.

§ 3816.3 Recommendations of Bureau of Reclamation to open lands.

When the application is received in the Bureau of Land Management, if found satisfactory, the duplicate will be transmitted to the Bureau of Reclamation with request for report and recommendation. In case the Bureau of Reclamation makes an adverse report on the application, it will be rejected subject to right of appeal.

§ 3816.4 Recommendations as to reservations and contract form.

If in the opinion of the Bureau of Reclamation the lands may be opened under the act without prejudice to the rights of the United States, the report will recommend the reservation of such ways, rights and easements considered necessary or appropriate, and/or the form of contract to be executed by the intending locator or entryman as a condition precedent to the vesting of any rights in him, which may be necessary for the protection of the irrigation interests.

PART 3820—AREAS SUBJECT TO SPECIAL MINING LAWS

Subpart 3821—O and C Lands

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3826.5-7 Lands containing certain features not subject to location.

Subpart 3821—O and C Lands

§ 3821.1 General provisions.

(a) The act of April 8, 1948 (62 Stat. 162) reopens the revested Oregon and California Railroad and Reconveyed Coos Bay Wagon Road Grant Lands (hereinafter referred to in this section as the O. and C. lands) in Oregon, except power sites, to exploration, location, entry, and disposition under the United States Mining Laws. The act also validates mineral claims, if otherwise valid, located on the O. and C. lands during the period from August 28, 1937 to April 8, 1948.

(b) The procedure in the locating of mining claims, performance of annual labor, and the prosecution of mineral patent proceedings in connection with O. and C. lands is the same as provided by the United States Mining Laws and the general regulations in this part, and is also subject to the additional conditions and requirements hereinafter set forth.

§ 3821.2 Requirements for filing notices of locations of claims; descriptions.

(a) Where prior to April 8, 1948, a mining claim has been located upon O. and C. lands, the owner thereof must file for record, not later than October 5, 1948, in the land office of the land district in which the claim is situated, a copy of the notice of location of the claim. With respect to all mining claims located on O. and C. lands on or after April 8, 1948, the owner thereof must file for record, within 60 days of the date of such mining location, in the appropriate land office, a copy of the notice of location of the claim.

(b) If the location affects surveyed lands and the copy of location notice does not describe those legal subdivisions, section, township and range partly or wholly covered by the mining claim, the copy must be accompanied by a statement of the owner of the claim describing the legal subdivisions affected.

(c) If the location affects unsurveyed lands and the copy of location notice does not show the land described therein connected by course and distance to the nearest corner of the public land surveys and does not give the probable legal subdivisions affected if the lands were surveyed, the copy must be accompanied by a statement of the owner of the claim giving that information or satisfactory reasons for not doing so.

(d) The name and address of each owner of the claim should be furnished with the other data required by this section.

§ 3821.3 Requirement for filing statements of assessment work.

The owner of any unpatented mining claim located upon O. and C. lands must also file for record in the land office in the district in which the claim is situated, within 60 days after the expiration of any

annual assessment year, a statement as to the assessment work done or improvements made during the previous assessment year, or, as to compliance in lieu thereof, with any applicable relief act.

§ 3821.4 Restriction on use of timber; application for such use.

The owner of any unpatented mining claim located upon O. and C. lands on or after August 28, 1937, shall not acquire title, possessory or otherwise, to the timber, now or hereafter growing upon such claim. Such timber may be managed and disposed of under existing law or as may be provided by subsequent law. The owner of such unpatented mining claim, until such time as the timber is otherwise disposed of by the United States, if he wishes to cut and use so much of the timber upon his claim as may be necessary in the development and operation of his mine, shall file a written application with the district forester for permission to do so. The application shall set forth the estimated quantity and kind of timber desired and the use to which it will be put. The applicant shall not cut any of the timber prior to the approval of the application therefor.

§ 3821.5 Applications for final certificates and patents.

Applications for patents and final certificates in connection with mining claims located upon O. and C. lands on or after August 28, 1937 must be noted "Mining claims on O. and C. lands, under the act of April 8, 1948." All patents issued on such claims located on or after August 28, 1937, shall contain an appropriate reference to the act of April 8, 1948, and shall indicate that the patent is issued subject to the conditions and limitations of the act.

Subpart 3822—Lands Patented Under the Alaska Public Sale Act

§ 3822.1 Subject to mining location.

Lands segregated for classification or sold under the Alaska Public Sale Act of August 30, 1949 (63 Stat. 679, 48 U.S.C. 364a–364e) are subject to mining location, under the provision of section 3 of that act for the development of the reserved minerals under applicable law, including the United States mining laws, and subject to the rules and regulations of the Secretary of the Interior necessary to provide protection and compensation for damages from mining activities to the surface and improvements thereon. Such mining locations are subject to the applicable general regulations in Group 3800 and to the additional conditions and requirements in § 2771.6–2 of this chapter.

§ 3822.2 Compensation to surface rights holder.

Any party who obtains the right, whether by license, permit, lease, or location, to prospect for, mine, or remove the minerals after the land shall have been segregated or disposed of under the act, will be required to compensate the holder of the surface rights for any damages that may be caused to the value of the land and to the tangible improvements thereon by such mining operations or prospecting, and may be required by an authorized officer, as to mining claims, or by the terms of the mineral license, permit or lease, to post a surety bond not to exceed $20,000 in amount to protect the surface owner against such damage, prior to the commencement of mining operations.

Subpart 3823—Prospecting, Mineral Locations, and Mineral Patents Within National Forest Wilderness

§ 3823.0–3 Purpose.

This subpart sets forth procedures to be followed by persons wishing to prospect on lands within National Forest Wilderness, and special provisions pertaining to mineral locations and mineral patents within National Forest Wilderness.

§ 3823.0–5 Definition.

As used in this subpart the term "National Forest Wilderness" means an area or part of an area of National Forest lands designated by the Wilderness Act as a wilderness area within the National Wilderness Preservation System.

§ 3823.1 Prospecting within National Forest Wilderness for the purpose of gathering information about mineral resources.

(a) The provisions of the Wilderness Act do not prevent any activity, including prospecting, within National Forest Wilderness for the purpose of gathering information about mineral or other resources if such activity is conducted in a manner compatible with the preservation of the wilderness environment. While information gathered by prospecting concerning mineral resources within National Forest Wilderness may be utilized in connection with the location of valuable mineral deposits which may be discovered through such activity and which may be open to such location, attention is directed to the fact that no claim may be located after midnight, December 31, 1983, and no valid discovery may be made after that time on any location purportedly made before that time.

(b) All persons wishing to carry on any activity, including prospecting, for the purpose of gathering information about mineral or other resources on lands within National Forest Wilderness should make inquiry of the officer in charge of the National Forest in which the lands are located concerning the regulations of the Secretary of Agriculture governing surface use of the lands for such activity.

§ 3823.2 Mineral locations within National Forest Wilderness.

(a) Until midnight, December 31, 1983, the mining laws of the United States and the regulations of this chapter pertaining thereto, including any amendments

thereto effective during such period, shall to the same extent as applicable before September 3, 1964, extend to National Forest Wilderness, subject to the provisions of such regulations as may be prescribed by the Secretary of Agriculture pursuant to section 4(d)(3) of the Wilderness Act.

(b) All mineral locations established after September 3, 1964, and lying within the National Forest Wilderness, shall be held and used solely for mining or processing operations and uses incident thereto, and such locations shall carry with them no rights in excess of those rights which may be patented under the provisions of § 3823.3 of this chapter.

(c) All persons wishing to carry on any activity under the mining laws on lands within National Forest Wilderness, on or after September 3, 1964, should make inquiry of the officer in charge of the National Forest in which the lands are located concerning the regulations of the Secretary of Agriculture governing activities to be performed thereon in connection with the locations of mining claims.

§ 3823.3 Mineral patents within National Forest Wilderness.

(a) Each patent issued under the U.S. mining laws for mineral locations established after September 3, 1964, or validated by discovery of minerals occurring after September 3, 1964, and lying within National Forest Wilderness shall, in accordance with the provisions of section 4(d)(3) of the Wilderness Act:

(1) Convey title to the mineral deposits within the patented lands, together with the right to cut and use so much of the mature timber therefrom as may be needed in the extraction, removal, and beneficiation of the mineral deposits, if needed timber is not otherwise reasonably available, and if the timber is cut under sound principles of forest management as defined by the National Forest rules and regulations;

(2) Reserve to the United States all title in or to the surface of the lands and products thereof; and

(3) Provide that no use of the surface of the patented lands or the resources therefrom not reasonably required for carrying on mining or prospecting shall be allowed except as expressly provided in the Wilderness Act.

(b) Each patent to which the provisions of this section are applicable shall contain the express condition that the use of the patented lands shall be subject to regulations prescribed by the Secretary of Agriculture as referred to in § 3823.2 of this subpart and that the patented lands shall be held open for reasonable inspection by authorized officers of the U.S. Government for the purpose of observing compliance with the provisions thereof.

§ 3823.4 Withdrawal from operation of the mining laws.

Effective at midnight, December 31, 1983, subject to valid rights then existing, the minerals in lands within National Forest Wilderness are withdrawn from the operation of the mining laws by virtue of the provisions of section 4(d)(3) of the Wilderness Act.

Subpart 3824—City of Prescott, Arizona, Watershed

§ 3824.1 Mining locations.

(a) The act of January 19, 1933 (47 Stat. 771; 16 U.S.C. 482a) applies to approximately 3,600 acres in the city of Prescott municipal watershed, within the Prescott National Forest, Arizona. Rights acquired under mining locations made after the date of the act on any of the described lands are limited to the right to occupy and use so much of the surface of the land covered by the location as is reasonably necessary to carry on prospecting and mining, including the taking of mineral deposits and timber required by or in the mining operations; and patents for such locations shall convey title to the mineral deposits and a limited right to cut and remove timber for mining purposes, such patent to reserve to the United States all title in or to the surface of the lands and products thereof.

(b) The manager will note on the face of all applications for patent for mining claims embracing any of the described lands that the same are subject to the conditions, provisions, limitations, and reservations of the act except applications for claims located prior to the date of the act and as to which the applicants expressly request patent under the provisions of the general mining laws. Patents issued subject to the act will contain appropriate conditions with respect to cutting of timber and reservation of surface in the United States.

(c) Under section 3 of the act (47 Stat. 771; 16 U.S.C. 482a), valid claims existing at the date of the act and thereafter maintained may be perfected under this act or under the law under which they were initiated, as the claimant may desire. Such claimant may, therefore, continue the development of his claim under the provisions of the act and secure patent for the mineral deposits only under its provisions, or he may continue to hold under the general mining laws and secure patent which will convey to him the surface as well as the minerals in the claim.

Subpart 3825—Papago Indian Reservation, Arizona

§ 3825.0–3 Authority.

(a) The act of June 18, 1934 (48 Stat 984; 25 U.S.C. 461–479), as amended by

the act of August 28, 1937 (50 Stat. 862; 25 U.S.C. 463), revokes departmental order of October 28, 1932, which temporarily withdrew from all forms of mineral entry or claim the lands within the Papago Indian Reservation and restores, as of June 18, 1934, such lands to exploration, location and purchase under the existing mining laws of the United States.

(b) The regulations in this part apply to entries made prior to May 27, 1955. By virtue of the act of May 27, 1955 (69 Stat. 67; 25 U.S.C. 463) mineral entries may no longer be made within the Papago Indian Reservation.

§ 3825.1 Mining locations in Papago Indian Reservation in Arizona.

(a) The procedure in the location of mining claims, performance of annual labor and the prosecution of patent proceedings therefor shall be the same as provided by the United States mining laws and regulations thereunder, with the additional requirements prescribed in this section.

(b) In addition to complying with the existing laws and regulations governing the recording of mining locations with the proper local recording officer, the locator of a mining claim within the Papago Indian Reservation shall furnish to the superintendent or other officer in charge of the reservation, within 90 days of such location, a copy of the location notice, together with a sum amounting to 5 cents for each acre and 5 cents for each fractional part of an acre embraced in the location for deposit with the Treasury of the United States to the credit of the Papago Tribe as yearly rental. Failure to make the required annual rental payment in advance each year until an application for patent has been filed for the claim shall be deemed sufficient grounds for invalidating the claim. The payment of annual rental must be made to the superintendent or other officer in charge of the reservation each year on or prior to the anniversary date of the mining location.

(c) Where a mining claim is located within the reservation, the locator shall pay to the superintendent or other officer in charge of the reservation damages for the loss of any improvements on the land in such a sum as may be determined by the Secretary of the Interior to be a fair and reasonable value of such improvements, for the credit of the owner thereof. The value of such improvements may be fixed by the Commissioner, Bureau of Indian Affairs, with the approval of the Secretary of the Interior, and payment in accordance with such determination shall be made within 1 year from date thereof.

(d) At the time of filing with the manager an application for mineral patent for lands within the Papago Indian Reservation the applicant shall furnish, in addition to the showing required under the general mining laws, a statement from the superintendent or other officer in charge of the reservation, that he has deposited with the proper official in charge of the reservation for deposit in the Treasury of the United States to the credit of the Papago Tribe a sum equal to $1 for each acre and $1 for each fractional part of an acre embraced in the application for patent in lieu of annual rental, together with a statement from the superintendent or other officer in charge of the reservation that the annual rentals have been paid each year and that damages for loss of improvements, if any, have been paid.

(e) The act provides that in case patent is not acquired the sum deposited in lieu of annual rentals shall be refunded. Where patent is not acquired, such sums due as annual rentals but not paid during the period of patent application shall be deducted from the sum deposited in lieu of annual rental. Applications for refund shall be filed in the office of the manager and should follow the general procedure in applications for repayment.

(f) Water reservoirs, charcos, water holes, springs, wells, or any other form of water development by the United States or the Papago Indians shall not be used for mining purposes under the terms of the said act of August 28, 1937, except under permit from the Secretary of the Interior approved by the Papago Indian Council.

(g) A mining location may not be located on any portion of a 10 acre legal subdivision containing water reservoirs, charcos, water holes, springs, wells or any other form of water development by the United States or the Papago Indians except under a permit from the Secretary of the Interior approved by the Papago Indian Council which permit shall contain such stipulations, restrictions, and limitations regarding the use of the land for mining purposes as may be deemed necessary and proper to permit the free use of the water thereon by the United States or the Papago Indians.

(h) The term "locator" wherever used in this section shall include and mean his successors, assigns, grantees, heirs, and all others claiming under or through him.

Subpart 3826—National Park Service Areas

§ 3826.1 Mount McKinley National Park, Alaska.

§ 3826.1–1 Registration of prospectors and miners.

Before entering the Park for the purpose of prospecting or locating any mining claim under the public land mining laws on lands therein, or prior to engaging in exploration or mining on any mining claim theretofore located, all prospectors and miners shall register with the Superintendent, furnishing the information required on the registration form hereinafter set forth.

(a) *Registration form.* The aforesaid registration form shall be substantially as follows:

Form No. ----------
(----------, -----)

REGISTRATION OF PROSPECTORS AND MINERS

UNITED STATES

DEPARTMENT OF THE INTERIOR

National Park Service

Mount McKinley National Park

Pursuant to the regulations of the Secretary of the Interior (36 CFR 7.44) governing the surface use of mineral claims located within the boundaries of the Mount McKinley National Park, Alaska, and to provide for the proper registration of prospectors and miners on lands within said Park, the following information is furnished:

1. Name and address of registrant: ------

NOTE: If registrant is an agent, this fact should be indicated and the name and address of his principal should be furnished in addition to registrant's name and address. If registrant is in charge of a party, then only the chief of the party need register; however, the names and addresses of all members of the party must be listed herein, or on a separate sheet of paper attached hereto.

2. Is registrant a citizen of the United States? ----------. If registering for a party in which he is in direct charge, is each member of the party a citizen of the United States? ---------. If registrant is an agent, is the principal a citizen of the United States? ----------.

3. If this registration is for the purpose of prospecting for minerals prior to the location of a mining claim, state the general area to be covered. ----------
---

4. If this registration is for the purpose of further prospecting, development, or mining on a mining claim heretofore located, describe the exact location of such claim or claims, furnishing evidence of filing. ----
---

5. Type of mineral to be prospected for or mined. ----------

6. Equipment to be used. ----------

7. Date prospecting or mining will commence ---------- and expected cessation of operations and departure from the Park. ----------

The foregoing registration is made this ------ day of ----------, 19----, with the understanding that it is good for one year only from the date hereof and must be renewed if activities are to be carried on within the Park after the said expiration date. A copy of this registration, duly accepted and recorded, shall be retained by the registrant at all times as evidence of his compliance with the said regulations of the Secretary of the Interior.

(Signature of registrant)

Accepted and recorded:

Superintendent,
Mount McKinley National Park

§ 3826.1–2 Surface use of mineral land locations.

(a) (1) The surface use of mining claims shall be restricted to purposes of mineral exploration and development unless other uses of the surface are authorized, in writing, by the Regional Director.

(b) Prospectors and miners may open or construct roads or vehicle trails after first obtaining a permit therefor from the Regional Director. Applications for such permits may be made to the Superintendent. Each such application shall be accompanied by a map or sketch showing the location of the mining property to be served and the location of the proposed road or vehicle trail.

(c) Timber may be cut and removed from a mining claim or access road with the prior permission of the Superintendent, who shall designate the timber which may be cut and removed. All slash, brush, or debris resulting from the cutting of timber shall be disposed of by the prospector or miner in such manner and at such times as may be designated by the Superintendent.

§ 3826.2 Olympic National Park.

(a) By the act of Congress approved June 29, 1938 (52 Stat. 1241; 16 U.S.C. 251–255), the Mount Olympus National Monument was abolished and certain described lands, including the lands in the Monument, were reserved, withdrawn from disposal, and dedicated and set apart as a public park to be known as the Olympic National Park. The act provides that valid existing claims shall not be affected thereby.

(b) Section 2 of the act provides: That in the areas of said park lying east of the range line between ranges 9 and 10 and north of the seventh standard parallel, and east of the range line between ranges 4 and 5 west, Williamette meridian, all mineral deposits of the classes and kinds now subject to location, entry, and patent under the mining laws of the United States shall be, exclusive of the land containing them, subject to disposal under such laws for a period of five years from the date of approval of this Act, with rights of occupation and use of so much of the surface of the land as may be required for all purposes reasonably incident to the mining or removal of the minerals and under such general regulations as may be prescribed by the Secretary of the Interior.

§ 3826.2–1 Mining locations during 5-year period.

Under the provisions of section 2 of the act the lands within the area described in that section are, for a period of 5 years from the date of the act, open to prospecting for the kinds of mineral subject to location under the United States mining laws and upon discovery of any such mineral, locations may be made in accordance with the provisions of the mining laws and regulations thereunder. Such locations duly made within the 5-year period will carry all the rights and incidents of mining locations, except that they will give to the locator no title to the land within their boundaries, or claim thereto, except the right to occupy and use so much of the surface of the land as required for all purposes reasonably necessary to mine and remove the minerals, such occupation and use to be

under general regulations prescribed by the Secretary of the Interior. No prospecting may be done or locations made on the land after the expiration of the 5-year period from the date of this act, but the right to remove mineral deposits from valid locations made during the 5-year period may be maintained thereafter by complying with the requirements of the United States mining laws and the regulations in this subpart.

§ 3826.2–2 Cutting of timber.

The locator of a mining claim within the area described in section 2 of the act may cut timber within the boundaries of his claim for mining and domestic uses only with the permission of the superintendent of the park or his representative who will designate the timber to be cut. All slash, brush or debris resulting from the cutting of timber upon mining claims shall be disposed of by the locator in such manner and at such time as may be designated by the National Park Service officer in charge so as to prevent the creation of fire hazards, or conditions conducive to the development of infestation by timber-destroying insects.

§ 3826.2–3 Construction of trails and roads.

Prospectors or miners shall not open or construct roads or vehicle trails without first obtaining a permit from the Director of the National Park Service. Applications for such permits may be made through the officer in charge of the park upon submitting a map or sketch showing the location of the mining property to be served and the location of the proposed road or vehicle trail. The permit may be conditioned upon the permittee maintaining the road or trail in a passable condition, satisfactory to the superintendent of the park, so long as it is used by the permittee or his successors.

§ 3826.2–4 Occupation and use of surface.

Occupation and use of the surface of a mining claim is restricted by section 2 of the act to such as is reasonably incident to the exploration, development and extraction of the minerals in the claim. Accordingly, any locator or patentee of a mining claim located under this section of the act will be entitled to such right. A locator or patentee shall not be entitled to the exclusive use of any hot or minerial springs which may be within the boundaries of his claim, or to any use of such springs for other than mining purposes. Prospectors and miners shall at all times conform to any rules now prescribed or which may be made applicable by the Secretary of the Interior to this park. Special attention is directed to those regulations prohibiting hunting, trapping, and the carrying of firearms within the boundaries of the park.

§ 3826.2–5 Termination of right to use of surface of mining claims.

The right of occupation and use of the surface of the land embraced in the boundaries of a location, entry or patent pursuant to section 2 of the act will terminate when the minerals are mined out or the claim is abandoned. Any locator of an unpatented claim who fails to perform annual assessment work on his claim for any assessment period will be assumed to have abandoned his claim, and his right of occupation and use of the surface of the claim considered at an end.

§ 3826.2–6 Title to minerals only.

Applications for patents and final certificates issued thereon for mining claims located under section 2 of the act should be noted "Olympic National Park Lands", and all patents issued for such claims will convey title to the minerals under this act and this subpart.

§ 3826.3 Mining locations in Death Valley National Monument, California.

§ 3826.3–1 Mining.

Mining in Death Valley National Monument is subject to the following regulations, which are prescribed to govern the surface use of claims therein:

(a) The claim shall be occupied and used exclusively for mineral exploration and development and for no other purpose except that upon written permission of an authorized officer or employee of the National Park Service the surface of the claim may be used for other specified purposes, the use to be on such conditions and for such period as may be prescribed when permission is granted.

(b) The owner of the claim and all persons holding under him shall conform to all rules and regulations governing occupancy of the lands within the National Monument.

(c) The use and occupancy of the surface of mining claims as prescribed in subparagraphs (a) and (b) of this paragraph shall apply to all such claims located after the date of the act of June 13, 1933 (48 Stat. 139; 16 U.S.C. 447), within the limits of the National Monument as fixed by Proclamation No. 2028 of February 11, 1933, and enlarged by Proclamation No. 2228 of March 26, 1937, and to all mining claims on lands hereafter included in the National Monument, located after such inclusion, so long as such claims are within the boundaries of said Monument.

(d) Prospectors or miners shall not open or construct roads or vehicle trails without first obtaining written permission from an authorized officer or employee of the National Park Service. Applications for permits shall be accompanied by a map or sketch showing the location of the mining property to be

served and the location of the proposed road or vehicle trail. The permit may be conditioned upon the permittee's maintaining the road or trail in a passable condition as long as it is used by the permittee or his successors.

(e) From and after the date of publication of this section, no construction, development, or dumping upon any location or entry, lying wholly or partly within the areas set forth in subdivisions (1) to (3) of this subparagraph, shall be undertaken until the plans for such construction, development, and dumping, insofar as the surface is affected thereby, shall have been first submitted to and approved in writing by an authorized officer or employee of the National Park Service:

(1) All land within 200 feet of the center-line of any public road.

(2) All land within the smallest legal subdivision of the public land surveys containing a spring or water hole, or within one quarter of a mile thereof on unsurveyed public land.

(3) All land within any site developed or approved for development by the National Park Service as a residential, administrative, or public campground site. Such sites shall include all land within the exterior boundaries thereof as conspicuously posted by the placing of an appropriate sign disclosing that the boundaries of the developed site are designated on a map of the site which will be available for inspection in the office of the Superintendent. If not so posted, such sites shall include all land within 1,000 feet of any Federally owned buildings, water and sewer systems, road loops, and camp tables and fireplaces set at designated camp sites.

§ 3826.3–2 Use of water.

No works or water system of any kind for the diversion, impoundment, appropriation, transmission, or other use of water shall be constructed on or across Monument lands, including mining claims, without a permit approved by an authorized officer or employee of the National Park Service. Application for such permit shall be accompanied by plans of the proposed construction. The permit shall contain the following conditions: (1) No diversion and use of the water shall conflict with the paramount general public need for such water; (2) such water systems shall include taps or spigots at points to be prescribed by the Superintendent, for the convenience of the public; and (3) all appropriations of water, in compliance with the State water laws, shall be made for public use in the name of the United States and in accordance with instructions to be supplied by an authorized officer or employee of the National Park Service.

§ 3826.3–3 Permits.

Application for any permit required by this section shall be made through the Superintendent of the Monument.

§ 3826.3–4 Filing of copies of mining locations.

From and after the publication of this paragraph, in order to facilitate the administration of the regulations in this part, copies of all mining locations filed in the Office of the County Recorder shall be furnished to the office of the Superintendent, Death Valley National Monument, by the person filing the mining location in his own behalf or on behalf of any other person.

§ 3826.4 Glacier Bay National Monument, Alaska.

§ 3826.4–1 Mining locations.

(a) Under the act of June 22, 1936 (49 Stat. 1817), the lands in the Glacier Bay National Monument, reserved by proclamation of February 26, 1925 (43 Stat. 1988), or as it may be extended are open to prospecting for the kinds of mineral now subject to location under the United States mining laws, and, upon discovery of any such mineral, locations may be made in accordance with the provisions of the mining laws and regulations thereunder. Such locations, duly made, will carry all the rights and incidents of mining locations, except that they will give to the locator no title to the land within their boundaries or claim thereto except the right to occupy and use so much of the surface of the land as required for all purposes reasonably necessary to mine and remove the minerals, such occupation and use to be under general regulations prescribed by the Secretary of the Interior.

(b) The owner of a mining location may cut such timber within the boundaries of his claim as is necessary for mining purposes. Prospectors may cut timber for their necessary mining and domestic uses only with the permission of the custodian of the monument or his representative who will designate the timber to be cut. All slash, brush or debris resulting from the cutting of timber upon mining claims or by prospectors shall be disposed of by the claimant or prospector in such manner and at such time as may be designated by the National Park Service officer in charge so as to prevent the creation of fire hazards, or conditions conducive to the development of infestation by timber-destroying insects.

(c) Prospectors or miners shall not open or construct roads or vehicle trails without first obtaining a permit from the Director of the National Park Service. Applications for such permits may be made through the officer in charge of the monument upon submitting a map or sketch showing the location of the mining property to be served and the location of the proposed road or vehicle trail. The permit may be conditioned upon the permittee maintaining the road or trail in a passable condition so long as it is used by the permittee or his successors.

(d) Occupation and use of the surface of an unpatented mining claim is restricted by the general law to such as is reasonably incident to the exploration, development and extraction of the minerals in the claim. Accordingly, any locator or patentee of a mining claim located under this act will be entitled to such right. Upon written permission of the Director of the National Park Service or his representative, the surface of such claim may be used for other specified purposes, the use to be on such conditions and for such period as may be prescribed when permission is granted.

(e) Prospectors and miners shall at all times conform to any rules prescribed or which may be made applicable by the Director of the National Park Service to the national monument.

(f) The Park regulations for the protection of wildlife provide:

The national monument is a sanctuary for wild life of every sort, and all hunting, or the killing, wounding, frightening, capturing or attempting to capture at any time of any wild bird or animal, except dangerous animals when it is necessary to prevent them from destroying human lives or inflicting personal injury, is prohibited.

Firearms, traps, seines, and nets are prohibited within the boundaries of the monument, except upon written permission of the custodian or his representative.

(g) The right of occupation and use of the surface of the land embraced in the boundaries of a location, entry or patent pursuant to the act of June 22, 1936, will terminate when the minerals are mined out or the claim is abandoned. Any owner of an unpatented location who fails to perform annual assessment work on his claim for any assessment period will be assumed to have abandoned his claim and his right of occupation and use of the surface of the claim considered at an end.

(h) Applications for patents and final certificates issued thereon for mining claims in this monument should be noted "Glacier Bay National Monument Lands", and all patents issued for claims under the act will convey title to the minerals only, and contain appropriate reference to the act and the regulations issued thereunder.

§ 3826.5 Organ Pipe Cactus National Monument, Arizona.

By the act of Congress approved October 27, 1941 (55 Stat. 745; 16 U.S.C. 450z), all mineral deposits of the classes and kinds then subject to location, entry and patent under the United States mining laws within the Organ Pipe Cactus National Monument in Arizona, were made, exclusive of the land containing them, subject to disposal under such laws, with right of occupation and use of so much of the surface of the land as may be required for all purposes reasonably incident to the mining or removal of the minerals and under such general regulations as may be prescribed by the Secretary of the Interior.

§ 3826.5–1 Mining locations.

The lands within the Organ Pipe Cactus National Monument as established by Proclamation No. 2232 dated April 13, 1937 (50 Stat. 1827), are open to prospecting for the kinds of mineral subject to location under the United States mining laws and upon discovery of any such mineral, locations may be made in accordance with the provisions of the mining laws and regulation hereunder. Such locations duly m[illegible] will carry all the rights and incidents of mining locations, except that they will give to the locator no title to the land within their boundaries, or claim thereto except the right to occupy and use so much of the surface of the land as required for all purposes reasonably necessary to mine and remove the minerals.

§ 3826.5–2 Occupation and use of surface.

Occupation and use of the surface of a mining claim is restricted by the act to such as is reasonably incident to the exploration, development and extraction of the minerals in the claim. Accordingly, any locator or patentee of a mining claim located under this act will be entitled to such right. Prospectors and miners shall at all times conform to any rules now prescribed or which may be made applicable by the Secretary of the Interior to this monument. Special attention is directed to those regulations prohibiting hunting, trapping, and the carrying of firearms within the boundaries of the monument.

§ 3826.5–3 Termination of right to use of surface of mining claims.

The right of occupation and use of the surface of the land embraced in the boundaries of a location, entry or patent pursuant to this act will terminate when the minerals are mined out or the claim is abandoned.

§ 3826.5–4 Title to minerals only.

Applications for patents and final certificates issued thereon for mining claims located under the act should be noted "Oregon Pipe Cactus National Monument Lands," and all patents issued for such claims will convey title to the minerals only, and contain appropriate reference to the act and these regulations.

§ 3826.5–5 Destroying vegetation prohibited.

The locator of a mining claim within the monument area shall refrain from destroying or disturbing vegetation within the boundaries of his claim except as is necessary for the proper development thereof for mining purposes.

§ 3826.5–6 Construction of trails and roads.

Prospectors or miners shall not open or construct roads or vehicle trails without first obtaining a permit from the Director of the National Park Service. Applications for such permits may be made through the officer in charge of the monument upon submitting a map or sketch showing the location of the mining property to be served and the location of the proposed road or vehicle trail. The permit may be conditioned upon the permittee maintaining the road or trail in a passable condition, satisfactory to the officer in charge, so long as it is used by the permittee or his successors.

§ 3826.5–7 Lands containing certain features not subject to location.

Lands containing springs, wells, water holes, other sources of water supply, monument headquarters, and recreation areas are not subject to location.

PART 3830—LOCATION OF MINING CLAIMS

Subpart 3831—Rights to Mineral Lands

Sec.
3831.1 Manner of initiating rights under locations.

Subpart 3832—Who May Make Locations

3832.1 Qualifications.

Subpart 3831—Rights to Mineral Lands

§ 3831.1 Manner of initiating rights under locations.

Rights to mineral lands, owned by the United States, are initiated by prospecting for minerals thereon, and, upon the discovery of mineral, by locating the lands upon which such discovery has been made. A location is made by staking the corners of the claim, posting notice of location thereon and complying with the State laws, regarding the recording of the location in the county recorder's office, discovery work, etc. As supplemental to the United States mining laws there are State statutes relative to location, manner of recording of mining claims, etc., in the State, which should also be observed in the location of mining claims. Information as to State laws can be obtained locally or from State officials.

Subpart 3832—Who May Make Locations

§ 3832.1 Qualifications.

Citizens of the United States, or those who have declared their intention to become such, including minors who have reached the age of discretion and corporations organized under the laws of any State, may make mining locations. Agents may make locations for qualified locators.

PART 3840—NATURE AND CLASSES OF MINING CLAIMS

Subpart 3840—Types of Claims

Sec.
3840.1 Classes of mining claims.

Subpart 3841—Lode Claims

3841.1 Lodes located previous to May 10, 1872.
3841.2 Lodes must not have been adversely claimed.
3841.3 Discovery.
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3841.4–3 Extent of surface ground.
3841.4–4 Defining of locations.
3841.4–5 Location notice; monumenting.
3841.4–6 Recording of location notice.

Subpart 3842—Placer Claims

3842.1 Placer claims; general.
3842.1–1 Discovery.
3842.1–2 Maximum allowable acreage.
3842.1–3 Locations authorized in 10-acre units.
3842.1–4 Manner of describing 10-acre units.
3842.1–5 Conformity of placer claims to the public land surveys.
3842.2 Building-stone placers.
3842.3 Saline placers.
3842.4 Petroleum placers.

Subpart 3843—Tunnel Sites

3843.1 Possessory right of tunnel proprietor.
3843.2 Location of tunnel claims.
3843.3 Recording of notices.

Subpart 3844—Mill Sites

3844.0–3 Authority.
3844.1 Required use.

Subpart 3840—Types of Claims

§ 3840.1 Classes of mining claims.

Mining claims are of two distinct classes: lode claims and placers.

Subpart 3841—Lode Claims

§ 3841.1 Lodes located previous to May 10, 1872.

The status of lode claims located or patented previous to May 10, 1872, is not changed with regard to their extent along the lode or width of surface; but the claim is enlarged by 2322 and 2328, R.S. (30 U.S.C. 26, 33), by investing the locator, his heirs or assigns, with the right to follow, upon the conditions stated therein, all veins, lodes, or ledges, the top or apex of which lies inside of the surface lines of his claim.

§ 3841.2 Lodes must not have been adversely claimed.

It is to be distinctly understood that the law limits the possessory right to veins, lodes, or ledges, other than the one named in the original location, to such as were not adversely claimed on May 10, 1872, and that where such other vein or ledge was so adversely claimed at that date the right of the party so adversely claiming is in no way impaired by the act of that date.

§ 3841.3 Discovery.

§ 3841.3–1 Discovery required before location.

No lode claim shall be located until after the discovery of a vein or lode within the limits of the claim, the object of which provision is evidently to prevent the appropriation of presumed mineral ground for speculative purposes, to the exclusion of bona fide prospectors, before sufficient work has been done to determine whether a vein or lode really exists.

§ 3841.3–2 Discovery work.

The claimant should, therefore, prior to locating his claim, unless the vein can be traced upon the surface, sink a shaft or run a tunnel or drift to a sufficient depth therein to discover and develop a mineral-bearing vein, lode, or crevice; should determine, if possible, the general course of such vein in either direction from the point of discovery, by which direction he will be governed in marking the boundaries of his claim on the surface.

§ 3841.4 Describing locations.

§ 3841.4–1 Length of lode claims.

From and after May 10, 1872, any person who is a citizen of the United States, or who has declared his intention to become a citizen, may locate, record, and hold a mining claim of 1,500 linear feet along the course of any mineral vein or lode subject to location; or an association of persons, severally qualified as above, may make joint location of such claim of 1,500 feet, but in no event can a location of a vein or lode made after May 10, 1872, exceed 1,500 feet along the course thereof, whatever may be the number of persons composing the association.

§ 3841.4–2 Width of lode claims.

No lode located after May 10, 1872, can exceed a parallelogram 1,500 feet in length by 600 feet in width, but whether surface ground of that width can be taken depends upon the local regulations or State or Territorial laws in force in the several mining districts. No such local regulations or State or Territorial laws shall limit a vein or lode claim to less than 1,500 feet along the course thereof, whether the location is made by one or more persons, nor can surface rights be limited to less than 50 feet in width unless adverse claims existing on May 10, 1872, render such lateral limitation necessary.

§ 3841.4–3 Extent of surface ground.

With regard to the extent of surface ground adjoining a vein or lode, and claimed for the convenient working thereof, the act of May 10, 1872, provides that the lateral extent of locations of veins or lodes made after said date shall in no case exceed 300 feet on each side of the middle of the vein at the surface, and that no such surface rights shall be limited by any mining regulations to less than 25 feet on each side of the middle of

the vein at the surface, except where adverse rights existing on May 10, 1872, may render such limitation necessary; the end lines of such claims to be in all cases parallel to each other. Said lateral measurements cannot extend beyond 300 feet on either side of the middle of the vein at the surface, or such distance as is allowed by local laws. For example: 400 feet cannot be taken on one side and 200 feet on the other. If, however, 300 feet on each side are allowed, and by reason of prior claims but 100 feet can be taken on one side, the locator will not be restricted to less than 300 feet on the other side; and when the locator does not determine by exploration where the middle of the vein at the surface is, his discovery shaft must be assumed to mark such point.

§ 3841.4–4 Defining of locations.

Section 5 of the act of May 10, 1872, now section 2324, Revised Statutes (30 U.S.C. 28), requires that "the location must be distinctly marked on the ground so that its boundaries can be readily traced." Locators can not exercise too much care in defining their locations at the outset, inasmuch as section 5 of the act of May 10, 1872 (17 Stat. 92; 30 U.S.C. 28) requires that all records of mining locations made subsequent to the date of said act shall contain the name or names of the locators, the date of the location, and such a description of the claim or claims located, by reference to some natural object or permanent monument, as will identify the claim.

§ 3841.4–5 Location notice; monumenting.

(a) The location notice should give the course and distance as nearly as practicable from the discovery shaft on the claim to some permanent, well-known points or objects, such, for instance, as stone monuments, blazed trees, the confluence of streams, point of intersection of well-known gulches, ravines, or roads, prominent buttes, hills, etc., which may be in the immediate vicinity, and which will serve to perpetuate and fix the locus of the claim and render it susceptible of identification from the description thereof given in the record of locations in the district, and should be duly recorded.

(b) In addition to the foregoing data, the claimant should state the names of adjoining claims, or, if none adjoin, the relative positions of the nearest claims; should drive a post or erect a monument of stones at each corner of his surface ground, and at the point of discovery or discovery shaft should fix a post, stake, or board, upon which should be designated the name of the lode, the name or names of the locators, the number of feet claimed, and in which direction from the point of discovery, it being essential that the location notice filed for record, in addition to the foregoing description, should state whether the entire claim of 1,500 feet is taken on one side of the point of discovery, or whether it is partly upon one and partly upon the other side thereof, and in the latter case, how many feet are claimed upon each side of such discovery point. As to the importance of monuments, and as to their paramount authority, see the act of April 28, 1904 (33 Stat. 545; 30 U.S.C. 34), which amended R.S. 2327.

§ 3841.4–6 Recording of location notice.

The location notice must be filed for record in all respects as required by the State or territorial laws, and local rules and regulations, if there be any.

Subpart 3842—Placer Claims

§ 3842.1 Placer claims; general.

§ 3842.1–1 Discovery.

But one discovery of mineral is required to support a placer location, whether it be of 20 acres by an individual, or of 160 acres or less by an association of persons.

§ 3842.1–2 Maximum allowable acreage.

(a) By R.S. 2330 (30 U.S.C. 36), it is declared that no location of a placer claim made after July 9, 1870, shall exceed 160 acres for any one person or association of persons, which location shall conform to the United States surveys.

(b) R.S. 2331 (30 U.S.C. 35) provides that all placer-mining claims located after May 10, 1872, shall conform as nearly as practicable with the United States system of public land surveys and the rectangular subdivisions of such surveys, and such locations shall not include more than 20 acres for each individual claimant.

(c) The foregoing provisions of law are construed to mean that after July 9, 1870, no location of a placer claim can be made to exceed 160 acres, whatever may be the number of locators associated together, or whatever the local regulations of the district may allow; and that from and after May 10, 1872, no location can exceed 20 acres for each individual participating therein; that it, a location by two persons can not exceed 40 acres, and one by three persons can not exceed 60 acres.

