DMEA Form 9
Rev. 6/57

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE

Idm-E NO. 379

DMEA NO. 2455

Application
- [ ] Denied
- [ ] Withdrawn

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

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

Folder No. 1:

Left Side

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

Right Side

- [x] Project summary (final)
- [x] Work Completed analysis (final)

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

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

Additional Folders:

Left Side

Folders No. 2 : Reports
- [x] Analysis of Semi-Annual Inspection Reports
- [ ] Project Summary (Interim) by DMEA Engineers

Right Side

- [x] Field Team Semi-Annual 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. 2 : Royalty material

Inactive all 1960 (2-15-61)

17963

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Washington office pertaining to Contract No. Idm-E379, Docket No. DMEA-2455 (Mercury), dated July 31, 1952, with

Aubrey Minney
511 Archer Street
Salinas, California

for the purpose of determining the amount of royalty due the U. S. Government on sales of minerals from property referred to as McAdoo Mine located in Humboldt County, Nevada, during the period April 15, 1959, through February 8, 1961.

A certification of discovery or development was issued on February 4, 1955, and, in accordance with Annex I of Amendment No. 8 to the contract, royalty is payable on all minerals mined or produced from the land described in Article 2 of the contract for a period of 11 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review in lieu of final audit dated November 19, 1954, indicated accepted costs under the exploration contract amounting to $15,804.02 with the Government's contribution, on a 75 percent basis, being $11,853.02.

The status of the project, the scope of review, and the reasons therefor are stated on page 2.

This review established total sales of mercury for the period to be $639.45. Royalty due the Government at rates specified in the contract is $31.97.

A prior Report of Royalty Review found the sales subject to Government royalty through April 14, 1959, to be $3,392.10 which added to the sales for this subsequent period make a total of $4,031.55. The royalty account as of April 14, 1959, was:

Total Royalty Due	$169.61
Total Royalty Paid	169.61
Balance of Royalty Due	$ -0-

At February 8, 1961, the royalty account of this project was found to be:

Total Royalty Due	$201.58
Total Royalty Paid	201.58
Balance of Royalty Due	$ -0-

February 10, 1961

E. D. Talbert, OME Auditor

MME FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERAL EXPLORATION

TO:	DATE	INITIALS
1. Mr. Johnson	2/10	[illegible]
2. ~~Mr. Selfridge~~		
3. Mr. ~~Griswold~~ Hoet	2/13	[illegible]
4. 220		
5.		
FROM: E. D. Talbert	2/10	

FOR: Check items for action desired

____ Action ____ Reply for signature of _____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions ____ Your information

REMARKS:

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

The only operation of the property since the period covered by the last Report of Royalty Review resulted in the production, apparently during assessment work, of 217½ pounds of mercury which were sold to Quicksilver Products, Inc., for $659.45. My review included a recomputation of the copy of the settlement sheet dated July 29, 1959, submitted by the Operator in support of the royalty payment of $31.97 made by him.

This review was made in lieu of an on-site audit of the Operator's accounts and records for the following reasons:

(a) Reports by field representatives of the Government indicate that all production from the property since the date of the contract has been reported and proper royalty paid; and

(b) The administrative cost to the Government of an on-site royalty audit at this time would be excessive in relation to the amount of possible additional royalty which might be disclosed.

Check Sheet of Examining Engineer

Operator's Name Aubrey Minney

Address 511 Archer Street

Salinas, California

Exploration Contract No. IDM-E 379 Docket No. DMEA 2455

	Check One Yes	No
1. (a) Does the Operator stockpile ore subject to royalty repayment?		X
(b) If so, is segregation and identification procedure adequate?		
2. (a) Does Operator commingle production subject to DMEA royalties with exempt production?		X
(b) If so, do you consider the allocation of the commingled production equitable?		
3. (a) Does the Operator stockpile mine or mill rejects (low grade ore, tailing, middlings, etc.) that may have potential value within the royalty payment period?		X
(b) If so, are adequate records maintained on such material to protect the Government's interest?		
4. Do you consider the assay controls in effect are adequate?	X	
5. Do you consider that the manner of disposing of production gives the Government its fair royalty returns?	X	
6. Do your periodic examinations of operations indicate the Operator is properly reporting his production of ores subject to DMEA royalties?	X	
7. Does the Operator buy from or sell to other Operators?		X

8. Comment on any item 2 (b) to 6 if answer is No.

According to Division of Mineral Resources records, the operator showed no record of production for 1959 and 1960.

Mining Engineer

Date February 8, 1961

82448

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

Royalty Audit

RECEIVED
AUG 31 1955

REPORT OF FIRST ROYALTY REVIEW

I have reviewed all Finance Office copies of settlement sheets, with the Executive Officer, DMEA Field Team, Region II, applicable to royalties collected on the sales of mercury for the period July 31, 1952, to July 31, 1955 by:

dmea 2455

Aubrey Mirmey, an individual
119 Cayuga Street
Salinas, California

produced from property referred to as the McAdoo Mine, located in Humboldt County, Nevada, under the terms of Contract No. Idm-E379, Docket No. DMEA-2455.

My review included a tabulation and recomputation of all mercury sales, listed on the settlement sheets. It also included a conference with the Examining Engineer who had made frequent inspections of the exploration project.

This review was made in lieu of an on-site audit of the Operator's accounts and records for the following reasons:

(1) The production involved was incidental to exploration operations.

(2) The examining Engineer is of the opinion that all sales of mercury produced during the period July 31, 1952 to July 31, 1955 for which settlement sheets have been released, have been properly accounted for.

(3) The administrative cost to the Government of an on-site royalty audit at this time would be excessive in relation to the amount of possible additional royalty which might be disclosed.

The examination established the total sales of mercury for this period to be $3,116.77. Royalty due the U. S. Government at the contract rate of five percent is $155.84. The royalty paid and balance due are as follows:

Total Royalties Due	$155.84
Total Royalties Paid	$155.84
Balance of Royalties Due	- 0 -

George Mavor
George Mavor
Auditor

August 25, 1955

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AUG 3 1 1955

Check Sheet of Accompanying Engineer

Operator's Name Aubrey Minney

Address 511 Archer Street

Salinas, California

Exploration Contract No. Idm-E379 Docket No. DMEA-2455

Date _____

	Check One Yes	No
1. (a) Does the Operator stockpile ore subject to royalty repayment?		X
(b) If so, is segregation and identification procedure adequate?		
2. (a) Does Operator co-mingle production subject to DMEA royalties with exempt production?		X
(b) If so, do you consider the allocation of the co-mingled production equitable?		
3. (a) Does the Operator stockpile mine or mill rejects (low grade ore, tailing, middlings, etc.) that may have potential value within the royalty payment period?		X
(b) If so, are adequate records maintained on such material to protect the Government's interest?		
4. Do you consider the assay controls in effect are adequate?	X	
5. Do you consider that the manner of disposing of production gives the Government its fair royalty returns?	X	
6. Do your periodic examinations of operations indicate the Operator is properly reporting his production of ores subject to DMEA royalties?	X	

7. Comment on any item 2 to 6 if answer is No.

Henry W. Jones
Mining Engineer

Date: August 19, 1955

67958

Docket copy

CERTIFICATION BY THE UNITED STATES OF AMERICA
OF A DISCOVERY OR DEVELOPMENT UNDER
AN EXPLORATION PROJECT CONTRACT

To: Aubrey Nimmey
119 Cayuga Street
Salinas, California

Pursuant to the provisions of Exploration Project Contract No. Ldm-5379, dated July 31, 1952, (Docket No. DMEA-2455), hereinafter called the "contract" between you and the United States of America, hereinafter called the "Government"; to establish and fix the Government's percentage royalty on production and its lien thereon and on the land described in the contract, the Government considers and therefore certifies that discovery or development from which production may be made has resulted from the exploration work.

The nature of said discovery or development is described broadly or indicated as follows:

Underground work done on the Blue Bird Nos. 1 and 3 claims exposed spotty mercury mineralization (cinnabar) along an east-striking, north-dipping fault which offsets a diabase dike, and also along the east contact in the brecciated fault zone of the north-striking, west-dipping diabase dike.

Dated: FEB 4 1955

FLKnouse/gla
1-27-55

THE UNITED STATES OF AMERICA

By C. M. Theodore
Administrator, Defense Minerals
Exploration Administration

Hoffland

F L Knouse
Ellis
Talbert
Hodges
Selfridge
F E Johnson

cc to: Operator (original)
Admr.'s Reading File
Operating Committee
Mr. Hedges, Rm. 4604
Mr. Kiilsgaard, Rm. 5224
Contract Adm. & Audit Division
Docket ✓
Rare & Misc. Metals Division
Field Team, Region II (2)
Finance Office
Mr. Irving Gumbel, Acting Dir., Materials Div., EPS
F. E. Johnson
F. L. Knouse

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
	Friemoth	500
8/7	Talbot	800
	Selfridge	120
8/7	Johnson	110
9	Fumich	100
		220

AUG 7 1963

Mr. Aubrey Minney
1765 Pinecove Drive
San Luis Obispo, California

Re: DMEA-2455 (Mercury)
Aubrey Minney
McAdoo Mine
Humboldt County, Nevada
Contract Idm-E379

Dear Mr. Minney:

Thank you for returning the completed MME Form 63's mailed to you on July 26, 1963.

By the terms of the subject Exploration Project Contract, as amended, and the certification of discovery or development dated February 4, 1955, all minerals mined or produced from July 31, 1952, to July 31, 1963, were subject to the Government's royalty as set forth in said contract.

As the period during which production was subject to royalty has now expired, the Government according to its present records retains no claim or lien against the property or any future production therefrom. We, therefore, are closing our books and records on this contract. Your attention, however, is called to the provisions of the contract which require the Operator to keep and preserve certain records for the periods indicated.

Sincerely yours,

George Fumich, Jr.

Director

MMerrithew/mm
8/7/63
cc: Director's Reading File
Region II w/copy of Form 63 dated July 26
CA&A Division
Docket
Code 500

43683

12/15/54 gh

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

Defense Minerals Administration
RECEIVED
DEC 15 1954

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Aubrey Winney, an individual
119 Cayuga Street
Salinas, California

pertaining to Exploration Project Contract No. Idx-8379, Docket No. MMA-2455, including amendments No. 1, 2, 3, 4, 5, 6, 7 and 8, for the months of August 1952 to September 1954, inclusive, covering a project for the exploration of mercury, on property known as McAdoo Mine, located in Humboldt County, Nevada.

My review included an examination of the Monthly Reports (Forms MF-104) and supporting documents attached thereto, comparison of costs claimed with the contract and pertinent schedules, consultation with the Executive Officer in charge of the project, and a determination of the reasonableness and propriety of the costs.

This review was made in lieu of a final audit of the Operator's accounts and records for the following reasons:

(a) the administrative cost to the Government of an audit would be excessive in relation to the estimated amount of possible further disallowances thereunder;

(b) the major portion ($14,712.09) of the costs incurred were under a contract provision for payment by the Government on the basis of agreed estimated costs of units of work actually performed, and the remaining costs ($1,091.13) were documented and did not exceed the amounts specified in the contract.

The review disclosed the following facts in regard to the amount paid or to be paid the contractor.

Total cost as billed by Contractor	$16,306.13
Exceptions (schedule attached)	
This audit	502.11
Total Accepted Cost	$15,804.02

The contract calls for a 75 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in amount of Eleven Thousand Eight Hundred Fifty Three and 2/100 Dollars:

** $11,853.02 **

is considered valid and proper, provided that the Regional Executive Officer, the Administrator, or other competent official has accepted or will accept the project as having otherwise met the terms of the project.

November 19, 1954

George Mayer
George Mayer
Auditor

Audit Report of
Review recd.12/15/54

SCHEDULE OF EXCEPTIONS

Auburn Mining — DMEA-2455 — Idm-6379

Item (5) Initial Rehabilitation and Repairs August 1952 costs, exceeding maximum allowed by contract for the following items: Remove existing headframe and ore bunker and construct a 5'x 5'x10' high headframe with waste bunker at new shaft site by using material salvaged from existing headframe	$286.94	
Less: "Allowable Maximum"	221.38	$65.56
Item (6) New Bldgs., Improvements, etc. September 1954 costs not covered by contract, covering the cost of restoring damaged property, caused by fire of August 21, 1954, to hoist house, portion of headframe, and hoist.		436.54
Error in previous costs brought forward on September 1953 MF-104.		.01
Total Exceptions		$ 502.11

Docket Copy

EXPLORATION PROJECT CONTRACT
AUBREY MINNEY
DOCKET NO. DMEA-2455

AMENDMENT NO. 8

It is agreed this 12th day of August, 1954, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Aubrey Minney, hereinafter called the "Operator," that Exploration Project Contract DMA-2379 (Docket No. DMEA-2455), dated July 31, 1952, as amended, hereinafter called the "Contract," is further amended effective June 1, 1954, as follows:

1. Exhibit "A" is amended as follows:

a. In Amendment No. 7, under 4(e) change:

"110 feet of timbering, including 10 feet of timbering in the 103 feet of crosscut (under Amendment No. 4) @ $14.11/ft. $1,552.10"

to read:

"99.00 feet of timbering, including 10 feet of timbering in the 103 feet of crosscut (under Amendment No. 4) @ $14.11/ft. $1,396.89"

b. The Description of the Work under "Stage II," is restated to read as follows:

"Sink a 2-compartment winze a distance of 32 feet along the mineralized vein. The skipway compartment shall be 4 feet by 4 feet in the clear of timber, the manway compartment shall be 18 inches by 4 feet in the clear of timber, and suitable ladders and landings shall be installed. The winze shall be timbered with satisfactory square set timbers where necessary. The location of the winze is subject to the approval of the Government."

c. The "Agreed Unit Costs" of "Stage II," are restated to read as follows:

"Sink winze 32 feet @ $50.00/ft.	$1,600.00
"Square set timber 28 feet of 2-compartment winze @ $14.11/ft.	395.08
Total	$1,995.08"

d. In Amendment No. 7, under 4(f), delete "$15,750.00*" and substitute "$15,604.92*," and delete "$1,850.00" and substitute "$1,995.08."

2. Article 9 of the Contract, as amended by paragraph 3 of Amendment No. 7, is deleted, and Annex I, attached hereto and made a part hereof, is substituted for Article 9 of the Contract.

3. That part of the second sentence in Article 10 beginning with the word "Provided" is deleted.

This amendment shall not be construed to increase the estimated total cost of the project, the agreed unit cost of any item of work, or the aggregate total amount which the Government may be required to contribute.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C. F. Mitteusey
Administrator, Defense Minerals Exploration Administration

Aubrey Mineff
AUBREY MINEFF

Porter
F. L. Krause
Ellis
Talbot
Martin
J. E. Johnson

EXPLORATION PROJECT CONTRACT
AUBREY MINNEY
DOCKET NO. DMEA-2455

ANNEX I

The following provisions are in lieu of Article 9 :

Repayment by Operator.--a. Certification.--If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after the Operator has rendered the final report and final account, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

b. Royalty on production.--The Operator, as principal, if the Operator is the producer, or as surety, if the Operator is not the producer, shall pay to the Government a royalty on all minerals mined or produced from the land* as follows: (1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first; or (2) if the Government makes a certification of discovery or development, for a period of ten years* from the date of the contract, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first.

c. Basis for computation.--The Government's royalty shall be a percentage of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrates, 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, on account of the cost of treatment processes performed by the buyer, sampling and assaying to determine the value of the production sold, and freight paid by the buyer to a carrier (not the Operator), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. Any costs of treatment processes, sampling or assaying, or transportation, performed or paid by the

---

* The "land" refers to the land described in Article 2 of the contract.

* The period "eleven years" is substituted for the period "ten years."

Operator or by anyone other than the buyer, are not deductible in arriving at the "gross proceeds" as that term is here used. The term "treatment processes," as here used, means those processes (such as milling, concentrating, smelting, refining, or equivalent) applied to the raw ore or other production after it is extracted from the ground, to put it into a commercially marketable form; excluding fabricating or manufacturing.

d. Unsold production.--If any production (ore, concentrates, metal, or equivalent), after the lapse of six months from the date the ore was extracted from the ground, remains neither sold nor used by the Operator 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, concentrates, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used by the Operator 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 when 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. Percentages of royalty.--The percentages of the Government's royalty shall be as follows:

> One and one-half ($1\frac{1}{2}$) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half ($\frac{1}{2}$) percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.
>
> (For instance: the royalty on an amount of five dollars ($5.00) per ton, would be one and one-half ($1\frac{1}{2}$) percent; on an amount of ten dollars ($10.00) per ton, three and one-half ($3\frac{1}{2}$) percent.)

f. Lien for payment.--To secure the payment of its percentage royalty, there is hereby granted to the Government a lien upon the land or the Operator's interest in the land and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

g. Notice to purchasers.--The Operator 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 Administrator, Defense Minerals Exploration Administration, or his successor, and his estimate thereof shall be final and binding upon the Operator.

h. No obligation to produce.--Nothing in this contract is to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

i. Government not obligated to buy.--Nothing in this contract shall be construed as imposing any obligation on the Government to purchase any minerals mined or produced from the land.

58694

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 31 1954

AMENDMENT NO. 8

Docket No. DMA-2455 Mineral Mercury

Exploration Project Contract Ion-E379

Date of Contract July 31, 1952

Date of Amendment August 11, 1954

Operator Aubrey Finney

JUSTIFICATION

Exploration work to August 1, 1954, disclosed an ore body of unknown size in the drift driven along the dyke under the DMA contract. Following an engineering and geological examination of the disclosure, it was agreed as being in the best interest of the Government to use the funds remaining, as requested by the operator, to determine if the discovered ore body extended downward below the adit level. The contract, therefore, was amended to allow the operator to sink a winze along the mineralized area to a depth below the adit of 32 feet.

H. C. Miller, Executive Officer
DMEA Field Team, Region III

Docket Copy

EXPLORATION PROJECT CONTRACT
AUBREY MINNEY
DOCKET NO. DMEA-2455

AMENDMENT NO. 7

It is agreed this 1st day of April, 1954, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Aubrey Minney, that Exploration Project Contract Idm-E379 (Docket No. DMEA-2455), dated July 31, 1952, as amended, is further amended, effective July 31, 1952, as follows:

1. (a) Work under the contract shall be suspended during the period beginning September 14, 1953, and ending not later than June 1, 1954.

(b) No costs incurred by the Operator during the period of suspension shall be allowable for contribution by the Government.

(c) The Operator, at his own cost and expense, without contribution by the Government, during the period of suspension shall preserve the project work and any property in which the Government has an interest.

(d) The Government shall not contribute to any costs of rehabilitation or repair which in its opinion would not have occurred if there had been no suspension of work.

2. In Article 3 of the contract form, delete the completion date "October 31, 1953," provided by Amendment No. 5, and substitute the period "twenty-eight (28) months."

3. In Articles 9 and 10 of the contract form, delete the period "10 years" and substitute the period "11 years."

4. In Exhibit "A" of the contract:

(a) Under "Description of the Work," "Stage II," as amended by Amendment No. 2, delete the item "Drive 61.643 feet of drift or crosscut to explore walls of dyke."

(b) Under "Description of the Work," "Stage II," delete the item "Drive 80 feet of raise along the dyke."

(c) Under "Description of the Work," "Stage I," as amended by Amendments Nos. 2 and 4, add:

> Not to exceed an aggregate of 99.577 feet of drifting and crosscutting shall be performed to connect the present drift with the old McAdoo mine workings and to explore the diabase dyke. The drift and crosscut shall be of dimensions not less than 4 feet by 6.5 feet in cross section. The location, direction, and extent of all work is subject to the approval of the Government. All work shall be timbered, as necessary, but not to exceed 100 feet of timbering shall be performed under this amendment. 1/

> Not to exceed 10 feet of timbering shall be performed in the 103 feet of crosscut (provided under Amendment No. 4).

(d) Under "Estimated Costs of the Project," "Agreed Unit Costs," "Stage II," as amended by Amendment No. 2, delete the first two items of drifting or crosscutting, and raising, totaling $3,417.77; and delete the total "$5,267.77."

(e) Under "Estimated Costs of the Project," "Agreed Unit Costs," "Stage I," as amended by Amendments Nos. 2 and 4, add the following items:

99.577 feet of drifting or crosscutting @ $23.00/ft.	$2,290.27
110 feet of timbering, including 10 feet of timbering in the 103 feet of crosscut (under Amendment No. 4), @ $14.11/ft.	1,552.10
	$3,842.37

1/ This work is shown on the attached map entitled "McAdoo Mine (Mercury), Aubrey Mimmey, Humboldt County, Nevada, Docket DNKA-2455, Contract Idm-E379."

(f) Under the "Summary" at the end of Exhibit "A," as amended by Amendments Nos. 2 and 4, delete the estimated total costs for Stage I and Stage II, and add the following:

Estimated Total Cost, Stage I	$15,750.00*
Estimated Total Cost, Stage II	1,850.00

This amendment shall not be construed to increase the estimated total cost of the project, the agreed unit cost of any item of work, or the aggregate total amount which the Government may be required to contribute.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C P Mitteudorf
Administrator, Defense
Minerals Exploration
Administration

Burton Chamberlin

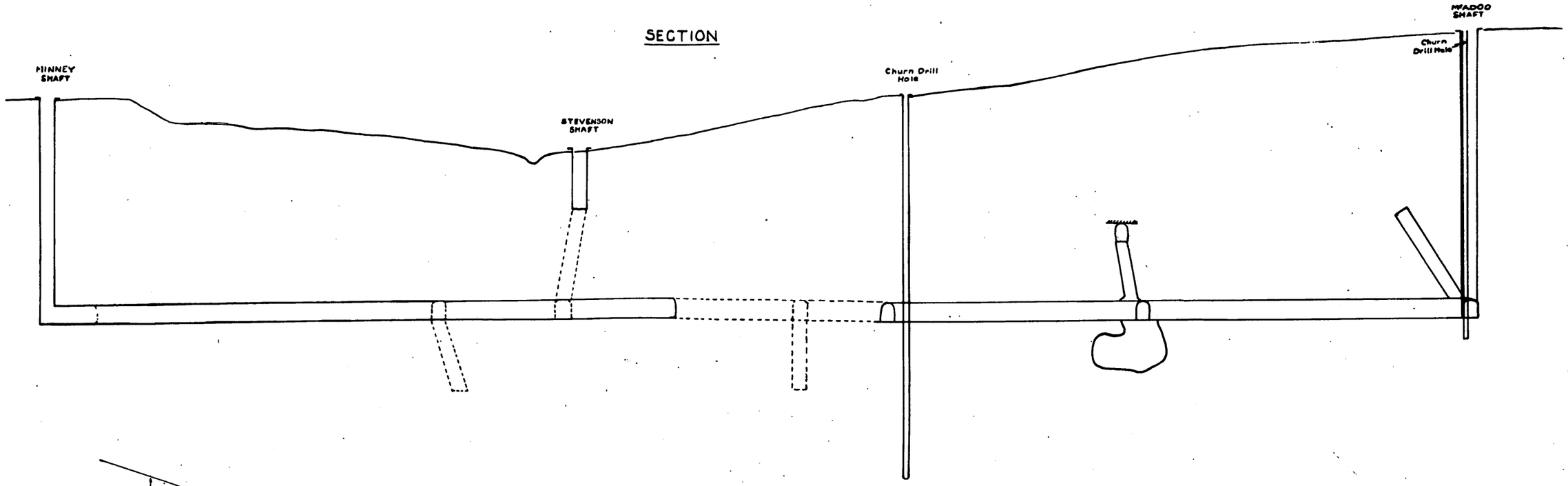
Aubrey Mirney
Aubrey Mirney

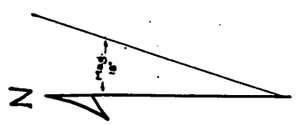
---

* Indicates allowable maximum.

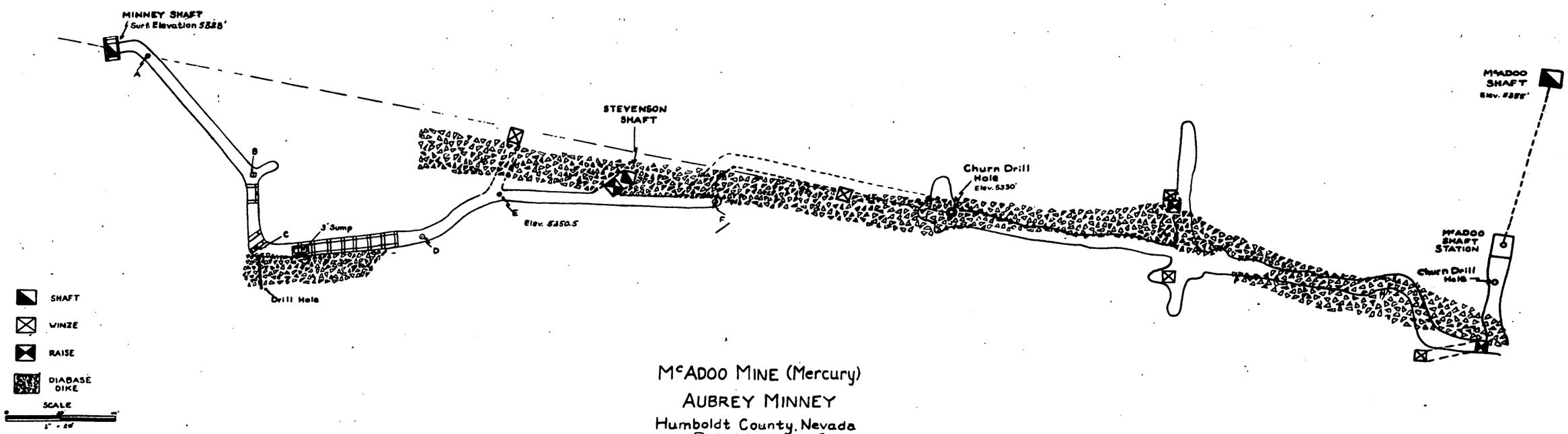
AUBREY MINNEY
511 Archer St.
Salinas, Calif.

SECTION





PLAN



McADOO MINE (Mercury)

AUBREY MINNEY

Humboldt County, Nevada

Docket DMEA 2450

Contract Idm-5319

Defense Minerals Administration
RECEIVED
APR 20 1954

AMENDMENT NO. 7

Docket No. DMEA-2455 Mineral Mercury

Exploration Project Contract Idm-E379

Date of Contract July 31, 1952

Date of Amendment April 1, 1954

Operator Aubrey Minney

JUSTIFICATION

This amendment was prepared to complete the work under the contract to the best interest of the Government in that remaining funds will be used to maximum advantage in exploring the property and revealing information of its economic importance.

Extension of time to complete work is granted because due to the location of the property, work during the winter had to be recessed.

H. C. Miller, Executive Officer
DMEA Field Team, Region III

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
Received
AUG 20 1953

Docket copy

Purchase 9/24/53
DEXfax 9/1/28/53

AUBREY MINNEY
EXPLORATION PROJECT CONTRACT
DOCKET NO. DMEA-2455

AMENDMENT NO. 6

It is agreed this 18th day of August, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Aubrey Minney, that Amendment No. 5 dated July 9, 1953, to the Exploration Project Contract between these parties dated July 31, 1952, Docket No. DMEA-2455, Contract No. Idm-E379, is amended by adding to the said Amendment No. 5, as a preamble thereto, immediately under the title "Amendment No. 5," the following recitals:

> WHEREAS, at the time said Exploration Project Contract was entered into, the parties supposed and contemplated that the ground through which the drifting was to be prosecuted was of a character that would require little if any timbering, and fixed the agreed unit price of $23 per foot on the basis of this supposition; and
>
> WHEREAS, this understanding and supposition proved to be a mistake in that after the work commenced the ground turned out to be unexpectedly bad, requiring much timbering;
>
> NOW THEREFORE, in view of this mutual mistake of fact . . . .

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By [signature]
Executive Officer
DMEA Field Team, Region III

[signature]
Operator

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 26 1953

AMENDMENT NO. [illegible]

Docket No. [illegible] Mineral [illegible]

Exploration Project Contract [illegible]

Date of Contract [illegible]

Date of Amendment [illegible]

Operator [illegible]

JUSTIFICATION

[illegible]

H. C. Miller, Executive Officer
DMEA Field Team, Region III

Docket's Copy

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[illegible] 9/28/53

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 27 1953

AUBREY MINNEY
EXPLORATION PROJECT CONTRACT
DOCKET NO. DMEA-2455

AMENDMENT NO. 5

It is agreed this 9th day of July 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Aubrey Minney, each acting in consideration of the agreement of the other to the terms hereinafter set forth that Exploration Project Contract Idm-E379, Docket No. DMEA-2455, dated July 31, 1952, as amended, by the parties, hereto be further modified and amended as of said date as follows:

The completion date which was extended by Amendment No. 3 dated February 3, 1953, to July 1, 1953, is hereby further extended to October 31, 1953.

In Amendment No. 4 dated March 16, 1953, delete the allowable item reading:

"Drifting 217 feet at $23.00/ft. $4,991.00"

and substitute therefor:

"Drifting at $23.00/ft. and timbering, where necessary, at $14.11/ft. 1/ $4,991.00"

1/ Based on cost for material of $8.11 per foot and cost of labor of $6.00 per foot.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute or the amount of any item designated as "allowable maximum."

AUBREY MINNEY

By Aubrey Minney

THE UNITED STATES OF AMERICA

By H. C. Miller
H. C. Miller, Executive Officer
DMEA Field Team, Region III

DEPARTMENT OF INTERIOR
BUREAU OF MINES
REGION III
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1953 JUL 20 AM 8:25

SAN FRANCISCO, CALIFORNIA

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
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JUL 27 1953

AMENDMENT NO. 5

Docket No. [illegible]-2155 Mineral Mercury

Exploration Project Contract [illegible]-379

Date of Contract July 31, 1952

Date of Amendment July 7, 1953

Operator Aubrey Kinney

JUSTIFICATION

The Operator has into bad ground in drifting and has requested permission to use Stage II money to run his drift and to timber it. He states that his drifting costs are [illegible] a foot and timbering costs [illegible].11 a foot. He would like not only to be allowed the timbering cost but also to have his allowable drifting cost increased from [illegible] a foot to [illegible] a foot. Neither Mr. Bailey, Mr. A. A. Johnson, nor I are in favor of granting the increased cost or of using Stage II money for Stage I work. We are, however, in favor of allowing [illegible].11 per foot for timbering where necessary and for drifting as far as the Operator can on the [illegible] allowed under Stage I of the contract. When we see that turns up a lot to use up all of Stage I work, consideration may be given to a possible amendment allowing the Operator to complete his drift to the old workings. It is possible that it may not be necessary to go the entire distance to prove or disprove presence of mineralization in the dike.

To order that the Operator may have the necessary time in which to complete proposed work, contract has been further extended to October 31, 1953.

H. C. Miller, Executive Officer
DMEA Field Team, Region III

Docket Copy

AUBREY MINNEY
EXPLORATION PROJECT CONTRACT
DOCKET NO. DMEA-2455

AMENDMENT NO. 4

It is agreed this 16th day of March 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Aubrey Minney, each acting in consideration of the agreement of the other to the terms hereinafter set forth that Exploration Project Contract Idm-E379, Docket No. DMEA-2455, dated July 31, 1952, as amended, by the parties, hereto be further modified and amended as of said date as follows:

In Amendment No. 2 dated January 29, 1953:

Paragraph 2(B)(b) is modified to read: "in the third paragraph change the words '50 feet' to '103 feet'."

Paragraph 2(B)(c) is modified to read: "in the fourth paragraph after the word 'section' insert the words '217 feet'."

In paragraph 2(D) eliminate everything under Stage I and substitute the following:

Shaft sinking 80 feet @ $42.225/ft.	$3,378.00	
Crosscutting 103 feet @ $23/ft.	2,369.00	
Drifting 217 feet @ $23/ft.	4,991.00	
Total Unit Cost, Stage I		$10,738.00

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute or the amount of any item designated as "allowable maximum".

AUBREY MINNEY

By Aubrey Minney

THE UNITED STATES OF AMERICA

By W. Willis
Executive Officer, DMEA
Field Team, Region III

Okay
Robert
Chamberlin

AMENDMENT NO. 4

Docket No. DMEA-2456 Mineral Mercury

Exploration Project Contract Idm-5379

Date of Contract July 31, 1952

Date of Amendment March 16, 1953

Operator Aubrey Minney

JUSTIFICATION

Under Stage I, in order to reach the objective dyke it was necessary to extend the crosscutting an additional 53 feet, making a total of 103 feet of crosscutting. A corresponding amount of footage was deducted from the 250 feet of drifting allowed under Stage I, in order to compensate for the increased crosscutting work.

H. C. Miller, Executive Officer
DMEA Field Team, Region III

Docket Copy

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Hoffhand

AUBREY MINNEY
CONTRACT Idm-E379
DOCKET NO. DMEA-2485

AMENDMENT NO. 3

Contract Idm-E379 (Docket No. DMEA-2485), dated July 31, 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Aubrey Minney, is amended as follows:

Time of completion of contract is extended to July 31, 1953.

The effective date of this amendment shall be January 30, 1953.

This amendment shall not be construed to increase the estimated total cost of the project, the amount of the Government's contribution, or any item of allowable cost which is especially designated "allowable maximum."

Dated February 3, 1953.

UNITED STATES OF AMERICA

By W. G. Miller

W. G. Miller, Executive Officer
DMEA Field Team, Region III

By Aubrey Minney

Aubrey Minney

AMENDMENT NO. 3

Docket No. 2455 Mineral Mercury

Exploration Project Contract Idm-E379

Date of Contract July 31, 1952

Date of Amendment February 3, 1953

Operator Aubrey Minney, McAdoo Mine, Humboldt County, Nevada

JUSTIFICATION

To complete work remaining under Stage I and all work under Stage II. Work under the contract was slowed down during the winter, due to freezing weather and the difficulty of maintaining a working force in the temporary camp during the winter.

H. C. Miller, Executive Officer
DMEA Field Team, Region III

Docket Copy

AUBREY MINNEY
EXPLORATION PROJECT CONTRACT
DOCKET NO. DMEA-2455

AMENDMENT NO. 2

It is agreed this 29th day of January, 1953, between the United States of America, acting through the Department of the Interior, DMEA, and Aubrey Minney, each acting in consideration of the agreement of the other to the terms hereinafter set forth that Exploration Project Contract Idm-8379, Docket No. DMEA-2455, dated July 31, 1952, as amended, by the parties, hereto be further modified and amended as of said date as follows:

1. Amendment No. 1 is hereby revoked and cancelled, and substituted by this Amendment No. 2.

2. In Exhibit "A" attached to the Contract:

(A) Under the heading "Description of the work", the words "map marked Exhibit 'C'" are changed to read "map marked Exhibit 'C' Revised."

(B) Under the heading "Stage I":

(a) in the second paragraph change the figure "70'" to "80'" and add at the end of the sentence the following: "at the location indicated by the words "Minney Shaft" on the map marked "Exhibit 'C' Revised";

(b) in the third paragraph, change the words "50 feet" to "70 feet"; and

(c) in the fourth paragraph, after the word "section" insert the words "250 feet".

(C) Under the heading "Stage II" in the first paragraph, change "100 feet" to "61.643 feet".

(D) Under the heading "Agreed Unit Costs," eliminate everything under "Stage I" and "Stage II" and in lieu thereof insert the following:

Stage I

Shaft sinking 80 feet @ $42.225/ft.	$3,378.00	
Crosscutting 70 feet @ $23/ft.	1,610.00	
Drifting 250 feet @ $23/ft.	5,750.00	
Total Unit Cost, Stage I		$10,738.00

Stage II

Drifting or crosscutting 61.643 feet @ $23/ft.	$1,417.77	
Raising 80 feet @ $25/ft.	2,000.00	
Sinking winze 50 feet @ $37/ft.	1,850.00	
Total Unit Cost, Stage II		$ 5,267.77

(2) Under the heading "Summary" eliminate what follows and substitute in lieu thereof the following:

Estimated Cost, Stage I	$12,332.23*	
Estimated Cost, Stage II	5,267.77	
Total Estimated Cost of Project		$17,600.00*
Government Participation @ 75%		$13,200.00*

3. This amendment shall be effective as of July 31, 1952.

4. This amendment shall not be construed to increase the estimated total cost of the project, the amount of the Government's contribution, or any item of allowable cost which is expressly designated "allowable maximum."

AUDREY MINNEY

By Audrey Minney

UNITED STATES OF AMERICA

By O P Mitteudorf
Administrator, Defense Minerals Exploration Administration

Approved
Holland
Chamberlin

DEPARTMENT OF INTERIOR
BUREAU OF MINES
REGION III
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FEB 2 AM 8:5
SAN FRANCISCO, CALIFORNIA

AMENDMENT NO. 2

Docket No. 2455 Mineral Mercury

Exploration Project Contract Idm-E379

Date of Contract July 31, 1952

Date of Amendment January 29, 1953

Operator Aubrey Minney

JUSTIFICATION

Amendment No. 1, dated October 1, 1952, was drawn in the San Francisco office to permit Operator to change the location of the shaft to a site that would not be effected by water run-offs and also would provide adequate dump room. This change in location of shaft increased the amount of crosscutting necessary from 50 to 70 feet and shaft sinking from 70 to 80 feet.

The amendment was not drawn correctly so that Amendment No. 2 was prepared in the Washington office. By means of Amendment No. 2, Amendment No. 1 is revoked and cancelled.

Amendment No. 2 clarifies the contract as it now stands. It provides that the added shaft sinking and crosscutting be compensated by drifting or crosscutting eliminated from Stage II and not Stage I, as the work provided for in Stage I is essential to connect the drift with the old mine workings. Inasmuch as the drifting or crosscutting to be done in Stage II can be done only with the approval of the Government, the Field Team will determine what drifting or crosscutting, if any, should be eliminated.

H. C. Miller, Executive Officer
DMEA Field Team, Region III

AUBREY MINNEY
CONTRACT Idm-E379
DOCKET NO. DMEA-2455

AMENDMENT NO. 1

Contract Idm-E379, dated July 31, 1952, between the United States of America, acting through the Department of the Interior, DMEA, and Aubrey Minney, is amended as follows, effective October 1, 1952: In Exhibit "A" - Description of the Work - Stage I,

Sink an 80' deep, 2-compartment vertical-timbered shaft with hoisting compartment 49" x 45" and the manway compartment 21" x 45" in the clear of timber.

Drive a crosscut 4' x 6.5' in cross section 70 feet to and through dyke from bottom of shaft.

Authority to change shaft site as originally proposed is also granted.

This amendment shall not be construed to increase the estimated total cost of the project, the amount of the Government's contribution, or any item of allowable cost which is expressly designated "allowable maximum."

Dated October 1, 1952.