§ 3842.1–3 Locations authorized in 10 acre units.

By R.S. 2330 (30 U.S.C. 36), authority is given for subdividing 40-acre legal subdivisions into 10-acre tracts. These 10-acre tracts should be considered and dealt with as legal subdivisions, and an applicant having a placer claim which conforms to one or more of such 10-acre tracts, contiguous in case of two or more tracts, may make entry thereof, after the usual proceedings, without further survey or plat.

§ 3842.1–4 Manner of describing 10-acre units.

A 10-acre subdivision may be described, for instance if situated in the extreme northeast of the section, as the "NE. ¼ of the NE. ¼ of the NE. ¼" of the section, or, in like manner, by appropriate terms, wherever situated; but in addition to this description, the notice must give all the other data required in

a mineral application, by which parties may be put on inquiry as to the land sought to be patented. The proofs submitted with applications must show clearly the character and extent of the improvements upon the premises.

§ 3842.1–5 Conformity of placer claims to the public land surveys.

(a) All placer-mining claims located after May 10, 1872, shall conform as near as practicable with the United States system of public-land surveys and the rectangular subdivisions of such surveys, whether the locations are upon surveyed or unsurveyed lands.

(b) Conformity to the public-land surveys and the rectangular subdivisions thereof will not be required where compliance with such requirement would necessitate the placing of the lines thereof upon other prior located claims or where the claim is surrounded by prior locations.

(c) Where a placer location by one or two persons can be entirely included within a square 40-acre tract, by three or four persons within two square 40-acre tracts placed end to end, by five or six persons within three square 40-acre tracts, and by seven or eight persons within four square 40-acre tracts, such locations will be regarded as within the requirements where strict conformity is impracticable.

(d) Whether a placer location conforms reasonably with the legal subdivisions of the public survey is a question of fact to be determined in each case, and no location will be passed to patent without satisfactory evidence in this regard. Claimants should bear in mind that it is the policy of the Government to have all entries whether of agricultural or mineral lands as compact and regular in form as reasonably practicable, and that it will not permit or sanction entries or locations which cut the public domain into long narrow strips or grossly irregular or fantastically shaped tracts. (Snow Flake Fraction Placer, 37 L.D. 250.)

§ 3842.2 Building-stone placers.

The act of August 4, 1892 (27 Stat. 348; 30 U.S.C. 161), extends the mineral land laws so as to bring lands chiefly valuable for building stone within the provisions of said laws.

(a) Common varieties of building stone are, since the act of July 23, 1955 (69 Stat. 367; 30 U.S.C. 611) no longer locatable under the mining laws.

(b) Uncommon varieties of building stone continue to be subject to the building stone placer supplement to the mining law, 30 U.S.C. 161.

§ 3842.3 Saline placers.

(a) Under the act approved January 31, 1901 (31 Stat. 745; 30 U.S.C. 162), extending the mining laws to saline lands, the provisions of the law relating to placer-mining claims are extended to all States so as to permit the location and purchase thereunder of all unoccupied public lands containing salt springs, or deposits of salt in any form, and chiefly valuable therefor, with the proviso, "That the same person shall not locate or enter more than one claim hereunder." The saline placer act was superseded by the Mineral Leasing Act of February 25, 1920 (41 Stat. 437; 30 U.S.C. 181 et seq.), whereby saline (sodium) deposits were made subject to disposal by leases instead of mining locations.

(b) Rights obtained by location under the placer-mining laws are assignable, and the assignee may make the entry in his own name; so, under this act a person holding as assignee may make entry in his own name: *Provided,* That he has not held under this act, at any time, either as locator or entryman, any other lands; his right is exhausted by having held under this act any particular tract, either as locator or entryman, either as an individual or as a member of an association. It follows, therefore, that no application for patent or entry, made under this act, shall embrace more than one single location.

(c) In order that the conditions imposed by the proviso, as set forth in paragraph (b) of this section, may duly appear, the application for patent must contain or be accompanied by a specific statement by each person whose name appears therein that he never has, either as an individual or as a member of an association, located or entered any other lands under the provisions of this act. The application for patent should also be accompanied by a showing, fully disclosing the qualifications as defined by the proviso, of the applicants' predecessors in interest.

§ 3842.4 Petroleum placers.

The act of February 11, 1897 (29 Stat. 526), provides for the location and entry of public lands chiefly valuable for petroleum or other mineral oils, and entries of that nature made prior to the passage of said act are to be considered as though made thereunder. This act was superseded by the Mineral Leasing Act of February 25, 1920 (41 Stat. 437).

Subpart 3843—Tunnel Sites

§ 3843.1 Possessory right of tunnel proprietor.

The effect of R.S. 2323 (30 U.S.C. 27), is to give the proprietors of a mining tunnel run in good faith the possessory right to 1,500 feet of any blind lodes cut, discovered, or intersected by such tunnel, which were not previously known to exist within 3,000 feet from the face or point of commencement of such tunnel, and to prohibit other parties, after the commencement of the tunnel, from prospecting for and making locations of lodes on the line thereof and within said distance of 3,000 feet, unless such lodes appear

upon the surface or were previously known to exist. The term "face," as used in said sections, is contrued and held to mean the first working face formed in the tunnel, and to signify the point at which the tunnel actually enters cover; it being from this point that the 3,000 feet are to be counted upon which prospecting is prohibited as aforesaid. R.S. 2323 provides: "Failure to prosecute the work on the tunnel for six months shall be considered as an abandonment of the right to all undiscovered veins on the line of such tunnel."

§ 3843.2 Location of tunnel claims.

To avail themselves of the benefits of this provision of law, the proprietors of a mining tunnel will be required, at the time they enter cover as aforesaid, to give proper notice of their tunnel location by erecting a substantial post, board, or monument at the face or point of commencement thereof, upon which should be posted a good and sufficient notice, giving the names of the parties or company claiming the tunnel right; the actual or proposed course or direction of the tunnel, the height and width thereof, and the course and distance from such face or point of commencement to some permanent well-known objects in the vicinity by which to fix and determine the locus in manner heretofore set forth appplicable to locations of veins or lodes, and at the time of posting such notice they shall, in order that miners or prospectors may be enabled to determine whether or not they are within the lines of the tunnel, establish the boundary lines thereof, by stakes or monuments placed along such lines at proper intervals, to the terminus of the 3,000 feet from the face or point of commencement of the tunnel, and the lines so marked will define and govern as to specific boundaries within which prospecting for lodes not previously known to exist is prohibited while work on the tunnel is being prosecuted with reasonable diligence.

§ 3843.3 Recording of notices.

A full and correct copy of such notice of location defining the tunnel claim must be filed for record with the mining recorder of the district, to which notice must be attached the sworn statement or declaration of the owners, claimants, or projectors of such tunnel, setting forth the facts in the case; stating the amount expended by themselves and their predecessors in interest in prosecuting work thereon; the extent of the work performed, and that it is bona fide their intention to prosecute work on the tunnel so located and described with reasonable diligence for the development of a vein or lode, or for the discovery of mines, or both, as the case may be. This notice of location must be duly recorded, and, with the said sworn statement attached, kept on the recorder's files for future reference.

Subpart 3844—Millsites

§ 3844.0–3 Authority.

The location and patenting of lands for millsite purposes is authorized by R.S. 2337 as amended by the Act of March 18, 1960. The act, 30 U.S.C. 42, reads as follows:

Patents for nonmineral lands.

(a) Where nonmineral land not contiguous to the vein or lode is used or occupied by the proprietor of such vein or lode for mining or milling purposes, such nonadjacent surface ground may be embraced, and included in an application for a patent for such vein or lode, and the same may be patented therewith, subject to the same preliminary requirements as to survey and notice as are applicable to veins or lodes; but no location made of such nonadjacent land shall exceed five acres, and payment for the same must be made at the same rate as fixed by sections 21–24, 26–28, 29, 30, 33–48, 50–52, and 71–76 of this title for the superficies of the lode. The owner of a quartz mill or reduction works, not owning a mine in connection therewith, may also receive a patent for his mill site, as provided in this section.

(b) Where nonmineral land is needed by the proprietor of a placer claim for mining, milling, processing, beneficiation, or other operations in connection with such claim, and is used or occupied by the proprietor for such purposes, such land may be included in an application for a patent for such claim, and may be patented therewith subject to the same requirements as to survey and notice as are applicable to placers. No location made of such nonmineral land shall exceed five acres and payment for the same shall be made at the rate applicable to placer claims which do not include a vein or lode. (As amended Mar. 18, 1960, Pub. Law 86–390, 74 Stat. 7.)

§ 3844.1 Required use.

A millsite is required to be used or occupied distinctly and explicitly for mining or milling purposes in connection with the lode or placer claim with which it is associated. A custom or independent millsite may be located for the erection and maintenance of a quartz mill or reduction works.

PART 3850—ASSESSMENT WORK

Subpart 3851—Assessment Work; General

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3851.1–1 Expenditures.
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3851.4 Determination of right of possession between rival claimants.
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Subpart 3851—Assessment Work; General

§ 3851.1 Assessment work.

In order to hold the possessory right to a lode or placer location made after May 10, 1872, not less than $100 worth of labor must be performed or improvements made thereon annually. The period within which the work required to be done shall commence at 12 o'clock meridian on the 1st day of September succeeding the date of location of each claim. Where a number of contiguous claims are held in common, the aggregate expenditure that would be necessary to hold all the claims may be made on any one claim. Cornering locations are held not to be contiguous.

§ 3851.1–1 Expenditures.

The annual expenditure in the amount of $100, required by section R.S. 2324 (30 U.S.C. 28), must be made upon placer as well as lode locations.

§ 3851.2 Inclusion of surveys in assessment work.

(a) In addition to the several types of work that may fulfill the annual labor requirement, the requirement can also be satisfied by conducting geological, geochemical and geophysical surveys. P.L. 85–876, Act of September 2, 1958 (72 Stat. 1701; 30 U.S.C. 28–1–2). Such surveys must be conducted by qualified experts and verified by a detailed report filed in the county or recording district office in which the claim is located. This report must set forth fully the following:

(1) The location of the work performed in relation to the point of discovery and boundaries of the claim.

(2) Nature, extent and cost of the work performed.

(3) The basic findings of the surveys.

(4) The name, address and professional background of the person or persons conducting the work.

Such surveys may not be applied as labor for more than two consecutive years or for more than a total of five years on any one mining claim. Each survey shall be nonrepetitive of any previous survey of the same claim. Such surveys will not apply toward the statutory provision requiring the expenditure of $500 for each claim for mineral patent.

(b) As used in this section—

(1) The term "geological surveys" means surveys on the ground for mineral deposits by the proper application of the principles and techniques of the science of geology as they relate to the search for and discovery of mineral deposits;

(2) The term "geochemical surveys" means surveys on the ground for mineral deposits by the proper application of the principles and techniques of the science of chemistry as they relate to the search for and discovery of mineral deposits;

(3) The term "geophysical surveys" means surveys on the ground for mineral deposits through the employment of generally recognized equipment and methods for measuring physical difference between rock types or discontinuities in geological formations;

(4) The term "qualified expert" means an individual qualified by education or experience to conduct geological, geochemical, or geophysical surveys, as the case may be.

§ 3851.3 Failure to perform assessment work.

Failure to make the expenditure or perform the labor required upon a location made before or since May 10, 1872, will subject a claim to relocation unless the original locator, his heirs, assigns, or legal representatives have resumed work after such failure and before relocation.

§ 3851.4 Determination of right of possession between rival claimants.

The annual expenditure of $100 in labor or improvements on a mining claim, required by section 2324 of the Revised Statutes (30 U.S.C. 28), is, with the exception of certain phosphate placer locations, validated by the act of January 11, 1915 (38 Stat. 792; 30 U.S.C. 131), under which regulations were issued March 31, 1915 (Circ. 396), 44 L.D. 46, solely a matter between rival or adverse claimants to the same mineral land, and goes only to the right of possession, the determination of which is committed exclusively to the courts.

§ 3851.5 Failure of a co-owner to contribute to annual assessment work.

Upon the failure of any one of several co-owners to contribute his proportion of the required expenditures, the co-owners, who have performed the labor or made the improvements as required, may, at the expiration of the year, give such delinquent co-owner personal notice in writing, or notice by publication in the newspaper published nearest the

claim for at least once a week for 90 days; and if upon the expiration of 90 days after such notice in writing, or upon the expiration of 180 days after the first newspaper publication of notice, the delinquent co-owner shall have failed to contribute his proportion to meet such expenditures or improvements, his interest in the claim by law passes to his co-owners who have made the expenditures or improvements as aforesaid. Where a claimant alleges ownership of a forfeited interest under the foregoing provision, the statement of the publisher as to the facts of publication, giving dates, and a printed copy of the notice published, should be furnished, and the claimant must state that the delinquent co-owner failed to contribute his proper proportion within the period fixed by the statute.

§ 3851.6 Assessment work not required after patent certificate.

Annual expenditure is not required subsequent to entry, the date of issuing the patent certificate being the date contemplated by statute.

Subpart 3852—Deferment of Assessment Work

§ 3852.0–3 Authority.

The act of June 21, 1949 (63 Stat. 214; 30 U.S.C. 28b–c), provides for the temporary deferment in certain unavoidable contingencies of the performance of annual assessment work on mining claims held by location in the United States. The relief under this act is in addition to any other relief available under any other act of Congress with respect to the suspension of annual assessment work on mining claims.

§ 3852.1 Conditions under which deferment may be granted.

The deferment may be granted where any mining claim or group of claims in the United States is surrounded by lands over which a right-of-way for the performance of assessment work has been denied or is in litigation or is in the process of acquisition under State law or where other legal impediments exist which affect the right of the claimant to enter upon the surface of such claim or group of claims or to gain access to the boundaries thereof.

§ 3852.2 Filing of petition for deferment, contests.

(a) In order to obtain temporary deferment, the claimant must file with the manager of the land office for the district in which the lands are situated, a petition in duplicate requesting such deferment. No particular form of petition is required, but the applicant must attach to one copy thereof a copy of the notice to the public required by the act which shows that it has been filed or recorded in the office in which the notices or certificates of location were filed or recorded. The petition and duplicate should be signed by at least one of the owners of each of the locations involved, shall give the names of the claims, dates of location, and the date of the beginning of the one-year period for which deferment is requested. Each petition shall be accompanied by a $10 nonrefundable service charge.

(b) If the petition is based upon the denial of a right-of-way, it must state the nature and ownership of the land or claim thereto over which it is necessary to obtain a right-of-way in order to reach the surrounded claims, and the land description thereof by legal subdivisions if the land is surveyed, and give full details as to why present use of the right-of-way is denied or prevented and as to the steps which have been taken to acquire the right to use it. The petition should state whether any other right-of-way is available and if so, give reasons why it is not feasible or desirable to use that right-of-way.

(c) If the petition is based on other legal impediments, they must be set out and their effect described in detail.

§ 3852.3 Notice of action on petition to be recorded.

The claimant must file or record, in the office in which he filed or recorded his notice of petition, a copy of the order or decision disposing of the petition.

§ 3852.4 Period for which deferment may be granted.

If the showing made is satisfactory, the authorized officer of the Bureau of Land Management will grant a deferment for an initial period not exceeding one year. The period shall begin on the date requested in the petition unless the approval sets a different date. Upon petition, the one year period may be renewed for another year if justifiable conditions exist. If the conditions justifying deferment are removed prior to the specified termination date of the deferment period, the deferment shall automatically be ended as of such earlier date.

§ 3852.5 When deferred assessment work is to be done.

All deferred assessment work may be begun at any time after the termination of the deferment but must be completed not later than the end of the assessment year commencing after the removal or cessation of the causes for the deferment or the expiration of any deferments granted under the act and shall be in addition to the annual assessment work required by law for such year.

PART 3860—MINERAL PATENT APPLICATIONS

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Subpart 3861—Surveys and plats

§ 3861.1 Surveys of mining claims.

§ 3861.1–1 Application for survey.

The claimant is required, in the first place, to have a correct survey of his claim made under authority of the proper cadastral engineer, such survey to show with accuracy the exterior surface boundaries of the claim, which boundaries are required to be distinctly marked by monuments on the ground. He is required to have a correct survey where patent is applied for and where the mining claim is in vein or lode formation, or covers lands not surveyed in accordance with the U.S. system of rectangular surveys, or where the mining claim fails to conform with the legal subdivisions of the federal surveys. Application for authorization of survey should be made to the appropriate land office (see § 1821.2–1 of this chapter).

§ 3861.1–2 Survey must be made subsequent to recording notice of location.

The survey and plat of mineral claims required to be filed in the proper land office with application for patent must be made subsequent to the recording of the location of the claim (if the laws of the State or the regulations of the mining district require the notice of location to be recorded), and when the original location is made by survey of a mineral surveyor such location survey cannot be substituted for that required by the statute, as above indicated. All matters relating to the duties of mineral surveyors, and to the field and office procedure to be observed in the execution of mineral surveys, are set forth in Chapter X of the Manual of Instructions for the Survey of the Public Lands of the United States, 1947.

§ 3861.1–3 Plats and field notes of mineral surveys.

When the patent is issued, one copy of the plat and field notes shall accompany the patent and be delivered to the patentee.

§ 3861.2 Surveys; specific.

§ 3861.2–1 Particulars to be observed in mineral surveys.

(a) The following particulars should be observed in the survey of every mining claim:

(1) The exterior boundaries of the claim, the number of feet claimed along the vein, and, as nearly as can be ascertained, the direction of the vein, and the number of feet claimed on the vein in each direction from the point of discovery or other well-defined place on the claim should be represented on the plat of survey and in the field notes.

(2) The intersection of the lines of the survey with the lines of conflicting prior surveys should be noted in the field notes and represented upon the plat.

(3) Conflicts with unsurveyed claims, where the applicant for survey does not claim the area in conflict, should be shown by actual survey.

(4) The total area of the claim embraced by the exterior boundaries should be stated, and also the area in conflict with each intersecting survey, substantially as follows:

	Acres
Total area of claim	10.50
Area in conflict with survey No. 302	1.56
Area in conflict with survey No. 948	2.33
Area in conflict with Mountain Maid lode mining claim, unsurveyed	1.48

(b) It does not follow that because mining surveys are required to exhibit all conflicts with prior surveys the area of conflict are to be excluded. The field notes and plat are made a part of the application for patent, and care should be taken that the description does not inadvertently exclude portions intended to be retained. The application for patent should state the portions to be excluded in express terms.

§ 3861.2–2 Certificate of expenditures and improvements.

(a) The claimant at the time of filing the application for patent, or at any time within the 60 days of publication, is required to file with the manager a certificate of the office cadastral engineer that not less than $500 worth of labor has been expended or improvements made, by the applicant or his grantors, upon each location embraced in the application, or if the application embraces several contiguous locations held in common, that an amount equal to $500 for each location has been so expended upon, and for the benefit of, the entire group; that the plat filed by the claimant is correct; that the field notes of the survey, as filed, furnish such an accurate description of the claim as will, if incorporation in a patent, serve to identify the premises fully, and that such reference is made therein to natural objects or permanent monuments as will perpetuate and fix the locus thereof.

(b) In case of a lode and mill-site claim in the same survey the expenditure of $500 must be shown upon the lode claim.

§ 3861.2–3 Mineral surveyor's report of expenditures and improvements.

(a) In the mineral surveyor's report of the value of the improvements all actual expenditures and mining improvements made by the claimant or his grantors, having a direct relation to the development of the claim, must be included in the estimate.

(b) The expenditures required may be made from the surface or in running a tunnel, drifts, or crosscuts for the development of the claim. Expenditures for drill holes for the purpose of prospecting and securing data upon which further development of a group of lode mining claims held in common may be based are available toward meeting the statutory provision requiring an expenditure of $500 as a basis for patent as to all of the claims of the group situated in close proximity to such common improvement. Improvements of any other character, such as buildings, machinery, or roadways, must be excluded from the estimate, unless it is shown clearly that they are associated with actual excavations, such as cuts, tunnels, shafts, etc., are essential to the practical development of and actually facilitate the extraction of mineral from the claim.

(c) Improvements made by a former locator who has abandoned his claim cannot be included in the estimate, but should be described and located in the notes and plat.

§ 3861.2–4 Supplemental proof of exitures and improvements.

If the value of the labor and improvements upon a mineral claim is less than $500 at the time of survey the mineral surveyor may file with the cadastral engineer supplemental proof showing $500 expenditure made prior to the expiration of the period of publication.

§ 3861.2–5 Amended mineral surveys.

(a) Inasmuch as amended surveys are ordered only by special instructions from the Bureau of Land Management, and the conditions and circumstances peculiar to each separate case and the object sought by the required amendment, alone govern all special matters relative to the manner of making such survey and the form and subject matter to be embraced in the field notes thereof, but few general rules applicable to all cases can be laid down.

(b) The expense of amended surveys, including amendment of plat and field notes, and office work in the Bureau of Land Management office will be borne by the claimant.

(c) The amended survey must be made in strict conformity with, or be embraced within, the lines of the original survey. If the amended and original surveys are identical, that fact must be clearly and distinctly stated in the field notes. If not identical, a bearing and distance must be given from each established corner of the amended survey to the corresponding corner of the original survey.

The lines of the original survey, as found upon the ground, must be laid down upon the preliminary plat in such manner as to contrast and show their relation to the lines of the amended survey.

§ 3861.3 Mineral surveyors.

§ 3861.3–1 Extent of duties.

The duty of a mineral surveyor in any particular case ceases when he has executed the survey and returned the field notes and preliminary plat, with his report, to the cadastral engineer. He will not be allowed to prepare for the mining claimant the papers in support of his application for patent. He is not permitted to combine the duties of surveyor and notary public in the same case by administering oaths. It is preferable that both preliminary and final oaths of assistants should be taken before some officer duly authorized to administer oaths, other than the mineral surveyor. In cases, however, where great delay, expense, or inconvenience would result from a strict compliance with this section, the mineral surveyor is authorized to administer the necessary oaths to his assistants, but in each case where this is done, he will submit to the proper cadastral engineer a full written report of the circumstances which required his stated action; otherwise he must have absolutely nothing to do with the case, except in his official capacity as surveyor. He will not employ field assistants interested therein in any manner.

§ 3861.3–2 Assistants.

The employing of claimants, their attorneys, or parties in interest, as assistants in making surveys of mineral claims will not be allowed.

§ 3861.4 Contract for surveys.

§ 3861.4–1 Payment.

(a) The claimant is required, in all cases, to make satisfactory arrangements with the surveyor for the payment for his services and those of his assistants in making the survey, as the United States will not be held responsible for the same.

(b) The state director has no jurisdiction to settle differences relative to the payment of charges for field work, between mineral surveyors and claimants. These are matters of private contract and must be enforced in the ordinary manner, i.e., in the local courts. The Department has, however, authority to investigate charges affecting the official actions of mineral surveyors, and will, on sufficient cause shown, suspend or revoke their appointment.

§ 3861.5 Appointment and employment of mineral surveyors.

§ 3861.5–1 Appointment.

Pursuant to section R.S. 2334 (30 U.S.C. 39), each state director will appoint as surveyors for the survey of mining claims applicants found to be competent, to the extent needed to meet the demand for that class of work. Each appointee shall qualify as prescribed by the state director and shall furnish a performance bond of not less than $5,000 before entering on duty. Each mineral surveyor shall be eligible to survey mining claims in the States within the region in which he is appointed and in adjoining States. Each state director shall maintain a register showing the names and addresses of mineral surveyors appointed for the area and eligible for the survey of mining claims. The state director shall furnish each adjoining State with a copy of such register, and shall advise them of any changes therein.

§ 3861.5–2 Employment.

A mineral claimant may employ any United States mineral surveyor qualified as indicated in paragraph (a) of this section to make the survey of his claim. All expenses of the survey of mining claims and the publication of the required notices of application for patent are to be borne by the mining claimants.

§ 3861.6 Plats and notices.

§ 3861.6–1 Payment of charges of the public survey office.

With regard to the platting of the claim and other office work in the Bureau of Land Management office, including the preparation of the copies of the plat and field notes to be furnished the claimant, that office will make an estimate of the cost thereof, which amount the claimant will deposit with it to be passed to the credit of the fund created by "Deposits by Individuals for Surveying Public Lands."

§ 3861.7 Posting.

§ 3861.7–1 Plat and notice to be posted on claim.

The claimant is required to post a copy of the plat of survey in a conspicuous place upon the claim, together with notice of his intention to apply for a patent therefor, which notice will give the date of posting, the name of the claimant, the name of the claim, the number of the survey, the mining district and county, and the names of adjoining and conflicting claims as shown by the plat of survey.

§ 3861.7–2 Proof of posting on the claim.

After posting the said plat and notice upon the premises the claimant will file with the proper manager two copies of such plat and the field notes of survey of the claim, accompanied by two copies of the statement of at least two credible witnesses that such plat and notice are posted conspicuously upon the claim, giving the date and place of such posting, and two copies of the notice so posted to be attached to and form a part of said statement.

Subpart 3862—Lode Mining Claim Patent Applications

§ 3862.1 Lode claim patent application; general.

§ 3862.1–1 Application for patent.

(a) At the time the proof of posting is filed the claimant must file in duplicate an application for patent showing that he has the possessory right to the claim, in virtue of a compliance by himself (and by his grantors, if he claims by purchase) with the mining rules, regulations, and customs of the mining district or State in which the claim lies, and with the mining laws of Congress, such statement to narrate briefly, but as clearly as possible, the facts constituting such compliance, the origin of his possession, and the basis of his claim to a patent. The application should contain a full description of the kind and character of the vein or lode and should state whether ore has been extracted therefrom; and if so, in what amount and of what value. It should also show the precise place within the limits of each of the locations embraced in the application where the vein or lode has been exposed or discovered and the width thereof. The showing in these regards should contain sufficient data to enable representatives of the Government to confirm the same by examination in the field and also enable the Bureau of Land Management to determine whether a valuable deposit of mineral actually exists within the limits of each of the locations embraced in the application.

(b) Every application for patent, based on a mining claim located after August 1, 1946, shall state whether the claimant has or has not had any direct or indirect part in the development of the atomic bomb project. The application must set forth in detail the exact nature of the claimant's participation in the project, and must also state whether as a result of such participation he acquired any confidential, official information as to the existence of deposits of uranium, thorium, or other fissionable source materials in the lands covered by his application.

(c) In applying for patent to a mining claim embracing land lying partly within one land district and partly within another, a full set of papers must be filed in each office, except that one abstract of title and one proof of patent expenditures will be sufficient. Only one newspaper publication and one posting on the claim will be required, but proof thereof must be filed in both offices, the statements as to posting plat and notice on the claim to be signed within the respective land districts, as well, also, as all of the other statements required in mineral patent proceedings, except such as, under the law, may be signed outside of the land district wherein the land applied for is situated. Publication, payment of fees, and the purchase price of the land will be further governed by the provisions of § 1823.4(a) and 1861.2 of this chapter.

§ 3862.1–2 Service charge.

The service charge payable to the Bureau of Land Management for filing and acting upon applications for mineral-land patents is $25 to be paid by the applicant for patent at the time of filing. This charge is not refundable.

§ 3862.1–3 Evidence of title.

(a) Each patent application must be supported by either a certificate of title or an abstract of title certified to by the legal custodian of the records of locations and transfers of mining claims or by an abstracter of titles. The certificate of title or certificate to an abstract of title must be by a person, association, or corporation authorized by the State laws to execute such a certificate and acceptable to the Bureau of Land Management.

(b) A certificate of title must conform substantially to a form approved by the Director.

(c) Each certificate of title or abstract of title must be accompanied by single copies of the certificate or notice of the original location of each claim, and of the certificates of amended or supplemental locations thereof, certified to by the legal custodian of the record of mining locations.

(d) A certificate to an abstract of title must state that the abstract is a full, true, and complete abstract of the location certificates or notices, and all amendments thereof, and of all deeds, instruments, or actions appearing of record purporting to convey or to affect the title to each claim.

(e) The application for patent will be received and filed if the certificate of title or an abstract is brought down to a day reasonably near the date of the presentation of the application and shows full title in the applicant, who must as soon as practicable thereafter file a supplemental certificate of title or an abstract brought down so as to include the date of the filing of the application.

§ 3862.1–4 Evidence relating to destroyed or lost records.

In the event of the mining records in any case having been destroyed by fire or otherwise lost, a statement of the fact should be made, and secondary evidence of possessory title will be received, which may consist of the statement of the claimant, supported by those of any other parties cognizant of the facts relative to his location, occupancy, possession, improvements, etc.; and in such case of lost records, any deeds, certificates of location or purchase, or other evidence which may be in the claimant's possession and tend to establish his claim, should be filed.

§ 3862.1–5 Statement required that land is unreserved, unoccupied, unimproved, and unappropriated.

Each person making application for patent under the mining laws, for lands in Alaska, must furnish a duly corroborated statement showing that no portion

of the land applied for is occupied or reserved by the United States, so as to prevent its acquisition under said laws; that the land is not occupied or claimed by natives of Alaska; and that the land is unoccupied, unimproved and unappropriated by any person claiming the same other than the applicant.

§ 3862.2 Citizenship.

§ 3862.2–1 Citizenship of corporations and of associations acting through agents.

The proof necessary to establish the citizenship of applicants for mining patents must be made in the following manner: In case of an incorporated company, a certified copy of its charter or certificate of incorporation must be filed. In case of an association of persons unincorporated, the statement of their duly authorized agent, made upon his own knowledge or upon information and belief, setting forth the residence of each person forming such association, must be submitted. This statement must be accompanied by a power of attorney from the parties forming such association, authorizing the person who makes the citizenship showing to act for them in the matter of their application of patent.

§ 3862.2–2 Citizenship of individuals.

(a) In case of an individual or an association of individuals who do not appear by their duly authorized agent, the statement of each applicant, showing whether he is a native or naturalized citizen, when and where born, and his residence, will be required.

(b) In case an applicant has declared his intention to become a citizen or has been naturalized, his statement must show the date, place, and the court before which he declared his intention, or from which his certificate of citizenship issued, and present residence.

§ 3862.2–3 Trustee to disclose nature of trust.

Any party applying for patent as trustee must disclose fully the nature of the trust and the name of the cestui que trust; and such trustee, as well as the beneficiaries, must furnish satisfactory proof of citizenship; and the names of beneficiaries, as well as that of the trustee, must be inserted in the final certificate of entry.

§ 3862.3 Possessory rights.

§ 3862.3–1 Right by occupancy.

(a) The provisions of R.S. 2332 (30 U.S.C. 38), greatly lessen the burden of proof, more especially in the case of old claims located many years since, the records of which, in many cases, have been destroyed by fire, or lost in other ways during the lapse of time, but concerning the possessory right to which all controversy or litigation has long been settled.

(b) When an applicant desires to make his proof of possessory right in accordance with this provision of law, he will not be required to produce evidence of location, copies of conveyances, or abstracts of title, as in other cases, but will be required to furnish a duly certified copy of the statute of limitation of mining claims for the State, together with his statement giving a clear and succinct narration of the facts as to the origin of his title, and likewise as to the continuation of his possession of the mining ground covered by his application; the area thereof; the nature and extent of the mining that has been done thereon; whether there has been any opposition to his possession, or litigation with regard to his claim, and if so, when the same ceased; whether such cessation was caused by compromise or by judicial decree, and any additional facts within the claimant's knowledge having a direct bearing upon his possession and bona fides which he may desire to submit in support of his claim.

§ 3862.3–2 Certificate of court required.

There should likewise be filed a certificate, under seal of the court having jurisdiction of mining cases within the judicial district embracing the claim, that no suit or action of any character whatever involving the right of possession to any portion of the claim applied for is pending, and that there has been no litigation before said court affecting the title to said claim or any part thereof for a period equal to the time fixed by the statute of limitations for mining claims in the State as aforesaid other than that which has been finally decided in favor of the claimant.

§ 3862.3–3 Corroborative proof required.

The claimant should support his narrative of facts relative to his possession, occupancy, and improvements by corroborative testimony of any disinterested person or persons of credibility who may be cognizant of the facts in the case and are capable of testifying understandingly in the premises.

§ 3862.4 Publication of notice.

§ 3862.4–1 Newspaper designation.

Upon the receipt of applications for mineral patent and accompanying papers, if no reason appears for rejecting the application, the manager will, at the expense of the claimant (who must furnish the agreement of the publisher to hold applicant for patent alone responsible for charges of publication), publish a notice of such application for the period of 60 days in a newspaper published nearest to the claim. If the notice is published in a daily paper, it shall be published in the Wednesday issue for nine consecutive weeks; if weekly, in nine consecutive issues; if semiweekly or triweekly, in the issue of the same day of each week for nine consecutive weeks. In all cases the first day of issues shall be excluded in estimating the period of 60 days.

§ 3862.4–2 Contents of published notice.

The notices published as required by the preceding section must embrace all the data given in the notice posted upon the claim. In addition to such data the

published notice must further indicate the locus of the claim by giving the connecting line, as shown by the field notes and plat, between a corner of the claim and a United States mineral monument or a corner of the public survey, and thence the boundaries of the claim by courses and distances.

§ 3862.4–3 Manager to designate newspaper.

The manager shall have the notice of application for patent published in a paper of established character and general circulation, to be by him designated as being the newspaper published nearest the land.

§ 3862.4–4 Charges for publication.

(a) The charge for the publication of notice of application for patent in a mining case in all districts shall not exceed the legal rates allowed by the laws of the several States for the publication of legal notices wherein the notice is published.

(b) It is expected that these notices shall not be so abbreviated as to curtail the description essential to a perfect notice, and on the other hand that they shall not be of unnecessary length. The printed matter must be set solid without paragraphing or any display in the heading and shall be in the usual body type used in legal notices. If other type is used, no allowance will be made for additional space on that account. The number of solid lines only used in advertising by actual count will be allowed. All abbreviations and copy must be strictly followed. The following is a sample of advertisement set up in accordance with Government requirements and contains all the essential data necessary for publication:

M. A. No. 04421, U. S. Land Office, Elko Nevada, October 5, 1921. Notice is hereby given that the Jarbidge Buhl Mining Company by W. H. Hudson, attorney in fact, of Jarbidge, Nevada, has made application for patent to the Altitude, Altitude No. 1, Altitude No. 3, and Altitude Annex, lode mining claims, Survey No. 4470, in unsurveyed T. 46 N., R. 58 E., M. D. B. and M., in the Jarbidge mining district, Elko County, Nevada, described as follows: Beginning at corner No. 1, Altitude No. 3, whence the quarter corner of the south boundary of sec. 34 T. 46 N., R. 58 E., M. D. B. and M., bears south 41°54′ west 7285.63 feet, thence north 20° 14′ west 1500 feet to corner No. 2 of said lode; thence north 69°46′ east 569 feet to corner No. 3 of said lode; thence south 20°14′ east 417.5 feet to corner 2, Altitude No. 1; thence north 69°46′ east 1606.1 feet to corner No. 3, Altitude lode; thence south 20°14′ east 1500 feet, to corner No. 4 of said lode; thence south 69°46′ west 1606.1 feet, to corner No. 1, Altitude No. 1 lode; thence North 20°14′ west 417.5 feet to corner No. 4, Altitude No. 3; thence south 69°46′ west 569 feet to point of beginning. There are no adjoining or conflicting claims. The location notices are recorded in Book 17, pages 373 and 374, and in Book 15, pages 52 and 53, mining locations, Elko County, Nevada, John E. Robbins, Manager.

(c) For the publication of citations in contests or hearings, involving the character of lands, the charges may not exceed the rates provided for similar notices by the law of the State.

§ 3862.4–5 Proof by applicant of publication and posting.

After the 60-day period of newspaper publication has expired, the claimant will furnish from the office of publication a sworn statement that the notice was published for the statutory period, giving the first and last day of such publication, and his own statement showing that the plat and notice aforesaid remained conspicuously posted upon the claim sought to be patented during said 60-day publication, giving the dates.

§ 3862.4–6 Payment of purchase price and statement of charges and fees.

Upon the filing of the statement required by the preceding section, the manager will, if no adverse claim was filed in his office during the period of publication, and no other objection appears, permit the claimant to pay for the land to which he is entitled at the rate of $5 for each acre and $5 for each fractional part of an acre, except as otherwise provided by law, issuing the usual receipt therefor. The claimant will also make a statement of all charges and fees paid by him for publication and surveys, together with all fees and money paid the manager of the land office, and a patent shall be issued thereon if found regular.

§ 3862.5 Entry and transfers.

§ 3862.5–1 Allowance of entry; transfers subsequent to application not recognized.

No entry will be allowed until the manager has satisfied himself, by careful examination, that proper proofs have been filed upon the points indicated in the law and official regulations. Transfers made subsequent to the filing of the application for patent will not be considered, but entry will be allowed and patent issued in all cases in the name of the applicant for patent, the title conveyed by the patent, of course, in each instance inuring to the transferee of such applicant where a transfer has been made pending the application for patent.

§ 3862.6 Diligent prosecution.

§ 3862.6–1 Failure to prosecute application with diligence.

The failure of an applicant for patent to a mining claim to prosecute his application to completion, by filing the necessary proofs and making payment for the land, within a reasonable time after the expiration of the period of publication of notice of the application, or after the termination of adverse proceedings in the courts, constitutes a waiver by the applicant of all rights obtained by the earlier proceedings upon the application.

§ 3862.7 Application processing upon contest or protest.

§ 3862.7–1 Resumption of patent proceedings after suspension due to adverse claim or protest.

The proceedings necessary to the completion of an application for patent to a mining claim, against which an adverse claim or protest has been filed, if taken

by the applicant at the first opportunity afforded therefor under the law and departmental practice, will be as effective as if taken at the date when, but for the adverse claim or protest, the proceedings on the application could have been completed.

§ 3862.8 Patents for mining claims.

§ 3862.8–1 Land descriptions in patents.

The land description in a patent for a lode mining claim, for a millsite, or for a placer claim not consisting of legal subdivisions, shall hereafter consist of the names and survey numbers of the claims being patented and those being excluded, or of the names of the excluded claims if they are unsurveyed, or of the legal subdivisions of excluded land covered by homestead or other nonmineral entry. The land description shall refer to the field notes of survey and the plat thereof for a more particular description and the patent shall expressly make them a part thereof. Where shown by the mineral entry the patent shall give the actual or approximate legal subdivision, section, township and range, the name of the county and of the mining district, if any, wherein the claims are situated. A copy of the plat and field notes of each mineral survey patented will be furnished to the patentee.

Subpart 3863—Placer Mining Claim Patent Applications

§ 3863.1 Placer mining claim patent applications; general.

(a) The proceedings to obtain patents for placer claims, including all forms of mineral deposits excepting veins of quartz or other rock in place, are similar to the proceedings prescribed for obtaining patents for vein or lode claims; but where a placer claim shall be upon surveyed lands, and conforms to legal subdivisions, no further survey or plat will be required. Where placer claims cannot be conformed to legal subdivisions, survey and plat shall be made as on unsurveyed lands.

(b) The price of placer claims is fixed at $2.50 per acre or fractional part of an acre.

§ 3863.1–1 Application for patent.

§ 3863.1–2 Proof of improvements for patent.

The proof of improvements must show their value to be not less than $500 and that they were made by the applicant for patent or his grantors. This proof should consist of the statement of two or more disinterested witnesses.

§ 3863.1–3 Data to be filed in support of application.

(a) In placer applications, in addition to the recitals necessary in and to both vein or lode and placer applications, the placer application should contain, in detail, such data as will support the claim that the land applied for is placer ground containing valuable mineral deposits not in vein or lode formation and that title is sought not to control water courses or to obtain valuable timber but in good faith because of the mineral therein. This statement, of course, must depend upon the character of the deposit and the natural features of the ground, but the following details should be covered as fully as possible: If the claim be for a deposit of placer gold, there must be stated the yield per pan, or cubic yard, as shown by prospecting and development work, distance to bedrock, formation and extent of the deposit, and all other facts upon which he bases his allegation that the claim is valuable for its deposits of placer gold. If it be a building stone or other deposit than gold claimed under the placer laws, he must describe fully the kind, nature, and extent of the deposit, stating the reasons why same is by him regarded as a valuable mineral claim. He will also be required to describe fully the natural features of the claim; streams, if any, must be fully described as to their course, amount of water carried, fall within the claim; and he must state kind and amount of timber and other vegetation thereon and adaptability to mining or other uses.

(b) If the claim be all placer ground, that fact must be stated in the application and corroborated by accompanying proofs; if of mixed placers and lodes, it should be so set out, with a description of all known lodes situated within the boundaries of the claim. A specific declaration, such as is required by R.S. 2333 (30 U.S.C. 37) must be furnished as to each lode intended to be claimed. All other known lodes are, by the silence of the applicant, excluded by law from all claim by him, of whatsoever nature, possessory or otherwise.

(c) While these data are required as a part of the mineral surveyor's report in case of placers taken by special survey, it is proper that the application for patent incorporate these facts.

(d) Inasmuch as in case of claims taken by legal subdivisions, no report by a mineral surveyor is required, the claimant, in his application in addition to the data above required, should describe in detail the shafts, cuts, tunnels, or other workings claimed as improvements, giving their dimensions, value, and the course and distance thereof to the nearest corner of the public surveys.

(e) The statement as to the description and value of the improvements must be corroborated by the statements of two disinterested witnesses. The proof showing must be made in duplicate. See 51 L.D. 265 and 52 L.D. 190.

(f) Applications awaiting entry, whether published or not, must be made to conform to this part, with respect to proof as to the character of the land. Entries already made will be suspended for such additional proofs as may be deemed necessary in each case.

§ 3863.1–4 Applications for placers containing known lodes.

Applicants for patent to a placer claim, who are also in possession of a known vein or lode included therein, must state in their application that the placer includes such vein or lode. The published and posted notices must also include such statement. If veins or lodes lying within placer locations are owned by other parties, the fact should be distinctly stated in the application for patent and in all the notices. But in all cases whether the lode is claimed or excluded, it must be surveyed and marked upon the plat, the field notes and plat giving the area of the lode claim or claims and the area of the placer separately. An application which omits to claim such known vein or lode must be construed as a conclusive declaration that the applicant has no right of possession to the vein or lode. Where there is no known lode or vein, the fact must appear by the statement of two or more witnessess.

Subpart 3864—Mill Site Patents

§ 3864.1 Mill site patents; general.

§ 3864.1–1 Application for patent.

(a) Land entered as a mill site must be shown to be nonmineral. Mill sites are simply auxiliary to the working of mineral claims. R.S. 2337 (30 U.S.C. 42) provides for the patenting of mill sites.

(b) To avail themselves of this provision of law, parties holding the possessory right to a vein or lode claim, and to a piece of nonmineral land not contiguous thereto for mining or milling purposes, not exceeding the quantity allowed for such purpose by R.S. 2337, or prior laws, under which the land was appropriated, the proprietors of such vein or lode may file in the proper land office their application for a patent, which application, together with the plat and field notes, may include, embrace, and describe, in addition to the vein or lode claim, such noncontiguous mill site, and after due proceedings as to notice, etc., a patent will be issued conveying the same as one claim. The owner of a patented lode may, by an independent application, secure a mill site, if good faith is manifest in its use or occupation in connection with the lode and no adverse claim exists.

(c) The act of March 18, 1960 (74 Stat. 7; 43 U.S.C. 42(b)), amends R.S. 2337 to allow the holders of possessory right in a placer claim to hold nonmineral land for mining, milling, processing beneficiation, or other operations in connection with the placer claim. Applications for patent for such mill sites are subject to the same requirements as to survey and notice as one applicable to placer mining claims. No one mill site may exceed five acres and payment will be $2.50 per acre or fraction thereof.

§ 3864.1–2 Mill sites applied for in conjunction with a lode claim.

Where the original survey includes a lode claim and also a mill site the lode claim should be described in the plat and field notes as "Sur. No. 37, A," and the mill site as "Sur. No. 37, B," or whatever may be its appropriate numerical designation; the course and distance from a corner of the mill site to a corner of the lode claim to be invariably given in such plat and field notes, and a copy of the plat and notice of application for patent must be conspicuously posted upon the mill site as well as upon the vein or lode claim for the statutory period of 60 days. In making the entry no separate receipt or certificate need be issued for the mill site, but the whole area of both lode and mill site will be embraced in one entry, the price being $5 for each acre and fractional part of an acre embraced by such lode and mill site claim.

§ 3864.1–3 Mill sites for quartz mills or reduction works.

In case the owner of a quartz mill or reduction works is not the owner or claimant of a vein or lode claim the law permits him to make application therefor in the same manner prescribed for mining claims, and after due notice and proceedings, in the absence of a valid adverse filing, to enter and receive a patent for his mill site at the price named in the preceding section.

§ 3864.1–4 Proof of nonmineral character.

In every case there must be satisfactory proof that the land claimed as a mill site is not mineral in character, which proof may, where the matter is unquestioned, consist of the statement of two or more persons capable, from acquaintance with the land to testify understandingly.

PART 3870—ADVERSE CLAIMS, PROTESTS AND CONFLICTS

Subpart 3871—Adverse Claims

Sec.
3871.1 Filing of claim.
3871.2 Statement of claim.
3871.3 Action by manager.
3871.4 Patent proceedings stayed when adverse claim is filed; exception.
3871.5 Termination of adverse suit.
3871.6 Certificate required when no suit commenced.

Subpart 3872—Protests, Contests and Conflicts

3872.1 Protest against mineral applications.
3872.2 Procedure in contest cases.
3872.3 Presumption as to land returned as mineral.
3872.4 Procedure to dispute record character of land.
3872.5 Testimony at hearings to determine character of lands.

Subpart 3873—Segregation

3873.1 Segregation of mineral from non-mineral land.
3873.2 Effect of decision that land is mineral.
3873.3 Non-mineral entry of residue of subdivisions invaded by mining claims.

Subpart 3871—Adverse Claims

§ 3871.1 Filing of claim.

(a) An adverse claim must be filed with the manager of the land office where the application for patent is filed or with the manager of the district in which the land is situated at the time of filing the adverse claim. The claim may be filed by the adverse claimant, or by his duly authorized agent or attorney in fact cognizant of the facts stated.

(b) Where an agent or attorney in fact files the adverse claim he must furnish proof that he is such agent or attorney.

(c) The agent or attorney in fact must sign the statement of the adverse claim within the land district where the claim is situated, stating that it was so signed.

(d) A fee of $10 is payable by an adverse claimant at the time of filing his adverse claim. This charge is not refundable.

§ 3871.2 Statement of claim.

(a) The adverse claim must fully set forth the nature and extent of the interference or conflict; whether the adverse party claims as a purchaser for valuable consideration or as a locator. If the former, a certified copy of the original location, the original conveyance, a duly certified copy thereof, or an abstract of title from the office of the proper recorder should be furnished, or if the transaction was a merely verbal one he will narrate the circumstances attending the purchase, the date thereof, and the amount paid, which facts should be supported by the statement of one or more witnesses, if any were present at the time, and if he claims as a locator he must file a duly certified copy of the location from the office of the proper recorder.

(b) In order that the "boundaries" and "extent" of the claim may be shown, it will be incumbent upon the adverse claimant to file a plat showing his entire claim, its relative situation or position with the one against which he claims, and the extent of the conflict: *Provided, however*, That if the application for patent describes the claim by legal subdivisions, the adverse claimant, if also claiming by legal subdivisions, may describe his adverse claim in the same manner without further survey or plat. If the claim is not described by legal subdivisions it will generally be more satisfactory if the plat thereof is made from an actual survey by a mineral surveyor and its correctness officially certified thereon by him.

§ 3871.3 Action by manager.

(a) Upon the adverse claim being filed within the 60-day period of publication, the manager will immediately give notice in writing to the parties that such adverse claim has been filed, informing them that the party who filed the adverse claim will be required within 30 days from the date of such filing to commence proceedings in a court of competent jurisdiction to determine the question of right of possession, and to prosecute the same with reasonable diligence to final judgment, and that should such adverse claimant fail to do so, his adverse claim will be considered waived and the application for patent be allowed to proceed upon its merits.

(b) The Act of September 21, 1961 (P.L. 87-260; 75 Stat. 541) amends the Act of June 7, 1910 (36 Stat. 459; 48 U.S.C. 386), and provides that adverse suits against mineral entries in Alaska shall be instituted within the 60-day time limit set forth in R.S. 2325 and 2326, (30 U.S.C. 29, 30). The act further provides that where a mineral patent application was filed prior to the effective date of the act, the time in which to file adverse suits is governed by the Act of June 7, 1910. Where a mineral patent application was filed prior to September 21, 1961, the entry will not be allowed until after the expiration of eight months following the publication period.

§ 3871.4 Patent proceedings stayed when adverse claim is filed; exception.

When an adverse claim is filed as aforesaid, the manager will endorse upon the same the precise date of filing and preserve a record of the date of notifications issued thereon; and thereafter all proceedings on the application for patent will be stayed with the exception of the completion of the publication and posting of notices and plat and the filing of the necessary proof thereof, until the controversy shall have been finally adjudicated in court or the adverse claim waived or withdrawn.

§ 3871.5 Termination of adverse suit.

(a) Where an adverse claim has been filed and suit thereon commenced within the statutory period and final judgment rendered determining the right of possession, it will not be sufficient to file with the manager a certificate of the clerk of the court setting forth the facts as to such judgment, but the successful

party must, before he is allowed to make entry, file a certified copy of the judgment roll, together with the other evidence required by R.S. 2326 (30 U.S.C. 30), and a certificate of the clerk of the court under the seal of the court showing, in accord with the record facts of the case, that the judgment mentioned and described in the judgment roll aforesaid is a final judgment; that the time for appeal therefrom has, under the law, expired, and that no such appeal has been filed, or that the defeated party has waived his right to appeal. Other evidence showing such waiver or an abandonment of the litigation may be filed.

(b) Where such suit has been dismissed, a certificate of the clerk of the court to that effect or a certified copy of the order of dismissal will be sufficient.

(c) After an adverse claim has been filed and suit commenced, a relinquishment or other evidence of abandonment of the adverse claim will not be accepted, but the case must be terminated and proof thereof furnished as required by the last two paragraphs.

§ 3871.6 Certificate required when no suit commenced.

Where an adverse claim has been filed but no suit commenced against the applicant for patent within the statutory period, a certificate to that effect by the clerk of the State court having jurisdiction in the case, and also by the clerk of the district court of the United States for the district in which the claim is situated, will be required.

Subpart 3872—Protests, Contests and Conflicts

§ 3872.1 Protest against mineral applications.

(a) At any time prior to the issuance of patent, protest may be filed against the patenting of the claim as applied for, upon any ground tending to show that the applicant has failed to comply with the law in any matter essential to a valid entry under the patent proceedings. Such protest cannot, however, be made the means of preserving a surface conflict lost by failure to adverse or lost by the judgment of the court in an adverse suit. One holding a present joint interest in a mineral location included in an application for patent who is excluded from the application, so that his interest would not be protected by the issue of patent thereon, may protest against the issuance of a patent as applied for, setting forth in such protest the nature and extent of his interest in such location, and such a protestant will be deemed a party in interest entitled to appeal. This results from the holding that a co-owner excluded from an application for patent does not have an "adverse" claim within the meaning of R.S. 2325 and 2326 (30 U.S.C. 29, 30). (See Turner v. Sawyer, 150 U.S. 578–586, 37 L. ed. 1189–1191.)

(b) Such protest filed by any party, other than a Federal agency, must be accompanied by a $10 nonrefundable service charge.

§ 3872.2 Procedure in contest cases.

Parts 1840 and 1850 of this chapter, in cases before the United States, the Bureau of Land Management, and the Department of the Interior will, so far as applicable, govern in all cases and proceedings arising in contests and hearings to determine the character of lands.

§ 3872.3 Presumption as to land returned as mineral.

Public land returned upon the survey records as mineral shall be withheld from entry as agricultural land until the presumption arising from such a return shall be overcome.

§ 3872.4 Procedure to dispute record character of land.

(a) When lands returned as mineral are sought to be entered as agricultural under laws which require the submission of final proof after due notice by publication and posting, the filing of the proper nonmineral statement in the absence of allegations that the land is mineral will be deemed sufficient as a preliminary requirement. A satisfactory showing as to character of land must be made when final proof is submitted.

(b) In case of application to enter, locate, or select such lands as agricultural, under laws in which the submission of final proof after due publication and posting is not required, notice thereof must first be given by publication for 60 days and posting in the local office during the same period, and affirmative proof as to the character of the land submitted. In the absence of allegations that the land is mineral, and upon compliance with this requirement, the entry location, or selection will be allowed, if otherwise regular.

(c) Where as against the claimed right to enter such lands as agricultural it is alleged that the same are mineral, or are applied for as mineral lands, the proceedings in this class of cases will be in the nature of a contest, and the practice will be governed by the rules in force in contest cases.

§ 3872.5 Testimony at hearings to determine character of lands.

(a) At hearings to determine the character of lands the claimants and witnesses will be thoroughly examined with regard to the character of the land; whether the same has been thoroughly prospected; whether or not there exists within the tract or tracts claimed any lode or vein of quartz or other rock in place bearing gold, silver, cinnabar, lead, tin, copper, or other valuable deposit which has ever been claimed, located, recorded, or worked; whether such work is entirely

abandoned, or whether occasionally resumed; if such lode does exist, by whom claimed, under what designation, and in which subdivision of the land it lies; whether any placer mine or mines exist upon the land; if so, what is the character thereof, whether of the shallow-surface description, or of the deep cement, blue lead, or gravel deposits; to what extent mining is carried on when water can be obtained, and what the facilities are for obtaining water for mining purposes; upon what particular 10-acre subdivisions mining has been done, and at what time the land was abandoned for mining purposes, if abandoned at all. In every case, where practicable, an adequate quantity or number of representative samples of the alleged mineral-bearing matter or material should be offered in evidence, with proper identification, to be considered in connection with the record, with which they will be transmitted upon each appeal that may be taken. Testimony may be submitted as to the geological formation and development of mineral on adjoining or adjacent lands and their relevancy.

(b) The testimony should also show the agricultural capacities of the land, what kind of crops are raised thereon, the value thereof; the number of acres actually cultivated for crops of cereals or vegetables, and within which particular 10-acre subdivision such crops are raised; also which of these subdivisions embrace the improvements, giving in detail the extent and value of the improvements, such as house, barn, vineyard, orchard, fencing, etc., and mining improvements.

(c) The testimony should be as full and complete as possible; and in addition to the leading points indicated above, where an attempt is made to prove the mineral character of lands which have been entered under the agricultural laws, it should show at what date, if at all, valuable deposits of minerals were first known to exist on the lands.

Subpart 3873—Segregation

§ 3873.1 Segregation of mineral from non-mineral land.

Where a survey is necessary to set apart mineral from non-mineral land the appropriate authorized officer will have special instructions prepared outlining the procedure to be followed in the required survey. The survey will be executed at the expense of the United States. Where, in stock-raising homestead entries, it has been satisfactorily established that there are existent prior unpatented mining claims, the segregation of the latter is not strictly a segregation of mineral from non-mineral land, but rather the procedure adopted to define the boundaries of and provide a legal description for that part of the homestead entry which is not within the segregated mining claims.

§ 3873.2 Effect of decision that land is mineral.

The fact that a certain tract of land is decided upon testimony to be mineral in character is by no means equivalent to an award of the land to a miner. In order to secure a patent for such land, he must proceed as in other cases, in accordance with this part.

§ 3873.3 Non-mineral entry of residue of subdivisions invaded by mining claims.

(a) The manager will accept and approve any application (if otherwise regular), to make a non-mineral entry of the residue of any original lot or legal subdivision which is invaded by mining claims if the tract has already been lotted to exclude such claims. If not so lotted, and if the original lot or legal subdivision is invaded by patented mining claims, or by mining claims covered by pending applications for patent which the non-mineral applicant does not desire to contest, or by approved mining claims of established mineral character, the manager will accept and approve the application (if otherwise regular), exclusive of the conflict with the mining claims.

(b) The manager will allow no non-mineral application for any portion of an original lot or 40-acre legal subdivision, where the tract has not been lotted to show the reduced area by reason of approved surveys of mining claims for which applications for patent have not been filed, until the non-mineral applicant submits a satisfactory showing that such surveyed claims are in fact mineral in character. Applications to have lands which are asserted to be mineral, or mining locations, segregated by survey with a view to the non-mineral appropriation of the remainder, will be made to the manager of the land office. Such applications must be supported by a written statement of the party in interest, duly corroborated by two or more disinterested persons, or by such other or further evidence as may be required, that the land sought to be segregated as mineral is in fact mineral in character.

This Circular replaces Circular 2149.

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FIELD NOTES

OF THE SURVEY OF THE
SUBDIVISION-OF-SECTION LINES
RETRACEMENT OF PART OF

NORTH BOUNDARY OF

Township No. 6 North, Range No. 15 West,

RETRACEMENT AND RESURVEY

Of Subdivision Lines Of

Township No. 6 North, Range No. 15 West,

AND

SEGREGATION SURVEY OF

Ozark, Contact, Mikado, Red Copper, and Round Point Lode Claim

AND

A Mill Site,

Plotted by
Examined by H.J.G.
Transcribed by
Read by
Held by

Of the Base and Principal *Meridian,*

in the State of Montana.

EXECUTED BY

Ranney Y. Lyman, ---------- ------U. S. Cadastral Engineer,

And

Alex T. Harris, ----------U. S. Cadastral Engineer,

in the capacity of U. S. Surveyors, under Special Instructions dated July 29, *19*

issued by the United States Surveyor General to govern surveys included in Group

No. 221, *which were approved by the Commissioner of the General Land*

Office, Aug. 7, *19*, *Assignment Instructions dated* September 1, *19* 22.

Survey commenced October 27, *1922.*

Survey completed November 2, *1922.*

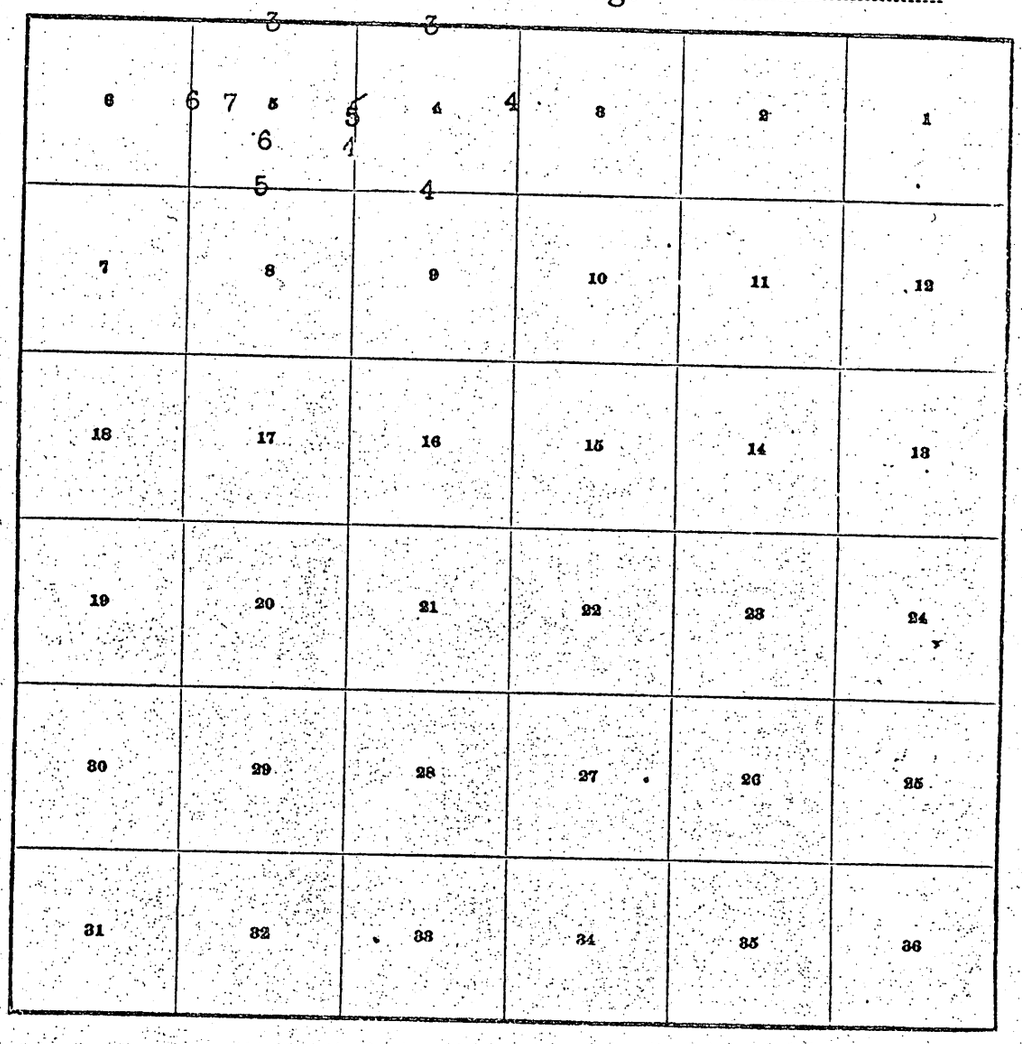
0—151

7815

5

INDEX DIAGRAM.

Township 6 North, , *Range* 15 West,



Contact Lode Claim, ----------Page No. 7.

Ozark Lode Claim---------- 11.

Mill Site---------- 13.

Mikado Lode Claim---------- 15.

Round Point Lode Claim---------- 17.

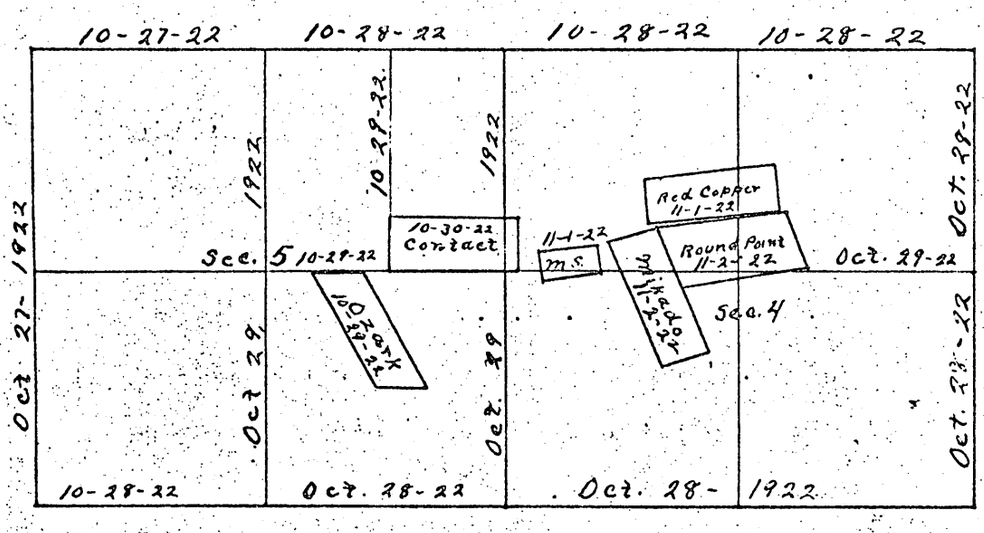
Red Copper Lode Claim---------- 20.

Group No. 221.

DATE REPORT.

Sections 4 and 5, Township No. 6 N., Range No. 15 West.

Segregation Survey of Ozark, Contact, Mikado, Red Copper, and Round Point Lode Claims, and a Mill Site.



Lines dated in Black, surveyed by Ranney Y Lyman,

Lines dated in Red, surveyed by Alex T. Harris,

Retracement of Part of North Boundary of T. 6 N., R. 15 W.

Feet.

Survey commenced October 27, 1922, and executed with Young & Sons, solar transit No. 8293, and W. & L. E. Gurley solar transit No. 20123, which were approved by the Assistant Supervisor of Surveys, District No. 1, September 1, 1922.

The azimuth of the lines of this survey was determined by reference to a meridian, determined by an observation on Polaris, as follows:-

Oct. 27, 1922.
At my camp in sec. 6, T. 6 N., R. 15 W., Lat. 46° 18' N., Long. 113° 30' W., I observe Polaris E. of the meridian, at 6 h. 50m. p.m., by my watch, which was compared with a standard telegraphic clock at Philipsburg, at 8 hrs. a. m., making four observations, two each with the telescope in direct and reversed positions, and marking the mean line thus determined by a tack driven in a peg, 8 chs. N. of my station.

Oct. 28. At 7 hrs. a.m., I lay off the azimuth of Polaris, 1° 32.4' to the West and mark the meridian thus determined by a tack in a peg driven in the ground, 5 chs. N. of my station.

In making the retracements of original surveys, and in subdividing sec. 5, the measurements of this survey were obtained by the use of a three hundred foot steel tape, made by Keuffel and Esser, and tested with a standard steel tape made by Lufkin. The measurements were taken on the slope, which was measured by means of an Abney level, the proper correction being applied to reduce the measurements to the true horizontal values.

In making the segregation surveys of the lode claims and the millsite, the same tape was used, but the angles of inclination of the tape were measured with the transit.

Feet.	
	From the cor. of secs. 5, 6, 31, and 32, on the N. bdy. of the township,
	East, on a random line, bet. secs. 5 and 32.
2654.5	Point 8.5 ft. S. of the ¼ sec. cor.
	I continue on the same line.
5306.5	Intersect N. and S. line, 0.8 ft. S. of the cor. of secs. 3, 4, 33, and 34, which is a granite stone, 10 x 8 x 4 ins. above ground, marked and witnessed as described by the Surveyor General.
	Thence I run
	N. 89° 50' W., on true line, bet. secs. 5 and 32.
1326.0	Set temp. E. 1/16 sec. cor.
2652.0	The ¼ sec. cor., which is a granite stone, 10 x 10 x 5, ins., marked and witnessed as described by the Surveyor General, except that the marks have been erased from the N. bearing tree, and the S. bearing tree is dead and decayed; I mark ¼ S 32 B T, on the NW. bearing tree and A fir, 8 ins. diam., bears S. 58° 15' W., 32 lks. dist., ¼ S 5 B T.
	Thence
	S. 89° 49' W.
5306.5	The cor. of secs. 5, 6, 31, and 32, which is a granite stone, 12 x 12 x 5 ins. above ground, marked and witnessed as described by the Surveyor General.

	From the cor. of secs. 4, 5, 32, and 33.
	East, on a random line, bet. secs. 4 and 33.
2626.8	A point 3 ft. N. of the ¼ sec. cor.
	I continue on the same line.
5273.7	Intersect N. and S. line, 6.8 ft. N. of the cor. of secs. 3, 4, 33, and 34, which is a granite stone, 18 x 6 x 6 ins. above ground, marked and witnessed as described

Feet.	
	by the Surveyor General.
	Thence
	N. 89° 55' W., on the true line, bet. secs. 4 and 33.
2649.9	The $\frac{1}{4}$ sec. cor., which is a granite stone, 12 x 12 x 4 ins. above ground, marked and witnessed as described by the Surveyor General.
	Thence
	N. 89° 56' W.
5276.7	The cor. of secs. 4, 5, 32, and 33.

Retracement of Subdivision Lines of T. 6 N., R. 15 W.

	From the cor. of secs. 3, 4, 33, and 34, on the N. bdy. of the township.
	South, on a random line, bet. secs. 3 and 4.
2402.4	Point 32.1 ft. W. of the $\frac{1}{4}$ sec. cor., which is sandstone, 8 x 6 x 3 ins. above ground, marked and witnessed as described by the Surveyor General.
	I continue on the same line.
5071.4	Intersect E. and W. line, 57.0 ft. W. of the cor. of secs. 3, 4, 9, and 10, which is a granite stone, 12 x 4 x 4 ins. above ground, marked and witnessed as described by the Surveyor General.
	The N. half of this line bears N. 0° 46' W., 2402.4 ft.
	The S. half of this line bears N. 0° 32' W., 2669.0 ft.

	From the cor. of secs. 3, 4, 9, and 10.
	West, on a random line, bet. secs. 4 and 9.
2650.5	Point 2.3 ft. N. of the $\frac{1}{4}$ sec. cor., which is a granite stone, 4 x 2 x 2 ins. above ground, marked and witnessed as described by the Surveyor General.
	I continue on the same line.
5298.4	Intersect N. and S. line, 6.1 ft. N. of the cor. of secs.

Feet.

4, 5, 8, and 9, which is a granite stone, 6 x 6 x 4 ins. above ground, marked and witnessed as described by the Surveyor General.

The E. half of this line bears S. 89° 57' W., 2656.5 ft.

The W. half of this line bears S. 89° 55' W., 2641.9 ft.

From the cor. of secs. 4, 5, 8, and 9.

North, on a random line, bet. secs. 4 and 5.

2655.8 Point 17.0 ft. E. of the ¼ sec. cor., which is a granite stone, 10 x 5 x 4 ins. above ground, marked and witnessed as described by the Surveyor General, except that the pits are nearly completely filled. I raise a mound of stone, 2 ft. base, 1½ ft. high, W. of cor.

I continue on the same line.

5084.6 Intersect the N. bdy. of the township, 45.3 ft. E. of the cor. of secs. 4, 5, 32, and 33.

The S. half of this line bears N. 0° 22' W., 2655.8 ft.

The N. half of this line bears N. 0° 40' W., 2428.8 ft.

From the cor. of secs. 4, 5, 8, and 9.

West, on a random line, bet. secs. 5 and 8.

2661.8 A point 2.3 ft. N. of the ¼ sec. cor., which is a granite stone, 6 x 5 x 5 ins. above ground, marked and witnessed as described by the Surveyor General.

I continue on the same line.

5334.8 Intersect N. and S. line, 7.7 ft. N. of the cor. of secs. 5, 6, 7, and 8, which is a granite stone, 10 x 8 x 4 ins. above ground, marked and witnessed as described by the Surveyor General, except that the West pits have been destroyed by the road grader. I raise a mound of stone, 2 ft. base, 1½ ft. high, W. of cor.

Feet.

The E. half of this line bears S. 89° 57' W., 2661.8 ft.

The W. half of this line bears S. 89° 53' W., 2673.0 ft.

Resurvey of Subdivision Lines of T. 6 N., R. 15 W.

From the cor. of secs. 5, 6, 7, and 8.

North, on a random line, bet. secs. 5 and 6.

2640.0 After careful search, I fail to find any trace of the ¼ sec. cor.

5089.1 Intersect the N. bdy. of the township, 22.0 ft. E. of the cor. of secs. 5, 6, 31, and 32.

Thence I run

S. 0° 15' E., on true line bet. secs. 5 and 6.

2443.8 The point for the ¼ sec. cor. falls in the road.

Set a granite stone, 8 x 8 x 8 ins., 12 ins. below the surface of the road, for the ¼ sec. cor., marked with a cross (x) at the corner point on the top surface of the stone.

30.0 fts. N. 89° 56' E. of cor.

Set an iron post, 3 ft. long, 1 in. diam., 28 ins. in the ground, for witness cor. to the ¼ sec. cor., with brass cap marked

WC S 6 | ¼ | S 5
1922

and raise a mound of stone, 2 ft. base, 1½ ft. high, W. of cor.

5089.1 The cor. of secs. 5, 6, 7, and 8.

Subdivision of Section 5, T. 6 N., R. 15 W.

From the ¼ sec. cor. bet. secs. 5 and 8.

North, on a random line, through the center of sec. 5.

2640.0 Set temp. center ¼ sec. cor.

Subdivision of Section 5, T. 6 N., R. 15 W.

Feet.

5078.4 Intersect N. bdy. of the township, 22.0 ft. E. of the ¼ sec. cor. bet. secs. 5 and 32.

I move the temp. center ¼ sec. cor. 11.4 ft. W.

This line bears N. 0° 15' W.

From the ¼ sec. cor. bet. secs. 4 and 5, a flag on the ¼ sec. cor. bet. secs. 5 and 6, bears S. 89° 56' W.

I run for flag,

S. 89° 56' W., on a random line, through the center of sec. 5.

1320.0 Set temp. E. 1/16 sec. cor.

2665.76 Intersect N. and S. line, 10.5 ft. N. of the temp. center ¼ sec. cor.

At intersection

Set temp. center ¼ sec. cor.

Thence I run

N. 89° 56' E., on true line, through the center of sec. 5.

1332.88 Set temp. E. 1/16 sec. cor.

2665.76 The ¼ sec. cor. bet. secs. 4 and 5.

From the temp. E. 1/16 sec. cor.

North, on a random line, through the center of the NE¼. without measurement to determine bearing only. I intersect N. bdy. of the township, 22 ft. E. of the temp. E. 1/16 sec. cor.

Therefore this line bears N. 0° 31' W.

Segregation Survey of Contact Lode Claim, Secs. 4 and 5, T. 6 N., R. 15 W.

Beginning at Cor. No. 1, identical with the ¼ sec. cor.

Feet.

on which I chisel a cross (x) at the corner point.

0.16 ft. East of cross.

Set an iron post, 3 ft. long, 1 in. diam., 28 ins. in the ground, with brass cap marked

CONTACT
No 1

1922

Thence

S. 89° 56' W.

1332.88 To Cor. No. 2, identical with the temp. E. 1/16 sec. cor.

Set an iron post, 3 ft. long, 1 in. diam., 28 ins. in the ground, for Cor. No. 2, and E. 1/16 sec. cor., with brass cap marked

E 1/16 S 5 | CONTACT No 2

1922

from which

A cross (x) on a fir, 6 ins. diam., bears S. 49° 37' E., 87 ft. dist., marked E 1/16 S 5 CONTACT No 2 B T.

A cross (x) on a fir, 12 ins. diam., bears S. 36° 12' W., 47.9 ft. dist., marked E 1/16 S 5 CONTACT No 2 B T.

A corner of the location, which is a fir stump, 6 ins. sq 5 ft. high, distinctly marked, bears S. 44° 36' W. 214.3 ft. dist.

Thence

N. 0° 31' W., on the center line of the NE¼. sec. 5.

600.0 To Cor. No. 3.

Set an iron post, 3 ft. long, 1 in. diam., 28 ins. in the ground, for Cor. No. 3, with brass cap marked

CONTACT
No 3

1922

Feet.	
	and raise a mound of stone, 2 ft. base, 1½ ft. high, W. of cor.
	Thence
	S. 0° 31' E.
297.50	To Cor. No. 6,
	Set an iron post, 3 ft. long, 1 in. diam., 28 ins. in the ground, for Cor. No. 6, with brass cap marked
	CONTACT No 6 1922
	and raise a mound of stone, 2 ft. base, 1½ ft. high, NW. of cor.
	A corner of the location, which is a wooden post, 5 ins. sq., 5 ft. high, bears N. 88°32' E., 9.9 ft. dist.
	Thence
	S. 88°32' W.
127.40	To Cor. No. 1, and the place of beginning.

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Lode Line and Improvements.

As near as can be determined from present development the vein of this claim extends N. 89° 56' E., 1226.61 ft. and S. 89° 56' W., 233.0 ft., from the point of discovery, which is the center of the discovery cut, an open cut, 34 ft. long, with a tunnel, 10 ft. deep, bearing North. This lode line intersects the line 2 - 3 at its middle point, and the line 5 - 6, 1.0 ft. S. 0° 31' E., from Cor. No. 5.

A shaft, 8 x 8 ft., 10 ft. deep, bears N. 84° 15' E., 139.0 ft., from the center of the line 2 - 3.

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The area of the Contact Lode Claim is 20.063 Acres.
Area of Contact Lode, Claim, in Sec. 4 1.726 Acres.
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Area of Contact Lode Claim, in Sec. 5 18.337 Acres

Segregation Survey of the Ozark Lode Claim, Sec. 5, T. 6 N., R. 15 W.

Feet.	
	Beginning at the point for Cor. No. 1, which falls in a stream, 5 lks. wide, 3 ins. deep, in the bottom of Sluice Gulch.
	The ¼ sec. cor. bet. secs. 4 and 5, bears N. 89° 56' E., 1632.76 ft. dist.
	A corner of the location bears N. 67° 4' E., 113.0 ft. dist. This corner is a fir post, 6 ins. diam., 4 ft. high, set in a mound of stone.
	Thence
	S. 29° 24' E.,
1483.70	To Cor. No. 2.
	Set an iron post, 3 ft. long, 1 in. diam., 28 ins. in the ground, for Cor. No. 2, with brass cap marked
	OZARK No 2 1922
	from which
	A cross on a pine tree, 6 ins. diam., bears N. 19° 45' E., 73.0 ft. dist., marked OZARK No 2 B T.
	and raise a mound of stone, 2 ft. base, 1½ ft. high NW. of cor.
	A corner of the location, which is a wooden post, 6 ins. sq., 4 ft. high, set in a mound of earth and stone, bears S. 89° 30'E., 41.1 ft. dist.
	Thence
	S. 89° 56' W.
523.46	To Cor. No. 3.
	Set an iron post, 3 ft. long, 1 in. diam., 28 ins. in the ground, for Cor. No. 3, with brass cap marked
	OZARK No 3 1922
	and raise a mound of stone, 2 ft. base, 1½ ft. high, NE. of cor.

Feet.	
	A corner of the location, which is a pine post, 4 ins. sq., 5 ft. high, set in a mound of stone, bears S. 29° 26' E., 279.0 ft dist.
	Thence
	N. 29° 26' W.
1484.0	To Cor. No. 4.
	Set an iron post, 3 ft. long, 1 in. diam., 28 ins. in the ground, for Cor. No. 4, with brass cap marked
	OZARK No 4 1922
	and raise a mound of stone, 2 ft. base, 1½ ft. high, SE. of cor.
	A corner of the location bears N. 29° 26' W., 35.5 ft. dist. This corner is a wooden post, 5 ins. sq., 4 ft. high, set in a mound of stone.
	Thence
	N. 89° 56' E., on the center line of sec. 5.
489.46	Set an iron post, 3 ft. long, 1 in. diam., 28 ins. in the ground, for witness cor. to Cor. No. 1, with brass cap marked
	OZARK No 1 WC 1922
	and raise a mound of stone, 2 ft. base, 1½ ft. high, SW of cor.
524.46	To the point for Cor. No. 1, and the place of beginning.

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Lode Line and Improvements.

As near as can be determined from present developments the vein of this claim extends N. 29° 24' W., 602.0 ft. and S. 29° 24' E., 881.7 ft., from the point of discovery, which is in the discovery shaft, 5 ft. sq., by 20 ft. deep. This lode line intersects the line 1 - 4,

Segregation Survey of Ozark Lode Claim, Sec. 5, T.6 N., R. 15 W.

Feet.

S. 89° 56' W.,
344.12 ft., from the point for Cor. No. 1; and the line 2 - 3, S. 89° 56' W., 344.12 ft. from Cor. No. 2.

From a point on the lode line, 52.0 ft. N. 29° 24' W., from the point of discovery, the mouth of a tunnel, 6 x 4 x 98 ft. bears N. 13° E., 67 ft. dist.; the mouth of a tunnel, 6 x 4 x 174 ft., bears S. 3° 0' W., 356 ft. dist., this tunnel passes through the discovery shaft; the mouth of a tunnel, 6 x 4 x 56 ft. bears S. 20° E., 207 ft. dist.

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The area of the Ozark Lode Claim is 15.557 Acres.

Segregation Survey of a Mill Site, Sec. 4, T. 6 N., R. 15 W.

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Beginning at Cor. No. 1.

An iron post, 3 ft. long, 1 in. diam., set 28 ins. in the ground, with brass cap marked

MILL SITE
No 1

1922

with a mound of stone, 2 ft. base, 1½ ft. high, SE. of cor.

The ¼ sec. cor. bet. secs. 4 and 5, bears S. 60° 54' W., 447.7 ft. dist.