UNITED STATES OF AMERICA

By _____
S. Richer for H. C. Miller
Executive Officer, DMEA Field Team
Region III

By _____
Aubrey Minney

DEPARTMENT OF INTERIOR
BUREAU OF MINES
REGION III
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SAN FRANCISCO, CALIFORNIA

AMENDMENT NO. 1

Docket No. 2455 Mineral Mercury

Exploration Project Contract Idm-E 379

Date of Contract July 31, 1952

Date of Amendment October 1, 1952

Operator Aubrey Minney

JUSTIFICATION

This amendment was discussed with Mr. Knouse of the Washington DMEA office on September 25, 1952 by telephone and authorization was verbally approved.

The amendment is required due to the changed location of the shaft so that it would not be subject to water run-offs and so that sufficient dump room could be provided, thus avoiding excessive tramming costs.

H. C. Miller, Executive Officer
DMEA Field Team, Region III

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Bldg.
870 Market St.
San Francisco 2, Calif.

August 20, 1952

Memorandum

To: Operating Committee, DMEA, Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-2455 (Mercury); Contract Idm-E379
Aubrey Minney, McAdoo Mine, Humboldt County, Nevada

Reference is made to your letter of July 31, transmitting to this office the original and five copies of captioned contract.

The contract has been executed on the part of the Operator and one copy retained by him. Proper distribution has been made of the Field Team and Finance Office copies, and the original and two remaining copies are returned herewith.

H. C. Miller
Executive Officer, DMEA Field Team
Region III

Attachment

Copy to: E. H. Bailey, USGS
A. C. Johnson, Reno (With Field Team's copy of contract)
L. L. Norvell (With Finance Office's copy of contract)

AUG 20 1952

(*b*) The Government's payments in all cases will be based on actual, necessary costs (including contract unit prices) incurred not in excess of any "allowable maximum," and not in excess of the fixed percentage of the total aggregate estimated cost. Costs will be considered to be incurred only as they are or become due and payable.

(*c*) No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes) or any other indirect costs, or work performed or costs incurred before the date of this contract, shall be allowed as costs of the project in which the Government will participate.

ARTICLE 7. *Reports, accounts, audits.*—(*a*) *Progress reports.* The Operators shall provide the Government with monthly reports of work performed and costs (including contract unit prices) incurred under the contract, in quintuplicate (five copies), upon forms provided by the Government. These progress reports shall be certified by the Operator, and shall constitute both the Operator's invoice of costs incurred on the project during the period covered by the report and his voucher for repayment by the Government, unless the Government requires the use of a standard voucher form with invoice attached. Progress reports shall include surface and/or underground engineering-geological maps or sketches showing the progress of the exploration, with assay-reports on samples taken concurrently with the advance in mineralized ground.

(*b*) *Final report.*—Upon completion of the exploration work or termination of the contract the Operator shall provide the Government with an adequate geological and engineering report, in quintuplicate (five copies), including an estimate of ore reserves resulting from the exploration work.

(*c*) Compliance with requirements.—If, in the opinion of the Government, any of the Operator's reports are insufficient or incomplete, the Government may procure the making or completion of such reports and attachments as an expense of the exploration work; and the Government may withhold approval and payment of any vouchers depending upon insufficient or incomplete reports.

(*d*) *Accounts and audits.*—The Operator shall keep suitable records and accounts of operations, which the Government may inspect and audit at any time. The Government may at any time require an audit of the Operator's records and accounts by a certified public accountant, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract. Upon the completion of the project or termination of the contract the Operator shall render a final account as provided in Article 12.

ARTICLE 8. *Payments by the Government.*—(*a*) The Government will pay **75** percent of the allowable costs incurred, as they accrue, in an aggregate total amount not in excess of $**13,200.00**, which is **75** percent of $**17,600.00**, the agreed, estimated total cost of the project in which the Government will participate; *Provided,* that until the Operator's final report and final accounting have been rendered to the Government, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract.

(*b*) The Government may make any payment or payments direct to independent contractors and to suppliers, for the account of the Operator, rather than to the Operator.

ARTICLE 9. *Repayment by Operator.*—(*a*) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than 6 months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows:

(1) One and one-half (1½) percent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) percent of any such net amounts, plus one-half (½) percent of such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such net amounts.

(For instance: The percentage royalty on a net amount of five dollars ($5.00) per ton would be one and one-half (1½) percent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) percent.)

(*b*) As here used, "net smelter returns," "net concentrator returns," and "other net amounts realized from the sale or other disposition," mean gross revenue from sales; or if not sold, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income-tax determination.

(*c*) To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(*d*) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

ARTICLE 10. *Assignment, transfer, or loss of Operator's interest.*—Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder. The Operator shall not make any voluntary nor permit any involuntary transfer or conveyance of the Operator's rights in the land described in Article 2, without making suitable provision for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof; *Provided,* that mere failure by the Operator to maintain the Operator's rights in the land, without any consideration running to the Operator other than relief from the cost of maintaining such rights (as by surrender of a leasehold, failure to perform assessment work, or failure to exercise an option), coupled with complete abandonment by the Operator of all interest in or operations on the land for a period of 10 years from the date of this contract, shall not constitute such a transfer or conveyance. Should the Operator make or permit any transfer or conveyance in violation of this provision, the Operator shall be and remain liable for payment to the Government of the same amounts, at the same times, as would have been paid under the terms of the percentage royalty on production. If for any reason the net smelter returns, net concentrator returns, or other net amounts realized from the sale or other disposition of such production are not available as a means of measuring the amount of the Operator's liability, the amount thereof shall be estimated as well as may be, and in the event of dispute as to such estimates, the determination thereof by the Administrator of Defense Minerals Exploration Administration or by his successor shall be final and binding upon the Operator.

ARTICLE 11. *Title to and disposition of property.*—All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

ARTICLE 12. *Termination and completion.*—The Government may, at any time, by written notice to the Operator, terminate this contract: (*a*) If the Operator fails to provide his share of the money necessary to prosecute operations pursuant to the terms of the contract; (*b*) if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract; or (*c*) if in the opinion of the Government, operations up to the time of the notice have not indicated the probability of making any worth while discovery and in the opinion of the Government further operations are not justified. Upon the completion of the project or any termination of the contract the Operator shall dispose of any remaining materials, supplies, facilities, buildings, fixtures, and equipment in which the Government has an interest, for the joint account of the Operator and the Government in the proportion of their respective interests; shall render to the Government a full and final accounting of his operations under the contract and his expenditures of money; and shall pay to the Government its pro rata share of any money remaining.

ARTICLE 13. *Changes and added provisions.* The Operator's obligation to bring the project to completion continues only as long as the accumulated allowable costs of the project in which the Government will participate do not exceed the agreed, total estimated cost of the project set forth in Article 8.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

AUBREY MINNEY
(Operator)

By

By
Acting Administrator, Defense Minerals Exploration Administration

I, , certify that I am the secretary of the corporation named as Operator herein; that , who signed this contract on behalf of the Operator, was then 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]

U. S. GOVERNMENT PRINTING OFFICE 16—66328-1

MF-200
(June 1951)
(Revised Feb. 1952)

DOCKET DMEA 2455

COMMODITY Mercury
Idm-E-379
Docket Copy

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

EXPLORATION PROJECT CONTRACT[1]

IT IS AGREED this 31st day of July, 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Aubrey Minney, an individual
119 Cayuga Street
Salinas, California

hereinafter called the "Operator," as follows:

ARTICLE 1. *Authority for contract.*—This agreement is entered into under the authority of the Defense Production Act of 1950, as amended, pursuant to DMEA Order 1 entitled "Government Aid in Defense Exploration Projects."

ARTICLE 2. *Operator's property rights.*—With respect to that certain land situated in the State of Nevada, County of Humboldt, described as follows: known as the McAdoo Mine, located in the Bottle Creek Mining District, Township 40 North, Range 33 East, Section 7 M.D.M. consisting of the following mining claims: Blue Bird Fraction, Blue Bird No. 1, and Blue Bird No. 3, as located on the attached claim map marked "Exhibit B" and made a part hereof.

the Operator represents and undertakes:

(*a*) That the Operator is the owner, in possession and entitled to possession, and that the property is subject only to the following claims, liens, or encumbrances as to each of which the subordination agreement of the holder is attached:

None

(*b*) ~~That the Operator is in possession and the Owner's Consent to Lien is attached~~
The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof.

ARTICLE 3. *Exploration project.*—The Operator, within thirty (30) days from the date of this contract shall commence work on a project of exploration for[5] Mercury

in or upon the described land; and shall bring the project to completion within a period of six months from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided.

ARTICLE 4. *Performance of the work.*—(*a*) *Operator's responsibility.* The work shall be performed efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmens' compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. To the extent specified in Exhibit "A," attached hereto, the work may be performed by independent contractor or contractors; and work not specified in Exhibit "A" for performance by independent contractor may nevertheless be so performed upon amendment of Exhibit "A," as agreed to by the parties, to state the work to be so performed and the estimated unit costs thereof, as provided hereafter.

(*b*) *Independent contracts.*—Any independent contract for the performance of work shall be on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved), or on some basis that will indicate the amount due for work performed at any stage of the work to be performed under such independent contract. The Government shall not be nor be considered to be a party to any such independent contract, and the Government's right to terminate the exploration project contract under any of its provisions shall not in any manner be affected by reason of any such independent contract. If the reference in Exhibit "A" to any such independent contract states that the Government's approval thereof is required, the Government may refuse to participate in the cost thereof unless and until it has given its written approval of the independent contract.

(*c*) *Government may inspect.*—The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

ARTICLE 5. *Estimated costs of the project.*—A statement of the estimated cost of the project is set forth in Exhibit "A," attached hereto. Except insofar as any item of requirement or the estimated cost thereof set forth in Exhibit "A" is there or elsewhere designated as an "allowable maximum," such items of requirement and of related cost are estimates only, and may be exceeded to the extent that the Government may from time to time approve for the most economic and beneficial performance of the work within the limitation of the total aggregate estimate of costs. The Government's approval of any such excess over the estimate for an item of requirement or related cost will be signified by its approval and payment of any invoice or voucher for payment which expressly calls attention to such excess. Items expressly designated in Exhibit "A" or elsewhere as "allowable maximum," and the total aggregate estimated cost are limitations, and any excess therein will be for the sole account of the Operator in which the Government will not participate.

ARTICLE 6. *Allowable costs of the project.*—(*a*) The costs of the project in which the Government will participate are limited to the following:

(1) *Independent contracts.*—Payments to independent contractors under independent contracts listed in Exhibit "A." The estimated cost of any work to be performed under an independent contract is or shall be included in the estimate of costs in Exhibit "A" in terms of the estimated numbers of units of work to be performed, the estimated amount to be paid per unit, and the estimated total amount to be paid to the independent contractor, and such estimates shall be allowable maximums above which the Government will not contribute. Regardless of the provisions of any such independent contract, the Government will participate in the payments to the independent contractor only on account of work actually performed and that conforms with the provisions of the exploration project contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable and necessary. No such independent contract shall have the effect of increasing the estimated total cost of the exploration project contract nor the maximum amount which the Government will pay as provided in the exploration project contract.

(2) *Labor, supervision, consultants.*—Labor, supervision and technical services (including engineering and geological consultants), a schedule of which is included in the estimate of costs set forth in Exhibit "A." The requirements and related estimated costs for supervision and technical services are allowable maximums.

(3) *Operating materials and supplies.*—Necessary materials and supplies including items of equipment costing less than $50.00 each, and power, water, and fuel, a schedule of which is included in the estimate of costs in Exhibit "A."

(4) *Operating equipment.*—Any operating equipment to be rented or purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or the allowable depreciation, as the case may be, a schedule of which is included in Exhibit "A." Any items listed as owned and to be furnished by the Operator, and related ~~initial~~ allowable depreciation, are allowable maximums.

(5) *Rehabilitation and repairs.*—Any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and to be devoted to the purposes of the exploration contract, a schedule of which is included in the estimate of costs set forth in Exhibit "A." These items are allowable maximums.

(6) *New buildings, improvements, installations.*—Any necessary buildings, fixed improvements, or installations to be purchased, installed, or constructed for the purposes of the exploration work, with the estimated cost of each, a schedule of which is included in the estimate of costs in Exhibit "A." All of these items are allowable maximums.

(7) *Miscellaneous.*—Repairs to and maintenance of operating equipment (not including initial rehabilitation or repairs of the Operator's equipment), analytical work, accounting, workmen's compensation and employers' liability insurance and payroll taxes.

(8) *Contingencies.*—Such other necessary, reasonable direct costs of performing the exploration work, within the limit of the total aggregate estimate of costs, whether or not included in any schedule of costs in Exhibit "A," as may be approved by the Government in the course of the work, as indicated by its approval and payment of invoices and vouchers.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] State name, address, and nature of organization if any.
[3] Give legal description or enough to identify the property, particularly excluding any land or interest therein to which the Government's lien is not to attach or the production from which is not to be subject to the Government's percentage royalty.
[4] Strike out the provision not applicable.
[5] Name of mineral or minerals.

EXPLORATION PROJECT CONTRACT
AUBREY MINNEY
ECCHO NO. [illegible]-2455

EXHIBIT "A"

Description of the Work

The work below indicated is to be done in two stages, but Stage II is to be undertaken only after completion of Stage I, and the location and extent of the work is to be dependent upon the results of Stage I and to be undertaken only upon the expressed approval of the Government. The location of the underground work to be done is shown on the attached map marked Exhibit "C" and made a part hereof, but the cross-section sizes of the underground workings shown below are approximate only.

STAGE I

Dismantle existing 15' x 25' hoist house with equipment and shaft headframe with waste bunker and reconstruct at new shaft site. Sink a 4' x 4' x 8' deep timbered well and construct a pump house. One 3-room house on the site is to be purchased and reconditioned for living quarters, an 8' x 10' bathhouse being added, a 300-gal. water tank erected on a framework and an outside toilet constructed, and a 2-room house off the site is to be rented.

Sink a 70' deep, 2-compartment vertical-timbered shaft with hoisting compartment 45" x 45" and the manway compartment 21" x 45" in the clear of timber.

Drive a crosscut 4' x 6.5' in cross section 50 feet to and through dyke from bottom of shaft.

Drive a drift 4' x 6.5' in cross section along the dyke in a northern and southern direction from the crosscut.

STAGE II

Drive 100 feet of drift or crosscut to explore walls of dyke.

Drive 60 feet of raise along the dyke 4' x 4' in cross section in the clear of timber.

Sink 50 feet of winze along the dyke 4' x 4' in cross section in the clear of timber.

Estimated Costs of the Project
(*Indicates allowable maximum)

In both Stages I and II, the Government will contribute to the costs of shaft sinking, drifting, crosscutting, raising and winze sinking on the basis of the agreed estimated unit costs per foot indicated below, as they accrue, for units of work actually performed in lieu of actual costs. These unit costs include all costs of the work (including all

engineering, geology, sampling, sample analysis, mapping and accounting costs) except those scheduled below to which the Government will contribute on the basis of actual costs as set forth in Article 6 of the contract.

Agreed Unit Costs

Stage I

Shaft sinking 70 feet (88) @ $42.225/ft.*	$2,955.77	
Crosscutting 50 feet (70) @ $23/ft.*	1,150.00	
Drifting 250 feet @ $23/ft.*	5,750.00	
Total Unit Costs, Stage I		$9,855.77*

Stage II

Drifting or crosscutting 100 feet (61) @ $23/ft. *	$2,300.00	
Raising 80 feet @ $25/ft. *	2,000.00	
Sinking winze 50 feet @ $37/ft. *	1,850.00	
Total Unit Costs, Stage II		$6,150.00*

Scheduled Actual Costs
(In Stage I only)

(1) Independent Contracts

None

(2) Labor, Supervision, Consultants

None, except as indicated in (5) and (6).

(3) Operating Materials and Supplies

Miscellaneous cooking equipment and household furnishings	$ 120.00*

(4) Operating Equipment

None

(5) Rehabilitation and Repairs

Remove existing hoist house (a 15' x 25' corrugated galvanized iron building) and hoisting equipment and reconstruct both at new shaft site.	$264.43	
Remove existing headframe and ore bunker and construct a 5' x 5' x 10' high headframe with waste bunker at new shaft site by using material salvaged from existing headframe	221.38	
Purchase one 3-room house on site for living quarters and repair for living condition and construct an 8' x 10' washroom addition for the 3-room house and an outside toilet	576.90	$1,062.71*

(6) New Buildings, Improvements, Installations

Sink a 4' x 4' x 8' deep, timbered well and construct a corrugated G. I. pump house	$179.62	
Purchase a 300-gal. water tank and erect it on an 8' high timber frame	131.90	$ 311.52*

Note: The costs estimated in (5) and (6) include all costs of every kind, except those indicated in (3).

(7) Miscellaneous

One 2-room house off-site to be rented for 5 months @ $20/mo.	$ 100.00*

One 3-room house as indicated in (5).