Cor. No. 6, of the Contact Lode Claim, bears S. 50° 54' W., 340.0 ft. dist.

A corner of the location, which is a wooden post, 5 ins. sq., 4 ft. high, bears S. 81° 51' W., 106.9 ft. dist.

Thence

N. 81° 51' E.

660.0 To Cor. No. 2, identical with a corner of the location, which is a wooden post, 5 ins. sq., 4 ft. high, set in a mound of earth and stone. In the place of this post,

Feet.	
	Set an iron post, 3 ft. long, 1 in. diam., 28 ins. in the ground, for Cor. No. 2, with brass cap marked
	MILL SITE No 2 1922
	and raise a mound of stone, 2 ft. base, 1½ ft. high, SW. of cor.
	Thence
	S. 8° 9' E.
330.00	To Cor. No. 3.
	Set an iron post, 3 ft. long, 1 in. diam., 28 ins. in the ground, for Cor. No. 3, with brass cap marked
	MILL SITE No 3 1922
	from which
	A cross (x) on a pine, 12 ins. diam., bears N. 79° 5' E., 282.5 ft. dist., marked MILL SITE No 3 B T.
	A cross (x) on a pine, 12 ins. diam., bears N. 3° 45' W., 140.2 ft. dist., marked MILL SITE No 3 B T.
	A corner of the location, which is a wooden post, 5 ins. sq., 4 ft. high, set in a mound of earth and stone, bears S. 87° 16' E., 92.5 ft. dist.
	Thence
	S. 81° 51' W.
660.00	To Cor. No. 4.
	Set an iron post, 3 ft. long, 1 in. diam., 28 ins. in the ground, for Cor. No. 4, with brass cap marked
	MILL SITE No 4 1922
	from which
	A cross (x) on a pine, 12 ins. diam., bears N. 56° 15' E., 105.0 ft. dist. marked MILL SITE No 4 B T.
	A cross (x) on a pine, 12 ins. diam., bears N. 89° 0'

Segregation Survey of a Mill Site, Sec. 4, T. 6 N., R. 15 W.

Feet.	
	W., 237.4 ft. dist., marked MILL SITE No 4 B T.
	A corner of the location, which is a wooden post, 4 ins. sq. 4 ft. high, bears S. 32° 37' W., 39.9 ft. dist.
	Thence
	N. 8° 9' W.
330.0	To Cor. No 1 and the place of beginning.
	==========
	The area of this mill site is 5.000 Acres.

Segregation Survey of the Mikado Lode Claim, Sec. 4, T. 6 N., R. 15 W.

	Beginning at Cor. No. 1,
	An iron post, 3 ft. long, 1 in. diam., set 28 ins. in the ground, with brass cap marked
	MIKADO No 1 1922
	with a mound of stone, 2 ft. base, 1½ ft. high, SE. of cor.
	The ¼ sec. cor. bet. secs. 4 and 5, bears S. 72° 49' W., 1120.5 ft. dist.
	Cor. No. 2 of the Mill Site, bears S. 53° 12' W., 32.4 ft. dist.
	A corner of the location, which is a wooden post, 4 ins. sq., 4 ft. high, set in a mound of earth and stone, bears S. 73° 59' W., 27.28 ft. dist.
	Thence
	N. 73° 59' E.
588.96	To Cor. No.2, identical with a corner of the location, which is a wooden post, 5 ins. sq., 4 ft. high, set in a mound of earth and stone.
	In the place of this corner

Segregation Survey of the Mikado Lode Claim, Sec.4, T. 6 N., R.15 W.

Feet.	
	Set an iron post, 3 ft. long, 1 in. diam., 28 ins. in the ground, for Cor. No. 2, with brass cap marked MIKADO No 2 1922 and raise a mound of stone, 2 ft. base, 1½ ft. high, SW. of cor.
	Thence
	S. 23° 37' E.
1500.40	To Cor. No. 3.
	Set an iron post, 3 ft. long, 1 in. diam., 28 ins. in the ground, for Cor. No. 3, with brass cap marked MIKADO No 3 1922 A cross (x) on a pine, 16 ins. diam., bears S. 61° E., 4.3 ft. dist., marked MIKADO No 3 B T. A cross (x), on a pine, 10 ins. diam., bears N. 83° W., 11.5 ft. dist., marked MIKADO No 3 B T. A corner of the location, which is a pine stump, 10 ins. sq., 5 ft. high, bears S. 23° 27' E., 39.9 ft. dist.
	Thence
	S. 73° 59' W.
591.41	To Cor. No. 4.
	Set an iron post, 3 ft. long, 1 in. diam., 28 ins. in the ground, for Cor. No. 4, with brass cap marked MIKADO No 4 1922 and dig pits, 18 x 18 x 12 ins., N. 73° 59' E., and N. 23° 31' W., 3 ft. dist. A corner of the location, which is a wooden post, 5 ins. sq., 4 ft. high, bears S. 16° 36' E., 209.4 ft. dist.
	Thence
	N. 23° 31' W.

Segregation Survey of the Mikado Lode Claim, Sec. 4, T. 6 N., R. 15 W.

Feet.	
1500.00	To Cor. No. 1 and the place of beginning.

Lode Line and Improvements.

As near as can be determined from present developments, the vein of this claim extends N. 23° 31' W., 447.0 ft. and S. 23° 31' E., 1053.0 ft., from the point of discovery, at the mouth of a tunnel, 8 x 4 x 20 ft..

This lode line intersects the line 1 - 2, 302.59 ft. N. 73°59' E., from Cor. No. 1; and the line 3 - 4, 302.59 ft. N. 73° 59' E. from Cor. No. 4.

The area of the Mikado Lode Claim is 20.150 Acres.

Segregation Survey of Round Point Lode Claim, Sec. 4, T. 6 N., R. 15 W.

Beginning at Cor. No. 1,

An iron post, 3 ft. long, 1 in. diam., set 28 ins. in the ground, with brass cap marked

ROUND POINT
No 1
1922

with a mound of stone, 2 ft. base, 1½ ft. high, SE. of cor.

The ¼ sec. cor. bet. secs. 4 and 5 bears S. 75° 11' W., 1718.0 ft. dist.

A corner of the location, which is a wooden post, 5 ins. sq., 5 ft. high, bears N. 22° 44' W., 74.06 ft.

Corner No. 2, of the Mikado Lode Claim, bears N. 24° 28' W., 59.00 ft. dist.

Thence

Segregation Survey of Round Point Lode Claim, Sec. 4, T. 6 N., R. 15 W.

Feet.	
	N. 81° 7' E.
1461.27	To Cor. No. 2, identical with a corner of the location, which is fir stump, 6 ins. sq., 5 ft. high.
	In the place of this stump,
	Set an iron post, 3 ft. long, 1 in. diam., 28 ins. in the ground, for Cor. No. 2, with brass cap marked
	ROUND POINT No 2 1922
	from which
	A cross (x) on a fir tree, 6 ins. diam., bears S. 22° 0' E., 9 ft. dist., marked ROUND POINT No 2 B T.
	A cross (x) on a fir tree, 12 ins. diam., bears S. 63° 0' W., 18.8 ft. dist., marked ROUND POINT No 2 B T.
	Thence
	S. 22° 44' E.
617.98	To Cor. No. 3.
	Set an iron post, 3 ft. long, 1 in. diam., 28 ins. in the ground, for Cor. No. 3, with brass cap marked
	ROUND POINT No 3 1922
	from which
	A cross (x) on a fir tree, 8 ins. diam., bears S. 83° 30' E., 20.5 ft. dist., marked ROUND POINT No 3 B T.
	A cross (x) on a fir tree, 6 ins. diam., bears N. 47° 30' W., 6.0 ft. dist., marked ROUND POINT No 3 B T.
	The $\frac{1}{4}$ sec. cor. bet. secs. 3 and 4, bears S. 87° 57' E., 1963.0 ft.
	A corner of the location, which is a fir post, 3 ins. sq. 3 ft. high, bears S. 54° 40' E., 141.9 ft. dist.
	Thence
	S. 81° 7' W.
1452.33	Intersect line 2 - 3, of Mikado Lode Claim, N. 23° 37'

Segregation Survey of Round Point Lode Claim, Sec. 4, T. 6 N., R. 15 W.

Fect.

W., 821.75 ft. dist., from Cor. No. 3.

1461.27 To Cor. No. 4.

Set an iron post, 3 ft. long, 1 in. diam., 28 ins. in the ground, for Cor. No. 4, with brass cap marked

ROUND POINT
No 4

1922

from which
cross (x) on a
A/fir, 10 ins. diam., bears N. 1° 0' E., 128 ft. dist., marked ROUND POINT No 4 B T.

and raise a mound of stone, 2 ft. base, 1½ ft. high, NE. of cor.

A corner of the location, which is a wooden post, 5 ins. sq., 5 ft. long, loosely set in a mound of earth, bears S. 22° 44' E., 119.6 ft. dist.

Thence

N. 22°44' W.

561.22 Intersect line 2 - 3, of the Mikado Lode Claim, S. 23° 37' E., 115.62 ft. dist., from Cor. No. 2.

617.98 To Cor. No. 1 and the place of beginning.

==========

Lode Line and Improvements.

As near as can be determined from present developments the vein of this claim extends N. 81°7' E., 1417.27' ft. and S. 81° 7' W., 44.0 ft. from the point of discovery in an open cut, 4 ft. wide, 25 ft. long, and 15 ft. deep. This lode line intersects each end line at its center point.

From a point on the line 1 - 2, 290.0 ft. N. 81°7' E., from Cor. No. 1, Jerry McKinney's cabin bears S. 44° 30' E., 535 ft. dist.; a shed bears S. 41° 0' E., 490 ft. dist.; [illegible]; a shop bears S. 48°45' E., 600 ft. dist.; a barn bears S. 52° 40' E., 715 ft. dist.

==========

Segregation Survey of Round Point Lode Claim, Sec.4, T.6 N., R.15 W.

Feet.

The area of the Round Point Lode Claim is 20.128 Acres.
Area in conflict with the Mikado Lode. 0.056 Acres.
Net area of Round Point Lode Claim 20.072 Acres.

Segregation Survey of Red Copper Lode Claim, Sec.4, T.6 N., R.15 W.

Beginning at Cor. No. 1, identical with a corner of the location, which is a wooden post, 5 ins. sq., 5 ft. long, loosely set in a mound of earth and stone.

In the place of this post

Set an iron post, 3 ft. long, 1 in. diam., 28 ins. in the ground for Cor. No. 1, of Red Copper Lode Claim, with brass cap marked

RED COPPER
No 1

1922

and raise a mound of stone, 2 ft. base, 1½ ft. high, NE. of cor.

The ¼ sec. cor. bet. secs. 4 and 5, bears S. 71°40' W., 1630.0 ft. dist.

Cor. No. 2 of the Mikado Lode Claim, bears S. 77°52' E., 91.4 ft. dist.

Cor. No. 1 of Round Point Lode Claim bears S. 57° 20' E., 135.2 ft. dist.

Thence

N. 5° 32' W.

516.0 To Cor. No. 2.

Set an iron post, 3 ft. long, 1 in. diam., 28 ins. in the ground, for Cor. No. 2, Red Copper Lode Claim, with brass cap marked

RED COPPER
No 2

1922

from which

A cross (x) on a pine tree, 12 ins. diam., bears S. 10° 15' E., 32.0 ft. dist., marked RED COPPER No

Feet.

2 B T; and raise a mound of stone, 2 ft. base, 1½ ft. high, SE. of cor.

A corner of the location, which is a wooden post, 4 ins. sq., 4 ft. high, set in a mound of stone, bears N.37° 34' W., 156.2 ft. dist.

Thence

N. 84° 28' E.

1500.00 To Cor. No. 3.

Set an iron post, 3 ft. long, 1 in. diam., 28 ins. in the ground, for Cor. No. 3, with brass cap marked

RED COPPER
No 3

1922

and raise a mound of stone, 2 ft. base, 1½ ft. high, SW. of cor.

A corner of the location, which is the stump of one fork of fir tree, 6 ins. sq., 6 ft. high, bears N. 22° 34' E., 280.2 ft. dist.

Thence

S. 5° 32' E.

516.00 To Cor. No. 4.

Set an iron post, 3 ft. long, 1 in. diam., 28 ins. in the ground, for Cor No. 4, with brass cap marked

RED COPPER
No 4

1922

from which

A cross (x) on a fir tree, 24 ins. diam., bears N. 68° 30' W., 48.0 ft. dist., marked RED COPPER No 4 B T.

A cross (x) on a fir tree, 6 ins. diam., bears N. 16° 0' W., 34.0 ft. dist., marked RED COPPER No 4 B T.

A corner of the location which is a wooden post, 5 ins. sq., 6 ft. high, bears N. 84° 28' E., 22.8 ft. dist.

Standard Form No. 65
November 1961
General Services Administration
FPMR (41 CFR) 101-11.6

U.S. Government Messenger Envelope

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~~Bob Johnson~~ ~~Rm 413~~	STOP		STOP
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~~Edna Byrne~~ ~~Financial Liaison Office~~ ~~Interior 2516~~	STOP		STOP
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65-107

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☆U. S. GOVERNMENT PRINTING OFFICE: 1966—O—249-909

Silver King
OME 687P

Questions:

1) What is nature of notes receivable?* How old?

2) Would bank make a loan of $4300 using notes as collateral?

3) Have applicants discussed chattel mortgages on trucks, mining equipment with bank? If so, how much is bank willing to lend?

* a) What is balance due?

b) Could applicant demand full payment in an emergency?

c) Is payee a relative or business client?

4) In your judgement, can applicants produce approx. 175.8 tons (shipments of 3-58.6 tons) of ore needed to yield remaining balance of their share during the six months period of the OME ®?

5) Assuming they can, would production be valued at same yield as Jan-Feb. ($1022 per shipment of 58.6 tons per)?

6) Pocket reflects 5 shipments in 1972 (Jan-Feb) having a total value of $5110.00. Have there been further shipments in 1972? If so, do they reflect the same average value ($1022 per)?

7) Could applicants meet expenses of production of ore needed to make up balance of share at the same time they are carrying out project work?

8) Pocket shows production valued at $5110 from Jan-Feb. shipments - yet cash assets are only $500 in May. Does this indicate everything coming in is going into expenses, or Ryams' pockets? What are the costs of production compared to returns from sale of ore?

(over)

9) Would it be possible to modify project work into Stage I (drifting + boring only) to be followed by a Stage II (raising + cross-cutting) thereby reducing the costs

~~Stage I Drifting 15,000.~~
~~Consultant 2,400.~~
~~Mileage 100.~~
~~Boring 1,428.~~
~~$18,000 @ 75% = $13,500 Govt $4,500 oper.~~

Stage II Crosscutting 3,000.

Stage I	Drifting + crosscutting		18,000.
	Assaying		150.
	Boring		1,428.
	Consultant	12 days @ 100	1,200.
	Mileage	417 @ 12¢/mile	50.00 (rounded)
20,778.00	Timbering		672.00
672.00			$21,450.00
21,450.00		Govt. 75%	16,088.00
		Operator 25%	5362.00

Stage II	Raising	6,200.00
	Sampling	150.00
	Consultant	1,200.00
	Mileage	50.00
	Assaying	150.00
		$7750.00
	Govt.	5812.50
	Operator's	1937.50
		$7750.00

Result:

1) Operator gets chattel mortgage of $4500.00
2) Operator comes up with balance in cash. 862.00
$5362.00

made the asset represented is the balance due, not $4300.

3) If the notes held are from relatives or close friends so that the applicants would hesitate or refuse to demand payment at once (assuming this could be done), then they are not a viable asset even though they exist.

2. Questions on

Cash

1) The financial report in the docket shows $500 in cash in the bank as of May 30, 1972. Has this amount decreased, increased, or does it remain the same?

2) As this $500 represents the only immediate source of funds do you believe it is sufficient to meet the Operator's expenses from the time the project work commences until monthly vouchers can be prepared, forwarded to D.C. and cleared for payment?

3) If not, what sum would you think would be sufficient?

4) If it is sufficient, why?

5) Wouldn't the Operator be able to keep current in paying his bills if he had a cash reserve at least equal to one month's estimated expenses?

3. Questions on

trucks & equip.

1) From your knowledge do you think the estimated market value of $22,000 is inflated, an underestimation of value, or about right?

2) The application states that credit lines based on chattel mortgages on this equipment

4200

could be arranged. Have the applicants made any attempt to discuss this approach with a banks?

3) If so, what was the result?

4) If not, are they still willing to do so?

Comment: Assuming the market value placed upon this equipment is somewhat realistic, it represents an asset which can be used to obtain working capital and should be used. The $500 cash is woefully inadequate,* but that sum plus credit of $5-6,000 would place the applicants in a more secure position and would demonstrate their financial ability to be worth the Government's risk of funds.

Considering the questionable value of the notes as an immediate source of funds it seems only reasonable to utilize the device of chattel mortgages on equipment to be assured that the operators will have adequate funds to meet their share of the costs.

*Note: The labor costs alone are estimated by M. Puffett @ $108.73 per day

108
x30
$3240 per month

What is your estimate of the 1st month's costs?

4. Questions on

Production: 1) The applicants state in their application that material resulting from the project work will be marketable and that "it could provide enough to pay the operator's share of the costs." Based up the records in the docket is this a supportable statement?

2) Consider M. Puffett's statement that "If the proposed project is to be appraised solely on the expected ore to be found, the application should be denied. The narrow vein presently exposed does not appear to be the source of significant quantities of ore." He goes on to say that the work will follow the vein and "perhaps a productive ore shoot will be found

that is thicker and more richly mineralized than expected." Do the statements support the applicant's statement that material resulting from the project work "could provide enough to pay the Operator's share of the cost" considering that that share is $7,175?

3) Consider that the docket shows Jan-Feb. 1972 shipments of 293.8555 tons produced ore having a total value of $5110.80, how many tons of ore of similar value would be needed to provide the additional $2065?*

4) Considering Puffett's statement is there any assurance ore of similar value will be found?

5) Could the operators do the exploration work and prepare ore for shipment contemporaneously?

6) Was there been any production since February? If so, what was the value of the ore shipped?

7) The record shows the average value of the ore shipped has declined from an average of $28.88 per ton in 1970-71 to $17.92/ton in 1972 a difference of $10.96. Does this not indicate that the vein may be narrowing and becoming less productive?

Comment: Production of material should not be relied upon to repay the operator's entire share of the cost since it might appear that the project was being conducted not for the purpose of "a reasonable delineation and sampling of a mineral deposit" but "primarily for mining or preparation for mining" if the proceeds from sale of the material used constitutes his share of the costs.

* Note: Based on average value of ore shipped in 1972 are 100+ tons to equal $2065 or <100 tons to equal $7175.00 which is the equivalent of all the ore shipped to date.

The Operator should have his share of the costs on hand or in readily convertible assets. Dependance upon moneys received from sale of material produced during the contract work might mean that, in the event the material produced doesn't equal 25% of the costs, the operator could not come up with his share, in which case when the 75% Federal funds are expended there could be a termination of the project for lack of funds.

Conclusions.

Applicant had only $500 cash as of May 30, 1972. Balance of liquid assets are two notes totalling $4300. Three trucks, compressor, Bobcat loader + mining equipment estimated as having a value of $22,000 make up balance of total assets of $26,800. Applicant is $2375 short of having his share.

Applicants rely on supposed production during project work. Based on Anaconda Co. smelter returns applicants will have to mine approx. 170-175 tons of ore with a value at least as good as production in Jan + Feb. 1972 to make $2375 + expenses of production.

Of the "liquid" asset all but $500 cash is in notes receivable. We don't know much about the notes. Who they are from, whether they could be called up (demand for payment in full) at once - what the balance due is - nothing is known.

Reliance on receipts from production is a slim reed because the operator would have to continue to mine at the same time as he did the project work + he would have to be accruing ore with a value at least equivalent to past production. Note Puffett's comment on p. 6 of report.

I don't think the difference is only 2375 ($2400) unless the $4300 in notes can be ups on very short notice. If they can, the operator is still short $2400. If they can't be readily called up the shortage is $6,675

The other $22,000 is equipment needed to operate

Silver King OME 6871

(a) 1970

6 shipments - total 111 tons - value $3577.02

(b) 1971

6 shipments - total 130 tons - value $3148.64

(c) 1972

5 shipments - total 293 tons - value $5110.00

Analysis

1) Assume 5 shipments as in Jan.-Feb. 1972 (293 tons) @ average of 58.6 tons — yield in value = $5110.00 or $1022 per shipment. Subtract Govt. royalty of 5% = $5110 - $255.50 = $4854.50

2) Assets other than trucks + mining equipment =

Cash		$500.00
Acct. receivable	-90 days	$1000.00
"	+90	3300.00
		4800.00

3) Operator's share of OME (4) = $7,175.00
Less assets reported = 4,800.00 ($500 cash + $4300 in notes)
$2,375.00

4) Conclusion

Operator must mine a total of 175.8 tons valued @ $1022 per shipment or $3066.00 total - less Govt. royalty of 5% or 153.33 to yield a total of $2912.67, for a surplus of $537.67 to cover cost of production.

Silver King
OME 6871

Analysis.

Applicants have listed assets of:

1) Cash $500

2) Notes 4300

3) Trucks+equip. 22,000

Total 26,800

4) Plus, production of material during the course of the project. No value

Applicants share of 25% = $7,~~1~~2 75.00

If assets accepted at face value total assets are approx. $2400 short of amount needed.

Applicants suggest chattel mortgage on equipment plus production during project work could make up difference

1. Questions: 1) Can the notes be called up at once on demand, or on Notes. is the payor obligated only to make installment payments? What are the monthly payments?

2) Is the face value of the notes $3000 and $1,000 respectively, or are these amounts the balance due?

3) If the notes are being paid in installments and $4300 is the face value and not the balance due, what is the balance remaining?

4) Assuming the notes represent a balance due of $4300 and the applicants have the right to payment on demand for the full amount, would they wish to do so, or not?

Comments: 1) If the notes cannot be called upon demand they represent an asset less than $4300 because only the installment income can be relied upon to meet emergencies.

2) If $4300 represents the balance due and they can be called on demand O.K. the asset is $4300, but if $4300 is the face value and payments have been

331.6820
37.8265

293.8555

5942.98
~~1416.41~~

526.59

Ore shipped Jan-Feb.
1972
293.8555 tons

Value
5110.80

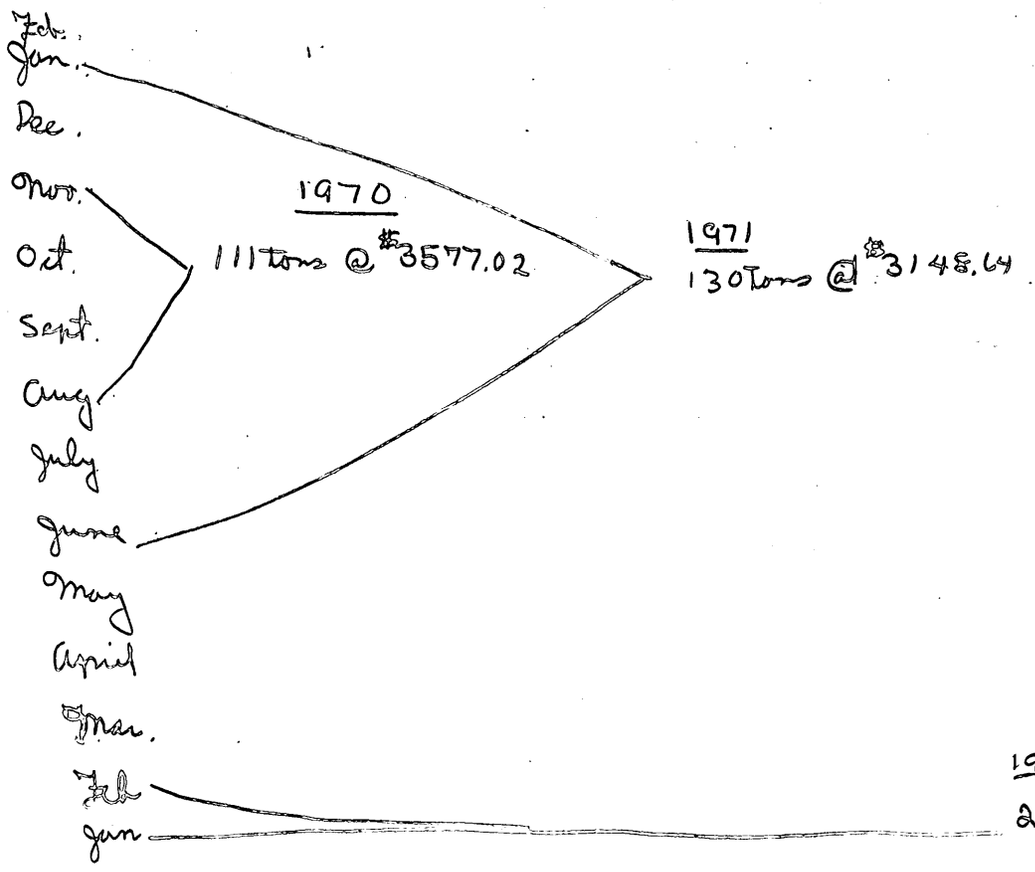
5942.98
- 832.18
5110.80

Ore shipped Aug.-Nov.
1970
111.23.70 tons

Value
3577.02

Ore shipped Jan-June
1971
130.64.10 tons.

$3,148.64



FORM 9-1308
(REV. 2-62)

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

ROUTING SLIP

TO: (NAME)	(ROOM, BUILDING, OR CODE)
1 C. L. Martin Office of the Solicitor	Room 6526 Interior Bldg.
2	
3	
4	
5 H. Kirkemo Room 865 Matomic Building	Room 865 Matomic Building

Remarks or Attachments

Draft of proposed contract for review and final preparation

OME-6871 (Silver-Gold)
Charles Byam and Norman Byam
Silver King No. 1 and 2
Granite County, Montana

Please phone Kirkemo when ready.

Please return attached Figures 1 and 2.
Exhibit C is being requested from the Byams.

Transmitted By H. Kirkemo, Chief, OME

Date Aug. 3, 1972 Code/Phone 38227 or 5371

GPO : 1965 OF—762-781
894-476

RECEIVED

AUG 3 1972

MINERAL RESOURCES AND GENERAL LEGAL SERVICES

MME Form 51
July 1965

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
U. S. Geological Survey

EXPLORATION CONTRACT
(Short Form)

Docket	Commodity	Contract No.	County	State
OME -6871	Silver-Gold		Granite	Montana

It is agreed _____ (Date), between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and

Charles Byam and Norman Byam

_____,

whose mailing address is P. O. Box 522, Philipsburg, Montana 59858, hereinafter called the "Operator," as follows:

ARTICLE I. Authority and scope.--(a) This contract, entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before _____ (Date), and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within 6 months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the work is $29,100.00. The Government will contribute 75 percent of the total fixed unit costs of the work performed, not in excess of $21,825.00 in accordance with the provisions of Articles 4 and 5.

(c) Interest computation.--Simple interest at the rate of _____ percent shall accrue from the dates Federal funds are made available until the period specified for payment of royalty expires, or until the amount of Federal funds contributed is fully repaid with interest.

(d) The Operator shall not transfer or assign this contract or any right or obligation thereunder without the written consent of the Government.

ARTICLE 2. Operator's rights in land.--(a)The Operator represents and undertakes that Annex I correctly describes the land which is the subject of this contract and the nature of the Operator's right of property and possession therein (whether as owner, lessee, or otherwise), and that such right, title, or interest is subject only to the following claims, liens, or encumbrances:

See Annex I

(b) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above and (if the Operator does not hold the legal title) the Lien Agreement of any holder of the legal title of the land (lessor, seller, optionor, etc.) are attached as follows:

~~See Annex I~~

(c) The Operator shall preserve and maintain his right, title, or interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. The Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a royalty on production and liens for the payment thereof. Two true copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 6 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

ARTICLE 3. Performance of the work.--(a) Operator's responsibility.--The work shall be performed diligently, efficiently, in a workmanlike manner in accordance with good mining standards, and in compliance with State laws governing health, safety, and liability insurance covering employment. The Operator shall provide suitable and adequate equipment, facilities, materials, supplies, and labor to complete the work as specified in Article 1(a).

(b) Government may inspect.--The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract and production operations during the period that royalty is payable to the Government. The Operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 4. Contribution by the Government.--The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5(b), but all payments by the Government are provisional only, subject to audit. Until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been received, the Government may withhold such sums as are necessary to protect its interests. To the extent that amounts in excess of fixed unit costs or in excess of the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such amounts for his own account without contribution by the Government. The Government will not contribute to the cost of any work performed prior to the date of this contract. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

ARTICLE 5. Reports, accounts, audits.--(a) Operator's records.--The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine all pertinent books, documents, papers, and records of the Operator.

(b) Monthly reports.--The Operator shall provide the Government with four copies of monthly reports in three sections as follows:

(1) Operator's Monthly Voucher claiming costs for work performed;

(2) Operator's Progress Report showing the number of units of the various types of work performed; and

(3) a narrative report of the work performed during the reporting period, including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground.

(Forms for reporting under (1) and (2) above will be provided by the Government.)

(c) Final report.--Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with three copies of a final report (in addition to the final monthly report). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the unit costs thereof.

(d) Report of sales.--The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's royalty relates, such as two copies of smelter or concentrator settlement sheets and certified accounts of production and sale or other disposition of production.

(e) Compliance with requirements.--If the Government determines that any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the preparation or completion of same with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records, or accounts.

ARTICLE 6. Repayment by Operator.--(a) Certification.--If the Government considers that mineral or metal production from the land covered by the contract may be possible as a result of the exploration work, it shall so certify in writing to the Operator at any time not later than six months after a sufficient final report and final accounting (see Article 5) have been furnished.

(b) Royalty on production.--The Operator, whether or not the producer (for example, if the Operator either transfers or does not retain his interest in the land), shall pay to the Government a royalty on all minerals and metals mined or produced from the land as follows:

(1) irrespective of any certification of possible production--from the date of the contract until the lapse of the time within which the Government may issue such certification or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first; or

(2) if the Government issues a certification of possible production--for a period of ten years from the date of the contract or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first.

(c) Payment of royalty.--(1) The Government's royalty shall be five percent of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrate, metal, or equivalent), at the point of delivery (the f.o.b. point); except, that charges of the buyer arising in the regular course of business and shown as deductions on the buyer's settlement sheets (such as treatment processes performed by the buyer, sampling and assaying to determine the value of the production sold, and freight payable by the buyer to a carrier (not the Operator or producer)), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. No costs of the Operator or producer are deductible in arriving at the "gross proceeds" as that term is here used.

The term "treatment processes" means those processes (such as milling, concentrating, smelting, refining, or equivalent, but excluding fabricating or manufacturing) applied to the crude ore or other production after it is extracted from the ground to put it into a commercially marketable form.

(2) The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be.

(d) Unsold production.--If any production (ore, concentrate, metal, or equivalent), after the lapse of six months from the date the ore was extracted from the ground, remains neither sold nor used in integrated manufacturing or fabricating operations (for instance if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrate, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value thereof in the form in which and at the time it is so used. "Value" as here used means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination, or the market value, whichever is greater.

(e) Lien for payment.--To secure the payment of royalty (see Article 6(b)), the Operator hereby grants to the Government a lien upon his interest in the land and upon any production of minerals and metals therefrom until the royalty claim is extinguished by lapse of time or is fully paid.

(f) Notice to purchasers.--The Operator or producer shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Government, and this estimate shall be final and binding upon the Operator or producer.

(g) No obligation to produce.--Nothing in this contract shall be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

(h) Government not obligated to buy.--Nothing in this contract shall be construed as imposing any obligation on the Government to purchase any minerals and metals mined or produced from the land.

ARTICLE 7. Termination of the Government's Obligations.--(a) If the Government determines that operations at any time have failed to achieve anticipated results and further work is not justified, the Government may give the Operator written notice thereof, and thereupon:

(1) the Government shall be free of all obligation to pay on account of units of work not then performed; and

(2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to final accounting and reporting.

(b) If the Government determines that the Operator is in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon:

(1) the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and

(2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to final accounting and reporting.

The Government may also avail itself of any other remedy the law may provide for breach of contract, including the right to rescind the contract and to demand repayment of all moneys contributed by the Government under the contract.

(c) The giving of any notice by the Government under the provisions of this Article 7 shall not affect the Government's rights as provided for in the contract with respect to royalty and liens to secure the payment thereof, and such rights shall be fully preserved.

(d) The determinations of the Government are subject to appeal under Article 11.

ARTICLE 8. Notices to be given by the Government may be delivered to the Operator or may be sent by certified mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 9. Officials not to benefit.--No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 10. Nondiscrimination in Employment.--The provisions respecting nondiscrimination in employment which are required by section 301 of Executive Order 10925, dated March 6, 1961, as amended and supplemented, are attached hereto as Exhibit B and are hereby incorporated in and made a part of this contract.

ARTICLE 11. Disputes.--Any dispute arising under this contract which is not disposed of by agreement shall be decided by the Director, U. S. Geological Survey, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Operator. The decision of the Director, U. S. Geological Survey, shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the Operator mails or otherwise furnishes to the Director, U. S. Geological Survey, a written appeal addressed to the Secretary of the Interior. The decision of the Secretary or his duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence.

The term "Director, U. S. Geological Survey," as used herein includes his duly authorized representative.

ARTICLE 12. Work Hours Act of 1962 - Overtime Compensation.--This contract, to the extent that it is of a character specified in the Work Hours Act of 1962 (Public Law 87-581, 76 Stat. 357-360) and is not covered by the Walsh-Healey Public Contracts Act (41 U.S.C. 35-45), is subject to the following provisions and to all other provisions and exceptions of said Work Hours Act of 1962.

(a) Overtime requirements.--No Operator or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any laborer or mechanic to be employed on such work in excess of eight hours in any calendar day or in excess of forty hours in any workweek unless such laborer or mechanic receives compensation at a rate of not less than one and one-half times his basic rate of pay for all hours worked in excess of eight hours in any such calendar day or in excess of forty hours in any such workweek, as the case may be.

(b) Violations; liability for unpaid wages; liquidated damages.--In the event of any violation of the clause set forth in subparagraph (a) of this paragraph, the Operator and any subcontractor responsible therefor shall be liable to any affected employee for his unpaid wages. In addition, such Operator and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed, with respect to each individual laborer or mechanic employed in violation of the clause set forth in subparagraph (a) of this paragraph, in the sum of $10 for each calendar day on which such employee was required or permitted to work in excess of eight hours or in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in subparagraph (a) of this paragraph.

(c) Withholding for unpaid wages and liquidated damages.--The U. S. Geological Survey may withhold or cause to be withheld, from any moneys payable on account of work performed by the Operator or subcontractor, such sums as may administratively be determined to be necessary to satisfy any liabilities of such Operator or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in subparagraph (b) of this paragraph.

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ARTICLE 14. Changes and added provisions.--

Executed in ~~quintuplicate~~ quadruplicate the day and year first above written.

Charles Byam and Norman Byam
(Operator)

By Charles Byam

~~Title~~ Norman Byam

THE UNITED STATES OF AMERICA

By Director, U. S. Geological Survey

I, _____ (Name), certify that I am the _____ secretary of the corporation named as Operator herein; that _____ (Name), who signed this contract on behalf of the Operator, was then _____ (Title) of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

[CORPORATE SEAL]

EXPLORATION CONTRACT
CHARLES BYAM AND NORMAN BYAM
OME-6871

ANNEX I

The land, including all rights pertaining thereto, referred to in Article 2 of the Contract consists of two (2) unpatented lode mining claims in secs. 5 and 8, T. 6 N., R. 15 W., Granite County, Montana, as shown on Figure 1 entitled "Property map--Silver King mine, T. 6 N., R. 15 W., Granite County, Montana", which is attached hereto and made part hereof. The claims are recorded in the Book of Locations, Granite County Courthouse, Philipsburg, Montana, as follows:

Claim	Book	Page
Silver King 1	26	323
Silver King 2	26	324

The Operator is in possession of the claims by right of location.

EXPLORATION CONTRACT
CHARLES BYAM AND NORMAN BYAM
OME-6871

EXHIBIT A

The purpose of the project is to explore for silver-gold ore bodies in veins parallel to bedding in Precambrian argillites and quartzites by drifting, crosscutting, long hole drilling, and raising.

General Provisions

All drifts, and crosscuts ~~and raises~~ shall be not less than 5 by 7 feet in cross section, and shall be timbered as necessary using standard 8- by 8-inch drift sets or equivalent round timber. Raises shall be not less than 4 by 8 feet in cross section and shall be timbered to provide a chute and manway with lagging in the chute compartment and ladders in the manway compartment.

Air lines shall not be less than 2-inch diameter, water lines not less than 1-inch diameter, and vent lines not less than 8-inch diameter.

All significantly mineralized areas traversed by the drifts, crosscuts, or raises shall be sampled normal to the trends of the vein at intervals not exceeding 5 feet. A representative bulk sample shall be collected from each round broken in mineralized rock. Mineralized cuttings from long hole drilling shall be collected and depths recorded.

All mineralized samples from whatever source shall be split as necessary and one split assayed for silver and gold. The Operator shall store one split of each sample in a suitable container properly identified as to source and location for Government inspection and possible use. With prior Government approval, the Operator may dispose of the stored samples.

True copies of assay certificates and maps or sketches showing the work completed, the location, width, and assay value of samples, and the geological formations and structures traversed by the workings shall be furnished monthly to the Government.

No work shall be done on this Contract within 100 feet of the outer boundary of the claims shown on Figure 1.

The Operator shall provide such supervision, labor, equipment, and technical services as may be required to complete the work in a satisfactory manner.

The location, direction, and extent of each work item shall be subject to Governemnt approval.

Description of the Work

The work shall consist of drifting, long hole drilling, crosscutting, and raising to explore the vein exposed in the main adit and other veins which may be present in the footwall or the hangingwall.

The main adit shall be extended as a drift approximately 500 feet along the vein. Long holes spaced not closer than 20 feet apart shall be drilled into both walls of the drift to locate any parallel veins. At a location or locations mutually agreed to by the Operator and the Government, cross cut into the walls of the drift to further explore veins located by the long holes, or to explore beyond the extent of the long holes. The total of drifting and crosscutting may approximate 600 feet.

At one or more locations mutually agreed to by the Operator and the Government, drive a total of about 200 feet of raises to explore the upward extension of veins selected for additional exploration.

The approximate locations of the adit drift and crosscut are shown on Figure 2 entitled "Proposed exploration--Silver King mine, secs. 5 and 8, T. 6 N., R. 15 W., Granite County, Montana", attached and made part hereof.

Estimated Costs of the Work

Fixed Unit Costs 1/

Drifting and crosscutting		
600 feet at $30.00/ft.	$18,000.00	
Timbering drifts and crosscuts		
60 feet at $11.20/ft.	672.00	
Raising, including timbering		
200 feet at $31.00/ft.	6,200.00	
Long hole drilling		
1,785 feet at $0.80/ft.	1,428.00	
Engineering-geological consultant		
24 days at $100.00/day	2,400.00	
Mileage for consultant		
833 miles at $0.12/mile	100.00	
Assaying for silver and gold		
50 samples at $6.00/sample	300.00	
Total Fixed Unit Costs and Estimated Cost of the Project		$29,000.00
Government Participation at 75 percent		$21,825.00

1/ Includes all costs whatsoever such as labor, insurance, payroll taxes, materials and supplies, supervision, equipment purchase, and office expense.

FORM 9-1308
(REV. 2-62)

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

ROUTING SLIP

TO: (NAME)	(ROOM, BUILDING, OR CODE)
1 C. L. Martin ~~Office of the Solicitor~~	Room 6526 ~~Interior Bldg.~~
2	
3	
4	
5 H. Kirkemo Room 865 Matomic Building	Room 865 Matomic Building

Remarks or Attachments

Draft of proposed contract for review and final preparation

OME-6871 (Silver-Gold)
Charles Byam and Norman Byam
Silver King No. 1 and 2
Granite County, Montana

Please phone Kirkemo when ready.

Please return attached Figures 1 and 2.

Exhibit C is being requested from the Byams.

Transmitted By H. Kirkemo, Chief, OME

Date Aug. 3, 1972 Code/Phone 38227 or 5371

GPO : 1965 OF—762-781
894-476

HK ✓
Raw ✓

MME Form 51
July 1965

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
U. S. Geological Survey

EXPLORATION CONTRACT
(Short Form)

Docket	Commodity	Contract No.	County	State
OME -6871	Silver-Gold		Granite	Montana

It is agreed _____ (Date), between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and

Charles Byam and Norman Byam

whose mailing address is P. O. Box 522, Philipsburg, Montana 59858, hereinafter called the "Operator," as follows:

ARTICLE I. Authority and scope.--(a) This contract, entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before _____ (Date), and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within 6 months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the work is $29,100.00. The Government will contribute ~~50~~ 75 percent of the total fixed unit costs of the work performed, not in excess of $ 21,825.00 in accordance with the provisions of Articles 4 and 5.

(c) Interest computation.--Simple interest at the rate of _____ percent shall accrue from the dates Federal funds are made available until the period specified for payment of royalty expires, or until the amount of Federal funds contributed is fully repaid with interest.

(d) The Operator shall not transfer or assign this contract or any right or obligation thereunder without the written consent of the Government.

ARTICLE 2. Operator's rights in land.--(a) The Operator represents and undertakes that Annex I correctly describes the land which is the subject of this contract and the nature of the Operator's right of property and possession therein (whether as owner, lessee, or otherwise), and that such right, title, or interest is subject only to the following claims, liens, or encumbrances:

See Annex I

(b) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above and (if the Operator does not hold the legal title) the Lien Agreement of any holder of the legal title of the land (lessor, seller, optionor, etc.) are attached as follows:

~~See Annex I~~

(c) The Operator shall preserve and maintain his right, title, or interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. The Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a royalty on production and liens for the payment thereof. Two true copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 6 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

ARTICLE 3. Performance of the work.--(a) Operator's responsibility.--The work shall be performed diligently, efficiently, in a workmanlike manner in accordance with good mining standards, and in compliance with State laws governing health, safety, and liability insurance covering employment. The Operator shall provide suitable and adequate equipment, facilities, materials, supplies, and labor to complete the work as specified in Article 1(a).

(b) Government may inspect.--The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract and production operations during the period that royalty is payable to the Government. The Operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 4. Contribution by the Government.--The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5(b), but all payments by the Government are provisional only, subject to audit. Until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been received, the Government may withhold such sums as are necessary to protect its interests. To the extent that amounts in excess of fixed unit costs or in excess of the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such amounts for his own account without contribution by the Government. The Government will not contribute to the cost of any work performed prior to the date of this contract. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

ARTICLE 5. Reports, accounts, audits.--(a) Operator's records.--The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine all pertinent books, documents, papers, and records of the Operator.

(b) Monthly reports.--The Operator shall provide the Government with four copies of monthly reports in three sections as follows:

(1) Operator's Monthly Voucher claiming costs for work performed;

(2) Operator's Progress Report showing the number of units of the various types of work performed; and

(3) a narrative report of the work performed during the reporting period, including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground.

(Forms for reporting under (1) and (2) above will be provided by the Government.)

(c) Final report.--Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with three copies of a final report (in addition to the final monthly report). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the unit costs thereof.

(d) Report of sales.--The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's royalty relates, such as two copies of smelter or concentrator settlement sheets and certified accounts of production and sale or other disposition of production.

(e) Compliance with requirements.--If the Government determines that any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the preparation or completion of same with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records, or accounts.

ARTICLE 6. Repayment by Operator.--(a) Certification.--If the Government considers that mineral or metal production from the land covered by the contract may be possible as a result of the exploration work, it shall so certify in writing to the Operator at any time not later than six months after a sufficient final report and final accounting (see Article 5) have been furnished.

(b) Royalty on production.--The Operator, whether or not the producer (for example, if the Operator either transfers or does not retain his interest in the land), shall pay to the Government a royalty on all minerals and metals mined or produced from the land as follows:

(1) irrespective of any certification of possible production--from the date of the contract until the lapse of the time within which the Government may issue such certification or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first; or

(2) if the Government issues a certification of possible production--for a period of ten years from the date of the contract or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first.

(c) Payment of royalty.--(1) The Government's royalty shall be five percent of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrate, metal, or equivalent), at the point of delivery (the f.o.b. point); except, that charges of the buyer arising in the regular course of business and shown as deductions on the buyer's settlement sheets (such as treatment processes performed by the buyer, sampling and assaying to determine the value of the production sold, and freight payable by the buyer to a carrier (not the Operator or producer)), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. No costs of the Operator or producer are deductible in arriving at the "gross proceeds" as that term is here used.

The term "treatment processes" means those processes (such as milling, concentrating, smelting, refining, or equivalent, but excluding fabricating or manufacturing) applied to the crude ore or other production after it is extracted from the ground to put it into a commercially marketable form.

(2) The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be.

(d) Unsold production.--If any production (ore, concentrate, metal, or equivalent), after the lapse of six months from the date the ore was extracted from the ground, remains neither sold nor used in integrated manufacturing or fabricating operations (for instance if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrate, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value thereof in the form in which and at the time it is so used. "Value" as here used means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination, or the market value, whichever is greater.

(e) Lien for payment.--To secure the payment of royalty (see Article 6(b)), the Operator hereby grants to the Government a lien upon his interest in the land and upon any production of minerals and metals therefrom until the royalty claim is extinguished by lapse of time or is fully paid.

(f) Notice to purchasers.--The Operator or producer shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Government, and this estimate shall be final and binding upon the Operator or producer.

(g) No obligation to produce.--Nothing in this contract shall be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

(h) Government not obligated to buy.--Nothing in this contract shall be construed as imposing any obligation on the Government to purchase any minerals and metals mined or produced from the land.

ARTICLE 7. Termination of the Government's Obligations.--(a) If the Government determines that operations at any time have failed to achieve anticipated results and further work is not justified, the Government may give the Operator written notice thereof, and thereupon:

(1) the Government shall be free of all obligation to pay on account of units of work not then performed; and

(2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to final accounting and reporting.

(b) If the Government determines that the Operator is in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon:

(1) the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and

(2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to final accounting and reporting.

The Government may also avail itself of any other remedy the law may provide for breach of contract, including the right to rescind the contract and to demand repayment of all moneys contributed by the Government under the contract.

(c) The giving of any notice by the Government under the provisions of this Article 7 shall not affect the Government's rights as provided for in the contract with respect to royalty and liens to secure the payment thereof, and such rights shall be fully preserved.

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(a) Overtime requirements.--No Operator or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any laborer or mechanic to be employed on such work in excess of eight hours in any calendar day or in excess of forty hours in any workweek unless such laborer or mechanic receives compensation at a rate of not less than one and one-half times his basic rate of pay for all hours worked in excess of eight hours in any such calendar day or in excess of forty hours in any such workweek, as the case may be.

(b) Violations; liability for unpaid wages; liquidated damages.--In the event of any violation of the clause set forth in subparagraph (a) of this paragraph, the Operator and any subcontractor responsible therefor shall be liable to any affected employee for his unpaid wages. In addition, such Operator and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed, with respect to each individual laborer or mechanic employed in violation of the clause set forth in subparagraph (a) of this paragraph, in the sum of $10 for each calendar day on which such employee was required or permitted to work in excess of eight hours or in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in subparagraph (a) of this paragraph.

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ARTICLE 14. Changes and added provisions.--

Executed in quadruplicate the day and year first above written.

Charles Byam and Norman Byam
(Operator)

By Charles Byam

Title Norman Byam

THE UNITED STATES OF AMERICA

By Director, U. S. Geological Survey

I, _____ (Name), certify that I am the _____ secretary of the corporation named as Operator herein; that _____ (Name), who signed this contract on behalf of the Operator, was then _____ (Title) of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

[CORPORATE SEAL]

EXPLORATION CONTRACT
CHARLES BYAM AND NORMAN BYAM
OME-6871

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EXPLORATION CONTRACT
CHARLES BYAM AND NORMAN BYAM
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1,785 feet at $0.80/ft.	1,428.00	
Engineering-geological consultant		
24 days at $100.00/day	2,400.00	
Mileage for consultant		
833 miles at $0.12/mile	100.00	
Assaying for silver and gold		
50 samples at $6.00/sample	300.00	
Total Fixed Unit Costs and Estimated Cost of the Project		$29,000.00
Government Participation at 75 percent		$21,825.00

1/ Includes all costs whatsoever such as labor, insurance, payroll taxes, materials and supplies, supervision, equipment purchase, and office expense.

MME Form 51
July 1965

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
U. S. Geological Survey

EXPLORATION CONTRACT
(Short Form)

Docket	Commodity	Contract No.	County	State
OME-6871	Silver-Gold		Granite	Montana

It is agreed _____ (Date), between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and

Charles Bryan and Norman Bryan

_____,

whose mailing address is P O Box 522, Philipsburg, Montana 59858
hereinafter called the "Operator," as follows:

ARTICLE I. Authority and scope.--(a) This contract, entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before _____ (Date), and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within 6 months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the work is $ 28,100.00 The Government will contribute ~~50~~ 75 percent of the total fixed unit costs of the work performed, not in excess of $ 21,825.00 in accordance with the provisions of Articles 4 and 5.

(c) Interest computation.--Simple interest at the rate of _____ percent shall accrue from the dates Federal funds are made available until the period specified for payment of royalty expires, or until the amount of Federal funds contributed is fully repaid with interest.

(d) The Operator shall not transfer or assign this contract or any right or obligation thereunder without the written consent of the Government.

ARTICLE 2. Operator's rights in land.--(a)The Operator represents and undertakes that Annex I correctly describes the land which is the subject of this contract and the nature of the Operator's right of property and possession therein (whether as owner, lessee, or otherwise), and that such right, title, or interest is subject only to the following claims, liens, or encumbrances:

SEE ANNEX I

(b) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above and (if the Operator does not hold the legal title) the Lien Agreement of any holder of the legal title of the land (lessor, seller, optionor, etc.) are attached as follows:

SEE ANNEX I

(c) The Operator shall preserve and maintain his right, title, or interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. The Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a royalty on production and liens for the payment thereof. Two true copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 6 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

ARTICLE 3. Performance of the work.--(a) Operator's responsibility.--The work shall be performed diligently, efficiently, in a workmanlike manner in accordance with good mining standards, and in compliance with State laws governing health, safety, and liability insurance covering employment. The Operator shall provide suitable and adequate equipment, facilities, materials, supplies, and labor to complete the work as specified in Article 1(a).

(b) Government may inspect.--The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract and production operations during the period that royalty is payable to the Government. The Operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 4. Contribution by the Government.--The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5(b), but all payments by the Government are provisional only, subject to audit. Until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been received, the Government may withhold such sums as are necessary to protect its interests. To the extent that amounts in excess of fixed unit costs or in excess of the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such amounts for his own account without contribution by the Government. The Government will not contribute to the cost of any work performed prior to the date of this contract. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

ARTICLE 5. Reports, accounts, audits.--(a) Operator's records.--The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine all pertinent books, documents, papers, and records of the Operator.

(b) Monthly reports.--The Operator shall provide the Government with four copies of monthly reports in three sections as follows:

(1) Operator's Monthly Voucher claiming costs for work performed;

(2) Operator's Progress Report showing the number of units of the various types of work performed; and

(3) a narrative report of the work performed during the reporting period, including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground.

(Forms for reporting under (1) and (2) above will be provided by the Government.)

(c) Final report.--Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with three copies of a final report (in addition to the final monthly report). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the unit costs thereof.

(d) Report of sales.--The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's royalty relates, such as two copies of smelter or concentrator settlement sheets and certified accounts of production and sale or other disposition of production.

(e) Compliance with requirements.--If the Government determines that any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the preparation or completion of same with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records, or accounts.

ARTICLE 6. Repayment by Operator.--(a) Certification.--If the Government considers that mineral or metal production from the land covered by the contract may be possible as a result of the exploration work, it shall so certify in writing to the Operator at any time not later than six months after a sufficient final report and final accounting (see Article 5) have been furnished.

(b) Royalty on production.--The Operator, whether or not the producer (for example, if the Operator either transfers or does not retain his interest in the land), shall pay to the Government a royalty on all minerals and metals mined or produced from the land as follows:

(1) irrespective of any certification of possible production--from the date of the contract until the lapse of the time within which the Government may issue such certification or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first; or

(2) if the Government issues a certification of possible production--for a period of ten years from the date of the contract or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first.

(c) Payment of royalty.--(1) The Government's royalty shall be five percent of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrate, metal, or equivalent), at the point of delivery (the f.o.b. point); except, that charges of the buyer arising in the regular course of business and shown as deductions on the buyer's settlement sheets (such as treatment processes performed by the buyer, sampling and assaying to determine the value of the production sold, and freight payable by the buyer to a carrier (not the Operator or producer)), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. No costs of the Operator or producer are deductible in arriving at the "gross proceeds" as that term is here used.

The term "treatment processes" means those processes (such as milling, concentrating, smelting, refining, or equivalent, but excluding fabricating or manufacturing) applied to the crude ore or other production after it is extracted from the ground to put it into a commercially marketable form.

(2) The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be.

(d) Unsold production.--If any production (ore, concentrate, metal, or equivalent), after the lapse of six months from the date the ore was extracted from the ground, remains neither sold nor used in integrated manufacturing or fabricating operations (for instance if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrate, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value thereof in the form in which and at the time it is so used. "Value" as here used means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination, or the market value, whichever is greater.

(e) Lien for payment.--To secure the payment of royalty (see Article 6(b)), the Operator hereby grants to the Government a lien upon his interest in the land and upon any production of minerals and metals therefrom until the royalty claim is extinguished by lapse of time or is fully paid.

(f) Notice to purchasers.--The Operator or producer shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Government, and this estimate shall be final and binding upon the Operator or producer.

(g) No obligation to produce.--Nothing in this contract shall be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

(h) Government not obligated to buy.--Nothing in this contract shall be construed as imposing any obligation on the Government to purchase any minerals and metals mined or produced from the land.

ARTICLE 7. Termination of the Government's Obligations.--(a) If the Government determines that operations at any time have failed to achieve anticipated results and further work is not justified, the Government may give the Operator written notice thereof, and thereupon:

(1) the Government shall be free of all obligation to pay on account of units of work not then performed; and

(2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to final accounting and reporting.

(b) If the Government determines that the Operator is in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon:

(1) the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and

(2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to final accounting and reporting.

The Government may also avail itself of any other remedy the law may provide for breach of contract, including the right to rescind the contract and to demand repayment of all moneys contributed by the Government under the contract.

(c) The giving of any notice by the Government under the provisions of this Article 7 shall not affect the Government's rights as provided for in the contract with respect to royalty and liens to secure the payment thereof, and such rights shall be fully preserved.

(d) The determinations of the Government are subject to appeal under Article 11.

ARTICLE 8. Notices to be given by the Government may be delivered to the Operator or may be sent by certified mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 9. Officials not to benefit.--No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 10. Nondiscrimination in Employment.--The provisions respecting nondiscrimination in employment which are required by section 301 of Executive Order 10925, dated March 6, 1961, as amended and supplemented, are attached hereto as Exhibit B and are hereby incorporated in and made a part of this contract.

ARTICLE 11. Disputes.--Any dispute arising under this contract which is not disposed of by agreement shall be decided by the Director, U. S. Geological Survey, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Operator. The decision of the Director, U S. Geological Survey, shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the Operator mails or otherwise furnishes to the Director, U. S. Geological Survey, a written appeal addressed to the Secretary of the Interior. The decision of the Secretary or his duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence.

The term "Director, U. S. Geological Survey," as used herein includes his duly authorized representative.

ARTICLE 12. Work Hours Act of 1962 - Overtime Compensation.--This contract, to the extent that it is of a character specified in the Work Hours Act of 1962 (Public Law 87-581, 76 Stat. 357-360) and is not covered by the Walsh-Healey Public Contracts Act (41 U.S.C. 35-45), is subject to the following provisions and to all other provisions and exceptions of said Work Hours Act of 1962.

(a) Overtime requirements.--No Operator or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any laborer or mechanic to be employed on such work in excess of eight hours in any calendar day or in excess of forty hours in any workweek unless such laborer or mechanic receives compensation at a rate of not less than one and one-half times his basic rate of pay for all hours worked in excess of eight hours in any such calendar day or in excess of forty hours in any such workweek, as the case may be.

(b) Violations; liability for unpaid wages; liquidated damages.--In the event of any violation of the clause set forth in subparagraph (a) of this paragraph, the Operator and any subcontractor responsible therefor shall be liable to any affected employee for his unpaid wages. In addition, such Operator and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed, with respect to each individual laborer or mechanic employed in violation of the clause set forth in subparagraph (a) of this paragraph, in the sum of $10 for each calendar day on which such employee was required or permitted to work in excess of eight hours or in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in subparagraph (a) of this paragraph.

(c) Withholding for unpaid wages and liquidated damages.--The U. S. Geological Survey may withhold or cause to be withheld, from any moneys payable on account of work performed by the Operator or subcontractor, such sums as may administratively be determined to be necessary to satisfy any liabilities of such Operator or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in subparagraph (b) of this paragraph.

ARTICLE 13. Copeland (Anti-Kickback) Act--Nonrebate of wages.--The regulations of the Secretary of Labor applicable to contractors and subcontractors (29 CFR, Part 3), made pursuant to the Copeland Act, as amended (40 U. S. C. 276c) and to aid in the enforcement of the Anti-Kickback Act (18 U. S. C. 874) are made a part of this contract by reference. The Operator will comply with these regulations and any amendments or modifications thereof and will be responsible for the submission of affidavits required of independent contractors thereunder. The foregoing shall apply except as the Secretary of Labor may specifically provide for reasonable limitations, variations, tolerances, and exemptions.

ARTICLE 14. Changes and added provisions.--

_____

_____

_____

_____

Executed in ~~quintuplicate~~ quadruplicate the day and year first above written.

CHARLES BYAM AND NORMAN BYAM
(Operator)

By _____

Title _____

THE UNITED STATES OF AMERICA

By _____
Director, U.S. Geological Survey

_____

I, _____ (Name), certify that I am the

_____ secretary of the corporation named as Operator herein; that

_____ (Name), who signed this contract on behalf of the Operator, was then

_____ (Title) of said corporation; that said contract was duly signed for

and in behalf of said corporation by authority of its governing body, and is within the scope of its

corporate powers.

_____

[CORPORATE SEAL]

No work shall be done on this contract within 100 feet of the outer boundary of the claims shown on Figure 1.

The Operator shall provide such supervision, labor, equipment, and technical services as may be required to complete the work in a satisfactory manner.

The location, direction, and extent of each work item shall be subject to Government approval.

Description of the Work

The work shall consist of drifting, long hole drilling, crosscutting, and raising to explore the vein exposed in the main adit and other veins which may be present in the footwall or the hanging wall.

The main adit shall be extended as a drift approximately 500 feet along the vein. Long holes spaced not closer than 20 feet apart shall be drilled into both walls of the drift to locate any parallel veins. At a location or locations mutually agreed to by the Operator and the Government, cross cut into the ~~walls~~ walls of the drift to further explore veins located by the long holes, or to explore beyond the extent of the long holes. The total of drifting and crosscutting may approximate 600 feet.

At one or more locations mutually agreed to by the Operator and the Government, drive a total of about 200 feet of raises to explore the upward extension of veins selected for additional exploration.

The approximate locations of the adit drift and crosscut are shown on Figure 2 entitled "Proposed exploration — Silver King Mine, secs. 5 and 8, T. 6 N., R. 15 W., Granite County, Montana," attached and made part hereof.

Estimated Costs of the Work

Fixed Unit Costs [1]

Drifting and crosscutting	
600 feet at $30.00/ft.	$18,000.00
Timbering drifts and crosscuts	
60 feet at $11.20/ft.	672.00
Raising, including timbering	
200 feet at $31.00/ft.	6,200.00
Long hole drilling	
1,785 feet at $0.80/ft.	1,428.00
Engineering-geological consultant's services	
24 days at $100.00/day	2,400.00
Mileage for consultant	
833 miles at $0.12/mile	100.00
Assaying for gold and silver	
50 samples at $6.00/sample	300.00
Total Fixed Unit Costs and Estimated Cost of the Project	$29,100.00
Government Participation at 75 percent	$21,825.00

[1] Includes all costs whatsoever such as labor, insurance, payroll taxes, materials and supplies, supervision, equipment purchase, and office expense.

Jack,

Please look thru the Byam sub-lease and give me or Kirk a call on your opinion of it. We both force problems with the phrasing "below the main adit." Any suggestions?

Bob Weeks

Kirk:

Here are two different approaches to the Byam agreement. The memo is the easier way for us. The start of a draft agreement would be of more use to the Byams - but I'm not enough of a lawyer to want to do much more on it.

DRAFT/RWeeks: cac 12/19/72

Memorandum

To: Field Officer, Region I

From: Chief, Office of Minerals Exploration

Subject: OME-6871 (Ag-Au)
Charles and Norman Byam
Silver King No. 1 and No. 2 Claims
Granite County, Montana

The tentative draft of a mining lease between the Byams and Rock Creek Mines c/o Dick Tunstill has been reviewed informally by the Solicitor's office. In its present form it would preclude any exploration assistance to the Byams, for the lease substantially would place control of the two claims with Tunstill. For example, Article 6 states "The Lessee shall at all times have and enjoy exclusive possession of the demised premises, - - -" That section gives the Byams only the right of entry to inspect and survey, and theoretically they could be prevented from working their own level. Under an OME contract, the ~~You should inform the Byams that~~ Operators are required to retain possession of the land and mineral rights for the duration of the contract.

There are apparently enough other problems in the proposed lease wording that the Solicitor's office suggested a different kind of agreement ~~a legal instrument~~ would be preferred if an OME project was undertaken on the same property. ~~As~~ an alternative would be an operating ~~instrument, they suggested a working~~ agreement or lease which shows that the ~~specific rights of the~~ Byams retain ~~are defined clearly to show substantive~~ possession and control of the property, and defines the specific limits ~~both horizontal~~ and ~~vertical~~ within which Tunstill is authorized to extract ore, as well as his rights with respect to discoveries in the course of his mining. ~~The agreement should specifically retain control of the property to the Byams.~~

As discussed in your memorandum of December 11, 1972, the question of royalty obligations between the Byams and Tunstill should be clearly defined in the instrument. In the event of an OME Contract, the Byams need to state, preferably in the agreement, that the 10 percent royalty is a maximum and that portions of the royalty may be assigned by the Byams to discharge obligations accruing to the mining property for the benefit of the property.

Other items discussed in your memorandum ~~may~~ might be mentioned to considered by the Byams. The distinction between "ore" and "vein material" is mainly economic, so the latter term is probably preferable because it is geologically distinct and requires no debate on its possible value. Are you certain, however, that altered wall rock containing economic values will not be found?

We are ~~all~~ reluctant to specify what legal document the Byams should obtain. The present draft of a mining lease ~~is~~ obviously is not it. Maybe something like the enclosed 'Working Agreement' ~~is~~ would be more suitable.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Working Agreement

This Agreement, made and entered into this ___ day of ___, 1973, by and between Charles Byam and Norman Byam of the City of Philipsburg, County of Granite, State of Montana, the party of the first part, hereinafter called the Grantor, and Rock Creek Mines % Dick Tuntill of the City of Philipsburg, County of Granite, State of Montana, party of the second part, hereinafter called the Grantee.

Witnesseth

It is mutually agreed by and between the parties hereto as follows:

1. The Grantors covenants that he is in possession of the following mining claims by right of location, as recorded in the cited records of Granite County, Montana:

Silver King No. 1, Book 26 Certificate of Location, Page 323, 86 811
Silver King No. 2, Book 26 Certificate of Location, Page 324, 86 812

The Grantor further covenants that all necessary assessment work has been accomplished and duly recorded, and ~~that the~~ ~~exploration~~ all reasonable effort will be made to maintain ~~explorations~~ ~~these mining claims~~ legal possession of these claims.

2.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

2. The Grantor, for and in consideration of the rents and royalties to be paid and the covenants and agreements to be observed, kept, and performed by the Grantee for the term hereinafter stated, and upon the terms and conditions hereinafter set forth, do hereby grant the exclusive right to extract vein materials and associated ores from the portion of the above-mentioned mining claims more specifically defined below:

That portion of the Silver King No. 1 and Silver King No. 2 (mining claims) which is beneath the Main Adit driven by the Grantor. The upper boundary of the portion shall be the floor of Grantor's Main adit, or an essentially horizontal plane projected from that adit. (add other limits, as appropriate) (State the Grantor's interest in ~~other~~ other mineralized structures encountered by the Grantee. The wordage at the bottom of p. 2 of the draft "lease" is not precise, ~~or to note~~ ~~since~~ Does "hold and occupy" refer to Grantor or Grantee, and does it mean the right to extract ores from crossing structures is granted or retained?)

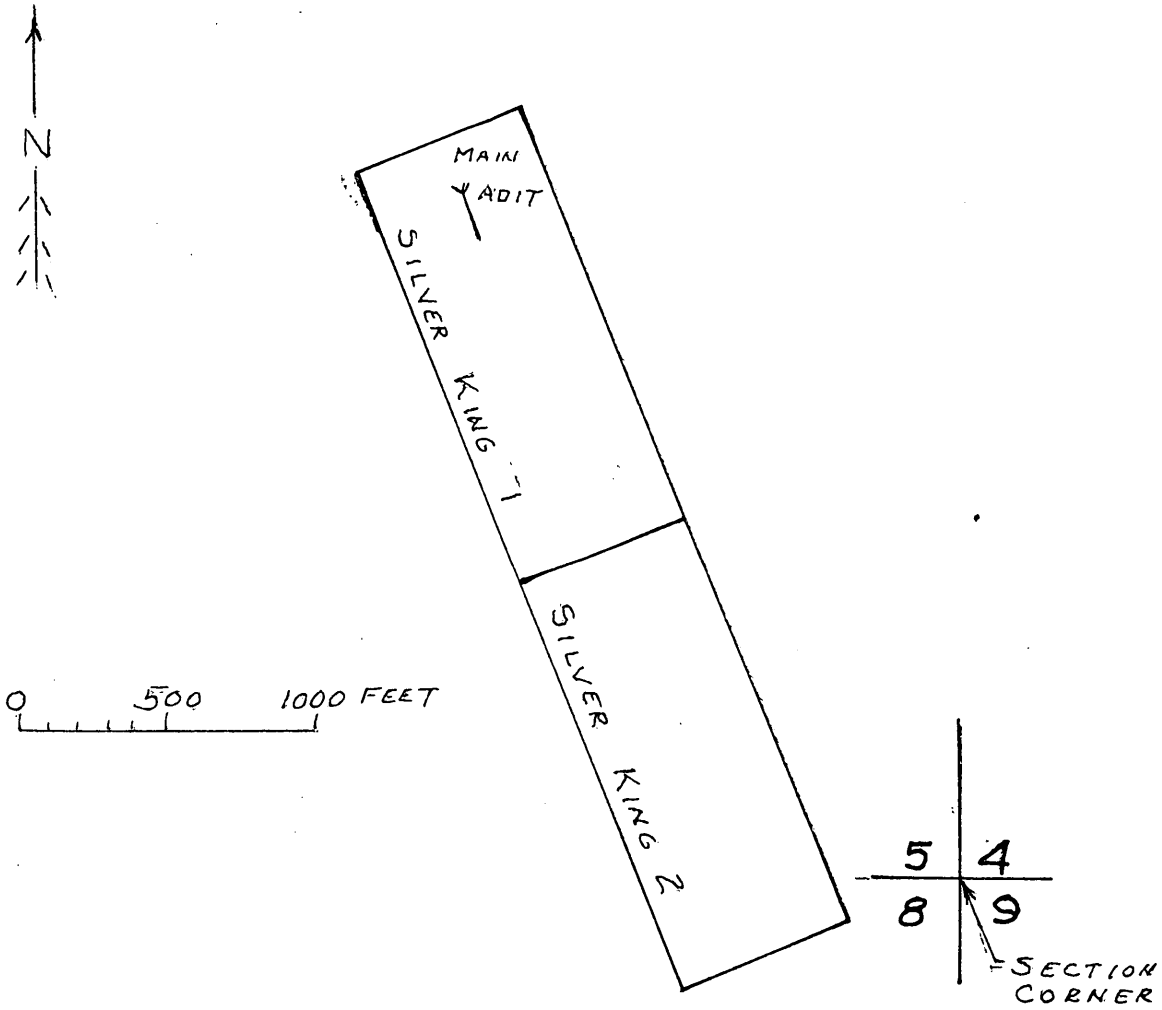


FIGURE 1. PROPERTY MAP - SILVER KING MINE - T.6 N., R.15 W., GRANITE COUNTY, MONTANA

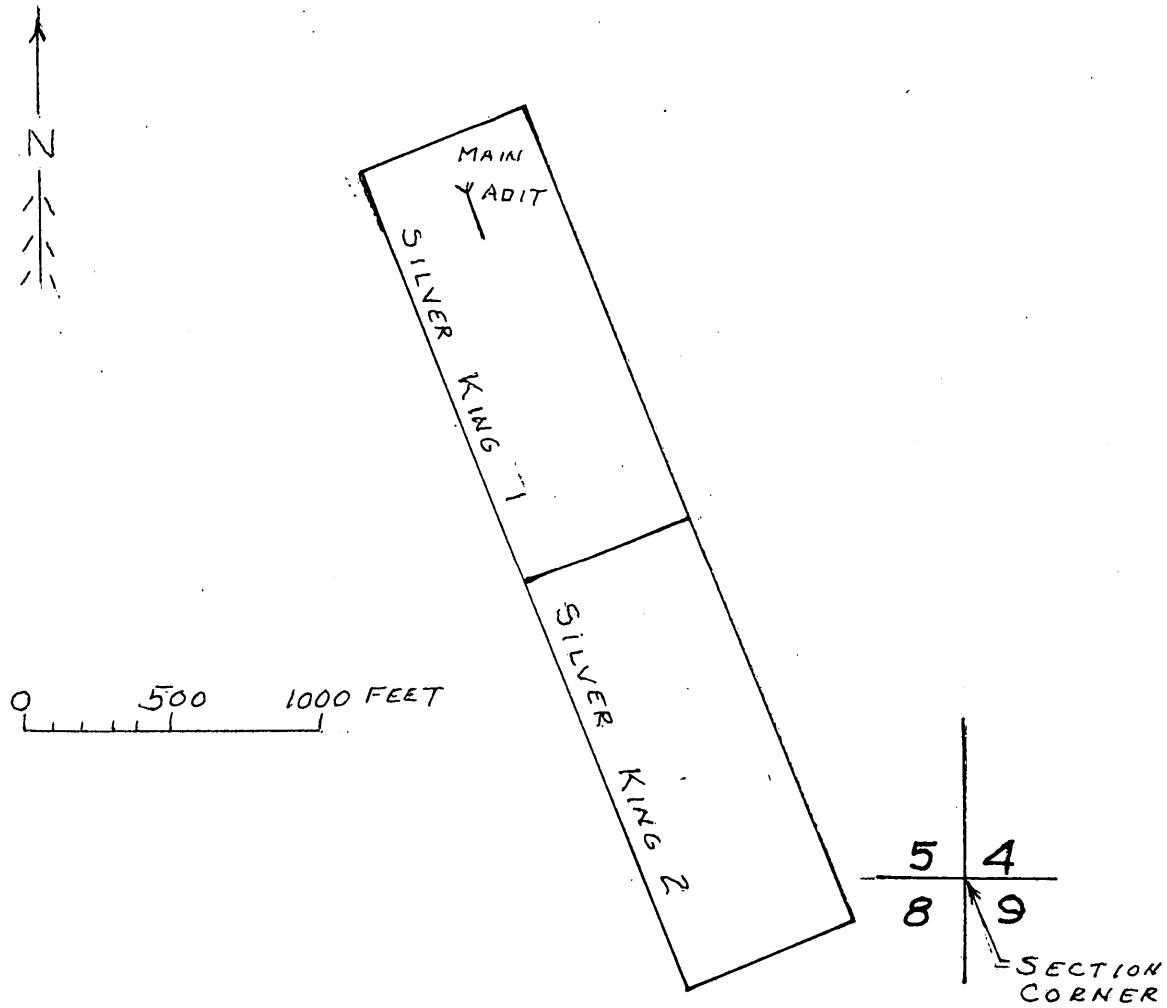


FIGURE 1. PROPERTY MAP - SILVER KING MINE - T.6 N., R.15 W., GRANITE COUNTY, MONTANA

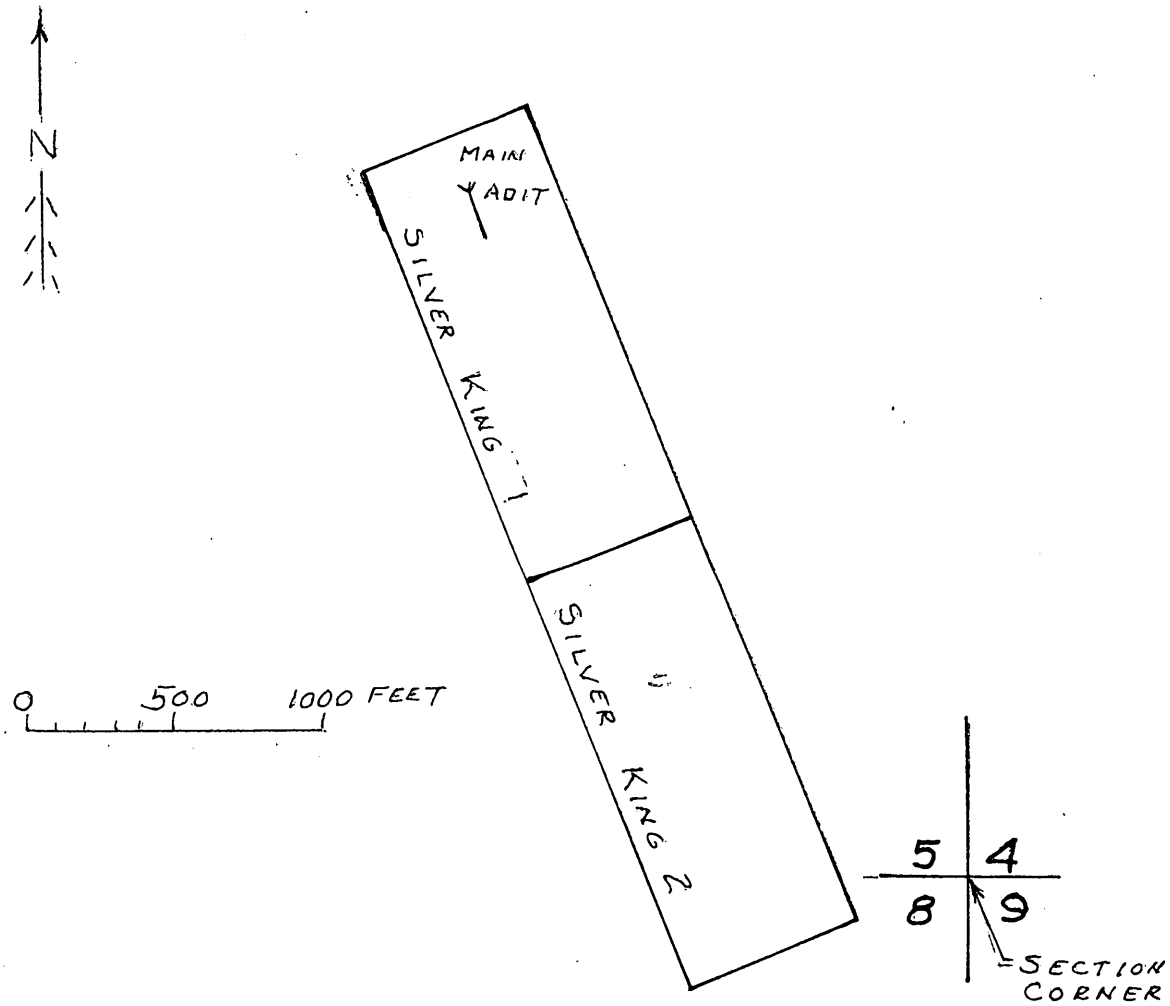
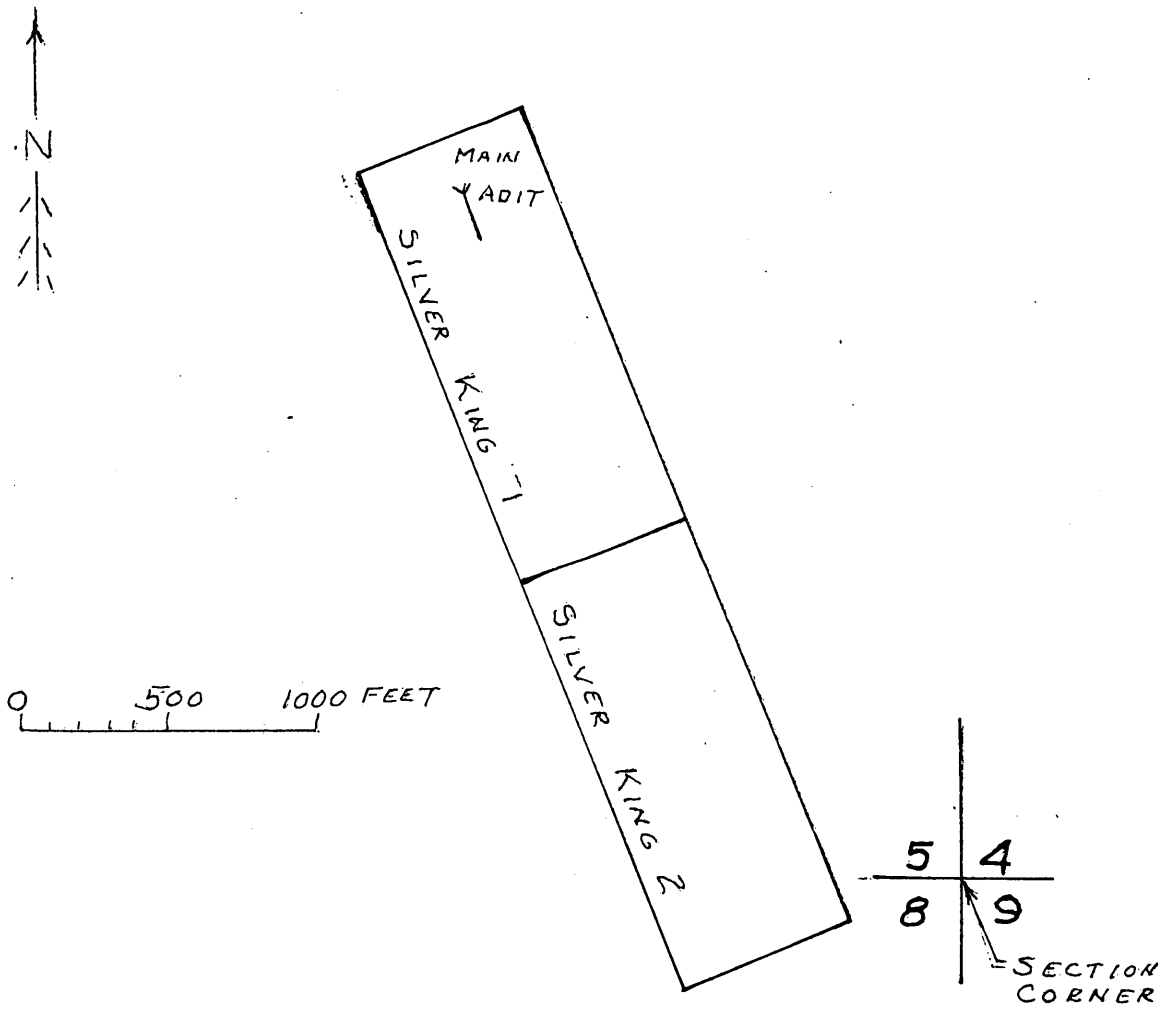