(8) Contingencies

None

SUMMARY

Estimated Cost Stage I	$11,450.00*	
Estimated Cost Stage II	6,150.00*	
Total Estimated Cost of Project		$17,600.00*
Government Participation 75%		$13,200.00*

119 Cayuga Street
Salinas, California

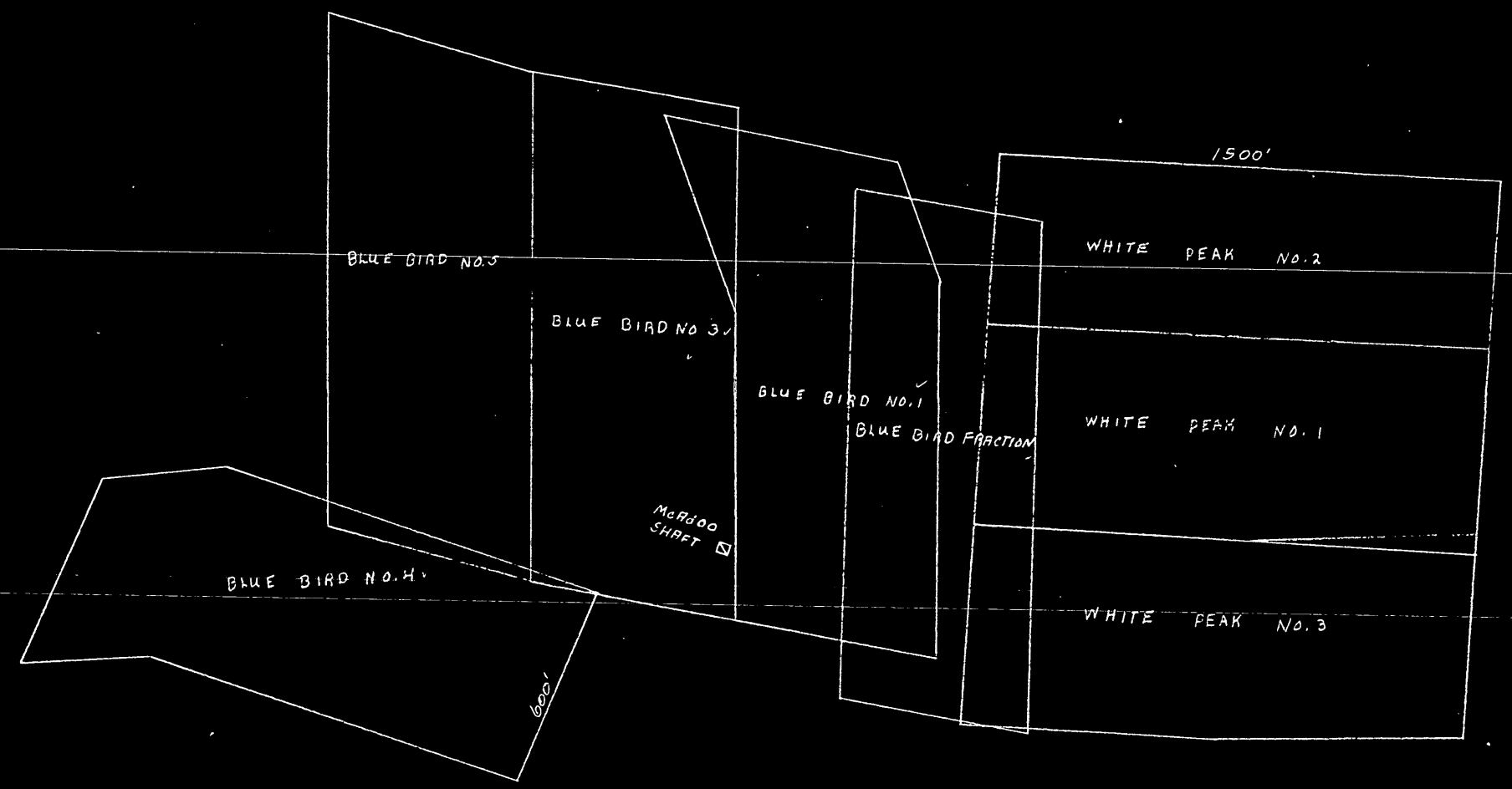
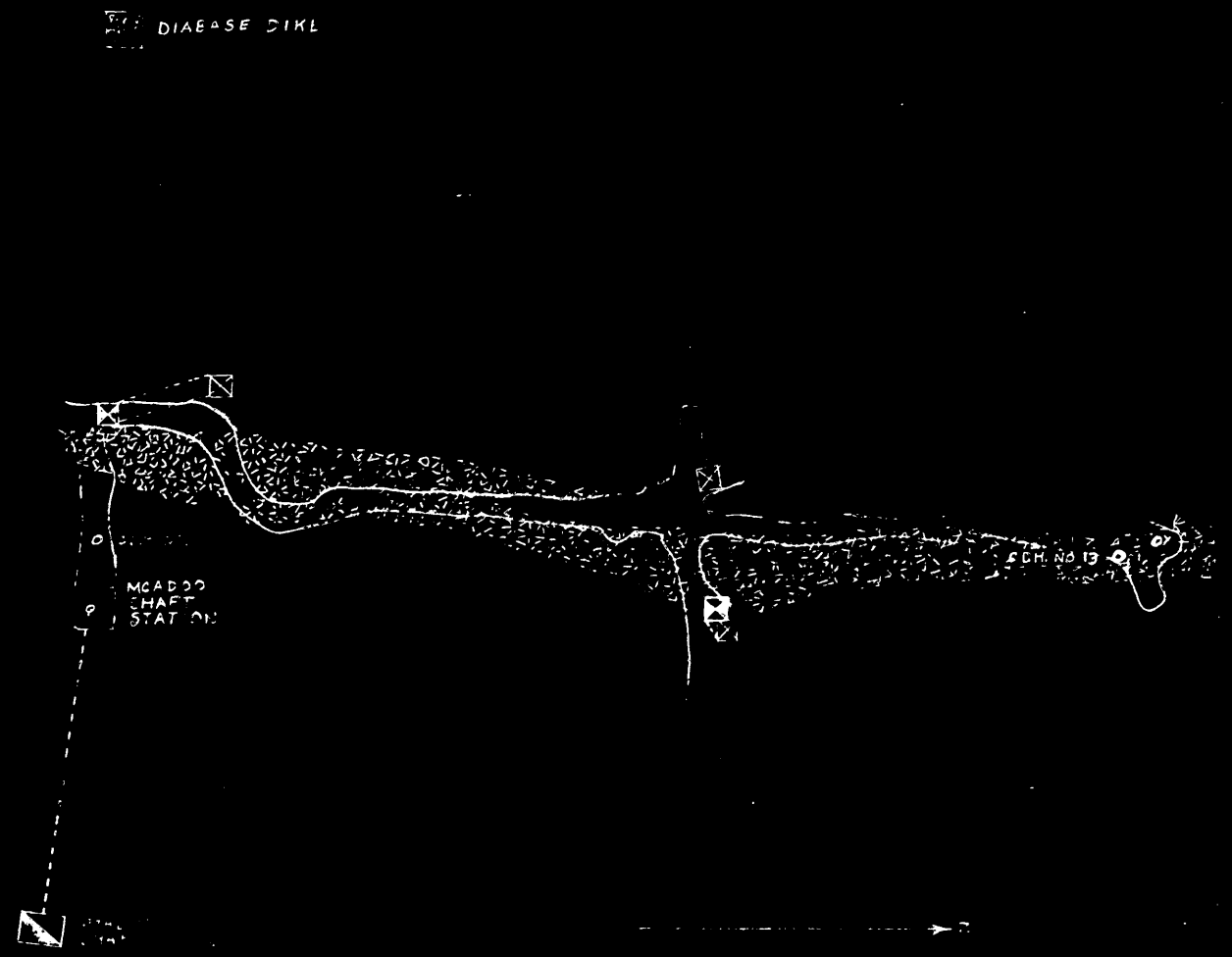


Exhibit "B"

PLAN OF CLAIM LAYOUT BOTTLE CREEK QUICKSILVER DISTRICT

AUBREY MINNEY
119 CAYUGA STREET
SALINAS, CALIFORNIA



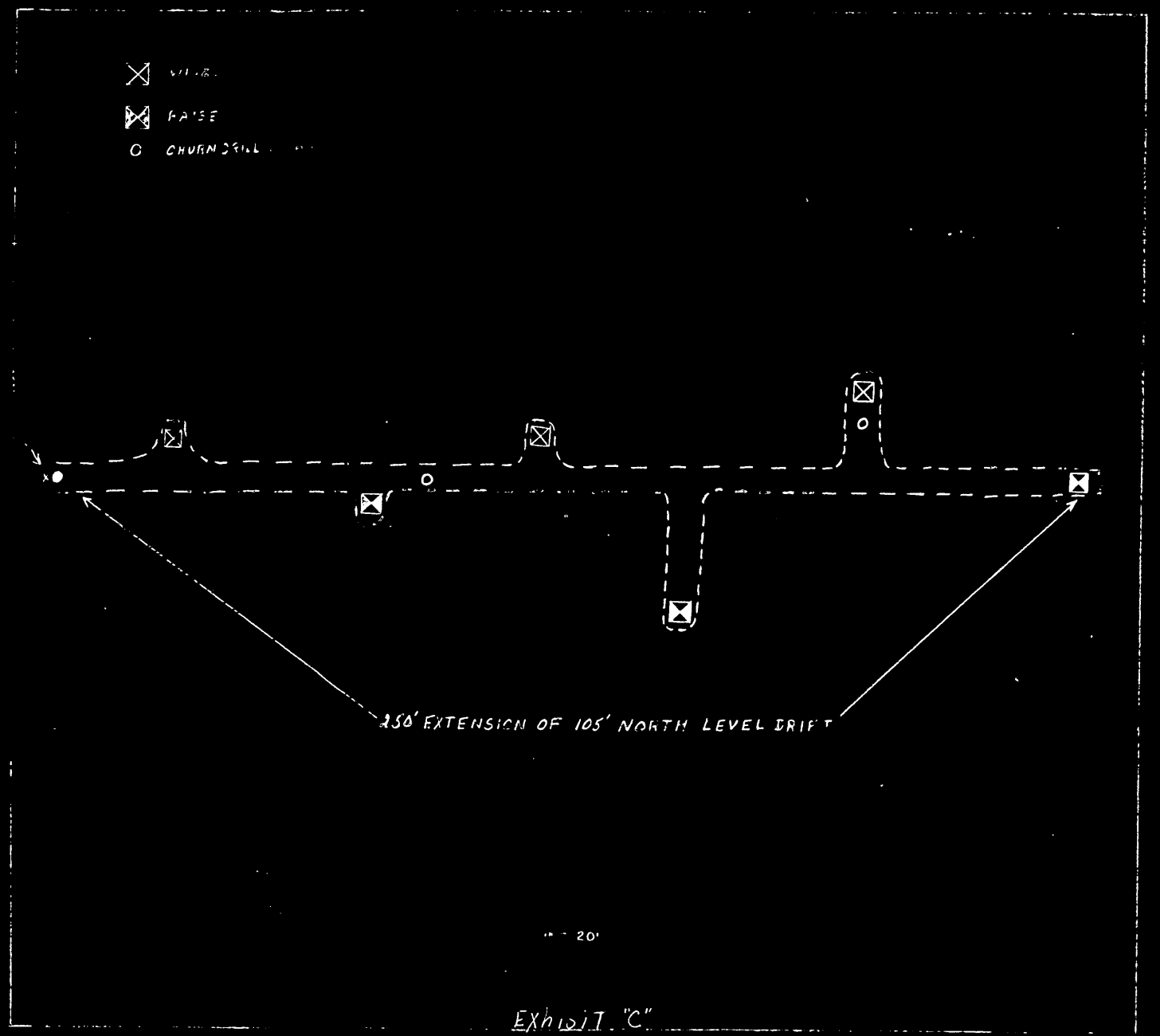


Exhibit "C"

4/7/52

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

April 1, 1952

Memorandum

To: Defense Minerals Exploration Administration, Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Application for Exploration Loan (Mercury) - Aubrey Minney, 119 Cayuga Street, Salinas, California

Reference is made to my subject memorandum to you dated March 26.

Attached are the three copies of MF-100 forms which I promised to send to you as soon as received. Kindly attach them to the applicant's loan application docket.

The fourth copy of MF-100 form submitted by the applicant is being retained in this office.

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Attachment

Copy to E. H. Bailey, USGS

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 7 1952

Form MF-100
(May 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Form approved.
Budget Bureau No. 42-R1026.

GENERAL TECHNICAL DATA FOR USE UNDER THE DEFENSE PRODUCTION ACT OF 1950

NOT TO BE FILLED IN BY APPLICANT

Docket No. dmea 2455

Date received 4-7-52

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 7 1952

Aubrey Minney
119 Cayuga Street
Salinas, California

Name and address of applicant

Date March 24, 1952

INSTRUCTIONS

This form is to be filed with Defense Minerals Administration, Department of the Interior, Washington 25, D. C. It should be accompanied by appropriate application form when a specific type of Government assistance is requested, in the form of (1) loan, (2) purchase contract, (3) Government guarantee of a private loan, (4) priorities or allocation of mining equipment, and maintenance, repair and operating supplies, and (5) other forms of Government assistance that might arise under the Act. Submit four (4) signed copies of the form and accompanying papers. Name and address should be stamped or typed on each sheet of this form and all accompanying papers. *When a question is inapplicable it should be so stated on the form.* Additional sheets may be attached in answering any questions or in supplying additional information. (IF YOU CANNOT ANSWER A QUESTION, SO STATE.) If a question is answered elsewhere indicate where answered. It is not necessary to answer it again.

GENERAL TECHNICAL DATA

Supply the following information on separate sheets, arranged, numbered, and lettered as indicated:

1. Materials produced:
   (*a*) What are the chief mine, mill, or smelter products?
   (*b*) What are the byproducts, if any?
2. Name(s) and type(s) of mine(s), mill(s), smelter(s), refinery(ies), pit(s), quarry (ies), drilling operation(s). Include old names of property, if any. Show extent of workings, including the following:
   (*a*) Linear feet of shafts.
   (*b*) Linear feet of drifts and crosscuts.
   (*c*) Linear feet of tunnels or adits.
   (*d*) Linear feet of other mine openings (explain briefly).
   Indicate whether mine is flooded or not. Describe any pumping problems. Give size or productive capacity.
3. For each operation listed above supply the following:
   (*a*) Distance and direction from nearest town and shipping point.
   (*b*) Mining district.
   (*c*) Township, Section, Range.
   (*d*) County, State.
4. (*a*) State whether or not property is now in operation, and if in operation, by whom operated.
   (*b*) Are you operating this property as:
   - [x] Owner.
   - [ ] Lessee.
   - [ ] Contractor.
5. Number of years in production 4 years: From 1939 to 1942, inclusive.
   If not in production or operation, estimated date when production will begin June, 1953.
6. Experience of operators:
   Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who manage the project.
7. History:
   (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for suspension of operation.
   (*b*) State briefly the known history and production of adjoining and neighboring properties.
   (*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.

8. Names and addresses of Officers, Directors, or Partners, and in addition thereto, the five largest stockholders if applicant is a corporation.

Name and Address (a)	Official Title (If officer is also director indicate by "D") (b)	Total of Annual Salary, Commissions, Bonuses, Etc., Received From Applicant and Affiliates During Last Fiscal Year (c)	Estimated Net Worth Outside of Interest in Applicant (d)	Number of Shares Held in Applicant Corporation		Life Insurance Carried for Benefit of Applicant	
				Common (e)	Preferred (f)	Amount (g)	Net Cash Surrender Value After Loans (h)
Not applicable.							
	Total		x x x x x			x x x x x	x x x x x

If more lines are needed continue on separate sheet.

9. Capital Stock Issues:

For Corporate Applicants

Item	Authorized (a)	Outstanding (b)	Par Value (c)	Number of Shares Outstanding (d)	Dividend Rate Last Paid* (e)
Not applicable.					
Common stock	$	$	$		
Preferred stock	$	$	$		

*Indicate period covered.

10. Production:

Item	Kind of Product (a)	1948 Total (b)	1949 Total (c)	1950 Total (d)	Present Average Monthly (e)
Not applicable.					
1. Quantity of product mined or quarried (Short, long, metric tons; barrels; pounds; etc.)					
2. Quantity of product processed (specify unit of measure and type of process)					
3. Quantity and grade of product sold or shipped (specify units of measure)					

11. Do you contemplate a change in the present average monthly rate of production? If so, state estimated maximum monthly production and basis of change.

12. Ore or Mineral Reserves:

(*a*) Describe the ore or mineral deposit briefly. Accompany the application by any available report on the geology and ore reserves.

(*b*) If deposit is other than placer:

(1) Submit assay plans and/or sections showing location and size of proved (measured) and probable (indicated) ore or mineral reserve.

(2) State the tonnage (indicate type of ton) and grade of each class of ore reserve, as above, and show how computed. Tabulated total ore reserve as follows:

TOTAL ORE OR MINERAL RESERVES

Ore or Mineral Reserve	Estimated Tons (a)	Metal or Mineral Content Per Ton (Grade) (b)	Gross Value Per Ton (c)	Recoverable Unit Value Per Ton (d)	Estimated Cost of Production Per Ton (e)
Measured (proved)					
Indicated (probable)					

(*c*) If placer:

(1) Give estimated total yardage and average marketable mineral content of each deposit.

(2) Submit map showing location of placer deposit and surrounding area, with all test holes or pits. Submit logs of each hole and test pit with depth and average value of each.

(3) Describe gravel, stating whether fine, medium or coarse; loose, tight, cemented, or frozen, and whether it contains stumps or boulders more than 1 foot in diameter; if so, how large, and in what proportion.

(4) Describe bedrock, giving type (granite, sandstone, shale, etc.) and state whether it is hard or soft, smooth, uneven or rough.

(5) Describe overburden, stating whether loose, tight, or cemented; fine or coarse textured; furnish estimate of average thickness and total amount.

(6) Tabulate the reserves using the form outlined above for ore or mineral reserves.

13. Access Roads:

Give road distances to shipping, supply and residence points, stating kind and condition of roads.

14. Water Supply:

State source and quantity of water available for operations and whether sufficient for all seasons of year.

15. Power:

State amount of power used, rate per hour, and source thereof.

16. Labor:

State number and classes (miners, muckers, millmen, etc.) of men employed during a recent representative payroll period.

17. Equipment and Facilities:

Describe present equipment on the property, including buildings. (State condition.) List major pieces of equipment now owned or controlled and in serviceable condition available for this operation.

18. Are there any particular conditions or circumstances affecting your operations that are not described above? If so, explain.

CERTIFICATION

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this form and accompanying papers is correct and complete to the best of their knowledge and belief.

None
(Name of company)

By Aubrey Minney
(Signature of authorized official)
Aubrey Minney

March 24, 1952
(Date)

Owner of McAdoo Property.
(Title)

Title 18, U. S. Code (Crimes), Section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

U. S. GOVERNMENT PRINTING OFFICE 16—63792-1

Aubrey Minney
19 Cayuga Street
Salinas, California

1. Materials Produced:

   (a) Mercury is the mill product from the McAdoo Mine.

   (b) There are no byproducts.

Aubrey Minney
119 Cayuga Street
Salinas, California

2. The mine since discovery and during its productive period has been known as the McAdoo Mine.

The type is of inclined shaft, with drifts, crosscuts and stoping methods employed.

There remains on the property a 30-ton Nichols Herreshoff furnace of the multiple hearth type. Of the complete mill, only the furnace, central shaft and revolving rabble arms remain.

There are no pits, quarries, or drilling operations.

(a) There is about 125 linear feet of inclined shaft.

(b) Linear feet of drifts, crosscuts and stopes distributed on the 20-, 31-, 52-, 78- and 105-foot levels, some of which are caved or filled, aggregate approximately 1,300 linear feet.

(c) There are no tunnels or adits.

(d) The Blue Can Mine adjacent to, and connected underground with, the McAdoo Mine has approximately an aggregate length of 2,000 feet of underground workings.

The mine at its present depth is above the water level. However, should exploration work continue to greater depths, water would probably be encountered.

There are no pumping problems at present.

The productive capacity of previous operations has been a maximum of 40 tons per 24-hour mill run with two 8-hour mining shifts.

Aubrey Minney
119 Cayuga Street
Salinas, California

3. Location:

(a) The McAdoo Mine is located about 65 miles northeast of Winnemucca, Nevada, on accessible paved and dirt roads.

(b) Bottle Creek Quicksilver Mining District.

(c) Township 40 North, Section 7, Range 33 East.

(d) Humboldt County, State of Nevada.

Aubrey Minney
119 Cayuga Street
Salinas, California

4. (a) The property is not being operated at this time. Form MF-103 has been submitted for an exploration loan.

(b) I am the owner of the McAdoo property.

Aubrey Minney
119 Cayuga Street
Salinas, California

5. This mine was in production during the years 1939 to 1942. There has been no active mining since that time.

Depending upon approval of exploration loan, and the success of the project, production can be expected in early 1953.

Aubrey Minney
119 Cayuga Street
Salinas, California

6. Experience of operator:

(a) During the latter part of 1941 and until such time as the McAdoo Mine discontinued operations in September 1942, I was engaged as the mine's general manager and superintendent. Over this period I supervised and directed all underground activities, mill operations, authorized all mine expenditures - and, in general, was accountable for all functions regarding the McAdoo Mine.

Since that time my experience has been periodical to the extent that my regular business would permit. I have been engaged to some degree each year in exploration work on the McAdoo property. Also, in this interval I have had occasion to lease and work quicksilver prospects in northern California.

My practical knowledge in all-around mining has been such as to qualify me for drilling and blasting with drifters or stopers, timbering, mucking, tramming, hoisting - in general, all underground and surface assignments. I feel that my experience in both practical and technical knowledge is sound and sufficient to cope with mining problems.

I am employed by The Pacific Telephone and Telegraph Company in the capacity of District Construction Superintendent, and have held this position for the past six years. My responsibilities include supervising an organization of 130 subordinates, together with maintaining and operating a fleet of 59 light and heavy construction trucks, storerooms and storage areas, buildings, and supervising office personnel. Operations consist of programing, estimating, constructing and maintaining, and accounting for outside plant communications over an area of 175 miles. I have over 25 years of service with this company, 20 years of which have been as a supervisor.