FIGURE 1- PROPERTY MAP- SILVER KING MINE- T.6N., R.15W., GRANITE COUNTY, MONTANA



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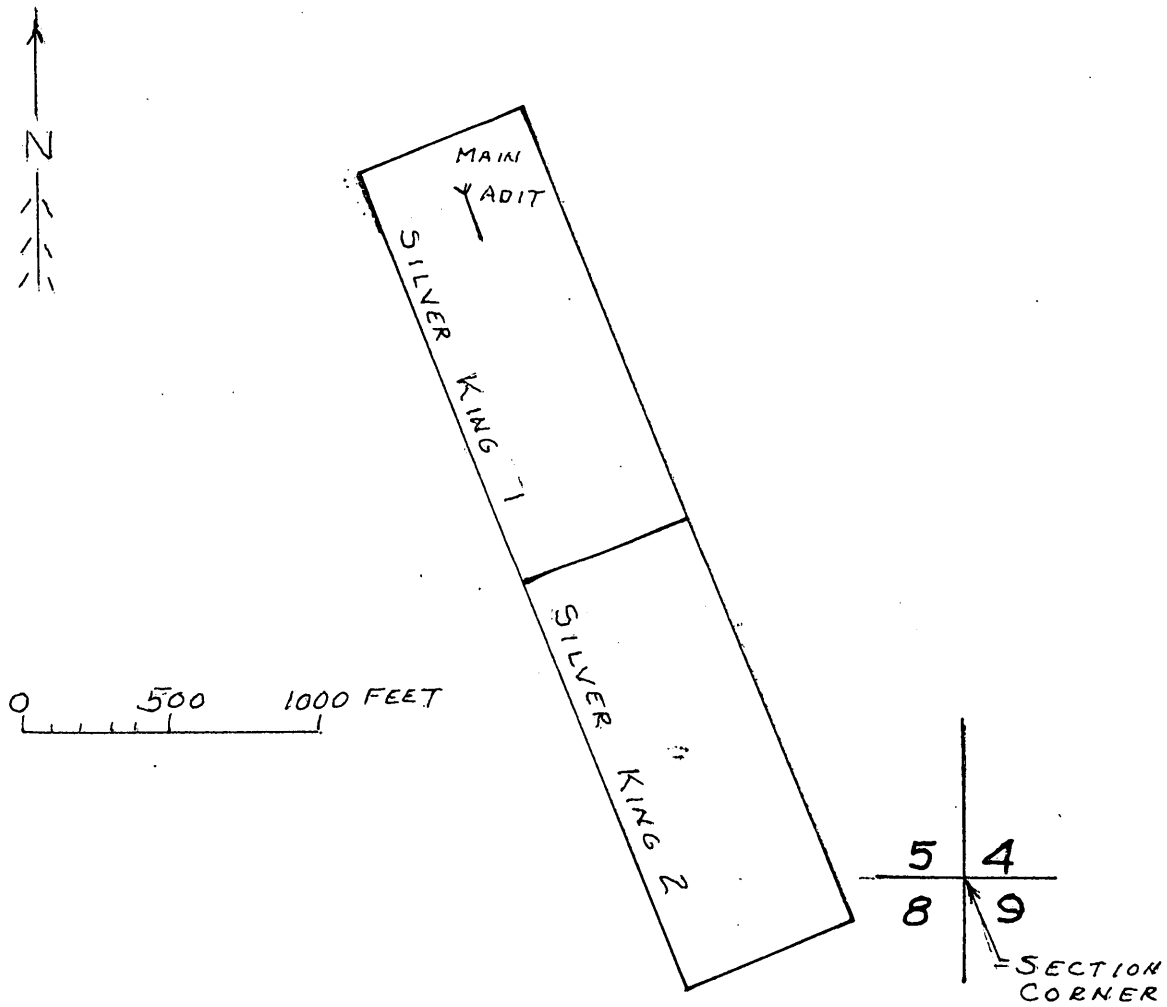

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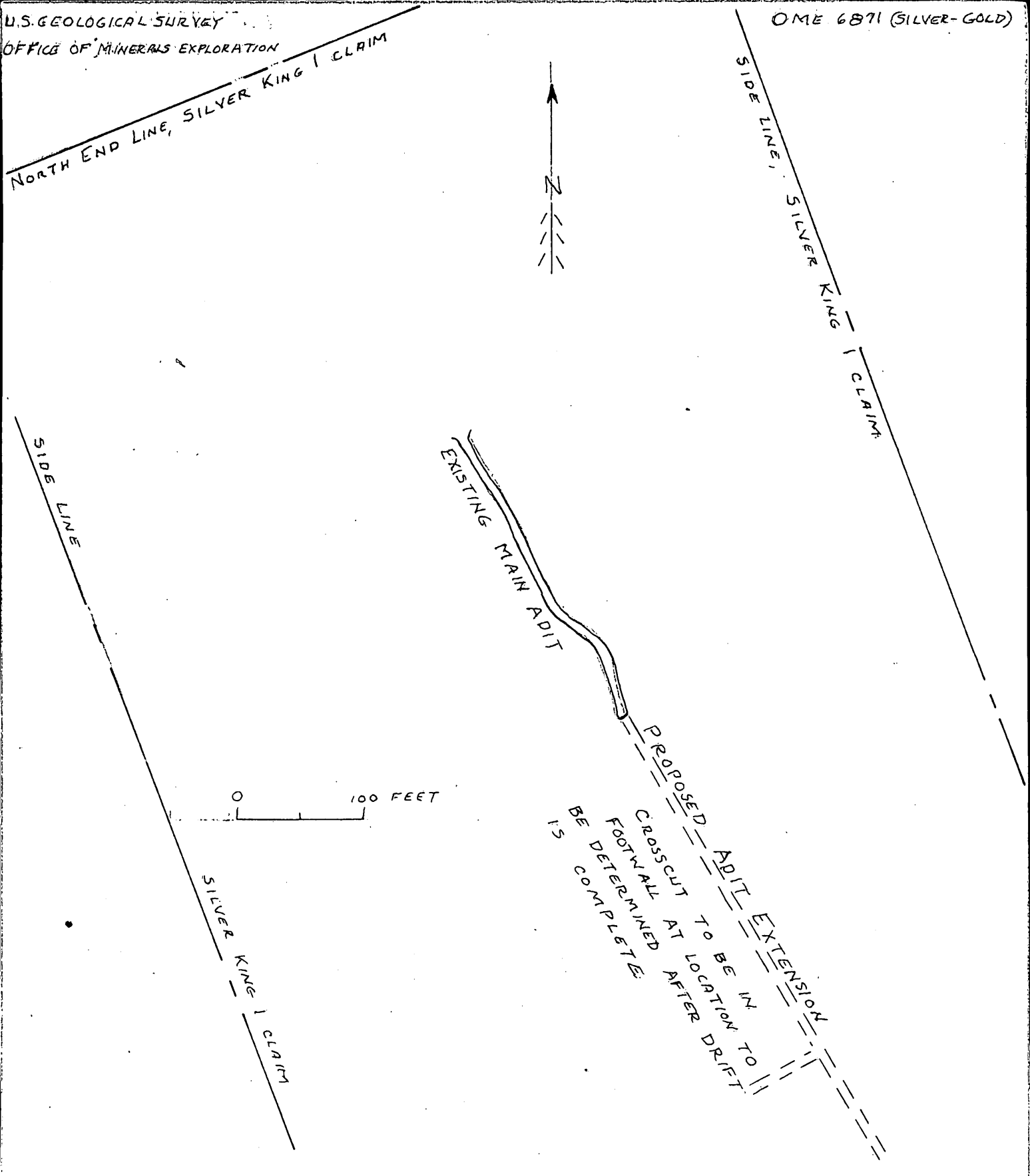

FIGURE 2 - PROPOSED EXPLORATION - SILVER KING MINE, SECS. 5 & 8, T.6N., R.15W., GRANITE COUNTY, MONTANA

U.S. GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

OME 6871 (SILVER-GOLD)

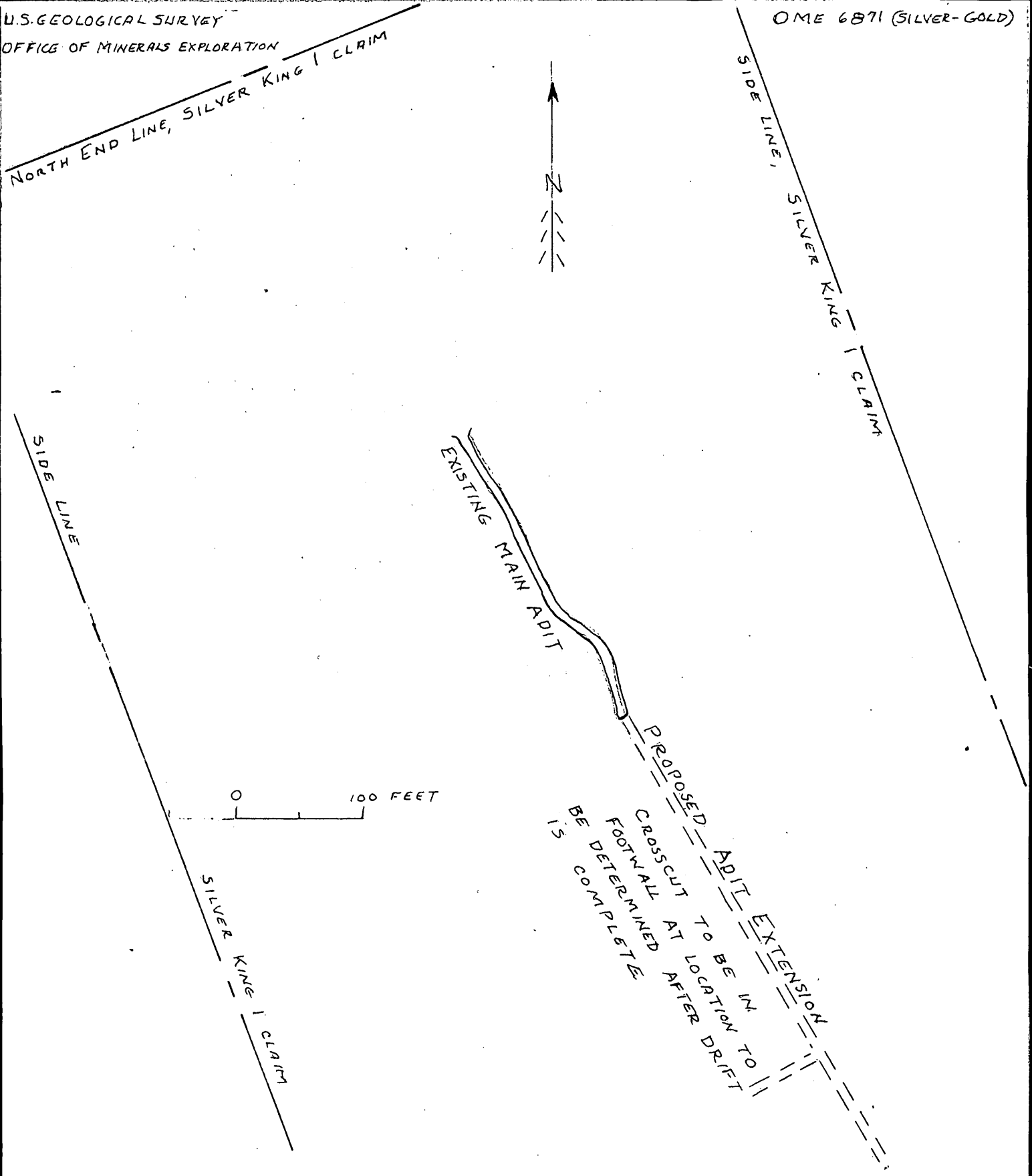

FIGURE 2 - PROPOSED EXPLORATION - SILVER KING MINE, SECS. 5 & 8, T.6N., R.15W., GRANITE COUNTY, MONTANA

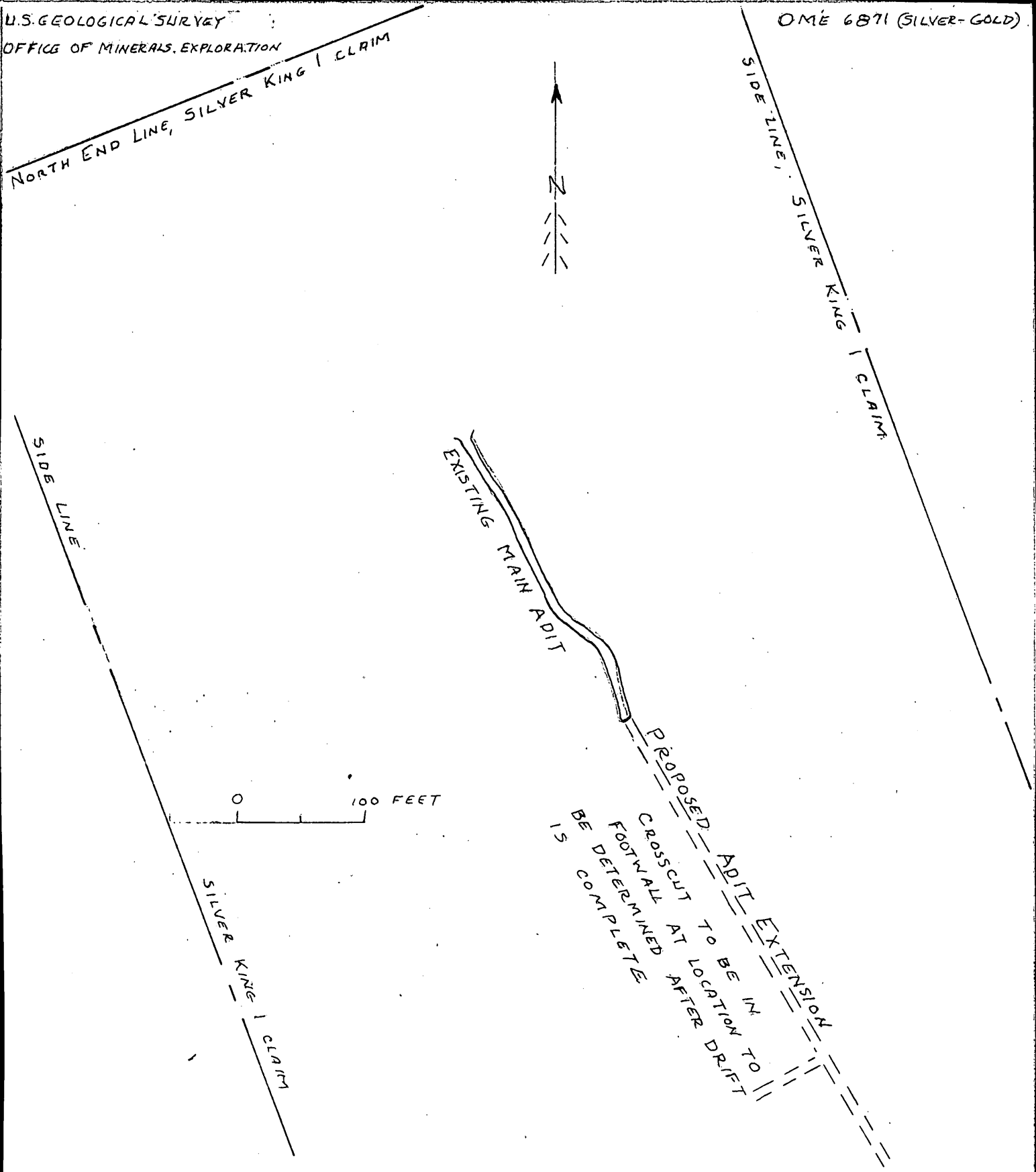

FIGURE 2 - PROPOSED EXPLORATION - SILVER KING MINE, SECS. 5 & 8, T.6N., R.15W., GRANITE COUNTY, MONTANA

U.S. GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

OME 6871 (SILVER-GOLD)

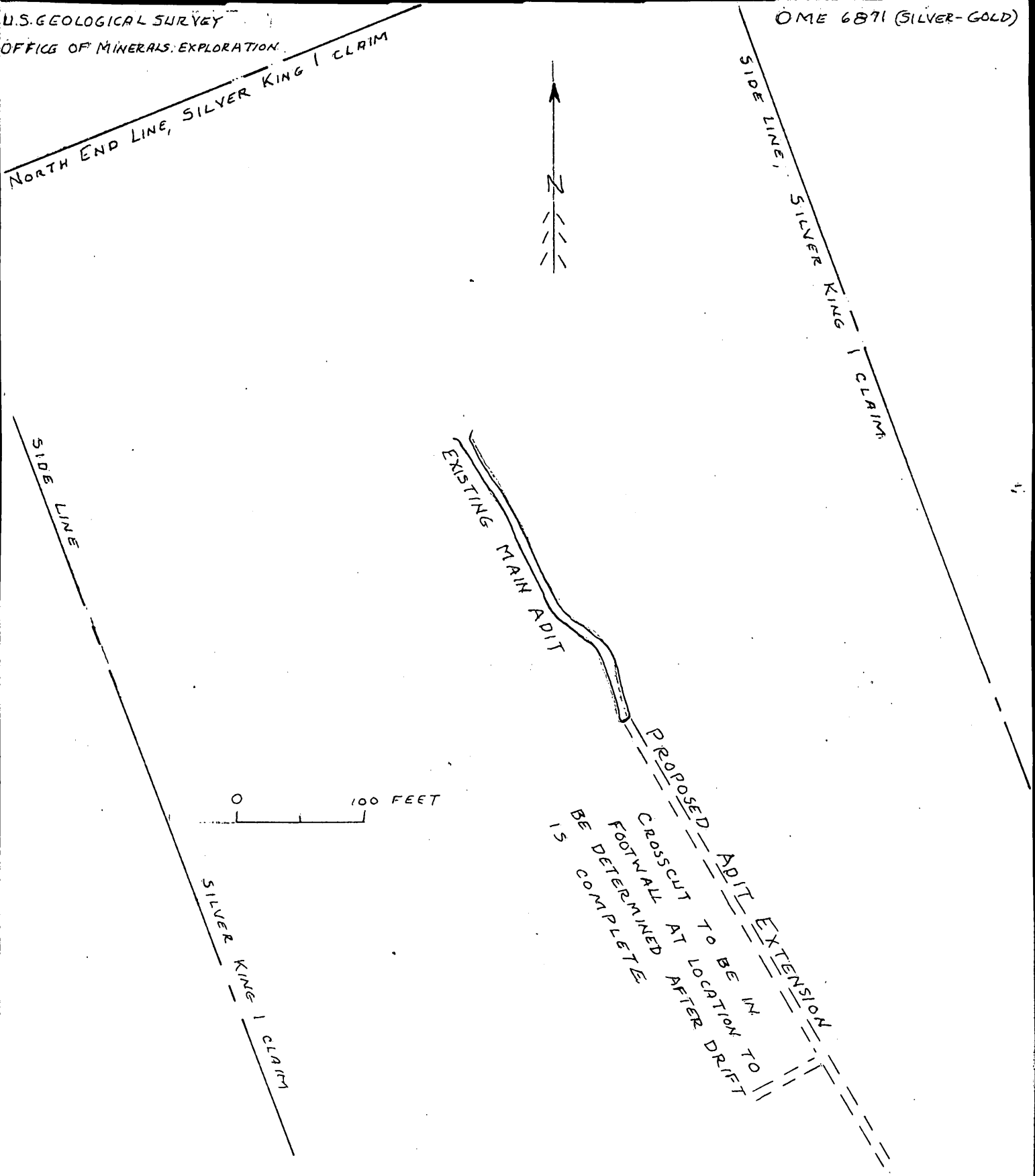

FIGURE 2 - PROPOSED EXPLORATION - SILVER KING MINE, SECS. 5 & 8, T. 6 N., R. 15 W., GRANITE COUNTY, MONTANA

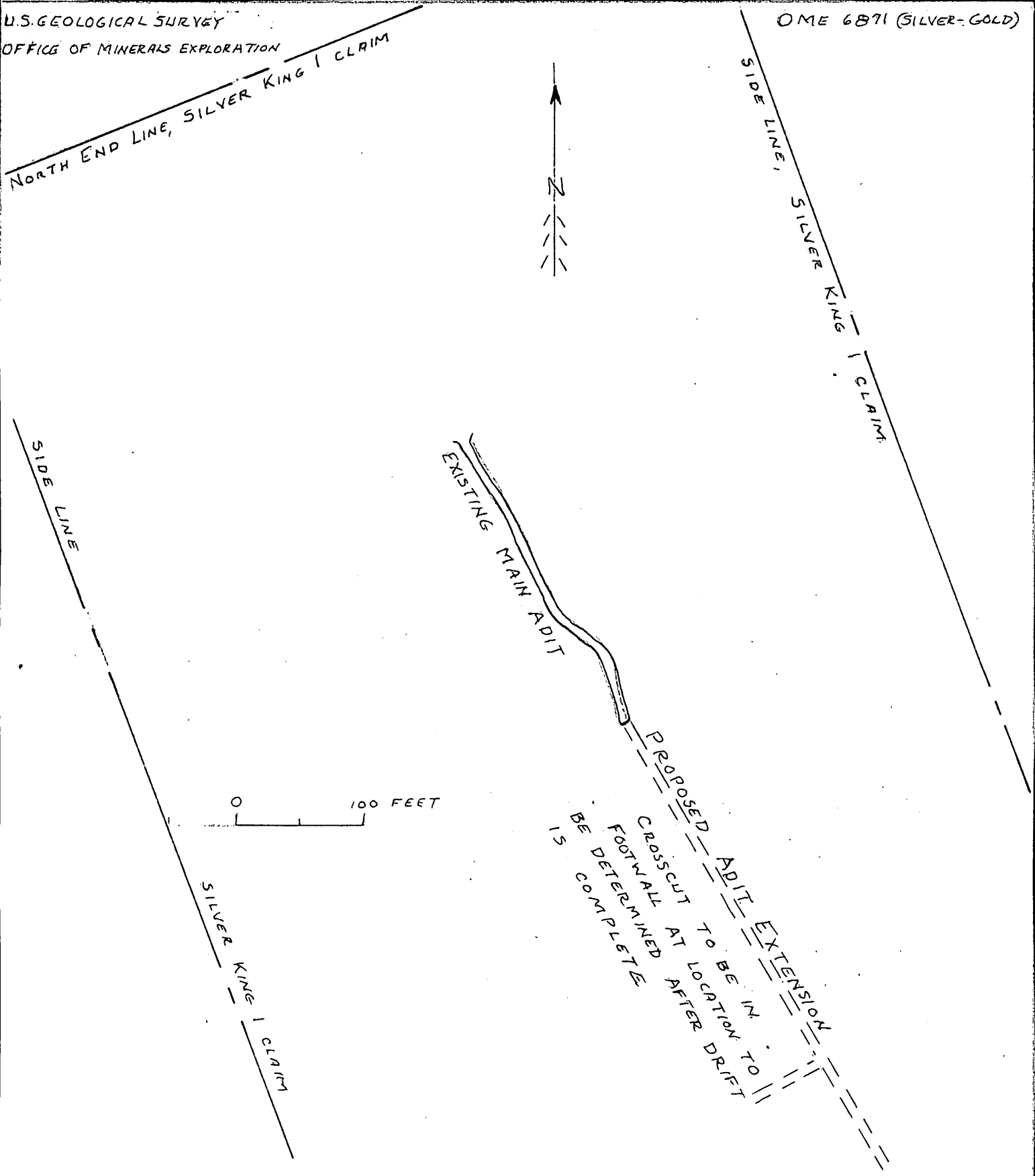

FIGURE 2 - PROPOSED EXPLORATION - SILVER KING MINE, SECS. 5 & 8, T.6N., R.15W., GRANITE COUNTY, MONTANA

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code

April 5, 1973

Memorandum

To: The File

From: Chief, Office of Minerals Exploration

Subject: OME-6871 (Silver-Gold)
Charles and Norman Byam
Silver King No. 1 and No. 2 Claims
Granite County, Montana

The Field Officer, OME Region I, asked the Applicant by letter dated February 1, 1973, to request that the subject application be inactivated or withdrawn. Exploration at the property by the Applicant and lessee had developed enough ore to sustain operations, and the Applicant decided not to request OME assistance at this time for additional exploration.

There has been no response from the Applicant, and accordingly, the application is now considered withdrawn.

Harold Kirkemo

Harold Kirkemo

cc: Director's reading file
Mineral Resources
OME reading file
Region I
Mr. Kirkemo

HKirkemo/cac 4/5/73

Flint Creek Valley BANK
PHILIPSBURG, MONTANA 59858

B. G. PAIGE, PRESIDENT
ZANE. G. MURFITT, VICE PRESIDENT AND CASHIER

CLAUDE J. SORENSEN, ASSISTANT CASHIER

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Cac | ~~130~~

November 17, 1972

Mr. Harold Kirkemo, Chief
Office of Mineral Exploration
U. S. Department of the Interior
Washington, D. C. 20242

Re: OME-6871 (Silver - Gold)
Charles and Norman Byam
Silver King No. 1 and 2
Granite County, Montana

Dear Mr. Kirkemo:

The above subjects have asked us to confirm the fact that they have liquid assets that are convertible into cash in excess of $7,275, which you require in connection with their loan application or contract.

We are pleased to advise you that they have cash and convertibles in excess of $10,000 and machinery and equipment that is in good condition which should easily sell for $20,000.

I hope this information will assist them in completing their contract.

Very truly yours,

B. G. Paige

B. G. Paige
President

BGP/dm

cc: Charles Byam

Flint Creek Valley BANK
PHILIPSBURG, MONTANA 59858

B. G. PAIGE, PRESIDENT
ZANE. G. MURFITT, VICE PRESIDENT AND CASHIER

CLAUDE J. SORENSEN, ASSISTANT CASHIER

November 17, 1972

Mr. Harold Kirkemo, Chief
Office of Mineral Exploration
U. S. Department of the Interior
Washington, D. C. 20242

Re: OME-6871 (Silver - Gold)
Charles and Norman Byam
Silver King No. 1 and 2
Granite County, Montana

Dear Mr. Kirkemo:

The above subjects have asked us to confirm the fact that they have liquid assets that are convertible into cash in excess of $3275, which you require in connection with their loan application or contract.

We are pleased to advise you that they have cash and convertibles in excess of $10,000 and machinery and equipment that is in good condition which should easily sell for $20,000.

I hope this information will assist them in completing their contract.

Very truly yours,

B. G. Paige

B. G. Paige
President

Edwin

cc: Charles Byam

EXHIBIT B-1

CERTIFICATION OF NONSEGREGATED FACILITIES

The undersigned hereby certifies that he does not maintain or provide for his employees any segregated facilities at any of his establishments, and that he does not permit his employees to perform their services at any location, under his control, where segregated facilities are maintained. He certifies further that he will not maintain or provide for his employees any segregated facilities at any of his establishments, and that he will not permit his employees to perform their services at any location under his control, where segregated facilities are maintained. He further agrees that a breach of this certification is a violation of the Equal Opportunity clause in OME Exploration contracts. As used in this certification, the term "segregated facilities" means any waiting rooms, work areas, rest rooms and wash rooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees which are segregated by explicit directive or are in fact segregated on the basis of race, creed, color, or national origin, because of habit, local custom, or otherwise. He further agrees that (except where he has obtained identical certifications from proposed subcontractors for specific time periods) he will obtain identical certifications from proposed subcontractors prior to the award of subcontracts exceeding $10,000 which are not exempt from the provisions of the Equal Opportunity clause; that he will retain such certifications in his files; and that he will forward the following notice to such proposed subcontractors (except where the proposed subcontractors have submitted identical certifications for specific time periods):

NOTICE TO PROSPECTIVE SUBCONTRACTORS OF REQUIREMENT FOR CERTIFICATIONS OF NONSEGREGATED FACILITIES

A Certification of Nonsegregated Facilities must be submitted prior to the award of a subcontract exceeding $10,000 which is not exempt from the provisions of the Equal Opportunity clause. The certification may be submitted either for each subcontract or for all subcontracts during a period (i.e., quarterly, semiannually, or annually).

NOTE: The penalty for making false statements in offers is prescribed in 18 U.S.C. 1001.

Charles Bryan Bryan

Signature

Partners

Title

Date

EXHIBIT B-1

CERTIFICATION OF NONSEGREGATED FACILITIES

The undersigned hereby certifies that he does not maintain or provide for his employees any segregated facilities at any of his establishments, and that he does not permit his employees to perform their services at any location, under his control, where segregated facilities are maintained. He certifies further that he will not maintain or provide for his employees any segregated facilities at any of his establishments, and that he will not permit his employees to perform their services at any location under his control, where segregated facilities are maintained. He further agrees that a breach of this certification is a violation of the Equal Opportunity clause in OME Exploration contracts. As used in this certification, the term "segregated facilities" means any waiting rooms, work areas, rest rooms and wash rooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees which are segregated by explicit directive or are in fact segregated on the basis of race, creed, color, or national origin, because of habit, local custom, or otherwise. He further agrees that (except where he has obtained identical certifications from proposed subcontractors for specific time periods) he will obtain identical certifications from proposed subcontractors prior to the award of subcontracts exceeding $10,000 which are not exempt from the provisions of the Equal Opportunity clause; that he will retain such certifications in his files; and that he will forward the following notice to such proposed subcontractors (except where the proposed subcontractors have submitted identical certifications for specific time periods):

NOTICE TO PROSPECTIVE SUBCONTRACTORS OF REQUIREMENT FOR CERTIFICATIONS OF NONSEGREGATED FACILITIES

A Certification of Nonsegregated Facilities must be submitted prior to the award of a subcontract exceeding $10,000 which is not exempt from the provisions of the Equal Opportunity clause. The certification may be submitted either for each subcontract or for all subcontracts during a period (i.e., quarterly, semiannually, or annually).

NOTE: The penalty for making false statements in offers is prescribed in 18 U.S.C. 1001.

Signature

Title

Date

EXHIBIT C

CERTIFICATION OF NONSEGREGATED FACILITIES

(Applicable to federally assisted construction contracts and related subcontracts exceeding $10,000 which are not exempt from the Equal Opportunity clause.)

The federally assisted construction contractor certifies that he does not maintain or provide for his employees any segregated facilities at any of his establishments, and that he does not permit his employees to perform their services at any location, under his control, where segregated facilities are maintained. The federally assisted construction contractor certifies further that he will not maintain or provide for his employees any segregated facilities at any of his establishments, and that he will not permit his employees to perform their services at any location, under his control, where segregated facilities are maintained. The federally assisted construction contractor agrees that a breach of this certification is a violation of the Equal Opportunity clause in this contract. As used in this certification, the term "segregated facilities" means any waiting rooms, work areas, restrooms and washrooms, restaurants and other eating areas, timeclocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees which are segregated by explicit directive or are in fact segregated on the basis of race, creed, color, or national origin, because of habit, local custom, or otherwise. The federally assisted construction contractor agrees that (except where he has obtained identical certifications from proposed subcontractors for specific time periods) he will obtain identical certifications from proposed subcontractors prior to the award of subcontracts exceeding $10,000 which are not exempt from the provisions of the Equal Opportunity clause, and that he will retain such certifications in his files.

NOTE: The penalty for making false statements in offers is prescribed in 18 U.S.C. 1001.

Charles B Yass Dennis B Yass
Signature

Owners
Title

Aug 16-77
Date

EXHIBIT C

CERTIFICATION OF NONSEGREGATED FACILITIES

(Applicable to federally assisted construction contracts and related subcontracts exceeding $10,000 which are not exempt from the Equal Opportunity clause.)

The federally assisted construction contractor certifies that he does not maintain or provide for his employees any segregated facilities at any of his establishments, and that he does not permit his employees to perform their services at any location, under his control, where segregated facilities are maintained. The federally assisted construction contractor certifies further that he will not maintain or provide for his employees any segregated facilities at any of his establishments, and that he will not permit his employees to perform their services at any location, under his control, where segregated facilities are maintained. The federally assisted construction contractor agrees that a breach of this certification is a violation of the Equal Opportunity clause in this contract. As used in this certification, the term "segregated facilities" means any waiting rooms, work areas, restrooms and washrooms, restaurants and other eating areas, timeclocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees which are segregated by explicit directive or are in fact segregated on the basis of race, creed, color, or national origin, because of habit, local custom, or otherwise. The federally assisted construction contractor agrees that (except where he has obtained identical certifications from proposed subcontractors for specific time periods) he will obtain identical certifications from proposed subcontractors prior to the award of subcontracts exceeding $10,000 which are not exempt from the provisions of the Equal Opportunity clause, and that he will retain such certifications in his files.

NOTE: The penalty for making false statements in offers is prescribed in 18 U.S.C. 1001.

Charles Byers Pres. Byers
Signature

Owners
Title

Aug 10-72
Date

OFFICE OF MINERALS EXPLORATION
656 U. S. Court House
Spokane, Wash., 99201

February 1, 1973

6 1973

Messrs. Charles and Norman Byam
P. O. Box 522
Philipsburg, Montana 59858

Re: OME-6871 (silver-gold)
Silver King No. 1 and 2
Granite County, Montana

Cbc 120 m
HK ~~120~~
Row ~~BW~~

Gentlemen:

According to our telephone conversation on Monday, Jan. 29, 1973, the work you are doing on the Silver King claims has been successful in finding enough ore to sustain your mining operations and you will not need OME assistance for work on these claims. You might, however, apply for OME assistance to explore some other claims in the same general area as the Silver King claims. I have mailed you the necessary forms to use in making a new application for OME assistance.

Will you please write a letter requesting that your application for OME assistance on the Silver King claims be inactivated. We can then close our records on that application. Perhaps, at some time in the future, if you so desire, the application can be reactivated.

Sincerely,

Willard P. Puffett
Field Officer, Region I

cc: DRF
OME

Puffett/at

OFFICE OF MINERALS EXPLORATION
656 U. S. Court House
Spokane, Wash., 99201

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Cac | 120
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HK | 120
Kaw | 130

January 10, 1973

Messrs. Charles and Norman Byam
P. O. Box 522
Philipsburg, Montana 59858

Re: OME-6871 (silver-gold)
Silver King No. 1 and 2
Granite County, Montana

Gentlemen:

The enclosed tentative draft of a mining lease between you and Rock Creek Mines c/o Dick Tunstill has been reviewed informally by our Solicitor's office. In its present form the lease is not acceptable to OME for it substantially places control of the two claims with Tunstill. Under an OME contract, the Operators are required to retain possession of the land and mineral rights for the duration of the contract. An alternative would be an Operating Agreement or Lease which shows that you retain possession and control of the property, and defines the specific limits within which Tunstill is authorized to extract ore, as well as his rights with respect to discoveries in the course of his mining.

The royalty obligations should be clearly defined in the lease or Operating Agreement. Particularly, in the event that you are awarded an OME contract, it should specify who will pay the royalty to the Government on ore produced during or after the contract period.

Sincerely,

Willard P. Puffett
Field Officer, Region I

Enclosure

cc: OME
DRF
Puffett/at

DRAFT

Working Agreement

This Agreement, made and entered into this_____day of_____, 1973 by and between Charles Byam and Norman Byam of the City of Philipsburg, County of Granite, State of Montana, the party of the first part, hereinafter called the Grantor, and Rock Creek Mines % Dick Tunstill of the City of Philipsburg, County of Granite, State of Montana, party of the second part, hereinafter called the Grantee.

Witnesseth

It is mutually agreed by and between the parties hereto as follows:

1. The Grantor covenants that he is in possession of the following mining claims by right of location, as recorded in the cited records of Granite County, Montana:

Silver King No. 1, Book 26 Certificate of Location, Page 323, 86811

Silver King No. 2, Book 26 Certificate of Location, Page 324, 86812

The Grantor further covenants that all necessary assessment work has been accomplished and duly recorded, and that all reasonable effort will be made to maintain legal possession of these claims.

2. The Grantor, for and in consideration of the rents and royalties to be paid and the covenants and agreements to be observed, kept and performed by the Grantee for the term hereinafter stated, and upon the terms and conditions hereinafter set forth, do hereby grant the exclusive right to extract vein materials and associated ores from the portion of the aforementioned mining claims more specifically defined below:

That portion of the Silver King No. 1 and Silver King No. 2 mining claims which is beneath the Main Adit driven by the Grantor. The upper boundary of the portion shall be the floor of Grantor's Main Adit, or an

essentially horizontal plan projected from that adit.

(Add other limits, as appropriate) (State the Grantor's interest in other mineralized structures encountered by the Grantee. The wordage at the bottom of P. 2 of the draft "lease" is not precise. Does "hold and occupy" refer to Grantor or Grantee, and does it mean the right to extract ores from crossing structures is granted or retained?)

United States Department of the Interior

GEOLOGICAL SURVEY

OFFICE OF MINERALS EXPLORATION
656 U. S. Court House
Spokane, Wash., 99201

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December 11, 1972

MEMORANDUM

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: Proposed Lease
OME-6871 (silver-gold)
Charles and Norman Byam
Silver King No. 1 and 2 claims
Granite County, Montana

Enclosed is a Proposed Mining Lease between Charles Byam and Norman Byam as Lessors and Rock Creek Mines c/o Dick Tunstill as Lessee. The lease is complete except for the insertion of the effective date and the signatures of the Byams.

Mr. Charles Byam telephoned me on Thursday, Dec. 7, 1972, to let me know that he was sending the lease to me. He asked that if we believed changes in the terms should be made to advise him accordingly. I told him that I'd send the lease on to you but we were really not in the business of preparing leases between private individuals. We can, however, obtain an opinion from the Solicitor's office as to the effect of this lease upon a proposed OME contract.

The subject property of the lease is the two Silver King claims and includes all the ore under the main adit of Silver King No. 1, or present drift run by Charles Byam. Here we can get into a problem of what constitutes ore--the terms should include all the vein rather than all the ore. There is no exclusion of the vein material below Rock Creek Mines' drift--it was my understanding in talking to the Byams that Rock Creek Mines had no right to such ground.

Several words are spelled incorrectly, some obviously typographical errors, and these should be corrected before the lease is formalized.

Our problem is how this lease is going to affect the desirability of recommending an OME contract to explore the Silver King property. Undoubtedly the lease transfers temporary ownership of part of the Silver King claims and cannot be ignored in an OME contract.

Rock Creek Mines has drifted about 300 feet at an altitude about 100 feet lower than the main adit of the Silver King No. 1 claim. They have shipped some ore and were continuing mining operations as of my last visit to the mine on Nov. 29, 1972. This work was done according to terms of an oral agreement with the Byams. The enclosed lease is to formalize this agreement.

The Government's right to Royalty will be preserved in an OME contract regardless of the one who mines the ore. Any ore sold by Rock Creek Mines during the time of an OME contract would be subject to the Government's five percent royalty. The Byams understand this but I wonder if we should have written assurance from Rock Creek Mines that they also understand it. I don't plan to correspond with them unless we agree to enter into a contract with the Byams.

I am still in favor of approving an OME contract with the Byams, even though this lease might be a problem. If Rock Creek Mines continues their work, a much larger area is going to be explored than will be by only extending the No. 1 or main adit. Hence, in this respect, the Government is getting much more information per dollar spent than they otherwise would if only the main adit is extended. This argument might be somewhat specious but I hope it is sound. I think the answer will have to be based on an opinion from the Solicitor's Office.

Willard P. Puffett

Willard P. Puffett

Martin 12/15/72

Byam

Lease of two claims.

All are under the main adit doesn't lessen the impact of leasing the two claims.

Article 6 —

Inform Applicant that operators are required to retain possession of the land and right to mineral for the duration of the contract.

A lease of the two claims involved can't meet the requirement that

Referred.

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code

JAN 8 1973

Memorandum

To: Field Officer, Region I

From: Chief, Office of Minerals Exploration

Subject: OME-6871 (Ag-Au)
Charles and Norman Byam
Silver King No. 1 and No. 2 Claims
Granite County, Montana

The tentative draft of a mining lease between the Byams and Rock Creek Mines c/o Dick Tunstill has been reviewed informally by the Solicitor's office. In its present form it would preclude any exploration assistance to the Byams, for the lease substantially would place control of the two claims with Tunstill. For example, Article 6 states "The Leasee shall at all times have and enjoy exclusive possession of the demised premises,---" That section gives the Byams only the right of entry to inspect and survey, and theoretically they could be prevented from working their own level. Under an OME contract, the Operators are required to retain possession of the land and mineral rights for the duration of the contract.

Apparently there are enough other problems in the proposed lease that the Solicitor's office suggested a different kind of agreement would be preferred if an OME project was undertaken simultaneously on the same property. An alternative would be an operating agreement or lease which shows that the Byams retain possession and control of the property, and defines the specific limits within which Tunstill is authorized to extract ore, as well as his rights with respect to discoveries in the course of his mining.

As discussed in your memorandum of December 11, 1972, the question of royalty obligations between the Byams and Tunstill should be clearly defined in the instrument. The Byams need to state what the maximum royalty should be, and that portion of the royalty may be assigned by the Byams to discharge obligations accruing to the property for other reasons, such as OME royalty in the event of a contract. Other items discussed in your memorandum might be considered by the Byams. The distinction between "ore" and "vein material" is mainly economic, so the latter term is preferable because it is geologically distinct and requires no debate on its possible value. Are you certain, however, that altered wall rock containing economic values will not be found?

We are reluctant to specify what legal document the Byams should obtain. The present draft of a mining lease obviously is not it. Maybe something like the enclosed "Working Agreement" would be more suitable, but as you say, we should not prepare their legal papers. Byam's proposed lease is returned to you herewith.

We have previously discussed with you the problem of identifying the ore-bearing material, and the discrepancy between the assays of your samples and the metal content reported in the smelter shipments. Perhaps it would be necessary to revisit the property and take additional samples as you have suggested in order to determine the reason for the discrepancy.

Harold Kirkemo

Harold Kirkemo

Enclosures

cc: Director's reading file
Mineral Resources
OME reading file
Mr. Kirkemo
130

HKirkemo/cac 1/8/73

United States Department of the Interior

GEOLOGICAL SURVEY

OFFICE OF MINERALS EXPLORATION
656 U. S. Court House
Spokane, Wash., 99201

December 14, 1972

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O. M. E.
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HK	~~120~~
Rum	~~B.C.~~

MEMORANDUM

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: Assay results from recent sampling
OME-6871 (silver-gold)
Charles and Norman Byam
Silver King No. 1 and 2 claims
Granite County, Montana

Following are the assay results of three samples I collected from the main or upper adit on the Silver King claim, Nov. 29, 1972:

Sample No.	Type	Length	Au Oz/ton	Ag Oz/ton
919 C	Selected specimen of vein material		0.22	3.9
920 C	Selected specimen of quartz breccia near margin of intrusive		0.05	2.0
921 C	Channel across vein in face-upper adit	24 inches	0.02	0.2

The assay results give surprisingly low values for silver and gold. I had reported in my memo to you of Dec. 1, 1972, that smelter settlement for development rock shipped from near the adit face returned $53.95 per ton and contained about 31 ounces of silver and 0.2 ounces of gold per ton.

The vein I sampled is quartz that contains bright pyrite and fine-grained gray material that I thought represented fine-grained sulfides. Perhaps the silver and gold values are in clay-sized material along bedding planes in the sedimentary rock bounding the vein. Obviously more sampling is required to determine just where the gold and silver values are.

Willard P. Puffett

Willard P. Puffett

United States Department of the Interior

GEOLOGICAL SURVEY

Office of Minerals Exploration
656 U. S. Court House
Spokane, Wash., 99201

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O. M. E.
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Cac | 120
Jla | 120
HK | 120
Rw | BW

December 1, 1972

MEMORANDUM

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: Re-examination and reappraisal of application
OME-6871 (silver-gold)
Charles and Norman Byam
Silver King No. 1 and 2 claims
Granite County, Montana

I visited the Silver King mine on Tuesday afternoon and Wednesday morning, Nov. 28 and 29, 1972. On Tuesday I mapped the new workings in the upper adit and on Wednesday morning, with the help of Mr. Charles Byam, I made a tape and brunton traverse between the lower and upper adit and through the lower adit. The attached map shows the new workings completed since my first examination of the property on April 17 and 18, 1972.

Work in the upper adit was temporarily recessed as the operator was waiting for machine parts. The work in the lower adit was continuing and at least two truck loads of ore were shipped to the Anaconda smelter on Wednesday morning, Nov. 29.

The Byams had made a verbal agreement with Dick Tunstil (or Tunsel?) of Philipsburg, whereby Mr. Tunstil was to drive the lower adit for an undetermined length. Presumably he (Mr. Tunstil) was to have the ore between the lower and upper adit, but none below the lower adit. Actively working in the lower adit were two miners from Philipsburg, Al Luby and Calvin Maza. The truck driver was Harold Ellingston from Opportunity, Montana.

The new work in the upper adit had cut through some igneous rock in the form of two narrow dikes and a thicker mass that might represent the edge of a pluton. The rock is light gray and porphyritic, and ontains argillized white potassic feldspar and sparse glassy* phenocrysts in a fine-grained ground mass. The rock is either a quartz-poor rhyolite or rhyodacite. There are no mafic minerals. Mr. Byam showed me an assay report that presumably was from a sample of the porphyritic rock. The assay indicated 10 ounces silver per ton and 0.69 percent WO_3. I lamped several specimens of the rock in the office and could find no trace of scheelite.

*quartz

SUPPLEMENTAL FIELD APPL. REPORT

The vein in the upper adit cut off two of the porphyritic dikes and cut through the larger porphyritic mass. Perhaps the above-mentioned sample was from the vein material in the porphyry.

Mr. Byam showed me a smelter settlement sheet dated around mid-November that was for ore that came from south of the porphyritic rock in the upper adit. The value per ton, after charges, was $53.95 per ton. The major metal content of the ore was 31 ounces silver and around 0.2 ounces gold per ton.

The ore that had been shipped from the lower adit has returned about $20-22 per ton. A smelter settlement sheet from a recent shipment indicated the ore contained about 6 ounces silver and 0.2 ounces gold per ton. The lower adit is about 8 by 10 feet in cross section to accommodate a Michigan front-end loader, and perhaps the ore has been unduly diluted by waste rock.

The work done on the property since las tApril has definitely proved the persistence of the vein for at least 190 feet down dip and for an additional 120 feet along strike. The vein ranges from a few inches to a maximum of 3 feet thick. Mr. Byam said that to date the development rock and rock from stopes above the upper level had been rich enough to pay for the underground work that had been done.

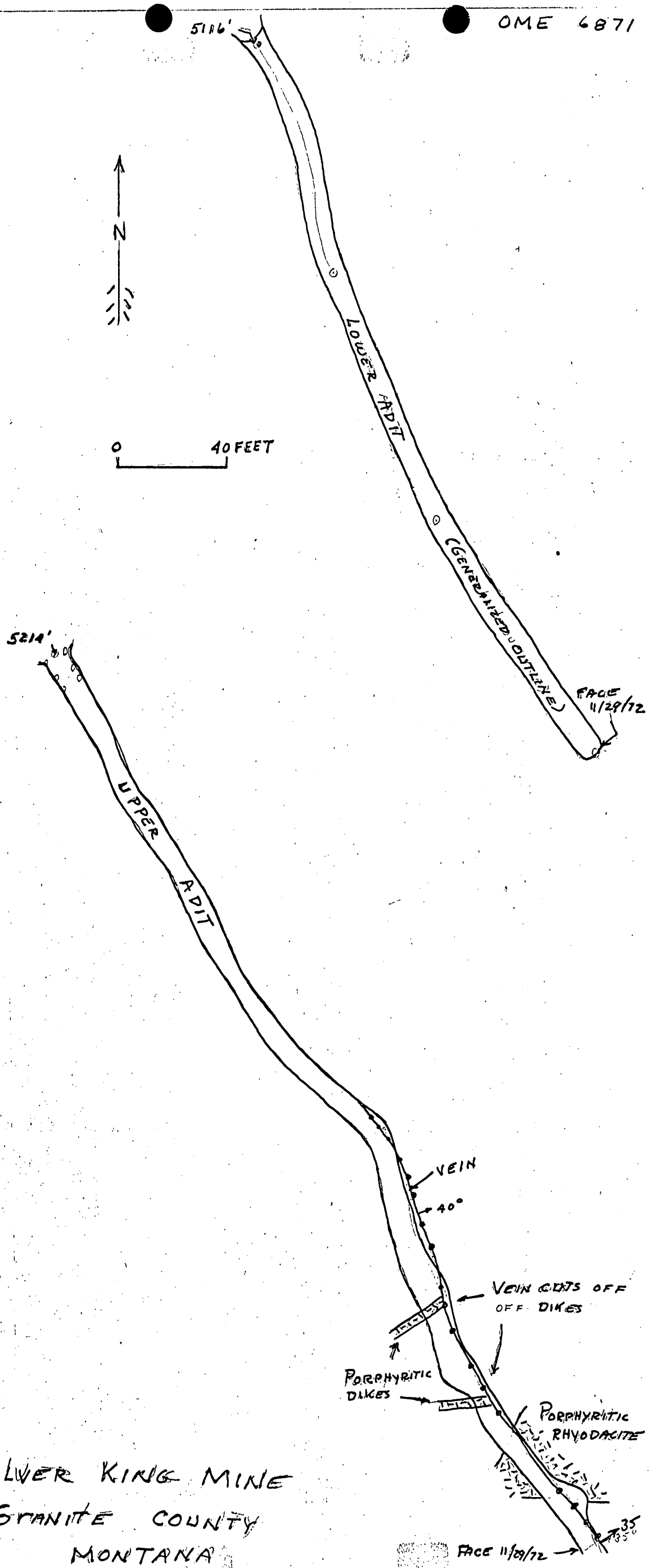
I advised Mr. Byam that he should obtain a written lease from Mr. Tunstil so that we would know how he had obligated the property. All we know to date is that Byam gets a 10 percent royalty on any ore shipped. I reminded Mr. Byam that, in the event he obtained an OME loan, the Government would require a 5 percent royalty on any ore shipped from the property during the contract time even though we never certified the project.

I am still in favor of recommending an OME contract for the Silver King property but am concerned about the legal difficulties because of Byam's agreement with Tunstil. We certainly cannot prepare a contract until we see a copy of the lease.

Willard P. Puffett

Attachment

OME 6871



SILVER KING MINE
GRANITE COUNTY
MONTANA

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
11/6/72		120
		220

AIRMAIL

NOV 6 1972

Mr. Charles Byam and
Mr. Norman Byam
P. O. Box 522
Philipsburg, Montana 59858

Re: OME-6871 (Silver-Gold)
Charles and Norman Byam
Silver King No. 1 and 2
Granite County, Montana

Gentlemen:

In reply to the letter from Mr. Jack B. McCoy of October 14, 1972, regarding recent activities at the property and the financial situation, we suggest that you refer to our letter of August 15 and the Field Officer's letter of October 11. Our concern and the purpose of our requests was whether sufficient funds were on hand as cash or in readily convertible assets to assure the Government that the applicant could meet its share of the exploration costs in the event of an OME contract. Income from production during the course of a contract is not sufficiently certain to satisfy this requirement.

We commented in our letter of August 15 on the lack of information in your financial statement of May 30. We hope that you now can submit a new financial statement showing that cash and readily convertible assets are sufficient to meet the Operator's share of $7,275.00 for a proposed contract.

We note that an Exhibit B-1 pertaining to the Equal Opportunity clause and nonsegregated facilities should be signed by both of you, and two copies returned to this office. Three copies of the exhibit are enclosed. We had overlooked this exhibit when we requested that you sign and return Exhibit C.

Is there any reason to revise your proposal of March 28, 1972, in view of work completed at the property since that date? If so, please describe and indicate on maps the location and extent of new work, and possible revisions in the original proposal.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

cc: Dir.'s Reading File
Mineral Resources
OME Docket
OME Reading File
OME Region I
Mr. Kirkemo

HKirkemo/gla 11-6-72

Enclosures
Copy to: Mr. Jack B. McCoy

P. O. Box 237
Philipsburg, Montana

Mr. Harold Kirkemo, Chief
Office of Minerals Exploration
Geological Survey
Washington, D. C. 20242

October 14, 1972

Re: OME 6871 (Silver-Gold)
Charles & Norman Byam

Dear Mr. Kirkemo:

Regarding your letter of late August relative to the above referenced contract, the following additional information is furnished concerning the availability of the Operator's share of the proposed contract.

Since May the following shipment record is noted. Proceeds from these shipments have been used to further exploration work but the extent of this work has necessarily been limited. However, some evidence of the continuity of economic values is reflected in this revord.

Period	Dry Tons	Net Return
May, 1972	99.3	$ 561.52
June	82.1	2,704.21
July	33.6	1,132.95
August	196.1	4,900.95
September	59.8	4,473.72
Total	470.9	$ 13,773.35

Average Net Value= $29.25 per ton

During early summer the access road and bridge across the main fork of Rock Creek was washed out during high water. This old wooden structure was replaced by a wooden-decked steel bridge installed by the two applicants. This ultilized funds which otherwise would have gone toward exploration activity.

Although no reference to this specific aspect of the application was found in the Regulations, it would seem practical to assume that part of the Operator's share could come from his personal labor ultilized in the course of the work. This project was specifically designed to fit a timetable adaptable to a two-man per day operation. The total period of the contract work,(6-8 months for drifting and crosscutting, and 2-3 months for raising.) would allow the owners and applicants to provide all the labor which, when considered on the basis of at-the-face wages only, constitutes approximately 40 percent of the drifting costs and 39 percent of the raising costs as proposed in the 5/8/72 revision of the project application. Additional work in the form of diamond drilling could be completed on a similar basis to the extent the applicants are qualified. (At least to perform work as drill helpers.)

While the face value of this contract is relatively small this operation is one of the very few remaining active in Granite County. Over the past six years most of the mines in the Philipsburg area have closed. Cominco-American, at their Douglass Creek Mine northeast of Philipsburg, suspended operations and have dismantled and liquidated their facilities. A total of 200 employees were affected by this closure. The Taylor-Knapp Company, Trout Mining Company and Contact Mines, all producers of long standing in the Philipsburg Mining District, are inactive and, except for the True Fissure Mine of The Taylor-Knapp Company, the facilities are being liquidated. In those three properties a total of 250 men were employed four years ago.

The market for ores of the type found in the applicant's property is unique in that metal payments are excellent and the material, for the most part, is treated without charge due to the satisfaction of flux requirements by this ore. The total requirement for ores of this type at Anaconda is approximately 500 tons per day and is increasing as the Smelter is expanded.

It is sincerely requested that you review this application and specifically the portion involving matching funds from the Operator along the lines suggested above. If we can furnish any additional data relative to this application please advise.

Sincerely yours,

Jack B. McCoy

Jack B. McCoy
Consultant

CC: Mr. Willard Puffett, Spokane

OFFICE OF MINERALS EXPLORATION
656 U. S. Court House
Spokane, Wash., 99201

October 11, 1972

Messrs. Charles and Norman Byam
P. O. Box 522
Philipsburg, Montana 59858

Re: OME-6871 (silver-gold)
Silver King No. 1 and 2
Granite County, Montana

Cal 120 m
HK ~~130~~ ~~120~~
B.W.

Gentlemen:

It has been a month since I visited your property and discussed your OME application. At that time I understood that you were to submit a revised financial statement so that we could continue processing your OME application.

I have heard nothing further from you and wonder if you are still interested in an OME contract. Undoubtedly you have been very busy at the Silver King property and perhaps your attention has been diverted from the OME matter. In fairness to others, particularly as our finances are very limited, we will appreciate an early response from you.

Sincerely,

Willard P. Puffett
Field Officer, Region I

cc: DRF
OME

WPuffett/at

United States Department of the Interior

GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION
656 U. S. Court House
Spokane, Wash., 99201

September 19, 1972

OFFICIAL COPY
O. M. E.
RECEIVED
SEP 22 1972

INITIALS	CODE
	130
	120
	Weeks
	220

MEMORANDUM

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: OME-6871 (silver-gold)
Charles and Norman Byam
Silver King No. 1 and 2
Granite County, Montana

I visited the Silver King property on Monday afternoon, Sept. 11, 1972, to learn if the Byam's were still interested in an OME conttract and if their finances had improved. Mr. Charles Byam was there and was directing some workmen who were preparing a portal site for a new adit about 150 feet down-dip from the adit portal that existed when I made my field examination on April 17 and 18, 1972. Mr. Byam said that he had made an informal agreement with another party by which the other party would drive a new adit.

Mr. Byam said that his finances had improved to the extent that he was concerned that he might not now be eligible for OME assistance because he had too many assets. He had extended the upper adit about 107 or 170 feet since my examination and had shipped some ore that averaged about $53.00 per ton.

I advised him to submit a new financial statement and a copy of the smelter sheet from one of his recent shipments if he still wanted to obtain an OME contract. His response indicated that he still wanted the contract.

Willard P. Puffett

Willard P. Puffett

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code

AUG 15 1972

Mr. Charles Byam and
Mr. Norman Byam
P. O. Box 522
Philipsburg, Montana 59858

Re: OME-6871 (Silver-Gold)
Charles and Norman Byam
Silver King No. 1 and 2
Granite County, Montana

Gentlemen:

Thank you for returning two signed copies of Exhibit C.

In reviewing your financial statement of May 30, 1972, we note that your assets consisted of $500 cash, two notes totalling $4,300, and equipment and vehicles valued at $22,000 for a total of $26,800. The cash assets are not sufficient to meet the Operator's share, $7,275, of a proposed contract for the exploration work. The remaining assets could not be considered readily negotiable into cash to meet the balance of funds needed in the event of a contract.

No information other than the face amount was offered regarding the notes. When are the notes due, who executed them, what is the balance due if payments are being made on a regular schedule, and could the notes be called up for payment at once if you elected to do so?

Have you discussed with a bank the possibility of a chattel mortgage on the equipment and trucks? You offered this possibility as a source of cash but gave no details.

As to obtaining sufficient cash from production while the exploration project was being conducted, the production record to date suggests that this source of income might not be sufficient to meet your share of the costs.

In summary, the sources, other than cash, of assets to meet your share of the costs in a proposed contract appear to be too uncertain to justify the obligation of Federal funds to support the project. If your financial situation has improved since May, and cash or readily

negotiable assets are now available, we will be glad to continue processing your application.

Nothing in this letter should be construed as a commitment by the Government to prepare a contract, or an inducement for the Applicant to commit assets for purposes other than for his own benefit.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

cc: Director's reading file
Mineral Resources
OME reading file
Region I
Mr. Kirkemo

HKirkemo/cac 8-15-72

OFFICIAL COPY
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RECEIVED
AUG 14 1972

INITIALS	CODE
Cal	120
	120
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August 10, 1972

Mr. Harold Kirkemo
Chief, Office of Minerals Exploration
U. S. Geological Survey
Washington, D.C. 20242

Re: OME -6871 (Silver-Gold)
Silver King No. land 2
Granite County, Montana

Dear Mr. Kirkemo:

Enclosed are two copies of Exhibit C, signed at the request of Willard P. Puffett which he directed to be sent to you.

We are much interested in hearing on the progress of the proposed exploration contract mentioned above.

Sincerely,

Chas and Norman Byam
Box 522
Philipsburg, Montan a

OFFICE OF MINERALS EXPLORATION
656 U. S. Court House
Spokane, Wash. 99201

August 7, 1972

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120
Bucks

Messrs. Charles and Norman Byam
P. O. Box 522
Philipsburg, Montana 59858

Re: OME-6871 (Silver-Gold)
Silver King No. 1 and 2
Granite County, Montana

Gentlemen:

Enclosed are three copies of Exhibit C to be appended to your proposed exploration contract. Please sign two copies and mail them directly to:

Mr. Harold Kirkemo
Chief, Office of Minerals Exploration
U. S. Geological Survey
Washington, D. C. 20242

It is necessary that you both sign the forms; perhaps you can find room for both your signatures above the signature line.

I will be away from Spokane from August 10 to August 24th but will be in the office all day Wednesday, August 9, in case you have any questions about this form.

Sincerely,

Willard P. Puffett
Field Officer, Region I

Enclosure

cc: OME
DRF

WPPuffett/se

United States Department of the Interior

GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION
656 U. S. Court House
Spokane, Wash., 99201

OFFICIAL COPY
O. M. E.
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JUN 12 1972

INITIALS	CODE
gla	120 M
JJR	120

June 7, 1972

MEMORANDUM

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: Financial statement and status of land information
OME-6871 (silver-gold)
Charles and Norman Byam
Silver King No. 1 and 2
Granite County, Montana

Enclosed is a copy of the applicant's financial statement and information relating to the land status in and near the applicant's property. My statement about the Ozark claim being surveyed for patent was wrong; the claim was the subject of a segregation survey when the surrounding land was patented for stockraising and grazing.

Bob Newman, U. S. Bureau of Land Management, Missoula, Montana, sent me the enclosed information relating to the classification of land in Sec. 5, T. 6 N., R. 15 W., Granite County, Montana. The plat sheet he has colored clearly indicates that the Silver King claims are on land open to location of unpatented claims. He also has indicated where in their regulations is described the reservation of mineral rights under the Stockraising Homestead Act.

The enclosed information should clarify the status of the land in and near the Silver King claims and also justify the applicant's contention that they are qualified to finance their share of the proposed exploration project.

Willard P. Puffett

Willard P. Puffett

Enclosures

OFFICE OF MINERALS EXPLORATION
656 U. S. Court House
Spokane, Wash., 99201

May 26, 1972

OFFICIAL COPY
O. M. E.
RECEIVED
MAY 30 1972

INITIALS	CODE
CAC	120
	130
HK	120
Law	Buerles

Messrs. Charles and Norman Byam
P. O. Box 522
Philipsburg, Montana 59858

Re: OME-6071 (silver-gold)
Silver King No. 1 and 2
Granite County, Montana

Gentlemen:

I need additional information on two items in your current application for OME assistance.

You state that your share of the costs will be provided by services, sales of ore produced during the work, and from credit lines at banks based on chattel mortgates on your equipment. We would like to have something more definite from you to assure us that you can bear your share of the costs. Tentatively, a suggested contract has a total cost of $29,100.00. Your share of this will be $7,275.00. Can you send me a financial statement from which we can determine if you can participate in this amount?

I am not certain what the exact status of the Ozark claim is. Patent had been applied for it in previous years but I am not sure if patent is still pending. Will you please explain what has happened and if there is any possibility that the Silver King No. 1 claim covers land that might be subject to patent.

Sincerely,

Willard P. Puffett
Field Officer, Region I

cc: OME
DRF

Puffett/at

United States Department of the Interior

GEOLOGICAL SURVEY

OFFICE OF MINERALS EXPLORATION
656 U. S. Court House
Spokane, Wash., 99201

May 15, 1972

OFFICIAL COPY
O. M. E.
RECEIVED
MAY 22 1972

INITIALS	CODE
Csl	120
Jla	130
J	120
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MEMORANDUM

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: Application examination and recommendation
OME-6871 (silver-gold)
Charles and Norman Byam
Silver King No. 1 and 2 claims
Granite County, Montana

INTRODUCTION

Messrs. Charles and Norman Byam, father and son, have applied for OME assistance to explore a vein on their property by drifting, crosscutting, raising, and diamond drilling. They currently are producing ore from the property and selling it to the smelter at Anaconda, Montana, where the ore is acceptable because of its high silica content. The vein is along a bedding plane in altered argillite and quartzite. Estimated cost of the proposed work is $29,892.90.

I examined the mine late in the afternoon on April 17 and during the morning of April 18, 1972, and spent about 7 hours at the property. Charles and Norman Byam assisted me on the 18th in making a brunton and tape survey of parts of their property. I collected seven samples of vein material to be assayed for silver and gold.

RECOMMENDATION

I recommend that favorable consideration be given to OME participation in an exploration project as outlined in this report. The proposed work will adequately explore the vein on one level, test for possible parallel veins, and test the vein up-dip from the adit level in one or two raises. Information obtained will be important in evaluating this relatively unexplored area as a source of silver-gold bedding-plane ores.

Field Application Report

APPLICANT

Charles Byam and Norman Byam
P. O. Box 522
Philipsburg, Montana 59858

Charles and Norman are father and son who have been operating the Silver King property since about August 1970 and appear to be competent to perform the work outlined in their exploration proposal.

PROPERTY

The property consists of two unpatented claims recorded in the Book of Locations, Granite County Courthouse, Philipsburg, Montana, as follows:

Claim Name	Book	Page
Silver King 1	26	323
Silver King 2	26	324

The Byams own the claims by right of location. The Silver King claim is in the approximate position of the Ozark claim, for which patent has been applied in former years.

Patent was not applied for. Segregation survey done for stock-raising Homestead Act.

Position of the claims with respect to several topographic features is shown on Figure 1 (Figure 1 - Plan, composite, and topographic maps of Silver King Claims, Secs. 5 and 8, T. 6 N., R. 15 W., Granite County, Montana). Underground workings include the main adit, about 260 feet long, that extends southeasterly from a point at an altitude of approximately 5,214 feet on the northwest slope along the east side of the Rock Creek valley and south of Sluice Gulch. Above the main adit, at an altitude of approximately 5,260 feet, a surface cut has opened two old short adits and the top of a stope that extends up from the main adit. A logging road exposes some granitic rock about 400 feet southeast of the adit portal at an altitude of about 5,315 feet. Soil cover is only a few inches, but roads can be built with little or no blasting by using a medium-sized bulldozer. There is a small patch of timber on the north-facing slope northeast of the adit portal but elsewhere in the mine vicinity the slopes are not timbered.

LOCATION AND ACCESSIBILITY

To reach the property from Philipsburg, Montana, go north for about ¼ mile on U. S. Highway 10A, then turn west on State secondary road 348. Follow the state road westerly for 14.6 miles to a junction with the road along the west side of Rock Creek. Go south on the Rock Creek road 2.6 miles then turn east along a private road that crosses Rock Creek and trends northeasterly to the mine. The adit portal and mine roads are clearly visible from the road along Rock Creek. Total distance of the mine from Philipsburg, Montana, is 18 miles. Snow covered part of the road west from Philipsburg on April 18, 1972, and probably the road is impassable during severe storms. A passenger car can easily traverse the mine roads in dry weather.

The claims are in the SE¼ sec. 5 and NE¼ sec. 8, T. 6 N., R. 15 W., Granite County, Montana. The northeast corner of the Silver King No. 1 claim is 190 feet due west from the NE 1/16 corner of sec. 5 that is marked by a steel post indicating that it is the No. 2 corner of the patented Contact claim.

GEOLOGY

Little has been published concerning the general geology in the vicinity of the Silver King mine. The geologic map by Emmons and Calkins (1913, pl. I) includes the mine area but little detail is given as the scale is 1:125,000. Emmons and Calkins show the bedrock to be Newland Formation of Precambrian age and also show two small granodiorite intrusives in Sluice Gulch near the Silver King property.

The rocks exposed in the mine and access roads on the Silver King claims are mainly light colored (bleached?) argillites and quartzites. Iron and manganese stain is common. The geologic report in the application mentions the presence of calcareous rocks, but if calcareous rocks are present, they are not conspicuous in the mine area. There are spires of white limestone visible from the Rock Creek road about a mile north of the mine; the position of the limestone relative to the mine-area rocks is not known.

The mine-area rocks are thin-bedded to flaggy and dip homoclinally northeast about 35-40°. Granodiorite(?) intrudes these rocks as a 40-foot thick sill about 400 feet southeast of the main adit portal. There is no obvious alteration of the enclosing rocks adjacent to the sill; however, the rocks are mainly quartzite and normally would probably not exhibit many contact phenomena.

The vein is honeycombed quartz, in some places accompanied by barite, that forms lenticular masses along a bedding plane. Locally splits from the main vein enclose as much as two feet of wall rock. The honeycombed quartz presumably was originally quartz and carbonate from which the carbonate minerals have been dissolved. A film of orange-red clay coats most of the honeycombed surfaces. There also is a rind of hematite as much as ¼ inch thick coating glassy quartz crystals in parts of the honeycombed rock. In spite of the evidence of oxidation and solution, bright, unoxidized pyrite is present within some of the quartz.

Light gray to white barite occurs as individual crystals in parts of the honeycombed vein and also occurs as massive layers adjacent to or separate from the quartz. In some places the barite is as much as 6 inches thick.

The applicant reports that the visible ore minerals are pyrite and argentite. There is a gray, fine-grained sulfide present, that might be argentite. I do believe, however, that the silver-bearing minerals have been oxidized because original sulfides are rare, other than pyrite.

The veins are thin (Fig. 1), and in only one place along the main adit level is the vein as much as 12 inches thick. A few feet above the adit level in the stoped areas, there is a quartz vein as much as 16 inches thick. Where splits occur, the intervening "waste" rock might be mineralized. A sample of the "waste" rock in the stope near the south end of the main adit assayed 0.39 ounces gold and 2.1 ounces silver per ton across 21 inches. In many places the vein is less than 6 inches thick.

Assay data indicate that the metal content of the vein is erratically distributed. Seven samples collected on the OME examination yielded the following results:

Sample No.	Length	Au oz/ton	Ag oz/ton	Remarks
909C	11"	0.28	5.0	Honeycombed quartz vein--east wall 95' from adit portal.
910C	9"	0.12	1.7	Honeycombed quartz vein at junction of vein split, east wall, 115' from adit portal.
911C	6"	0.02	0.05	Barite vein, separated from upper vein by 3 ft. wall rock.
912C	9"	0.40	89.9	Adit face, 265 feet from adit portal. Upper vein--lower vein covered by muck pile. Honeycombed quartz.
913C	12"	0.12	3.3	Quartz-barite vein, dark streaks in upper part. In stope 21 feet on incline above adit level.
914C	21"	0.39	2.1	Waste rock between two veins. Same location as 913C.
915C	16"	0.08	0.1	Quartz vein, very little honeycomb. Some dark streaks and pyrite. Below 914C.

Production data compiled from smelter settlement sheets submitted with the application indicate that there is a more consistent value in the vein than that indicated by the assayed samples. From August 1970 until June 1971, a total of 204 tons had a weighted average of 15.96 ounches silver and 0.168 ounces gold per ton. Between October 1971 and February 1972, a total of 331 tons had a weighted average of 10.30 ounces silver and 0.134 ounces gold per ton. Some of the shipped ore had been sorted and the rest of it was mine-run. Silica averaged more than 80 percent which made the ore acceptable at the Anaconda smelter.

The veins have some resemblance to those reported on Hope Hill in the Philipsburg mining district (Emmons and Calkins, 1913, p. 213-218). The Hope Hill veins were generally parallel to bedding in limestone and had a gangue of quartz, calcite, fluorite, barite, and rhodocrosite. The thickest parts of the veins were apparently along the crests and troughs of small folds and the ore shoots were elongated parallel to the plunge of the folds. Insufficient work has been done on the Silver King vein to determine if it is more richly mineralized or thicker along crests or troughs of folds, but additional exploration might indicate this. The Hope Hill veins were the source of rich silver ore and if similar veins could be found elsewhere near Philipsburg, they too might be the source of rich silver ore.

APPLICANTS' PROPOSAL

The applicants proposed to explore the Silver King vein in the following way:

1. Continue the drift in the main adit for 300 feet.

2. Crosscut 30 feet into the vein footwall and excavate a diamond drill station.

3. Diamond drill 1,000 feet to test upward extensions of the main and for possible parallel veins.

4. Raise 150 feet to test nature of vein above adit level.

Unit-costs, which include provisions for accounting, assaying, and supervision, are estimated by the applicant as follows:

Drifting and crosscutting	$34.85 per foot
Raising, including timber	35.28 per foot
Diamond drilling	13.10 per foot

Total estimated cost of the project is $29,892.90.

The applicants modified their proposed work and in a letter dated May 8, 1972, submitted new cost estimates for a project that would include 600 feet of crosscutting and drifting and 200 feet of raising. New cost estimates are as follows:

Drifting and crosscutting	$29.04 per foot
Raising (9' x 4')	30.80 per foot

Total cost of the revised proposal is $23,604.40. The lower unit costs for drifting and crosscutting is because the work will be done with trackless haulage.

APPRAISAL OF APPLICANTS' PROPOSAL

The work suggested by the applicants will extend the known limits of the vein about 500 feet along strike and test it for 100 to 200 feet above the adit level. The inclined distance along the vein between the adit and the surface will average about 200 feet (Fig. 1). If the work is successful in proving that the vein averages at least a foot thick through the explored area, the indicated new ore above the adit will approximate 8,300 tons. A like amount can be indicated or inferred below the adit level. Total value of this ore, assuming that its metal content is similar to that indicated by recent shipments from the mine, will be about $333,000. Five percent royalty on this amount is $16,650.00.

If the proposed exploration is to be appraised solely on the expected ore to be found, the application should be denied. The narrow vein presently exposed does not appear to be the source of significant quantities of ore. However, the work will start on and follow the vein for several hundred feet and perhaps a productive ore shoot will be found that is thicker and more richly mineralized than expected. The new information to be obtained about a relatively untested area might encourage other exploration nearby and, if successful, could lead to the development of a new district. Perhaps the bedding plane veins will be found to be similar to those that were so productive on Hope Hill north of Philipsburg. I believe, therefore, that OME participation is justified in exploring the Silver King vein further.

PROPOSED PROJECT

I recommend that OME participate in the work outlined in the applicants' revised proposal. This work will include 600 feet of drifting and crosscutting, and raising 200 feet. Long-holing from the walls of the main adit will search for possible parallel veins. I recommend that the main adit be extended 500 feet and that 100 feet of crosscut be driven into the footwall and hangingwall of the vein at a location mutually agreed on between the applicant and the Government. Long-hole data will be of great help in deciding on the crosscut location. The crosscut will explore for possible parallel veins. The raise location will also be decided on after the completion of the drift and crosscut. Either one raise will be driven for 200 feet or two raises, each 100 feet long, will explore upward extension of the vein at two widely separated places. It is hoped that the drifting and raising will determine if the vein becomes thicker and richer along changes in strike and dip.

COST ESTIMATES

Drifting and crosscutting: 600 feet, 5' x 7' in the clear of timber. Rate of advance is 5 feet per shift; 20 shifts per month. Time required is 6 months. Trackless haulage. 16 holes per drill round. Long holes, not to exceed 30 feet long each and to be no closer together than 20 feet, will explore both walls of drift.

(a) Independent contracts ---------- None

(b) Labor and supervision (one miner will be supervisor)

2 miners at $30 per shift ----------	$60.00
1 helper-trammer, $24 per shift----------	24.00
Total:	$84.00
FICA and other insurance at 24.3% -------	20.41
Mileage from Philipsburg, 36 miles each shift at $0.12 per mile	4.32
	$ 108.73

(c) Operating materials and supplies per 5-foot round

Ammonium nitrate, 25 lbs. at $0.0715/lb -	$ 1.79
Spec Gel, 16 sticks at $0.08/stick ------	1.28
Blasting caps, 16 at $0.032/cap ---------	0.51
Fuse, 80 ft. at $0.0185/ft ----------	1.48
2" airline(used), 5 ft. at $0.40/ft, less 50%, no salvage ----------	1.00
1" water line, used, 5 ft. at $0.21/ft, less 50%, no salvage ----------	0.53
Fuel, oil, lubricants, tires, etc., for Bobcat loader ----------	12.50
Air hose, water hose, miscellaneous small tools, repair and upkeep -------	5.00
Ventilation bag, 8 inch, used, 5 ft. at $0.60/ft, less 50%, no salvage -------	1.50
Steel, 1 replaced each month, $16.00 each ----------	0.80
Drill bits, 5 per month at $5.25 each --	1.31
	27.70

(d) Operating equipment

Owned by applicant	Present fair market value	Allowable monthly depreciation
C-P diesel compresser, 210 cu ft	$ 3,500	$ 58.33
Clark Bobcat loader	4,200	70.00
Jackleg and stoper	1,500	25.00
Fan	100	1.67
Total:	$9,300	$155.00

Depreciation per 5-foot round 7.75

To be rented -- none

To be purchased -- none

(e) Initial rehabilitation and repairs -- none

(f) New buildings, fixtures, installations -- none

(g) Miscellaneous

Engineering-geologist-consultant, 3 days per month at $100/day	$ 1,800.00
Mileage for consultant, 36 miles per day for 18 days at $0.12/mile	78.00
Assays for gold and silver, 120 at $6/assay	720.00
Office and accounting, 6 months at $75.00/month	450.00
Long-hole drilling, 60 holes, 30 feet long, at $0.80/ft. (unit cost)	1,440.00
Total miscellaneous:	$4,488.00

Total estimated unit-cost for drifting and crosscutting, excepting those miscellaneous costs which will be paid for on an actual-cost basis - $29.57 -- say ---------- 30.00

Timbered drifts and crosscuts: The only timber that has been required in the 260 feet of the main adit is some near the portal. However, if heavy ground is encountered in the proposed drift and crosscut, some timbering will be necessary. It is estimated that not more than 10 percent or 60 feet of the new work will need timbering. Two men and a helper should be able to stand, block, and lag 15 feet or 3 sets per shift. Total length of time required for 60 feet of timbering is 4 days.

(a) Independent contracts - none

(b) Labor and supervision (one mineral will supervise)

2 miners at $30/day	60.00
1 helper-trammer at $24/day	24.00
Total:	$ 84.00
FICA and other insurance at 24.3%	20.41
Mileage from Philipsburg, 36 miles each shift at $0.12/mile	4.32
Labor per shift:	$108.73

Labor per foot: 7.25

(c) Operating materials and supplies

26 posts, 8" x 8" x 7'	=	971 bd ft
13 caps, 8" x 8" x 6'4"	=	439 bd ft
14 girts, 4" x 6" x 4'4"	=	208 bd ft
72 lagging (in back only) 3" x 12" x 5'	=	1,080 bd ft
Total:		2,698 bd ft
At $80 Mbf		215.84
Plus 10% for blocks, wedges, etc.		21.60

60 ft of timbering = $237.44 and per foot= $ 3.95

Total per foot cost for timbering ---------- 11.20

Raising: 200 feet, 4' x 9' in the clear of timber, divided into manway and ore pass by stulls and lagging. Estimate 5 feet advance per shift, and 18 holes drilled per round. Incline of less than 45 degrees will not require offset in ladders and horizontal lagging for safety purposes. Total estimated time, 40 days, or 2 months.