Personal information: My age is 46; I am in excellent health, and capable of arduous work.

I plan to apply for a leave of absence from the Telephone Company in the event that approval is granted for this exploration project.

(b) I, the applicant, will manage the project, exploration work, and any future production work.

Aubrey Minney
119 Cayuga Street
Salinas, California

7. (a) The McAdoo Mine was discovered in 1936 by Dr. W. C. McAdoo. During part of 1937-1938 the property was leased by the Fulton Quicksilver Company who did little or no work on it. In May 1939, a two-pipe retort was installed by H. Baldwin and Dr. W.C. McAdoo, four more pipes were added two months later, and late in the year an additional two pipes were added. Using these retorts, 161 flasks of quicksilver were recovered in 1939. By September 1940 a 30-ton Herreshoff furnace had been installed and production to the end of the year amounted to 838 flasks. During 1941 an additional 629 flasks were recovered from the furnace.

The ground of the McAdoo Mine is much less completely explored than that underlying the adjoining Blue Can property.

1,646 flasks of quicksilver were produced from the McAdoo Mine to the end of 1942.

Production was suspended in 1942 when commercial ore bodies were depleted on the Blue Can property which was under lease by the McAdoo Mine. Further exploration work was not pursued to a great degree in the McAdoo Mine.

(b) The Blue Can Mine, adjoining the McAdoo Mine, was discovered in November 1936. The mine workings are connected with the workings of the McAdoo Mine lying to the north. The property was developed in 1937 and 1938, and by the middle of January 1939, 40 flasks of quicksilver had been recovered from a two-pipe retort. Operations developed considerable ore in 1939 and, after installing a 50-ton Gould rotary furnace in 1940, 971 flasks had been recovered. From May 1941 to the end of 1941 there were recovered 605 flasks. Since 1941 some quicksilver has been recovered from the margins of old stopes.

1,728 flasks of quicksilver were produced to the end of 1943.

(c) There are no current reports available.

Aubrey Minney
119 Cayuga Street
Salinas, California

11. Not applicable.

Aubrey Minney
119 Cayuga Street
Salinas, California

12. (a) At present no well-defined ore reserves are apparent. However, indications such as high-grade cinnabar stringers that now exist in the 105-foot level north drift are very attractive and could lead to the discovery of commercial ore bodies.

Other data may be obtained from University of Nevada Bulletin dated December 1944, "Quicksilver Deposits in Nevada", by E. H. Bailey and David A. Phoenix, Geologists, U. S. Geological Survey.

(b) Not applicable.

(c) Not applicable.

Aubrey Minney
119 Cayuga Street
Salinas, California

13. Access roads:

The McAdoo property is approximately 65 miles northeast of Winnemucca, Nevada, the nearest shipping, supply and residence center.

Approximately 80% of the distance is a main-traveled paved road, the remainder being a gravelled road traversable the year-round.

Aubrey Minney
119 Cayuga Street
Salinas, California

14. Water supply:

Water is available from a timbered well at site of live spring. This source in the past has provided abundant water for all mill, mine and domestic uses, throughout the seasons.

Aubrey Minney
119 Cayuga Street
Salinas, California

15. Power:

There are no power utilities in this area. Required energy will be developed by fuel-driven engines.

Aubrey Minney
119 Cayuga Street
Salinas, California

16. There has been no mining personnel engaged in the recent past.

List of proposed mining personnel for exploration work has been submitted with Form MF-103.

Aubrey Minney
119 Cayuga Street
Salinas, California

17. Equipment and facilities:

Corregated iron sheet metal hoist house in usable condition.

Corregated iron sheet metal pump house, partly wood structure, in usable condition.

Shaft headframe with superstructure and ore bunker, and including all shaft timbering, in usable condition.

710 feet of air line and water line in usable condition.

Underground earth-covered powder magazine in usable condition.

260 feet of tram track in usable condition.

One hoist, 25 h.p., gasoline, single drum, equipped with 250 feet 5/16-inch steel flexible line, in good condition.

One pump, water, gasoline, 1-1/2-inch, 3 M. gallon, self-primed, in good condition.

One utility trailer, equipped with 200-gallon water tank, in good condition.

One ore car, in usable condition.

Aubrey Minney
119 Cayuga Street
Salinas, California

18. There are no particular conditions or circumstances affecting operations that are not described in the foregoing.

DMEA-2455

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

March 26, 1952

Memorandum

To: Defense Minerals Exploration Administration, Interior Building, Washington, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Application for Exploration Loan (Mercury) - Aubrey Minney, 119 Cayuga Street, Salinas, California

Attached are three copies of loan application dated March 24, which was filed with this office on March 25.

Applicant has been requested to submit four copies of MF-100 form which will be done in a few days. When the MF-100 forms are received, three copies will be sent to you.

The fourth copy of the application is being retained by this office and a field examination will be made when an engineer and/or a geologist are in the vicinity of the property.

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Attachments

Copy to E. H. Bailey, USGS

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 31 1952

Form MF-103
(Revised June 1951)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.1.

MF-103 Should Be Filed With General Technical Data Form MF-100

APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5, UNDER DEFENSE PRODUCTION ACT OF 1950

Not To Be Filled in by Applicant

Docket No. DMEA-2455
Metal or Mineral
Date Received 3-31-52
Amount $
Participation (Government %)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 31 1952

Aubrey Minney
119 Cayuga Street
Salinas, California

Name and address of applicant

Date March 24, 1952

If you have already filed MF-100, give date filed None filed., type of assistance requested ---,

DMA Docket Number (if available) --

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four copies each, of the signed application form, General Technical Data Form MF-100, and answers to questions as specified, to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive office thereof, with your name and address on each sheet of the application and all accompanying papers. If you have previously filed MF-100, it is not necessary to file it again. However, you should indicate in space provided above the type of assistance previously applied for (loans, procurement contracts, etc.) and DMA Docket Number, if available. *When a question is inapplicable it should be so stated in the form.* Additional sheets should be attached in answering any questions or in supplying additional information. IF YOU CANNOT ANSWER A QUESTION, SO STATE.

1. (*a*) Give a description of the real property that will be in any way involved in the exploration project, including any existing mine or operating property.

   (*b*) If you are not the owner of the property, submit a copy of the lease, purchase option, or other agreements under which you are authorized to operate the property with each copy of your application.

   (*c*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted.

   NOTE: (1) If both areas are the same, so state. The only obligation to repay the Government is from the net earnings from any commercial discovery made in the area specified in (*c*) above in which the exploration is to be conducted, and the expenditure of funds which may be charged as costs of the project must be limited to that area or to work necessary to perform the exploration in that area.

   (2) If applicant is not the owner of the property or if there are any liens or encumbrances against the property, copy of agreements of claimants, lienors, encumbrances, and lessors subordinating their interests in the property to the interest of the Government under the Exploration Project Contract will be required for attachment to the Contract.

2. (*a*) What metals or minerals do you expect to find?

   (*b*) Furnish statement of the geologic features of your property, giving type of ore deposit and reasons for expecting to find commercial ore bodies. Illustrate with maps or sketches. If you have a geologic or engineering report, or assay maps showing width and grade, please send them with application, stating whether or not you wish to have them returned.

The information requested in questions 3, 4, 5, 6, 7, 8, and 9 below should be answered specifically and in detail, as this information will be attached to and incorporated as part of the Exploration Project Contract, if such contract is entered into with you by the Government.

ANSWER EACH QUESTION ON SEPARATE SHEETS OF PAPER AND SUBMIT A COPY OF EACH ANSWER FOR EACH COPY OF YOUR APPLICATION.

3. (*a*) Describe fully the proposed work and give the total cost of the project.

   (*b*) State the time required to start the project and to complete it.

4. Submit a map or sketch of the property involved showing a plan (and cross section, if needed) of the present mine workings and the *location of the proposed exploration work* as related to geologic features, such as contacts, veins, ore-bearing beds, etc.

5. Furnish an itemized list of existing facilities, buildings, installations, and fixtures with a statement of the cost of any necessary rehabilitation or repairs to put into useful and operable condition.

6. Furnish a detailed list of additional facilities, buildings, and fixtures to be purchased, installed, or erected by you, with the estimated cost of each item.

7. Furnish a detailed list of operating equipment, separated into items to be—

   (*a*) Rented

   (*b*) Purchased

   (*c*) Furnished by you

   with the rental, purchase price, or depreciation of each item, as the case may be, to be charged as a cost of the project.

8. Furnish an itemized schedule of labor, by numbers and classes (miners, muckers, etc.) and of supervisors by numbers and positions, with the maximum wages or salaries to be paid to each.

9. Furnish a detailed list with estimated cost of each item for materials, supplies, engineering, assaying, accounting, power, water, utilities, and any other items not provided for above.

10. (*a*) How much are you prepared to invest in the proposed project?

    (*b*) Is this amount sufficient to pay your part of the cost of the project, in accordance with the regulations on Government participation (Sec. 9 of MO–5)?

11. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

CERTIFICATION

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this form and accompanying papers is correct and complete to the best of their knowledge and belief.

None
(Name of company)

By Aubrey Mimney
(Signature of authorized official)
Aubrey Mimney

March 24, 1952
(Date)

Owner of McAdoo Property.
(Title)

Title 18, U. S. Code (Crimes), Section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

U. S. GOVERNMENT PRINTING OFFICE 16—64067-2

Aubrey Minney
119 Cayuga Street
Salinas, California

1. (a) Description and Location of Proposed Exploration Project

The property for which this exploration loan is proposed is known as the McAdoo mine. This property is located in the Bottle Creek Quicksilver District, Humboldt County, Nevada, in Township 40 North, Range 33 East, in the northwestern foothills of Jackson Mountains. It is about 65 miles by road northeast of Winnemucca, Nevada. Approximately 80% of the distance is paved, the remainder, a graveled road.

The real property which will be involved consists of mining claims Blue Bird No. 3 and Blue Bird No. 1. The McAdoo mine is located on a diabase dike near the south end of the Blue Bird No. 3 claim. The mine is developed at this point by an inclined shaft which extends through the 20-, 31-, 52- and 78-foot levels, and bottoms at the 105-foot level. To the north, the 105-foot level drift extends along the dike for a distance of 225 feet, all of which is located on mining claim Blue Bird No. 3. The proposed exploration work will further extend this drift in a northerly direction. In so doing, this drift will cross the boundary into mining claim Blue Bird No. 1.

(b) I, Aubrey Minney, am the legal owner of this property,as recorded in records of Humboldt County, Nevada, Book 67, Page 240. (Copy of deed attached.)

(c) Legal descriptions of mining claims Blue Bird No. 3 and Blue Bird No. 1 are attached.

2. (a) The proposed exploration work is in quest of mercury.

(b) Geologic Features of the Property

The geology of the McAdoo mine is a series of complexly folded and volcanic and sedimentary rocks of pre-tertiary age and a group of volcanic and sedimentary rocks of tertiary age which have been subjected to some faulting and to gentle folding. Intermediate in age is a diabase dike which cuts the older series but is overlain uncomfortably by tertiary rhyolites.

This dike is much distorted and faulted, this fact being in part responsible for the localization of ore bodies. Steeply dipping normal faults cut the dike, off-setting sections of it along the strike. In the McAdoo mine, where the dike has been explored at the 105-foot level for a horizontal distance of 225 feet to the north, it dips steeply to the west. It cuts altered sediments and is capped by 20 to 40 feet of rhyolite.

In addition to the normal faults, the dike is cut by a series of flat faults which, at the McAdoo mine, results in "upper", "middle", and "lower" sections. The upper and lower

Aubrey Minney
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Salinas, California

sections have produced many high grade stopes. The exact relationship of this flat faulting to the disposition of ore is not apparent. The faulting is at least post-ore since "high grade drag" has occurred in some of the fault zones.

A third variable feature of the dike is the occurrence of "rolls", which were responsible for some of the richest ore concentrations. The "rolls" are not in evidence at the workings as they stand now because of the caving of old stopes.

Associated minerals with the cinnabar are scarce, those most in evidence being chalcedony and calcite, with occasional stibnite and marcasite. The ore-bearing solutions rose along the zones of weakness in which the diabase occur, and where trapped structurally deposited ore bodies by impregnation and replacement.

Types of Ore Deposits

Cinnabar occurs as impregnations and replacements in and along the walls of the diabase dike. In some of the stopes almost the entire dike was replaced by cinnabar. The ore bodies have generally been small, but of very high grade. Ore has been found on both the hanging wall and foot-wall of the dike, apparently being primarily controlled by structure. The deposits are of the hot-springs type, associated with the volcanic activity evidenced by the rhyolite flows in the area.

The output of the McAdoo mine from such ore bodies during the period 1938-1942 is reported to have been 1648 flasks.*

Reasons for Expecting to Find Commercial Ore Bodies

Considering that only 225 feet of the dike has been tapped north of the McAdoo shaft, there still remains a great deal of virgin ground along the existing dike which offers excellent possibilities of containing commercial ore deposits. In extending this drift it is expected that such fault zones as were responsible for previous ore deposits will be encountered. It has been established that the original dike has been subjected to a series of easterly-dipping flat faults and rolls. Portions of the displaced dike have been mined out from the 20-foot level through a series of faults which has continued through all levels to the mine's present depth. The depth of the 105-foot level drift is considerably below the flat faults which are in evidence in the McAdoo shaft. It is expected that the upper faults will continue to greater depths, in which case they would be intercepted by the extension of the north drift.

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*Bailey, E.H., and Phoenix, D.A., "Quicksilver Deposits in Nevada", Univ. of Nevada Bulletin, Vol. 38, No. 5, pp. 83-86, Dec. 1944.

Aubrey Minney
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Salinas, California

3. (a) Description of Proposed Work

Clean out caved material and timber unsafe portions of underground workings in the McAdoo shaft and the 105-foot level north of the shaft.

Extend the north drift of the 105-foot level 250 feet beyond its present face. Drift dimensions to be 4 ft. wide by 6½ ft. high. Lay tram track, water and air lines as required in the extension of the north drift. Tram, hoist and dispose of waste material during progress of work.

Crosscut dike at approximately 50-ft. intervals to tap both the hanging and the foot-walls. Deviate from this plan where it becomes necessary to follow promising leads such as high-grade stringers or dike faults. Tram, hoist and dispose of waste material. Total, 80 feet of crosscuts.

Drive three 4 ft. by 4 ft. raises, one at each of the crosscuts to the east, and one at the face of the north drift extension. Construct ore chutes and manways at each of the three raises. Tram, hoist and dispose of waste material. Total, 100 feet of raises.

Sink three winzes, one at each of the three crosscuts to the west. Construct collars and headframes which will permit the hoisting of waste material. Tram, hoist and dispose of waste material. Total, 75 feet of winzes.

Sink two churn drill holes at such locations as will intercept the extension of the north drift. Considering the surface contour, a distance of 75 feet will reach the 105-foot level drift. The churn drill holes will be used primarily for underground ventilating purposes. Holes shall be located at such points as will explore promising ground. Total, 150 feet of churn drill holes.

Total cost of the project is estimated at $15,247.70.

(b) The time required to start this project will be 30 days maximum after approval of the exploration contract.

The time required to complete will be 130 working days after commencement.

It is hoped that the project will start, depending upon approval, on June 1, 1952, and completed by October 15, 1952.

Aubrey Minney
119 Cayuga Street
Salinas, California

5. Existing Facilities, Buildings, Installations, and Fixtures

One corregated iron sheet metal hoist house in usable condition and adequate for proposed project.

One corregated iron sheet metal pump house, partly wood structure, adequate and in usable condition.

One well, 4' x 4' x 8' depth, timbered. Well located on dependable spring; water available throughout year in sufficient quantity.

Cost in labor and material to re-timber and clean out well - $194.74

One shaft headframe with superstructure and ore bunker in usable condition. Inclined shaft timbered and in good condition.

Air line and water line in place from collar of shaft to the present face of 105-ft. level north drift. Lines in working condition.

Tram tracks in place and in usable condition from shaft station to the face of the 105-ft. level north drift.

Cost in material and labor to clean caved ground and timber unsafe portions of 105-ft. level north drift - 389.48

One underground earth-covered powder magazine in usable condition.

Total cost to rehabilitate existing buildings, facilities, etc. $ 584.22

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119 Cayuga Street
Salinas, California

6. Additional Facilities, Buildings and Fixtures Required

Purchase one 3-room frame building at site of exploration project. (Owned by P. J. Menicucci.)	$ 150.00
Purchase one 2-room cabin at site of exploration project. (Owned by P. J. Menicucci.)	100.00
Cost of rehabilitating the above two buildings, material and labor.	194.74
Construct an addition to the above 3-room building, one 8' x 10' washroom and bath house. Material and labor.	296.50
Construct one outside toilet.	65.00
Construct framework to support a 300-gal. water tank at the rear of 3-room building. Elevate tank 8 ft. above ground.	86.26
Purchase one 300-gal. water tank.	125.00
Purchase one wash tray.	12.00

Materials to be purchased for the above construction and repairs of buildings and facilities. Costs are included in the above amounts.

1000'	1"x12" D.fir	@ $130. m.
3 rolls	Roofing paper	@ $ 3.80
1	Panel door	$ 4.25
2	Windows, 4'x 4'	@ $ 5.00

Household furnishings required. (second hand)

4 cots	@ $5.00	4 matresses	@ $4.00
6 chairs	@ $2.50	2 tables	@ $5.00

1 heating stove $12.00 — 73.00

Cooking utensils, pots, pans, plates, knives, forks, etc. — 35.00

Total cost of additional buildings, facilities, etc. — $ 1137.50

Aubrey Minney
119 Cayuga Street
Salinas, California

7. Operating Equipment Required

(a) To Be Rented

		Per Month	
1	Compressor, Portable, 210 CFM	$ 225.00	
1	Jackhammer, J-50, 55-lb.	35.00	
1	Stoper	65.00	
1	Column, Rock Drill, Single Screw	25.00	
1	Drifter, Mounting	20.00	
1	Truck, Pickup, 1/2-ton	150.00	
1	Tugger	40.00	
2	Drill Steel, 7/8", Hex., 4'	5.00	
2	Drill Steel, 7/8", Hex., 6'	8.00	
2	Hose, Air Line, 3/4", 50' Length	14.00	
2	Hose, Water, 1/2", 50' Length	10.00	
1	Oiler, Air Line	2.00	
		$ 599.00	
1	Churn Drill with operator @ $7.50 per hr. Five 8-hr. shifts	300.00	
			$ 899.00

(b) To Be Purchased

No operating equipment to be purchased.

(c) To be Furnished by Applicant

1	Utility Trailer, equipped with 200-gal. water tank	$ 65.00	
1	Hoist, 25 hp, Gasoline, Single Drum, equipped with 250' 5/16" steel flexible line	69.00	
1	Pump, Water, Gasoline, 1-1/2", 3M gal., self-primed	39.00	
			$ 173.00

DMA approval required for inclusion of rental for the above listed equipment.

$1072.00

Aubrey Minney
119 Cayuga Street
Salinas, California

8. Mining Personnel - Schedules and Salaries

	8 Hr. Shift	12 Hr. Shift	Net Wage* Per Mo.	
1 Supt. and Miner** (Owner, Self-employed)		$18.91	$500.00	30-day basis
1 Hoist Man	$12.80		265.30	26-day basis
1 Mucker	12.00		244.50	26-day basis
1 Cook	7.50		157.50	30-day basis
			$1167.30	

*Above Monthly Wage is "take-home" pay after deduction for board at $2.25 per day ($67.50 per month).

**Superintendent and Miner assignment will include caring for all general accounting, supervising all surface and underground operations, mapping and submitting reports required by DMA, approve the purchase of materials and supplies, set up drill and blast for all underground work.

Aubrey Minney
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Salinas, California

9. Materials, Supplies, Engineering, Assaying, and Utilities

500'	Pipe, Black Steel, 1½", @ $29.00 per 100'	$ 195.00	
500'	Pipe, Black Steel, 3/4",@ $17.07 per 100'	85.35	
1	Die, Set, Pipe Threading, 3/4"-1½"	36.65	
300'	Tram Track	150.00	
	Pipe Valves and Fittings	15.00	
1	Pipe Cutter, 1/8"-2"	12.95	
1	Pipe Vise	13.00	
75	Timkin Rock Bits, 1-5/8", @ $.485	36.38	
75	" " " 1-1/2", @ $.470	34.55	
75	" " " 1-3/8", @ $.448	33.60	
	Incidental Hardware	25.00	
500'	2" x 12" - #2 D. fir @ $120.00 M.	120.00	
150'	8" x 8" - #2 D. fir @ $135.00 M.	112.00	
			$ 869.48

	Per Month
Dynamite, 60%	$ 138.00
Blasting Caps	37.18
Blasting Fuse	27.04
	$ 202.22
Food Supplies	$ 270.00
General Repairs and Maintenance	35.00
Drayage	125.00
Gasoline and Oil	100.00
Coal and Fuel	35.00
Incidental Household Goods	25.00
	$ 590.00
Engineering	$ 75.00
Assaying	45.00
	$ 120.00

Total Monthly Expense $ 912.22

$ 1781.70

Aubrey Minney
119 Cayuga Street
Salinas, California

10. Investment by Applicant in the Proposed Project

(a) I am prepared to invest the sum of $4,000.00, deposited in a bonafide account, or in any manner which will meet with the requirements of DMA contract.

Supplemental money will be available if necessary to care for current expenditures pending reimbursement by DMA.

(b) The above specified amount will be sufficient to maintain my share of this proposed exploration cost. If necessary, the supplemental amounts will be used.

Aubrey Minney
119 Cayuga Street
Salinas, California

11. All pertinent conditions and circumstances regarding the McAdoo property have been brought out in the foregoing. I shall be glad to furnish any additional information which may be required.

C O P Y

(C) (I)

Recorded at request of

Eve Mendoo

Oct. 11, 1950 at 10

Min. past 4 o'clock PM

Book 67 page 240

Deeds

Records of Humboldt Co., Nev.

(Sgd.) J. L. Germain
County Recorder

(Sgd.) Helen J Cooley Deputy

No. 83886

Aubrey Minney
119 Cayuga Street
Salinas, California

C O P Y

THIS INDENTURE, made this 11th day of October, A. D. 1950, by and between EVA McADOO, a widow, of the City of Winnemucca, County of Humboldt, State of Nevada, the party of the first part, and AUBREY MINNEY, a single man, of Salinas, California, the party of the second part,

WITNESSETH: That the said party of the first part, for and in consideration of the sum of Ten Dollars ($10.00), lawful money of the United States of America, and other valuable consideration to her in hand paid by the said party of the second part, the receipt whereof is hereby acknowledged, does by these presents, grant, bargain, sell, remise, release and forever quitclaim unto the said party of the second part, his heirs and assigns forever, all of her interest in and to those certain unpatented lode mining claims, situated in the Bottle Creek Mining District, County of Humboldt, State of Nevada, and known and called, as follows, to-wit:

BLUE BIRD, BLUE BIRD #1, BLUE BIRD #2, BLUE BIRD #3, BLUE BIRD FRACTION, and ANT HILL, as said claims are more fully described on the location certificates thereof on file in the Office of the County Recorder of Humboldt County, Nevada.

Together with any and all improvements situated thereon.

TOGETHER with all the dips, spurs, angles and variations, also all the metals, ores, gold and silver-bearing quartz rock and earth, and kindred mineral substances therein; and all the rights, privileges and franchises thereto incident, appendant and appurtenant, or therewith usually had and enjoyed; and also all and singular the tenements, hereditaments, and appurtenances thereunto belonging, or in anywise appertaining, and the rents, issues, and profits thereof.

C O P Y

Aubrey Minney
119 Cayuga Street
Salinas, California

PROOF OF ANNUAL LABOR

State of California)
) ss.
County of Monterey)

A. Minney being duly sworn, according to the law, deposes and says that at least $500.00 dollars' worth of labor or improvements was performed or made upon the Bluebird, Bluebird number one, Bluebird number two, Bluebird number three, Bluebird Fraction and Ant Hill mining claims situated in Bottle Creek Mining District, County of Humboldt State of Nevada, during the year ending June 30, 1951. The labor performed and improvements made and the value thereof are particularly described as follows: Development work consisted of drifting and cross cutting in the underground workings.

The above work is now in progress and is expected to continue beyond the $500.00 now expended.

Such expenditure was made by or at the expense of A. Minney owner of said claims in accordance with requirements on the statutes of the United States, for the purpose of holding said claims.

(Sgd.) A. Minney

Subscribed and sworn to before me this 22nd day of June, 1951

(Sgd.) John Burritt
Notary Public in and for said County and State

(SEAL)

My Commission expires April 27, 1954

C O P Y

TO HAVE AND TO HOLD, all and singular the said interest in and to said mining claims above described, together with the appurtenances and privileges thereto incident, unto the said party of the second part, his heirs and assigns forever.

IN WITNESS WHEREOF, the said party of the first part has hereunto set her hand the day and year first above written.

(Sgd.) Eva McAdoo

C O P Y

STATE OF NEVADA,)
) SS.
COUNTY OF HUMBOLDT.)

On this 11th day of October, A. D. 1950, personally appeared before me, a Notary Public in and for said County and State, EVA McADOO, a widow, known to me to be the person described in, and who executed the foregoing instrument, who acknowledged to me that she executed the same freely and voluntarily and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal at My office in said County and State, the day and year in this Certificate first above written.

(Sgd.) James A. Callahan
Notary Public in and for said County and State.

My Commission expires:
February 28, 1951.

Aubrey Minney
119 Cayuga Street
Salinas, California

C O P Y

THIS INDENTURE AND AGREEMENT, made and executed in duplicate, this 11th day of October, A. D. 1950, by and between AUBREY MINNEY, a single man, of Salinas, California, the party of the first part, and EVA McADOO, a widow, of the City of Winnemucca, County of Humboldt, State of Nevada, the party of the second part,

W I T N E S S E T H:

That whereas, this date, the party of the second part has deeded to the party of the first part, all her interest in and to those certain mining claims situate, lying and being in the Bottle Creek Mining District, County of Humboldt, State of Nevada, and more particularly described as follows, to-wit:

BLUE BIRD, BLUE BIRD #1, BLUE BIRD #2,
BLUE BIRD #3, BLUE BIRD FRACTION, and
ANT HILL, as said claims are more fully
described on the location certificates
thereof on file in the Office of the
County Recorder of Humboldt County, Nevada.
Together with any and all improvements
situated thereon.

for a nominal consideration, and the love and affection that the party of the second part bears toward the party of the first part, and,

WHEREAS, the party of the first part intends to place said mining claims in production, and further desires that the party of the second part shall have an interest in the profits from the sale of the ore from said mining claims; now, therefore,

THIS AGREEMENT WITNESSETH: That the said party of the first part, for and in consideration of the sum of One Dollar ($1.00), and other valuable consideration to him in hand paid by the said

C O P Y

party of the second part, the receipt whereof is hereby acknowledged, does hereby agree with the party of the second part, that from the net profit of the sale of ore produced from the mining claims above described, that the party of the first part will pay to the party of the second part during her life time, an amount equal to ten per cent (10%) of the net ~~profit.~~ smelter return of the sale of all ore produced from the premises. That upon the death of the party of the second part, the said party of the first part will continue to pay said ten per cent (10%) of the net return to the child of the party of the second part, Mary Rynell McAdoo, her heirs and assigns; provided in any event, that such payments shall not continue for more than life or lives in being of the party of the second part and her child, plus twenty-one (21) years.

E.M.
A.M.

The party of the first part further agrees with the party of the second part, that he, the said party of the first part, will do all necessary annual assessment work to maintain the mining claims above described in good standing.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands, the day and year first above written.

(Sgd.) Aubrey Minney
Party of the first part.

(Sgd.) Eva McAdoo
Party of the second part.

C O P Y

STATE OF NEVADA,)
) SS.
COUNTY OF HUMBOLDT.)

On this 11th day of October, A. D. 1950, personally appeared before me, a Notary Public in and for said County and State, AUBREY MINNEY, and EVA McADOO, known to me to be the persons described in, and who executed the foregoing instrument, who acknowledged to me that they executed the same freely and voluntarily and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal at my Office in said County and State, the day and year in this Certificate first above written.

(Sgd.) James A. Callahan
Notary Public in and for said County and State.

My Commission Expires:
February 28, 1951.

Aubrey Minney
119 Cayuga Street
Salinas, California

THIS IS TO CERTIFY, That a mining claim named the Blue Burd No. 1 was located by Carl Stolfelt on the 16th day of Sept. 1936, situated in Bottle Creek District, Humboldt County, State of Nevada, and about four miles westerly of Bottle Creek Ranch. I claim 1500 linear feet along the course of mineral bearing ledge, lode or vein, extending 1000 feet from the location monument in a easterly direction, and 500 feet in a westerly direction, together with 300 feet on each side of the center of the ledge for the entire length of the claim.

The discovery work consists of cut situated about 50 feet in a westerly direction from the location monument and its dimensions are 4 feet wide, 6 feet high, 10 feet long and 6 feet deep, exposing ledge, lode or vein in place.

The northwest corner is marked by a post 4½ feet high, inscribed "N.W. corner Blue Burd No. 1 Mine"; the southwest corner is marked by a post 4½ feet high, inscribed "S. W. corner Blue Burd No. 1 Mine"; the southeast corner is marked by a post 4½ feet high, inscribed "S.E. corner Blue Burd No. 1 Mine"; the northeast corner is marked by a post 4½ feet high, inscribed, "N. E. corner Blue Burd No. 1 Mine." There is also a post 4½ feet at the center of each side line. The discovery work has been done and the location completed since Sept. 16th, 1936.

Dated Dec. 7th, 1936.

Carl Stolfelt

Recorded at request of Carl Stolfelt Dec. 7, 1936, at 41 min. past 3 o'clock P. M., File No. 59905.

J. L. Germain
County Recorder

(Recorded in Book X at Page 570, of Notices, records of the office of the County Recorder of the County of Humboldt, State of Nevada.)

NOTE: This claim was conveyed to Dr. W. C. McAdoo, Dec. 8, 1936, Book 59 at Page 473, Deed records.).

Aubrey Minney
119 Cayuga Street
Salinas, California

THIS IS TO CERTIFY, That a mining claim named the Blue Bird No. 3 -- was located by Dr W. C. McAdoo and H. W. Baldwin on the 10th day of March 1937, situated in Unknown District, Humboldt County, State of Nevada, and about The N. E. Cor Sec 18-Township 40 Range 33 E. Mt Diablo Mer.

We claim 1500 linear feet along the course of mineral bearing ledge, lode or vein, extending 750 feet from the location monument in a Northerly direction, and 750 feet in a Southerly direction, together with 300 feet on each side of the center of the ledge for the entire length of the claim.

The discovery work consists of open Cut situated about 100 feet in a Southerly direction from the location monument and its dimensions are Nine feet wide, _____ feet high, Fifteen feet long and Six feet deep, exposing ledge, lode or vein in place.

The northwest corner is marked by a Post 4½ feet high, inscribed "N. W. corner Blue Bird No 3 Mine"; the southwest corner is marked by a Post 4 feet high, inscribed "S. W. corner Blue Bird No 3 Mine"; the southeast corner is marked by a Post feet high, inscribed "S. E. corner Blue Bird No 3 Mine"; the northeast corner is marked by a Post 4 feet high, inscribed "N. E. corner Blue Bird No 3 Mine." There is also a 4x4 Post at the center of each side line. The discovery work has been done and the location completed since April 10 1937.

Dated June 9 1937.

Dr W C McAdoo

H. W. Baldwin

Recorded At Request Of Dr. W. C. McAdoo June 9, 1937 At 40 Min. Past 2 O'Clock P. M., File No. 61148.

J. L. Germain
County Recorder

(Recorded in Book Y of Notices, at Page 492, records of the office of the County Recorder of the County of Humboldt, State of Nevada.)

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UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

Project Summary Report

By: F. L. Knouse February 9, 1955

1. Docket No. DMEA-2455 (Mercury)
Contract No. Idm-E379

Operator - Aubrey Minney
119 Cayuga Street
Salinas, California

Property - McAdoo Mine
Bottle Creek Mining District
Township 40 North, Range 33 East, Section 7 M.D.M., consisting of the following mining claims: Blue Bird Fraction, Blue Bird No. 1, and Blue Bird No. 3,
Humboldt County, Nevada

Owner's Property rights - Owner

2. Contract dated July 31, 1952

Work authorized -

The DMEA program proposed to sink a shaft 70 feet from the surface, then crosscut from the bottom of the shaft, through a north-south striking diabase dyke (103 feet) and explore the dyke by means of 297 feet of drifting and crosscutting, 80 feet of raising and 50 feet of winzing. Mercury ore has been mined from old caved contiguous workings along this dyke.

Stage I

Shaft sinking 70 ft. @ $42.225/ft.	$2,955.77	
Crosscutting 50 ft. @ $23/ft.	1,150.00	
Drifting 250 ft. @ $23/ft.	5,750.00	
Total Unit Costs, Stage I		$9,855.77

Stage II

Drifting or crosscutting 100 ft. @ $23/ft.	$2,300.00	
Raising 80 feet @ $25/ft.	2,000.00	
Sinking winze 50 ft. @ $37/ft.	1,850.00	
Total Unit Costs, Stage II		6,150.00
Operating Materials and Supplies		120.00
Rehabilitation and repairs		1,062.71
New buildings, Improvements, Installations		311.52

Miscellaneous	100.00
Total Estimated Cost of Project	$17,600.00
Government Participation @ 75%	$13,200.00

Amendments -

No. 1, dated October 1, 1952, permitted change in shaft site and increased shaft depth from 70 to 80 feet, and also allowed the driving of a 70-foot length crosscut from the shaft bottom through the mineralized dyke.

No. 2, dated January 29, 1953 (replaces Amendment No. 2 dated December 30, 1952) cancelled Amendment No. 1 and set forth same work and unit price for the work; also deducted the additional quantity of work money-wise to allow the work without increasing the total cost.

No. 3, dated February 3, 1953, extends completion date of contract to July 31, 1953.

No. 4, dated March 6, 1953, provided 103 feet of crosscut from bottom of shaft to cut dyke and reduced the quantity of drifting along the dyke an equal amount.

No. 5, dated July 9, 1953, completion date of contract further extended to October 31, 1953, and allowed $14.11/ft. for timbering where necessary to make the workings safe.

No. 6, dated August 18, 1953, restated conditions of Amendment No. 5 and clarified legal problems - amendment drafted in Washington.

No. 7, dated April 1, 1954, provides for recess in operations from September 14, 1953, to June 1, 1954, and extended repayment provision from 10 years to 11 years; also restated work and unit price to complete program.

No. 8, dated August 11, 1954, permitted the sinking of a 2-compartment winze along an ore shoot 32 feet timbered with square sets, compartments 4' x 4' and 4' x 18", winze @ $50/ft. and timbering @ $14.11/ft; also restated work to be done to complete project. The royalty repayment provision was extended to 11 years.

Work completed -

(See following page)

Work completed -

Work Item	Unit Cost	Completed	Cost
Sink 2-compartment shaft 45" x 45" and 21" x 45"	$42.225/ft.	80 feet	$3,378.00
Drift and/or crosscut 45' x 6' in cross-section clear of timber	23.00/ft.	368 "	8,464.00
Winze - 2-compartment 4' x 4' and 18" x 4'	50.00/ft.	32 "	1,600.00
Timbering, crosscuts and drift	14.11/ft.	139 "	874.82
Timbering winze - 5' center 8" x 8" shaft timber	14.11/ft.	28 "	395.08
Operating Equipment Purchased		Yes	114.90
Initial rehabilitation and repairs		"	821.63
New buildings, Improvements, etc.		"	155.59
	Total		$15,804.02

Work under the project contract was started during August, 1952, and was completed in October, 1954. During August, 1954, a mine fire destroyed the shaft headframe, hoist house and hoisting equipment which delayed the project work.

3. Audit Report of Review, dated November 19, 1954

Total cost as billed by Contractor	$16,306.13
Exceptions during audit	502.11
Total Accepted Cost	$15,804.02
Government participation at 75%	$11,853.02

4. Certification dated February 4, 1955.

Ore reserves and production:

An ore reserve of 148 tons was discovered which is estimated to contain 31 flasks of mercury. About 50 tons of ore averaging about 18 pounds of mercury per ton had been mined and stockpiled. This stockpiled ore is included in the ore reserves of 148 tons.

This property and the Blue Can mine had a reported production of 3,374 flasks of mercury between 1938 and 1943.

5. Comments -

Operations under the contract were poorly managed and generally inefficient, largely due to difficulty of obtaining and holding men on an isolated project having poor living conditions and short working periods. The Operator directed the work from his home in California where he had a full-time job.

The rocks in the Bottle Creek quicksilver district include folded and faulted pre-Tertiary sedimentary and volcanic rocks; Tertiary (?) volcanic and sedimentary rocks; younger diabase dykes; and still younger volcanic flows and instrusives.

The McAdoo Mine is in Tertiary (?) volcanic and sedimentary rocks which are cut by a north-striking diabase dyke. The rocks observed in the underground workings are rhyolite, tuff, and diabase.

Cinnabar occurs along the footwall, or east contact of the west-dipping diabase dyke, and also in brecciated zones along faults which cut and offset the dyke. Cinnabar mineralization is spotty and unpredictable both along the contact and along the faults.

Estimation of ore reserves is difficult because of the erratic nature of the deposit. However, the mineralized fault zone has a strike length of 20 feet, averages 3 feet wide, and is 40 feet down along the winze and is estimated to contain 70 tons of 18 pounds of mercury per ton. The inferred ore along the east diabase-tuff contact is 20 feet along the strike, averages 2 feet wide, and 40 feet down the dip, and is estimated to contain 28 tons of ore averaging 5 lbs. of mercury per ton. In addition, 50 tons of ore averaging 18 lbs. of mercury per ton have been stockpiled. It is possible that additional ore reserves may be developed in the processof operations and further exploration by the Operator.

F. L. Knouse

F. L. Knouse

DMEA Form 18
Feb. 58

DEFENSE MINERALS EXPLORATION ADMINISTRATION

ANALYSIS OF SEMIANNUAL REPORT OF CERTIFIED PROJECT

Prepare in duplicate. File original in Official Docket. Send copy

To: Statistics Branch (Code 210)

From: Division of Minerals, OME

Report Period	
7/1/58 - 12/31/58	

DMEA No.	Operator	Contract No.
2455	Aubrey Minney	Idm-E379

ORE ESTIMATES

	Tons	Analysis
DMEA (Revised)	148	18 lbs. Hg/ton
Operator to date		
Total	148	" " "
Production to date	47	" " "
Ore in ground	101	" " "

INVESTMENT

No change in Investment Data

Type	Size		Feet	Cost
Shafts				
Winzes				
Drifts and Crosscuts				
Raises				
Drilling	Type			
Rehabilitation	Description			

FACILITIES

Mine Plant		
Mill		
Roads		

REMARKS

The property is now idle (As of 12/31/58).