(a) Independent contracts - none

(b) Labor and supervision (one miner will supervise)

2 miners at $30 per shift	$ 60.00
1 helper-trammer at $24/shift	24.00
Total:	$ 84.00
FICA and other insurance at 24.3%	20.41
Mileage from Philipsburg, 36 miles at $0.12/mile	4.32
	108.73

(c) Operating materials and supplies per 5-ft round

Ammonium nitrate, 30 lbs at $0.0715/lb	$ 2.15	
Spec gel, 18 sticks at $0.08/stick	1.44	
Blasting caps, 18 at $0.032/cap	0.58	
Fuse, 90 ft at $0.0185/ft	1.67	
2" air line, 5 ft at $0.40/ft less 50%, no salvage	1.00	
1" water line, used, 5 ft at $0.21/ft less 50%, no salvage	0.53	
Air and water hose, small tools, maintenance, and upkeep	5.00	
Fuel, oil, lubricants, tires, etc., for Bobcat loader	12.50	
Vent bag, 8", used, 5 ft at $0.60/ft less 50%, no salvage	1.50	
Steel and bits	2.50	
Stulls, lagging, and chute lining	5.00	
		33.87

(d) Operating equipment

Owned by applicant	Fair market value	Allowable monthly depreciation
C-P diesel compressor, 210 cu ft	$ 3,500	$ 58.33
Clark Bobcat Loader	4,200	70.00
Jackleg and stoper	1,500	25.00
Fan	100	1.67
Timber hoist	150	2.50
		Per 5-foot round 7.87

To be rented - none

To be purchased - none

(e) Initial rehabilitation and repairs -- none

(f) New buildings, fixtures, and installations - none

(g) Miscellaneous

Engineering-geologist-consultant, 3 days per month at $100/day	600.00	
Mileage for consultant, 36 miles per day for 6 days at $0.12/mile	26.00	
Assays for gold and silver, 40 at $6/assay	240.00	
Office and accounting, 2 months at $75/month	150.00	
Total Miscellaneous:	$ 1,116.00	
Unit cost for raising:		30.82

REFERENCE CITED

Emmons, W. H., and Calkins, F. C., 1913, Geology and ore deposits of the Philipsburg quadrangle, Montana: U. S. Geol. Survey Prof. Paper 78, 271 p.

Willard P. Puffett

Willard P. Puffett

Enc:

Fig. 1 - Plan, composite and topographic maps of Silver King claims, secs. 5 and 8, T. 6 N., R. 15 W., Granite County, Montana.

EXPLORATION CONTRACT

CHARLES BYAM AND NORMAN BYAM

~~PROPOSED CONTRACT~~

OME-6871

Annex I

lode mining

one page

The land, including all rights pertaining thereto, referred to in Article 2 of the contract consists of two (2) unpatented lode claims in secs. 5 and 8, T. 6 N., R. 15 W., Granite County, Montana, as shown on Figure 1 entitled "Property Map-Silver King Mine, T. 6 N., R. 15 W., Granite County, Montana" attached hereto and made part hereof. The claims are recorded in the Book of Locations, Granite County Courthouse, Philipsburg, Montana, as follows:

Claim	Book	Page
Silver King 1	26	323
Silver King 2	26	324

The ~~applicant~~ Operator owns the claims by right of location.

New Page — same 3-line heading as above

EXHIBIT A

The purpose of this project is to explore for silver-gold ore bodies in veins parallel to bedding in Precambrian argillites and quartzites by drifting, crosscutting, long-hole drilling, and raising.

General Provisions

All drifts, crosscuts, and raises shall be not less than 5 by 7 feet in cross section and shall be timbered as necessary using standard 8- by 8-inch drift sets or equivalent round timber. Raises shall be timbered to provide a chute and manway with lagging in the chute compartment and ladders in the manway compartment.

Air lines shall not be less than 2-inch diameter, water lines not less than 1-inch diameter, and vent lines not less than 8-inch diameter.

All significantly mineralized areas traversed by the drifts, crosscuts, or raises shall be sampled normal to the trends of the vein at intervals not exceeding 5 feet. A representative bulk sample shall be collected from each round broken in mineralized rock. Mineralized cuttings from long hole drilling shall be collected and depths noted.

All samples from whatever source shall be split as necessary and one split assayed for silver and gold. The Operator shall store one split of each sample in a suitable container properly identified as to source and location for Government inspection and possible use. With prior Government approval, the Operator may dispose of the stored samples.

True copies of assay certificates and maps or sketches showing the work completed, the location, width, and assay value of samples, and the geological formations and structures traversed by the workings shall be furnished monthly to the Government.

No work under this contract shall be performed within 100 feet of the outer boundary of the ~~project area.~~ claims shown on Figure 1.

The Operator shall provide such supervision, labor, equipment, and technical services as may be required to complete the work in a satisfactory manner.

The location, direction, and extent of each work item shall be subject to Government approval.

Description of the Work

Extend the main adit to the southeast as a drift along the vein for approximately 500 feet. Drill long-holes into drift walls to search for parallel veins; long-holes are not to be closer together than 20 feet. At a location, mutually agreed on by Operator and the Government, crosscut into footwall or hangingwall to explore parallel veins indicated by ~~diamond~~ long hole drilling or to search for parallel veins beyond the reach of the long-holes. Drive 200 feet of raise, at either one or more locations, to test the upward extension of the main and/or a parallel vein; location and length of raise subject to Government approval. The approximate location of the drift and crosscut is shown on the attached Figure 2 (Figure 2 - Proposed Exploration-Silver King mine, secs. 5 and 8, T. 6 N., R. 15 W., Granite County, Montana.

Estimated Costs of the Work

Fixed Unit Costs 1/

Drifting and crosscutting, 600 feet at $30/ft	$18,000.00	
Timbering drifts, crosscuts, 60 feet at $11.20/ft	672.00	
Long-hole drilling, 1,785 ft. at $0.80/ft	1,428.00	
Raising, 200 ft. at $31/ft	6,200.00	
Total fixed unit costs:		$ 26,300.00

Actual Costs

Engineering-geologist-consultant, 24 days at $100/day	2,400.00	
Mileage for consultant at $0.12/mile	100.00	
Assays for gold and silver, 50 at $6/assay	300.00	
Total actual costs:		2,800.00
Total estimated cost of contract:		$ 29,100.00
Government participation at 75 percent		21,825.00

1/ Includes all costs of labor, materials, equipment purchased, supervision, insurance, and office expense.

ENVIRONMENTAL IMPACT STATEMENT

The drilling and blasting required by the project will be confined to underground areas so that the dust and noise caused by this work will be hidden from general view and muffled by overlying rock.

Rock broken by the blasting will be transported to a stockpile area on the surface near the mine portal. Much of this rock will be rich enough in silver to be sold and hence, will not be stored for long periods near the mine.

Rock not rich enough in ore to be sold will be stored near the mine. Pyrite is common in much of this rock and perhaps some oxidation will take place with release, during wet weather, of some ferrous sulphate into surface waters. The nearest stream to the portal is in Sluice Gulch and is about 500 feet north and 150 feet lower than the rock storage area. Any surface water from near the storagepile area that might be enriched in iron sulphate should be diluted considerably long before it reaches the area of Sluice Gulch; in fact, most of it will probably sink into the soil long before it can reach the gulch.

Existing roads on the slopes near the mine are conspicuous and can be seen for several miles. These, to some, mar the aesthetic beauty of the treeless hills; however, the roads were made prior to the project, and no new roads are to be built as part of the project.

OFFICE OF MINERALS EXPLORATION
656 U. S. Court House
Spokane, Wash., 99201

May 26, 1972

Messrs. Charles and Norman Byam
P. O. Box 522
Philipsburg, Montana 59858

Re: OME-6871 (silver-gold)
Silver King No. 1 and 2
Granite County, Montana

Gentlemen:

I need additional information on two items in your current application for OME assistance.

You state that your share of the costs will be provided by services, sales of ore produced during the work, and from credit lines at banks based on chattel mortgates on your equipment. We would like to have something more definite from you to assure us that you can bear your share of the costs. Tentatively, a suggested contract has a total cost of $29,100.00. Your share of this will be $7,275.00. Can you send me a financial statement from which we can determine if you can participate in this amount?

I am not certain what the exact status of the Ozark claim is. Patent had been applied for it in previous years but I am not sure if patent is still pending. Will you please explain what has happened and if there is any possibility that the Silver King No. 1 claim covers land that might be subject to patent.

Sincerely,

Willard P. Puffett
Field Officer, Region I

cc: OME
DRF

Puffett/at

RECEIVED
MAY 10 1972
O. M. E.
SPOKANE, WASH.

P. O. Box 522
Philipsburg, Montana

May 8, 1972

Mr. Willard P. Puffett
Field Officer, Region I
Office of Minerals Exploration
West 920 Riverside Ave. Room 656
Spokane, Washington 99201

Re: O. M. E. 6871-
Charles & Norman Byam

MAY 15
OFFICIALS
Cal 170 W
BBO
Rew Brooks
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Dear Mr. Puffett:

With reference to your letter of April 27, 1972, we wish to submit the enclosed revision of exploration costs under our application for financial assistance in mineral exploration. This is based on our present plan of "trackless mining" and reflects inprovement in overall projected costs. The period of time this method has been in use at this property does not allow detailed supply cost analysis. The figure shown-"fuel, oil, lubricants, tires, etc.", is based to some degree on experience and to some extent on estimates of equipment suppliers.

You will note an adjustment in the amount of drifting, cross-cutting and raising to reflect the omission of diamond drilling footage. Perhaps some long-hole drilling in the walls should be considered. This we will leave to your discretion. If you feel it should be included, we have determined a cost of $0.80 per foot for drilling and sampling and $0.40 per foot for assaying for one element (silver) at five-foot intervals. These holes should not be in excess of 30 feet in depth.

Thank you for your attention and interest in this proposal. We look forward to further word from you, particularily if you should need additional information we could supply.

Sincerely yours,

Chas. Byam

For: Charles & Norman Byam

29.0 ¢ /ft bd ft

5) 145.20

30.80 /ft - raise

5) 154.01

These costs seem very low. What are they forgetting?

Timber for drafts?

Rand.

REVISION- PROJECT COSTS- O.M.E. 6871
Norman and Charles Byam - Ag, Au. May 8, 1972

Drifting and Crosscutting- 5'by7' cross-section 600 feet total

(a) None

(b) Labor and related costs-(From original est.) $ 89.58

(c) Operating supplies and materials

Explosives- from original est.	5.06
Pipe " " "	3.05
Rail	- -
Fuel, oil, lubricants, tires, etc.	12.50
Fan bag	3.00
Bits and steel	2.10
Sub-total	25.71

(d) Operating equipment

C-P diesel compressor 210 cu. ft.	$3500
Bobcat Loader	4200
Jackleg & Stoper	1500
Fan	100
Sub total	$9300
1/60th of 9300 divided by 20---	7.75

(e&f) None

(g) Repair & Misc. -- (From original est.) 22.16

TOTAL- for five foot advance $ 145.20 = $29.04/ft

TOTAL COST DRIFTING AND CROSSCUTTING $17,424.00

Raising- 9' by 4' cross-section 200 feet total

(a) None

(b) Labor and related costs- (From original est.) $ 89.58

(c) Operating supplies and materials

Explosives	5.84
Pipe	3.05
Timber- Original- minimum for safety-	7.70
Fanbag	3.00
Bits and steel	2.30
Fuel, oil, lubricants, tires, etc.	12.50
Sub-total	34.39

(d) Operationg equipment

Items from above	$9300
Timber hoist	150
Sub-total	$9450
1/60th of 9450 divided by 20---	7.88

(g) Repair & misc. (From orig est.) 22.16

TOTAL- for five foot advance 154.01 = 30.80/ft

TOTAL COST RAISING $6,160.40

TOTAL PROJECT COST- Revised- $23,604.40

April 28, 1972

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O. M. E.
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Office of Minerals Exploration
656 U. S. Court House
Spokane, Wash., 99201

Mr. Willard P. Puffett Re: OME-6871

Dear Mr. Puffett:

We received your letter of April 26 and will agree to your proposal to change diamond drilling to crosscutting, raising and drifting only.

Our Bank letters were mailed to you April 26 so you should have them at this time.

We would like to continue the raise we have started at the face of the drift. This would give us better ventilation to any further drifting and crosscutting.

As for the crosscutting we are interested in crosscutting through the hanging wall toward the granite.

At this time we feel you can exclude all diamond drilling and change this to drifting or crosscutting or maybe even raising which ever the case may be.

Sincerely yours,

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MAY 1 1972
O. M. E.
SPOKANE, WASH.

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656 U. S. Court House
Spokane, Wash., 99201

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April 27, 1972

Messrs Charles and Norman Byam
P. O. Box 522
Philipsburg, Montana 59858

Re: OME-6871 (silver-gold)
Silver King No. 1 and 2
Granite County, Montana

Gentlemen:

In your application you have listed several items of operating equipment that will be rented, and have shown the monthly rental rate. It is my understanding, however, that you might use different operating equipment than that listed and also you might have purchased operating equipment.

Will you please prepare for me the list of mining equipment that you own and state the fair market value of each item. Also let me know if you plan to install track all the way to the portal.

You have listed timber for stulls, chute lining and timber slides in your estimate of raise costs. I noticed very little timbering was necessary in your mine at the time of my inspection and I wonder if you think it will be necessary to timber the exploratory raises you plan.

Sincerely,

Willard P. Puffett
Field Officer, Region I

cc: DRF
ARF
PXRF
Puffett/at

OFFICE OF MINERALS EXPLORATION
656 U. S. Court House
Spokane, Wash., 99201

April 26, 1972

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law | Bwalke

Messrs Charles Byam and Norman Byam
P. O. Box 522
Philipsburg, Montana 59858

Re: OME-6871 (silver-gold)
Silver King No. 1 and 2
Granite County, Montana

Gentlemen:

I have received the assay results of the samples that were collected at your mine and now am waiting your bank letters with replies before continuing the processing of your application. Perhaps you have been unavoidably delayed in getting your bank letters written.

Although at this time I can make no commitment regarding the possibility of your application being approved, I'd appreciate your comments regarding a possible modification of the planned exploration. You have asked for assistance in drilling 1,000 feet of diamond drill hole from a station at the end of a 30 foot crosscut in the footwall of the main vein. For the amount of money required for the drilling, you could extend the crosscut to 50 feet and also drive another crosscut into the footwall or haning wall at a different location, if desired. The extreme lenticularity and general narrowness of your veins makes me wonder if diamond drilling would yield satisfactory results. Would you agree to changing your proposal to include only drifting, crosscutting, and raising, and exclude the drilling?

Sincerely,

Willard P. Puffett
Field Officer, Region I

cc: DRF
OME

Puffett/at

OFFICE OF MINERALS EXPLORATION
656 U. S. Court House
Spokane, Wash., 99201

Cal 120 M
Caw ~~150~~ Buck
HK ~~120~~

April 6, 1972

Mr. Charles Byam and
Mr. Norman Byam
P. O. Box 522
Philipsburg, Montana 59858

Re: OME-6871 (silver-gold)
Silver King No. 1 and 2
Granite County, Montana

Gentlemen:

Your recent application for OME assistance has been referred to me. I want to make a field examination of your property when the weather permits. It is necessary that I be able to see the surface exposures as well as the underground work. Please let me know when snow conditions will permit an examination.

Sincerely,

Willard P. Puffett
Field Officer, Region I

cc: OME
DRF

WPuffett/at

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MAY 2 1972

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	~~130~~
HK	~~110~~

Ozne 6871

P. O. Box 522
Philipsburg, Mt.
59858

March 31, 1972

Flint Creek Valley Bank
Philipsburg, Montana 59858

Attention: Mr Zane Murfitt, Cashier

Dear Mr. Murfitt:

In reference to our earlier letter in regards to an exploration loan on the Silver King group of claims, we wish to detail the ultilization of funds planned if said loan application is considered and approved.

For drifting and crosscutting in following vein structure a distance of approximately 330 feet-
Estimated cost-- $11,000

For raising to sample, explore and test strength of mineralized zone a distance of approximately 150 feet-
Estimated cost-- $ 5,100

For diamond drilling to outline extent, quality and nature of existing structures that may parallel the one followed to date-- Approximately 1000 feet.
Estimated cost-- $12,500

Total cost of work-$28,600

Repayment of loan would be from profit of operation on ore discovered during the course of the exploration and mined and shipped to the Anaconda Copper Smelter at Anaconda, Montana.

We await with interest word from you regarding your decision in regards to this application.

Sincerely yours,

For Charles and Norman Byam

NOTE: Collateral for the above loan would consist of the Partnership's right, title and interest in the Silver King No.s 1 and 2 unpatented mining claims as well as its equity interests in certain items of mining equipment.

C.B.

Flint Creek Valley BANK
PHILIPSBURG, MONTANA 59858

April 21, 1972

B. O. PAIGE, President
ZANE G. MURPITT, Vice President and Cashier

CLAUDE J. SORENSEN, Assistant Cashier
AGNES L. KEARNS, Auditor

Charles and Norman Ryan
Philipsburg, Montana

Gentlemen:

This will acknowledge receipt of your letter serving as a loan application for approximately $28,600.00 to develop and explore your Silver King claims.

At the present time, we are unable to meet this request.

Sincerely,

Cashier

RECEIVED
APR 28 1972
O. M. E.
SPOKANE, WASH

Omc-6871

P.O. Box 237
Philipsburg, Montana 59858
March 31, 1972

First National Bank
Anaconda, Montana 59711

Attention: Loan officer

Dear Sir:

In reference to our earlier letter in regards to an explortion loan on the Silver King group of claims, we wish to detail the utilization of funds planned if said loan application is considered and approved.

For drifting and crosscutting in following vein structure a distance of approximately 330 feet-
Estimated cost- $11,000

For raising to sample, explore and test strength of mineralized zone a distance of approximately 150 feet-
Estimated cost- $ 5,100

For diamond drilling to outline extent, quality and nature of existing structures that may parallel the one followed to date- Approximately 1000 feet.
Estimated cost- $12,500

Total cost of work - $28,600.

Repayment of loan would be from profit of operation on ore discovered during the course of the exploration and mined and shipped to the Anaconda Copper Smelter at Anaconda, Montana.

We await with interest word from you regarding your decision in regards to this application.

Sincerely yours,

For: Charles and Norman Byam

NOTE: Collateral for the above loan would consist of the Partnerships right, title, and interest in the Silver King No.s 1 and 2 unpatented mining claims as well as its equitly interests in certain items of mining equipment.

C. B.

FIRST NATIONAL BANK
120 WEST PARK ST. • ANACONDA, MONTANA 59711

March 8, 1972

Mr. Charles Byam
NormanByam
Box 522
Philipsburg, Montana.

Dear Sir:

In reply to your written request dated March 1, 1972 for $20,000 to develop and explore the Silver King Mine, it is not our bank policy to loan money for such speculation purposes as small claim mining.

We are sorry but we will be unable to assist you in this matter.

Very truly yours,

G. M. Winship

G. M. Winship
Assistant Cashier

GMW:cj

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APR 28 1972
O. M. E.
SPOKANE, WASH.

United States Department of the Interior

GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION
656 U. S. Court House
Spokane, Wash., 99201

OFFICIAL COPY
O. M. E.
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MAR 31 1972
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March 29, 1972

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: New application (silver, gold)
Charles and Norman Byam
Silver King Nos. 1 and 2
Granite County, Montana

Enclosed is a new application for OME assistance to explore a quartz vein concordant with bedding in the Newland Formation of Precambrian age, some 18 miles west of Philipsburg, Montana. The applicants are apparently brothers. The cover letter was written and signed by Mr. Jack McCoy, formerly of the Taylor-Knapp Company.

They are Father & Son

The property, consisting of two claims, is mainly in the SE¼ sec. 5, T. 6 N., R. 15 W., and is on the extreme western edge of the mapped area in Professional Paper 78. Advance modern topographic maps are available for this area and I have ordered them. According to the Butte 2° sheet, the altitude at the property is about 5,300 feet.

The vein trends N. 30°-35° W., and dips 40°-45° NE. It ranges in thickness from 6 to more than 30 inches and apparently averages about 12 inches. Main sulfide minerals are pyrite and argentite. Old near-surface workings and a recent drift, about 215 feet long, have explored the vein. Shipping records reveal that 535.7 tons were sold between Aug. 21, 1970 and Feb. 22, 1972. These contained 11,836 ounces of silver and 78.78 ounces of gold. The weighted averages are 12.46 ounces of silver and .147 ounces gold per ton, but one shipment contained 63.96 ounces silver and .292 ounces gold per ton. Although 2 small stopes were developed, most of the shipments must have come from rock removed during drifting. Other than the shipping records, there are no assay data submitted with the application.

The proposed exploration for which OME assistance is asked, is to continue the drift to the southeast for 300 feet, crosscut 30 feet to a proposed underground drill site, diamond drill 1,000 feet, and raise 150 feet. The

per-unit costs for the work, as outlined by the applicant is $34.85 per foot for drifting and crosscutting, $35.28 for raising and $13.10 per foot for drilling. The costs for drifting, crosscutting, and raising include provisions for sampling and assaying. The rather modest costs are due in part to provisions being made for only two miners, whereas we commonly assume that two miners and a helper will be required in driving an underground working.

The estimated cost for the entire project is $29,892.90 of which the Government's share, at 75 percent, would be $22,419.67. Before we could seriously consider the proposal we should be fairly certain that the work would indicate about $450,000 of new ore ($22,400 x 20). The data submitted by the applicant are insufficient to determine this.

The vein is narrow, fairly flat dipping, and not too richly mineralized. The applicant suggests that the drilling will search for parallel veins in the wall rock; there is no surface evidence that such veins might exist. Perhaps more surface work should be done to test for additional veins. More surface data are needed anyway to get some idea of the amount of backs the new drift will have. The advance copies of the topographic sheets will be of assistance in this.

I am asking the applicant for new and more complete bank letters.

Willard P. Puffett

Enclosure

Willard P. Puffett
Field Officer, Region I

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
4-4	Weeks	R.Weeks

APR 4 1972

Memorandum

To: Field Officer, Region I

From: Chief, Office of Minerals Exploration

Subject: OME-6871 (Silver-Gold)
Charles and Norman Byam
Silver King No. 1 and 2
Granite County, Montana

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

As requested in your letter to J. B. McCoy, signed copies of bank letters will be needed in the event of a favorable recommendation.

We note that the applicants propose to use their labor and proceeds from sale of ore to meet their share of expenses. The $22.11 average value per ton of the 535 tons of ore produced by them in the twenty or so months they have been mining this ore body could not provide much, if any, margin above their operating costs. Will they be so dependent on proceeds from sale of ore that an exploration project would cease operations if their vein diminishes or vanishes? Also, as you indicated, is the probable exploration target large enough to justify the proposed program? At the average value per ton of $22.00, discovery of more than 20,000 tons of ore, (40 times their production of the past 20 months) would be needed to repay the loan.

The nature of McCoy's interest in the applicant's work may need to be detailed. It appears that he would be their consultant, so to what extent is his participation needed, and could the applicants pursue the exploration project if he were not available due to his full time employment elsewhere?

This proposed exploration has the distinct advantage of starting in ore and probably would yield some royalty from any shipments of ore extracted during the exploration work. Is the proposed exploration program within the means of the applicants? Does the deposit merit the proposed work, if not, is an alternate program possible or justified?

Harold Kirkemo

Harold Kirkemo

cc: Director's reading file
Mineral Resources
OME reading file
Mr. Kirkemo

R. Weeks
130

RWeeks/cac 4-4-72

OME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
4-4	Rweeks	R.Weeks

APR 4 1972

Mr. Charles Byam and
Mr. Norman Byam
Post Office Box 522
Philipsburg, Montana 59858

Subject: OME-6871 (Silver-Gold)
Charles and Norman Byam
Silver King No. 1 and 2
Granite County, Montana

Gentlemen:

Your application for exploration assistance has been reviewed by The Washington office and referred to Mr. Willard P. Puffett, Field Officer, Region I, Office of Minerals Exploration, USGS, U. S. Courthouse, Room 656, West 920 Riverside Avenue, Spokane, Washington 99201.

Mr. Puffett will contact you if additional information concerning the application is needed. In the event a field examination is needed, he will arrange a suitable schedule with you.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

cc: Director's reading file
Mineral Resources
OME reading file
Region I
Mr. Kirkemo
Mr. Weeks

RWeeks:cac 4/4/72

March 31, 1972

Mr. Charles Byam and
Mr. Norman Byam
Post Office Box 522
Philipsburg, Montana 59858

Subject: OME-6871

Gentlemen:

Your application for exploration assistance, dated March 28, 1972, submitted to our office at Spokane, Washington, has been assigned Docket No. OME-6871.

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

As the application form, MME Form 40, we supplied to you does not refer to certain Federal Procurement regulations and provisions under the Equal Opportunity clause, we enclose for your information a copy of Exhibit A, entitled, "Notice to Prospective Federally Assisted Construction Contractors." In the event your application is approved for a contract, you will be asked to transmit the proper notices and to submit applicable certifications. In the meantime, please file this exhibit with your copy of the application.

Sincerely yours,

Harold Kirkemo
Chief, Office of
Minerals Exploration

Enclosure

Copy to R-I with copy of
exhibit "A"

OFFICE OF MINERALS EXPLORATION
656 U. S. Court House
Spokane, Wash., 99201

March 29, 1972

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MAR 31 1972
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Mr. Jack B. McCoy
P. O. Box 237
Philipsburg, Montana 59858

Re: New application (silver-gold)
Charles and Norman Byam
Silver King No. 1 and 2
Granite County, Montana

Dear Mr. McCoy:

I am forwarding the cited application to Washington. However, I am asking that you have the applicants prepare new bank letters. The copies we received here did not have their signatures reproduced and the contents of the letters were incomplete.

In the new letters, please state more specifically what the money requested is to be used for, how it is to be repaid, and the nature of the collateral for the loan. Be certain, also, that the signatures on the letters to the banks are clear.

Sincerely,

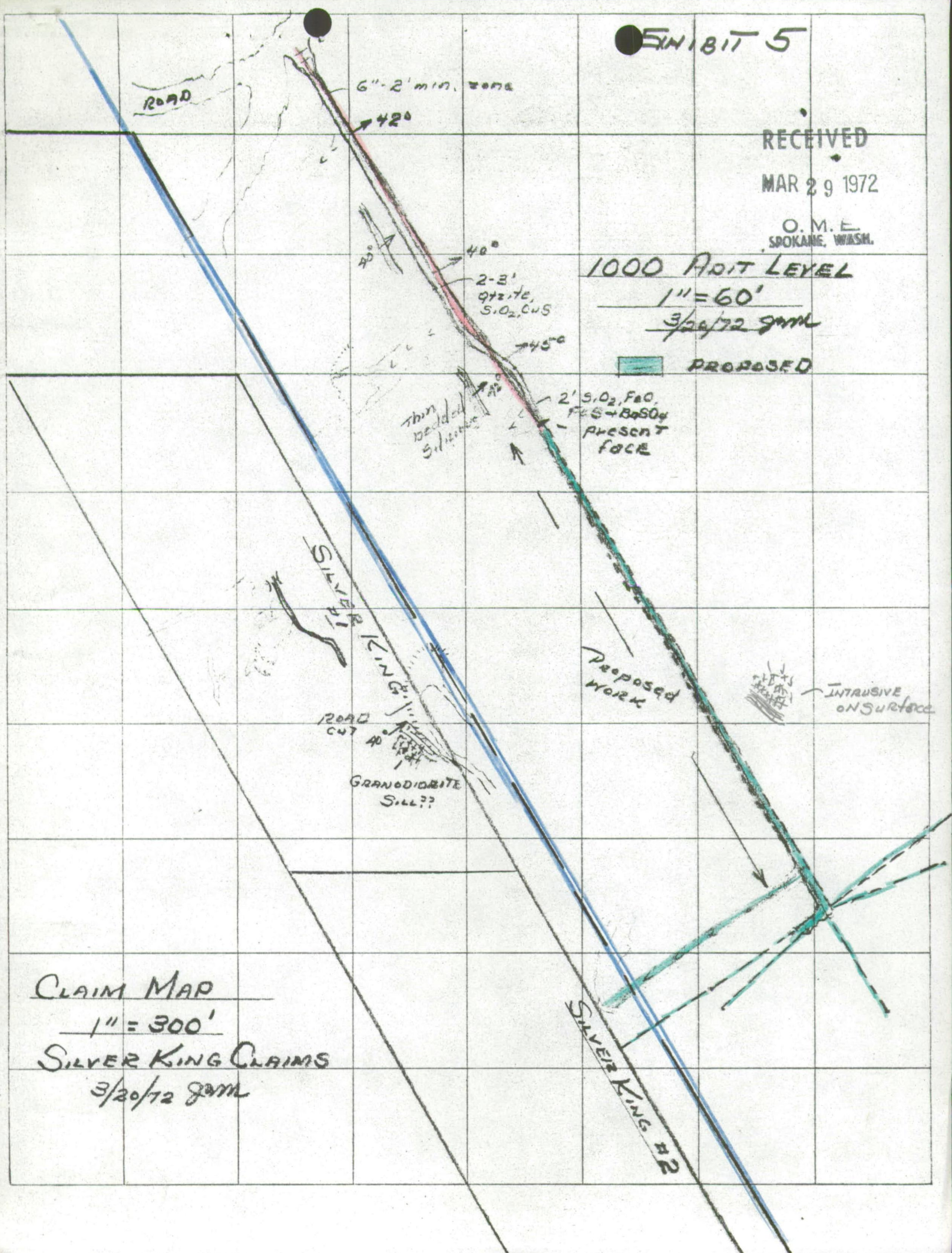
Willard P. Puffett
Field Officer, Region I

cc: DRF
OME

Puffett/at

EXHIBIT 5

RECEIVED
MAR 29 1972
O. M. E.
SPOKANE, WASH.



1000 ADIT LEVEL
1" = 60'
3/20/72 gam

CLAIM MAP
1" = 300'
SILVER KING CLAIMS
3/20/72 gam

TOWNSHIP 6 NORTH R.NGE 15 W

GRANITE COUNTY 039

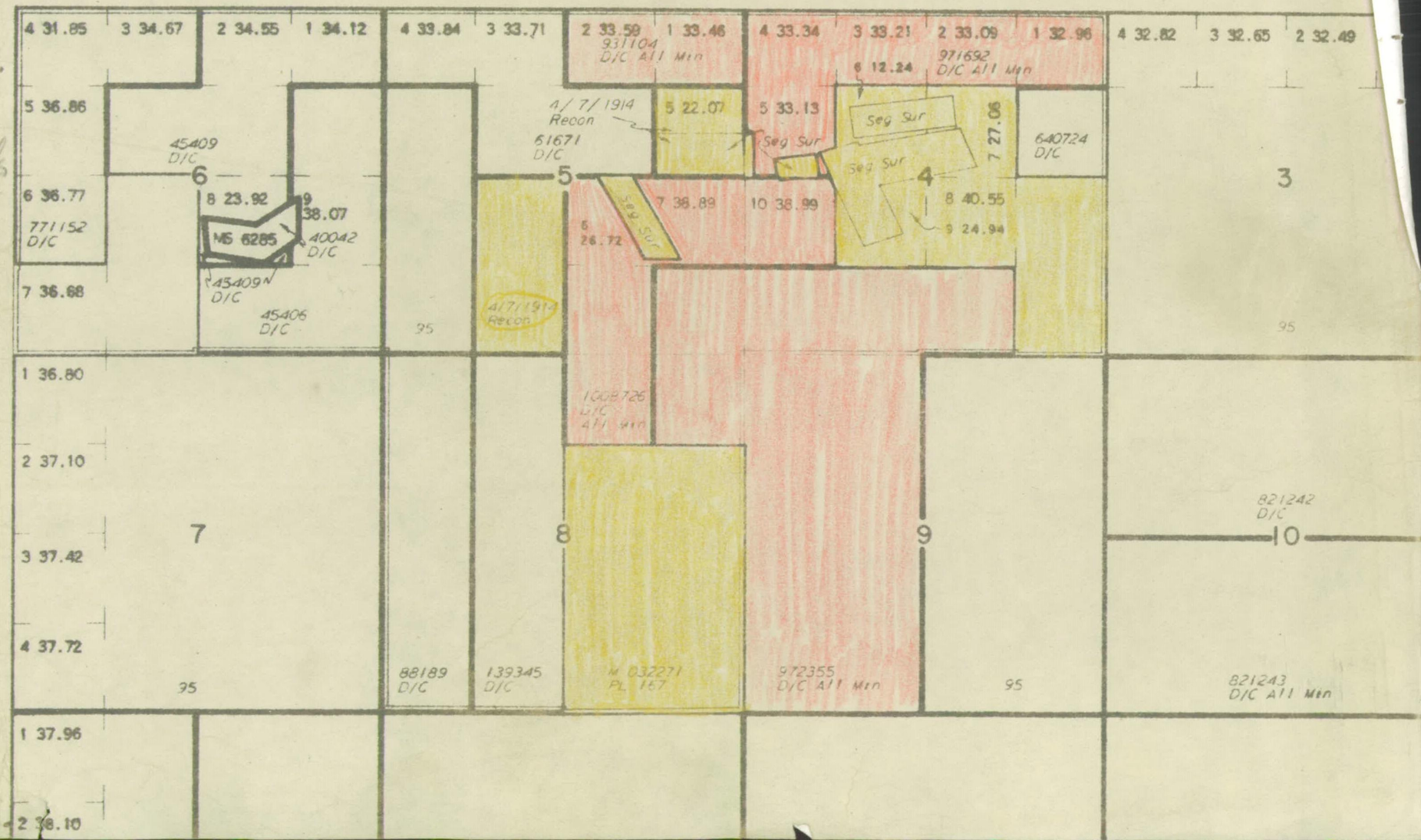
RECEIVED
JUN 7 1972
O. M. E.
SPOKANE, WASH.

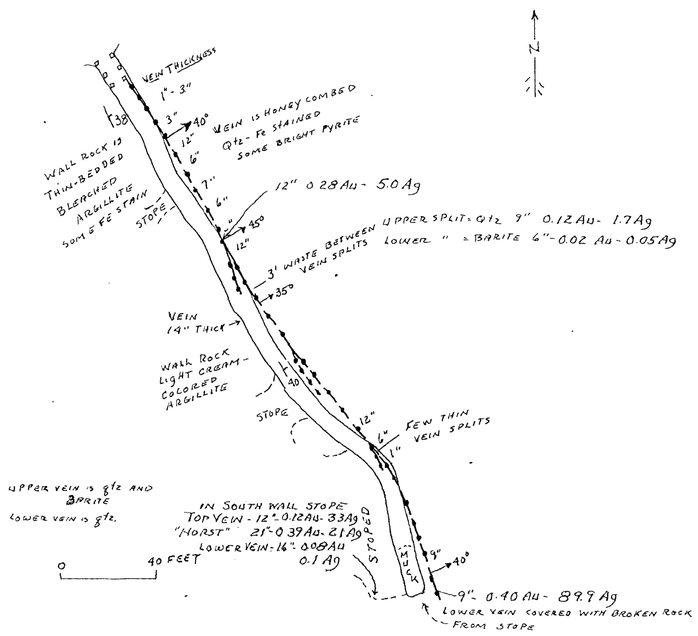
Public Domain

Patented Surface – Minerals Reserved to U.S.

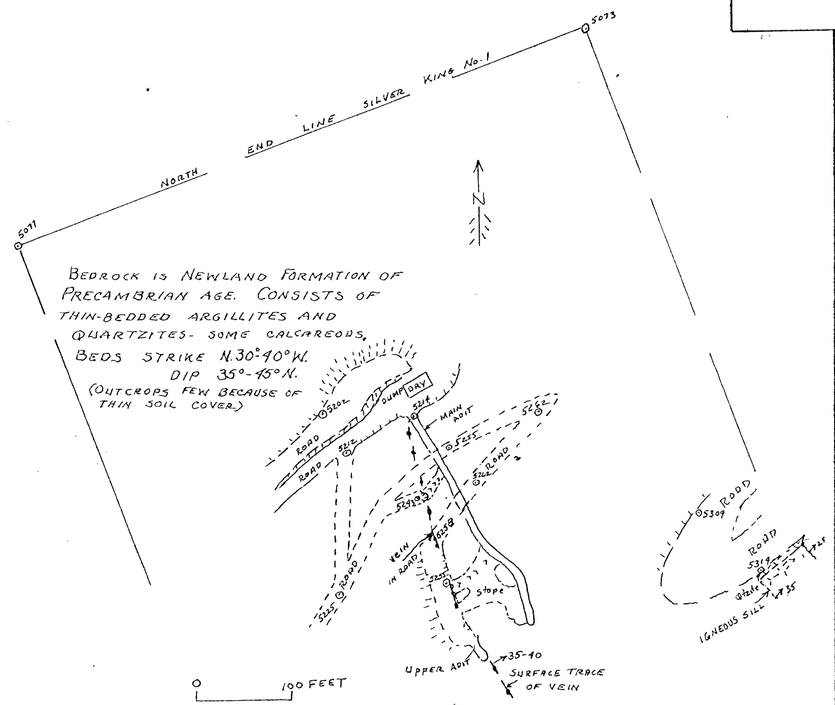
Private land & minerals

Yellow & Red both open to mineral location. See Circula 2289 – P. 3,4

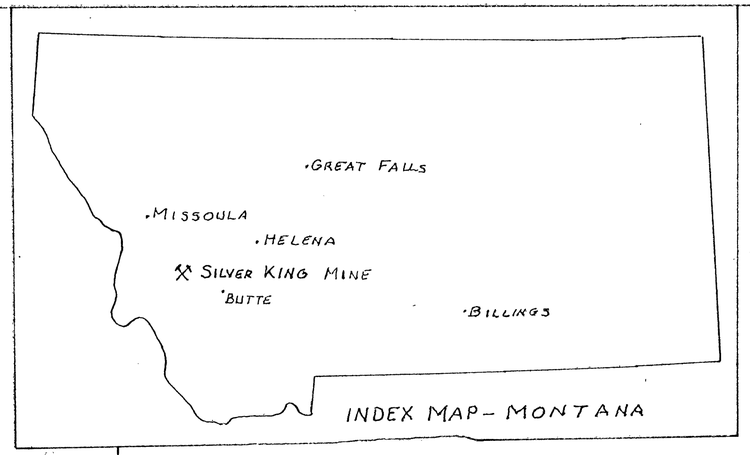




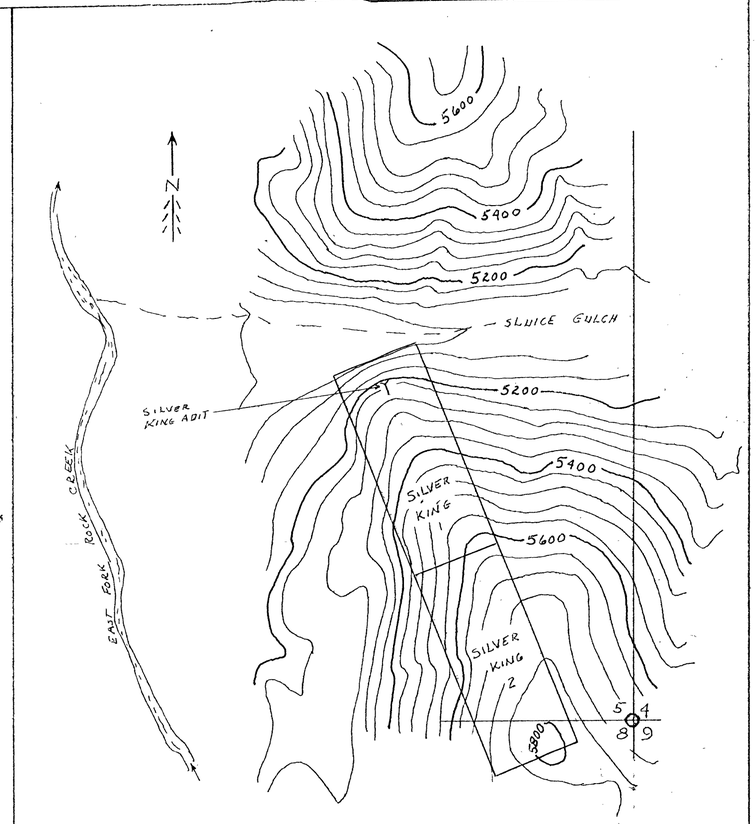
PLAN MAP MAIN ADIT



COMPOSITE PLAN MAP



INDEX MAP - MONTANA



TOPOGRAPHY IN MINE AREA

BRUNTON AND TAPE SURVEY, 4/18/72 by W.P.P.

FIGURE 1- PLAN, COMPOSITE, AND TOPOGRAPHIC MAPS OF SILVER KING CLAIMS, SECS. 5 & 8, T.6N., R.15W., GRANITE COUNTY, MONTANA