Prepared by Stephen P. Holt Date 12/29/59

Stephen P. Holt

31398

SEMI-ANNUAL REPORTS OF CERTIFIED PROJECTS

Reporting Period 7/1/58-12/31/58 Date of Examination 12/31/58

Operator Aubrey Minney

Mine Name McAdoo Mine

County and State Humboldt County, Nevada

Docket Number and Commodity DMEA-2455 (Mercury)

Contract Number Idm-E 379

OFFICIAL FILE COPY
O. M. E.
RECEIVED JAN 27 1959

DATE	INITIALS	CODE
1-27	C	220
"	[illegible]	110
1/28	EEF	800
2/3	WSM	400
		225

Date of Contract 7/31/52

Date of Certification 2/4/55

Expiration Date of Royalty Payments 7/31/63

Total Amount of Contract $17,600.00

Total Expenditures under Contract $15,804.02

Amount of Government Participation at 75% $11,853.02

Royalty Payments this Period $13.77

Previous Royalty Payments $155.84

Total Royalty Payments to Date $169.61

Percent Government Participation Repaid 1.4%

Royalty Due on Production to Date None

Royalty Remarks: One flask produced from cleanings during assessment work.

Aubrey Minney DMEA-2455 Idm-E 379

				Tons	Analysis
Original Estimate of DMEA Reserves (Field Team Final Report)	Mines [ ]	Survey [ ]	Joint [X]	148	15.5 lbs. Hg/T
Revised Estimate of DMEA Reserves (Field Team)	Mines [X]	Survey [ ]	Joint [ ]	148	18 lbs. Hg/T.
Increase of Reserves by work performed subsequent to DMEA project work					
Production DMEA ore	(This Period)			5	18 lbs. Hg/T
	(Previous)			42(10/ flasks)	18 lbs. Hg/T
	(To date)			47	18 lbs. Hg/T
Operator's ore found subsequent to DMEA work	(This period)				
	(Previous)				
	(To date)				

Percent Revised Reserves mined 31.7%

Investment Data

Shafts			Winzes			Drifts & Crosscuts		
Size	Feet	Cost	Size	Feet	Cost	Size	Feet	Cost

Raises			Drilling			Rehabilitation	
Size	Feet	Cost	Type & Size	Feet	Cost	Description	Cost

NO CHANGE

Facilities

Mine Plant		Mill		Roads	
Description	Cost	Description	Cost	Description	Cost

Remarks

The property is now idle.

Signed [signature] (Engineer)

YES [✓] Audited

YES [✓] Certified

WORK ANALYSIS SHEET - DMEA PROJECT

Analysis as of 2/16/56

Incl. Voucher for _____

[✓] Actual Cost

[✓] Agreed Unit Costs

Name AUBREY MINNEY

Docket No. 2455

State NEVADA

Commodity MERCURY

Idm-E No. 379

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting — BY AMENDMENTS	424.255 Timber 1.99	9.238.80 1.396.89	345.3 Timber 99'	7,941.93 1,896.89	
UNIT CONTRACT	400 (X)	9.200 (X)			
Raising — BY AMENDMENTS	—	—			
UNIT CONTRACT	80 (X)	2.000 (X)			
Shafts — BY AMENDMENTS	80	3.378.00	80	3.378.00	
UNIT CONTRACT	70 (X)	2.955.77 (X)			
Winzes — BY AMENDMENTS	32' Timber	1,600.00 395.08	32' Timber	1.600 395.08	
UNIT CONTRACT	30 (X)	1.850.00 (X)			
Drilling (Specify)					
Surface Excavation					
Underground Excavation					
Roads and Trails					
Operating Equipment Purchased					
Surface Rehabilitation & Repairs CONT. ACTUAL		1.062.71		821.63	
Underground Rehabilitation					
New Building, Improvements, etc.		311.52		153.59	
Other (Specify)		220.00		114.90	
Totals		17,606.00		15,804.02	
GOVT PART. 75%				11,853.02	

(X) out Tax fig appears above in each case

Prepared by PRC

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
555 Battery Street
San Francisco 11, California

Official ~~EXTRA~~ COPY
O. M. E
RECEIVED FEB 10 1961

DATE	INITIALS	CODE
2/13	Hall S.P.H.	500
		220

February 8, 1961

Memorandum

To: E. D. Talbert, Acting Chief, Contract Administration and Audit Division, OME, Washington, D. C.

From: Acting Field Officer, Region II

Subject: DMEA-2455 (Mercury)
Aubrey Minney
McAdoo Mine
Humboldt County, Nevada
Contract Idm-E 379

In reply to your request of February 2, 1961, attached are the original and one copy of a Check Sheet of Examining Engineer for the subject contract.

Mr. Gentry's last Check Sheet, submitted to you on April 13, 1959, stated that the mine was idle on November 6, 1958. Division of Mineral Resources records show that the operator showed no record of production for 1959 and 1960.

George H. Holmes, Jr.

Attachments

Copy to: Chief, Division of Field Operations, Washington, D. C.
OME File

Check Sheet of Examining Engineer

Operator's Name Aubrey Minney

Address 511 Archer Street

Salinas, California

Exploration Contract No. IDM-E 379 Docket No. DMEA 2455

	Check One Yes	Check One No
1. (a) Does the Operator stockpile ore subject to royalty repayment?		X
(b) If so, is segregation and identification procedure adequate?		
2. (a) Does Operator commingle production subject to DMEA royalties with exempt production?		X
(b) If so, do you consider the allocation of the commingled production equitable?		
3. (a) Does the Operator stockpile mine or mill rejects (low grade ore, tailing, middlings, etc.) that may have potential value within the royalty payment period?		X
(b) If so, are adequate records maintained on such material to protect the Government's interest?		
4. Do you consider the assay controls in effect are adequate?	X	
5. Do you consider that the manner of disposing of production gives the Government its fair royalty returns?	X	
6. Do your periodic examinations of operations indicate the Operator is properly reporting his production of ores subject to DMEA royalties?	X	
7. Does the Operator buy from or sell to other Operators?		X

8. Comment on any item 2 (b) to 6 if answer is No.

According to Division of Mineral Resources records, the operator showed no record of production for 1959 and 1960.

Mining Engineer

Date February 8, 1961

82448

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
2-10	gad	220

FEB 1 0 1961

Memorandum

To: Acting Field Officer, Region II

From: E. D. Talbert, Acting Chief (Signed) E. D. Talbert
Contract Administration and Audit Division

Subject: DMEA-2455 (Mercury)
Aubrey Minney
McAdoo Mine
Humboldt County, Nevada
Contract Idm-7379

Attached are the original and two copies of a Report of Royalty Review on the subject contract. If you concur in the facts stated in this report, distribution should be made as follows:

(a) Original of the report to the Fiscal Section, Division of Administrative Services, Office of the Secretary, Department of the Interior, Washington 25, D. C.;
(b) One copy to the Operator; and
(c) One copy for your file.

As evidence of your concurrence, please furnish this Division with a copy of your transmittal letter to the Operator.

If for any reason you do not concur, the original and both copies of the report should be returned to this Division with your comments.

Attachments

EDTalbert/ama
February 10, 1961

Copy to: Docket
Director's Reading File
CA & A Division
Mr. Rothrock

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
2/2	gad	220

FEB 2 1961

Memorandum

To: Acting Field Officer, Region II

From: E. D. Talbert, Acting Chief (Signed) E. D. Talbert
Contract Administration and Audit Division

Subject: DMEA-2455 (Mercury)
Aubrey Minney
McAdoo Mine
Humboldt County, Nevada
Contract Idm-E379

In order to complete the preparation of a Report of Royalty Review, this Division will appreciate the submission of an original and one copy of a Check Sheet of Examining Engineer for the subject contract.

In the event that mining operations are not being conducted on the contract property, a footnote to that effect, together with the approximate date operations were discontinued, should be included on the check sheet.

EDTalbert/ama
February 1, 1961

Copy to: Docket
Director's Reading File
CA & A Division

43683

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

1605 Evans Avenue
Reno, Nevada

July 30, 1956

Mr. Aubrey Minney
511 Archer Street
Salinas, California

Re: Docket No. DMEA-2455 (Mercury)
Aubrey Minney
McAdoo Mine
Humboldt County, Nevada
Contract No. Idm-E379

Dear Mr. Minney:

Have received a decision from Washington which confirms my opinion expressed in letter of July 24, 1956. The old calcium tailings on waste dumps available from operations through the period 1937-1942 by the former owner, W. C. McAdoo, are not subject to royalty payments to the Government.

Very truly yours,

RECEIVED
AUG - 1 1956

S. Ricker
Executive Officer
DMEA Field Team, Region II

SRicker:gh
cc: Opr. Com., DMEA, Wash., D.C.
Finance Off., Reg. II
Geo. Mavor
R. M. Smith
File

DOCKET
Surname:
Martin
Chamberlin
Jones
Kelson
Selfridge
McMahon

JUL 2 7 1956

Interior Department
Defense Minerals Exploration Administration
14X4401(01) Revolving Fund
Defense Production Act
Interior (Allocated Working Fund to Office of the Secy)

Mr. Spangler Ricker, Executive Officer
DMEA Field Team, Region 2
1005 Evans Avenue
Reno, Nevada

Reurmemo July 24, Docket DMEA-2455, Aubrey Minney, Contract Idm-E37[illegible], ore mined prior to date of contract and standing in dumps or tailing ponds on property described in contract is not subject to Government's royalty.

George [illegible]
Chairman, Operating Committee

cc: Docket
Code 400
Oper. Committee
Adm. Read. File
T. Kiilsgaard, USGS
J. W. Pennington, USBM
FT, Reg. 2--confirmation copy

ADMcMahon/ls
7/27/56

P.C.S.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

RECEIVED
JUL 26 1956

1605 Evans Avenue
Reno, Nevada

July 24, 1956

Memorandum

To: Operating Committee, DMEA, Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region II

Subject: Docket No. DMEA-2455 (Mercury)
Aubrey Minney
McAdoo Mine
Humboldt County, Nevada
Contract No. Idm-E379

Attached are two copies of letter dated July 18, 1956 and two copies of my reply dated July 24.

Will be pleased to have your opinion on the question of royalty payments on any production for the old dumps and tailings.

S. Ricker

Attach.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

Ofr. Com
Dmea

RECEIVED
JUL 26 1956

1605 Evans Avenue
Reno, Nevada

July 24, 1956

Mr. Aubrey Minney
511 Archer Street
Salinas, California

Re: Docket No. DMEA-2455 (Mercury)
Aubrey Minney
McAdoo Mine, Humboldt Co., Nevada
Contract No. Idm-E379
(Your letter dated 7/18/56)

Dear Mr. Minney:

Any lessee of referenced property need not enter into a separate contract with the Government. The terms of contract however should be thoroughly understood by the lessee and incorporated in the lease. If the lessee at any time during the contract period defaults on any royalty payments due the Government, you will be responsible and liable for payment.

In my opinion, any production from old calcium tailings or waste dumps available from the operations through the period 1937-1942 by the former owner, W. C. McAdoo, would not be subject to royalty payments to the Government. However, before giving you a definite statement on this problem, I will have to take it up with our Washington office and request a legal decision.

We were pleased to learn that work is being contemplated on the property.

Very truly yours,

S. Ricker
Executive Officer
DMEA Field Team, Region II

SRicker:gh
cc: Finance Off., Reg. II
Geo. Mavor
R. M. Smith
File

[illegible]
511 Archer Street
Salinas, California

July 18, 1956

RECEIVED
JUL 26 1956

Docket [illegible]-435 (Mercury)
Contract [illegible]-437
Meadow Mine, Humboldt County,
Nevada

Mr. [illegible] Hicker, Executive Officer
[illegible] Field Team, Region II
1005 Evans Avenue
Reno, Nevada

Dear Sir:

This letter to some degree can be considered a progress report on the Meadow Mine, along with inquiries which I have in regard to leasing the property and the refining of certain ores, as related to my [illegible] contract.

Since the termination of the Government's active participation in this exploration project on November 30, 1954, I have driven the underground headings somewhat along the outline which follows.

For your reference I am enclosing a copy of my most recent map, which does not indicate the latest workings; therefore, all reference points will relate to the map in linear feet, with only approximate directions.

The winze at reference point "h" plus 15 feet was bottomed at a depth of 60 feet. This depth gave evidence of a list fault with the diabase dyke terminating on a red gouge material. Work was discontinued because, though there were one or two cinnabar stringers, there were no commercial values below the 45-foot depth.

A raise was started at reference point "h" plus 22 feet, just above the winze. Some 25 feet was explored in a steep vertical direction before contacting the upper fault area. From this point a stoping operation was employed to the south and west. Cinnabar in the highly fractured altered diabase dyke was a very low grade. Work operations in raise was discontinued.

Starting at reference point "[illegible]" plus 41 feet, a 10-foot crosscut was driven through the dyke to the east. This contained many cinnabar stringers. A raise was started which continued for approximately 27 feet. The dyke at this level was highly fractured and altered with some cinnabar in the cleavage. Values were considered a very low grade. Raise was abandoned after stoping to the south and east for about 15 feet.

[illegible]
311 Grener Street
Salinas, California

After a 13-foot drift had been completed along the dyke to the north, sinking was employed on the same stringers. This winze was bottomed at a 20-foot depth, where water was encountered. No appreciable values were present in the stringers, which occurred in the fracture of the dyke.

The final heading was started at reference point "D". A 40-foot crosscut was driven to the east in an attempt to pick up segments of dyke in the large flat fault which prevails in this area. The segments were not found and work operations were suspended, temporarily, on July 10, 1950.

This project, in my estimation, has revealed that the upper portions of faulted dyke which were tapped by the above-mentioned two raises could be mined profitably on a large-scale basis. Open pits and glory holes should reach the mineralized zone at about 15-foot depth. The low values in the shallow zone would warrant large-scale mining. There are also considerable possibilities in exploring further in the flat fault zone of the last crosscut.

In view of what would be a limited operation of this property on my part, I am seriously considering a lease which would make possible a more vigorous operation.

In this regard, would it be necessary for the lessee to enter into a separate contract with the Government - or should the terms of my contract with the [illegible] be incorporated in my agreement with the lessee?

It has been found that the calcine tailings from the old Hansen mill carry values; it is also possible that the waste dumps from previous mining may be profitable in milling. Both are the results of mining through the period 1937-1942 by former owner [illegible]. If these were milled, would the returns from such ore, which were not the results of the exploration project, be subjected to royalties under my lease contract?

Your reply to these questions will be appreciated, as my negotiations with interested parties depend on these pertinent points.

I shall be glad to furnish any further information which you may require.

Yours truly,

A. Mannelly
[illegible]

Enc.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
OCT 12 1955

Office of
Executive Officer
DMEA Field Team
Region II

1605 Evans Avenue
Reno, Nevada

10/10/55

Memorandum

To: Operating Committee, DMEA, Interior Building, Washington 25, D.C.

From: Executive Officer, DMEA Field Team, Region II

Subject: Interim Inspection Report

Attached are the original and three copies of an Interim

Report on:

Docket No. DMEA- 2455

Contract No. Idm-E 379

Commodity Mercury

Operator Aubrey Minney

Property McAdoo Mine, Humboldt Co., Nev.

By Henry W. Jones

Dated 10/7/55

S. Ricker
S. Ricker
Executive Officer
DMEA Field Team, Region II

Attachments 4

Copy to: Finance Officer, Region II(w/copy of report)
R. M. Smith-USGS(w/copy of report)

BUREAU OF MINES
WASHINGTON, D. C.
OCT 12 8 40 AM '55

RECEIVED
OCT 12 1955

INTERIM REPORT

Docket No.: DMEA-2455 (Mercury) October 7, 1955

Name and address of operator: Aubrey Minney
24 W. Gabilan Street
Salinas, California

Name and location of property: McAdoo Mine, Humboldt County, Nev.

Contract No.: Idm-E379

A semi-annual inspection was made of the subject property on September 29, 1955 to determine its status since completion of the DMEA exploration contract.

No one was at the property during the inspection, however, a Mr. Cecil Shelly of Winnemucca was contacted and information was obtained on all phases of exploration and production since the termination of the contract.

It was learned that the winze at the south end of the workings was sunk a total of 60 feet where it was faulted off. Some cinnabar ore was obtained from this locality. An additional small amount was obtained from a shallow raise just above the winze. A drift was extended 35 feet to the east from a point 25 feet south of the main fault zone but encountered only sparse mineralization. Production since termination of the contract amounted to 10 flasks of quicksilver retorted at the mine. Payments on this production,

amounting to $155.84, was made to the Government on February 17 and April 21, 1955.

Some activity is being experienced in the district. Mr. John Etchart of Winnemucca, Nevada, has the surrounding properties under lease and is constructing a 50-ton mill for grinding and concentrating the cinnabar ore. The concentrates are to be treated in a small tube retort that is to be constructed on the premises.

Henry W. Jones
Mining Engineer

Surname 700

F. L. Knouse
Ellis
Selfridge
Johnson
McKeever

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

MAR 3 - 1955

Mr. Spangler Ricker
Executive Officer
DMEA Field Team, Region II
420 Custom House
555 Battery Street
San Francisco 11, California

Re: Docket No. DMEA-2455 (Mercury)
Contract No. Idm-E379
Aubrey Minney
McAdoo Mine
Humboldt County, Nevada

Dear Mr. Ricker:

This is in response to your memorandum dated February 14, concerning the following sentence in the Administrator's letter to the Operator dated February 7, 1955: "The purchaser should be advised to deduct the royalties from the amount due on each shipment and forward the check directly to the Executive Officer."

The Operator in each case should be instructed to arrange with the purchaser to send a check to the Executive Officer for the amount of royalty due the Government. In the event a purchaser refuses to make such royalty payments, the Operator should be required to submit evidence to that effect.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee

APPROVED:

J. H. Hedges
Member, Bureau of Mines

E. L. Newcomb
Member, Geological Survey

FLKnouse:am
3-1-55
cc to: Admr. Reading File
Operating Committee
Docket
Messrs. T. H. Kiilsgaard, Rm. 5224
H. M. Meyer, Rm. 2623
Code 700
Mr. Knouse

RAB.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 23 1955

420 Custom House
555 Battery Street
San Francisco 11, Calif.

February 18, 1955

Memorandum

To: George C. Selfridge, Chairman, Operating Committee, DMEA
Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region II

Subject: Docket No. DMEA-2455 - Mercury
Aubrey Minney
McAdoo Mine
Humboldt County, Nevada
Contract No. Idm-E379

Reference is made to your letter of January 14, 1955, relative to previous correspondence regarding amendments to the above-cited contract.

This contract has been concluded, Final Field Team report and Operator's final report sent to Washington, and final audit has been made by Mr. Mavor.

I am attaching a copy of a letter dated November 10, 1954, from Mr. Jay L. Chambers, Chief, Contract Administration and Audit Division, to Mr. George Mavor, in which Mr. Chambers indicates that the audit is in order and states that additional amendments are unnecessary.

I would suggest, therefore, that the contract be considered closed.

S. Ricker
Executive Officer
DMEA Field Team, Region II

Attachment to 700

Copy to: Roscoe Smith, USGS

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

RECEIVED
FEB 18 1955

420 Custom House
555 Battery Street
San Francisco 11, Calif.

February 14, 1955

Memorandum

To: George C. Selfridge, Chairman, Operating Committee, DMEA
Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region II

Subject: Docket No. DMEA-2455 - Mercury
Aubrey Minney
McAdoo Mine, Humboldt County, Nevada
Contract No. Idm-E379

Reference is made to a copy of Mr. C. O. Mittendorf's letter of February 7, 1955, to Mr. Aubrey Minney with which he enclosed "Certification by the United States of America of a Discovery or Development under an Exploration Project Contract."

I wish to call your attention to the following sentence in the third paragraph of the letter: "The purchaser should be advised to deduct the royalties from the amount due on each shipment and forward the check directly to the Executive Officer." At the present there is only one payer of royalties where the payment is being made directly by the purchaser. This was the case with Foreman, Foreman, and Cannon, Docket No. DMEA-2441, Contract No. Idm-E424, where the purchaser was an A. S. & R. smelter and it was done for the convenience of the operator.

It would seem to me that it may become confusing to find it necessary to take up any question arising on royalty payments with the operators through the purchasers. As it is now, the operator sends us the settlement sheets from the purchaser and makes royalty payments directly to us.

We would be pleased to have your reaction on this problem.

S. Ricker
Executive Officer
DMEA Field Team, Region II

Surname copy

F. L. Knouse
Ellis
Talbert
Hedges
Kiilsgaard
Selfridge
F. E. Johnson

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

FEB 7 1955

Mr. Aubrey Minney
119 Cayuga Street
Salinas, California

Re: Docket No. DMEA-2455 (Mercury)
Contract No. Idm-E379
McAdoo Mine
Humboldt County, Nevada

Dear Mr. Minney:

Enclosed is a "Certification by the United States of America of a Discovery or Development Under an Exploration Project Contract." This certification covers all of the land described in Article 2 of the above-described contract.

By the terms of the Exploration Project Contract, as amended, and of the certification, all mercury and other valuable minerals produced from the claims described in Article 2 of the contract, from July 31, 1952, the date of the contract, are subject to the Government's percentage royalty as set forth in the contract until the sum of $11,853.02 is paid, or until July 31, 1963, whichever occurs first.

Payments should be made to Mr. Spangler Ricker, Executive Officer, DMEA Field Team, Region II, 420 Custom House, 555 Battery Street, San Francisco 11, California. Checks should be payable to the Defense Minerals Exploration Administration. The purchaser should be advised to deduct the royalties from the amount due on each shipment and forward the check directly to the Executive Officer. Royalty payments to the Government should be accompanied by suitable evidence, such as copies of settlement sheets, showing quantity and grade of the products sold, the name of the purchaser, and the price and charges, certified to be correct by the purchaser.

You are requested to notify Mr. Ricker of any changes in ownership or production rights that might have any effect on the Government's right to its percentage royalty. Also, if production ceases at any time for an extended period, please notify Mr. Ricker at six-month intervals that no production has been made, when that is the case.

Sincerely yours,

C. O. Mittendorf

Administrator

FLKnouse/gla
1-27-55
cc to: Admr.'s Reading File
Operating Committee
Docket
Field Team, Region II (2)
Mr. Hedges, Rm. 4604
Mr. Kiilsgaard, Rm. 5224
Code 700 Mr. Knouse
Mr. F. E. Johnson

Surname copy

F L Kunze
Ellis
Talbot
Hedges
Külsgaard
Selfridge
Johnson

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

FEB 7 1955

Mr. Irving Gumbel, Acting Director
Materials Division
Emergency Procurement Service
General Services Administration Bldg., Room 5002,
7th and D Streets, S. W.
Washington 25, D. C.

Re: Docket No. DMEA-2455 (Mercury)
Contract No. Idm-E379
Aubrey Minney
McAdoo Mine
Humboldt County, Nevada

Dear Mr. Gumbel:

I am enclosing a copy of a certification of discovery or development relating to the subject exploration contract.

The contract was dated July 31, 1952, with the Government participating to the extent of 75 percent of $17,600.00, or $13,200.00. Project work under the contract commenced during July, 1952, and ended in October, 1954. A final audit of the expenditures made during the life of the contract showed a total cost of $15,804.02, with Government participation at 75 percent, or $11,853.02.

The following summarizes the work authorized and completed under the terms of the contract:

Work Item	Authorized	Completed
Shaft sinking	80 feet	80 feet
Drift and crosscuts	400 "	368 "
Raising	80 "	- -
Winze	50 "	32 "
Remove and re-erect: headframe and hoisthouse	Yes	Yes
Repair bunkhouse	"	"
Excavate and construct well house	"	"
Purchase one 3-room house	"	"
Purchase one 300-gal. water tank and install same	"	"

As a result of the exploration work, an ore reserve of 148 tons was discovered which is estimated to contain 31 flasks of mercury.

R.C.H.

The DMEA is of the opinion that the project work was of definite benefit to the property and, therefore, we have certified that a discovery or development resulted from the work.

Sincerely yours,

G. O. Mittendorf (for)

Administrator

Enclosure

FLKnouse/gla
1-27-55
cc to: Admr.'s Reading File
Operating Committee
Docket
Field Team, Region II (2)
Mr. Hedges, Rm. 4604
Mr. Kiilsgaard, Rm. 5224
Code 700
Mr. Knouse
Mr. F. E. Johnson

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
WASHINGTON 25, D. C.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 18 1955

January 18, 1955

Memorandum

To: E. W. Ellis, DMEA

From: Helena M. Meyer, Bureau of Mines

Subject: Review of Final Field Team Report DMEA - 2455 Aubrey Minney (McAdoo Mine) Humboldt County, Nev. $15,804.02 Mercury

The report indicates that estimated ore reserves are only 148 tons containing approximately 31 flasks of mercury, but that it is possible that additional reserves may be developed in the process of operations. A retort is being installed and production is planned on a small scale from ore grade material already produced from DMEA workings and to be produced therefrom.

I concur in the Field Team's recommendation that a certificate of discovery should be issued and so recommend.

Helena M. Meyer

Helena M. Meyer

Copy to: Division of Minerals
Branch of Base Metals
H. M. Meyer
F i l e s

Surname copy

700

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

JAN 14 1955

Mr. Spangler Ricker
Executive Officer
DMEA Field Team, Region II
420 Custom House
555 Battery Street
San Francisco 11, California

Re: Docket No. DMEA-2455 (Mercury)
Contract No. Idm-E379
Aubrey Minney
Meadoo Mine
Humboldt County, Nevada

Dear Mr. Ricker:

In reviewing the file on the captioned contract it was noted that Mr. Miller's memorandum, dated November 4, 1954, remained unanswered. Said memorandum concerns the excess cost for the project work as set forth in Amendments Nos. 7 and 8 for the subject project. We wish to refer you to Mr. Miller's memoranda dated February 16 and July 27 and copy of memorandum to the file from Mr. F. L. Knouse dated August 2, 1954, regarding a telephone conversation between Mr. Knouse and Mr. Miller, which were used as a basis for drafting Amendments Nos. 7 and 8. As this office is not currently up to date on costs incurred for the project work, such amendments can only be drafted from information supplied by the Regional Offices.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (2455)

Enclosures 2

APPROVED:

J. H. Hedges
Member, Bureau of Mines (2455)

Thor H. Kiilsgaard
Member, Geological Survey (2455)

FLKnouse/EWEllis/gla
1-12-55
cc to: Admr.'s Reading File
Operating Committee
Docket file
Messrs. H. M. Meyer, Rm. 2623
T. H. Kiilsgaard, Rm. 5224
Code 700
Mr. Knouse

F L Knouse
Ellis
Selfridge
Johnson
Mitchell

R.C.S.

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

January 14, 1955

Re: DMEA-2455
Aubrey Minney
(McAdoo Mine)
Humboldt Co., Nev.
$15,804.02 - Mercury

Memorandum

To: E. W. Ellis, Defense Minerals Exploration Administration

From: E. L. Newcomb, U. S. Geological Survey

Subject: Review of Final Field Team report

The Field Team has recommended a certificate of discovery be issued.

For the amount of work done on this property, the size of the discovery is not very large. However, ore grade material has been produced from the DMEA workings and an additional small tonnage probably will be mined when the operator's retort is completed.

The total reserves probably do not exceed several hundred tons, but further work by the operator on the east side of the dike may possibly add further ore to the total reserves.

This project could have been done more efficiently, but the target objectives of the project appear to have been sufficiently tested.

I concur with the Field Team's report and recommend a certificate of discovery be issued.

E. L. Newcomb

E. L. Newcomb

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D.C.

C O P Y

420 Custom House
555 Battery Street
San Francisco 11, Calif.

January 5, 1955

Memorandum

To: Operating Committee, DMEA, Interior Building
Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region II

Subject: Docket No. DMEA-2455, Mercury
Aubrey Minney
McAdoo Mine, Humboldt County, Nevada
Contract No. Idm-E379

Attached are four copies of the final report on above-subject project and contract submitted by Henry W. Jones, Mining Engineer, U. S. Bureau of Mines, and Earl H. Pampayan, Geologist, U. S. Geological Survey, dated December 28, 1954.

The project has been moderately successful and the property is being put into production on a small scale. While estimated ore reserves are only 148 tons containing approximately 31 flasks of mercury, it is possible that additional ore reserves may be developed in the process of operations and further exploration by the operator is suggested.

The report recommended that a certificate of discovery should be issued. Roscoe Smith and I concur in the recommendation.

Four copies of the Operator's final report are attached with the above-mentioned Field Team reports.

S. RICKER
S. Ricker
Executive Officer
DMEA Field Team, Region II

Attachments

Copy to: R. M. Smith, USGS
A. C. Johnson, Reno
George Mavor
F. Horton

Reviewed by
DMEA OPERATING COMMITTEE
1-14-55
(date)

Final F.T. Report

... of THE INTERIOR
... Minerals Administration
RECEIVED
... 1 0 1955

UNITED STATES
DEPARTMENT OF THE INTERIOR
DOUGLAS McKAY, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION III

Final Report

Idm-E379

DMEA-2455, McAdoo Mine

Humboldt County, Nevada

Henry W. Jones, Mining Engineer
U. S. Bureau of Mines

Earl H. Pampeyan, Geologist
U. S. Geological Survey

December 28, 1954

Reviewed by
DMEA OPERATING COMMITTEE
1-14-55
(date)

THE INTERIOR
Administration
RECEIVED
1 0 1955

FINAL REPORT

Docket No.: DMEA-2455 (Mercury)

Name and address of operator: Aubrey Minney
511 Archer St. (formerly 119 Cayuga St.)
Salinas, California

Name and location of property: McAdoo Mine
Bottle Creek Mining Dist.,
Humboldt County, Nevada.

Located approximately 42 miles northwest of Winnemucca, Nev.

Contract No.: Idm-E379

SUMMARY AND CONCLUSIONS

A DMEA contract between Aubrey Minney and the U. S. Government was drawn up and signed on July 31, 1952 for exploration of the diabase dike beyond the north end of the old McAdoo (cinnabar) mine workings. The submitted project, entailing a total of $17,600.00 and 75% Government participation, was to be completed in six months or by January 31, 1953.

During the course of the project, a total of eight amendments were prepared which altered the original contract to essentially allow for the following: 80 feet of shaft sinking, 103 feet of crosscutting to the southwest from the bottom of the shaft, 265 feet of drifting south along the dike, sinking a 32-foot winze along the ore zone, and timbering parts of the drift, crosscut and winze. Time extensions also allowed the operator until November 30, 1954 to complete the contract.

Cinnabar mineralization at the mine occurs along the hanging wall and in brecciated fault zones of a north striking diabase dike that cuts a tertiary (?) volcanic and sedimentary rock. Cinnabar is spotty and unpredictable, both along the contact and along the faults.

After following the dike for about 220 feet, high grade ore was discovered where an east-striking, north-dipping fault offset the dike. Total reserves discovered as a result of the DMEA project are estimated at 148 tons containing approximately 31 flasks of mercury.

The contract, successfully concluded in October 1954, entailed a total cost of $15,804.02.

RECOMMENDATIONS

The geologist and engineer of the DMEA field team are in agreement on the following recommendations:

1. A discovery should be certified on the work done under the DMEA contract at the McAdoo mine; the Government to be entitled to subsequent royalties.

2. The property merits some further exploratory work which could be carried on by the operator without Government participation.

3. Production is economically feasible. A retort has been installed at the mine and limited operations are in progress.

WORK COMPLETED

A DMEA contract was drawn up and signed on July 31, 1952 between Aubrey Minney and the U. S. Government for exploration of the diabase dike beyond the north end of the old McAdoo workings. Previous diamond drilling showed traces of cinnabar in this locality. Total approved cost of the project was $17,600.00 of which the Government was to contribute 75 percent.

The contract was divided into two stages.

Stage I - Sink a 70-foot shaft to the northwest of the old McAdoo workings at a point scaled off on the submitted map 185 feet north of the most furtherly point on the 105 level of the old workings. Drive a crosscut, 50 feet from the bottom of the shaft to and through the dike. Drive a drift 250 feet in a northerly and southerly direction from the crosscut.

Stage II - To be undertaken pending the results of Stage I and on the approval of the Government. Drive 100 feet of drift or crosscut to explore the walls of the dike. Drive 80 feet of raise along the dike. Sink 50 feet of winze along the dike.

Work was started immediately on the project under subcontract. At the time of the first inspection, it was found that the shaft was started at a point about 125 feet beyond the approved site, and was already to a depth of 27 feet. The operator's reason for the change was to move the shaft site from the bottom of a gully and on to a small hillside. Amendments 1 and 2 were subsequently drawn up approving the revised site, and also allowing an additional 10 feet of shaft sinking and 20 feet of crosscutting.

The shaft headframe and a 15- by 25-foot corrugated iron building was also constructed and a three room house repaired for living quarters as covered under terms of the DMEA contract.

The shaft was completed and fully timbered along the entire 80 feet by November 1952, allowing a 45- by 45-inch hoisting compartment and a 21- by 45-inch manway.

Crosscutting to the southwest was started immediately and driven 103 feet before the dike rock was encountered. A drift was then driven southerly along the east wall. Wet, unconsolidated material was encountered, necessitating considerable timbering for 35 feet. The dike was faulted off and lost at 37 feet. Inasmuch as the crosscutting was exceeded by 33 feet and no provisions were allowed for timbering in the contract, amendments numbers 4 and 5 were subsequently included, providing the necessary changes. Amendment No. 2 revised the completion date to October 31, 1953.

The drift was swung 15 degrees to the east in an attempt to re-establish contact with the faulted segment of the dike, continuing along this heading for a total drift advance of 94 feet. A transit survey, requested by the operator, re-established the line from the face to the old McAdoo workings and accordingly the drift was realigned to the south. This heading was continued an additional 82 feet, re-encountering the dike, and partially penetrating it the latter 42 feet. Slight mineralization was noted in calcite filled fissures within the dike.

Stage I of the program was virtually completed, lacking about 18 feet of drifting, and because of the favorable although slight cinnabar mineralization noted along the drift, a revised Stage II program was accepted. Amendment No. 7 essentially permitted crosscutting to the eastern edge of the dike and drifting along it to explore mineralization shown in previous diamond drilling and also to connect with the old McAdoo 105-foot level for ventilation.

Work was again resumed and after completing an additional 64 feet of crosscut and drift, an east-striking, north-dipping fault was encountered containing high grade cinnabar within the fault breccia. The drift was then extended south another 27 feet through rhyolite tuff to connect with the old workings.

Amendment No. 8 provided for a timbered two compartment winze to be sunk a total of 32 feet along the mineralized vein. The winze, started on high grade ore in the fault, was sunk to a depth of 32 feet on an ore body averaging 3 feet in thickness with good grade ore still showing at the bottom.

At the time of the examination approximately 50 tons of ore had been mined from the winze with the lateral limits not yet determined.

The project was terminated in October 1954 after expending $15,804.02 of the allotted $17,600.00.

GEOLOGY AND ORE RESERVES

The rocks in the Bottle Creek quicksilver district include folded and faulted pre-Tertiary sedimentary and volcanic rocks; Tertiary (?) volcanic and sedimentary rocks; younger diabase dikes; and still younger volcanic flows and intrusives.

The McAdoo mine is in Tertiary (?) volcanic and sedimentary rocks which are cut by a north-striking diabase dike. The mine area is overlain by one to three feet of overburden and croppings of bedrock are sparse. The rocks seen in the underground workings are rhyolite tuff and diabase.

Cinnabar occurs along the ~~hanging~~ foot wall, or east contact of the west-dipping diabase dike, and also in brecciated zones along faults which cut and offset the dike (see fig. 2). Cinnabar is spotty and unpredictable both along the contact and along the faults.

Estimation of ore reserves is difficult because of the erratic nature of the deposit. At the time of the final DMEA examination about 50 tons of ore assaying 18 pounds of quicksilver per ton of rock had been mined and was stockpiled awaiting completion of the retort. Indicated reserves, in a block 20 feet wide, 3 feet thick, and 40 feet down along the winze, equal about 70 tons of ore averaging 18 pounds of quicksilver per ton of rock. At least half of this block is inferred to be ore of the average grade. Inferred ore along the east diabase-tuff contact, in a block 2 feet

thick, 20 feet wide, and 40 feet down the dip, might equal 28 tons of ore averaging 5 pounds of quicksilver per ton. About a third of this block is inferred to be ore of the estimated grade. Total reserves discovered as a result of the DMEA project are summarized as follows:

	Tons	Lbs Hg/T	Flasks
Measured - stockpile	50	18	12
Indicated - along winze	70	18	17
Inferred - east side of dike	28	5	2
Total reserves	148		31

It is possible that larger cinnabar ore bodies might exist along the east side of the diabase dike and along the faults which cut the dike. If so, this would change the reserve figures considerably.

SAMPLING

Sample No.	Lb. Hg/T	Width	Description
1	0.2	18 inches	Argillaceous material adjacent to dike in drift 8 feet from crosscut intersection.
2	2.6	--	Specimen sample of diabase dike in drift 8 feet from crosscut intersection.
27	*0.1	6 feet vertical	West wall adit on dike contact.
28	0.5	3 inches	Mineralized calcite fissure in dike; west wall of dike.
29	1.1	18 inches	Taken across contact gouge.
30	0.3	--	Picked sample taken at convergence of calcite stringers.

Sample No.	Lb. Hg/T	Width	Description
72	*0.1	3.5 feet	Dike rock 11 feet from car switch point.
76	8.5	6.0 feet	West wall adit, fault breccia some dike material
77	25.0	2.5 feet	Footwall, richer section, in fault breccia.
78	5.7	18 inches	Mineralized fault zone on north edge dike 27 feet back from winze.
82	59.6	3.0 feet	14 feet depth in winze bottom.
83	29.2	33 inches	West wall winze 13-foot depth.
84	18.0	---	General dump sample representing 15 tons.
106	33.2	2.5 feet	East end shaft floor 32 feet depth.
107	16.5	3.5 feet	South wall winze 17 feet from collar.
108	18.7	---	General dump sample representing 50 tons.

EXPENDITURES

Total approved	$17,600.00
Total cost of project	15,804.02
Government's share of cost	11,853.02
Government's share unexpended	1,346.98
Value of production during operations and Government royalty	None reported to date

EFFICIENCY OF OPERATIONS

Considerable time was lost due to difficulties in obtaining and holding men in the isolated area. Poor living conditions and short term contracts also contributed greatly to the difficulties. Contract work, when it was in force, progressed satisfactorily, but each contract was of too short a duration to hold a competent crew for any appre-

ciable length of time.

The operator, perhaps, could have been quite competent in running the mine as prescribed; work, however, was directed from his home and full time job in California, thus, resulting in a poorly managed and poorly run exploration project.

EQUIPMENT PURCHASED FOR THE PROJECT

(a). Assorted cooking utensils and household furnishings

(b). Costing a total of $114.90

(c). Salvage value: None

(d). Waiver of Government interest in this material is recommended due to its prolonged usage and low initial values.

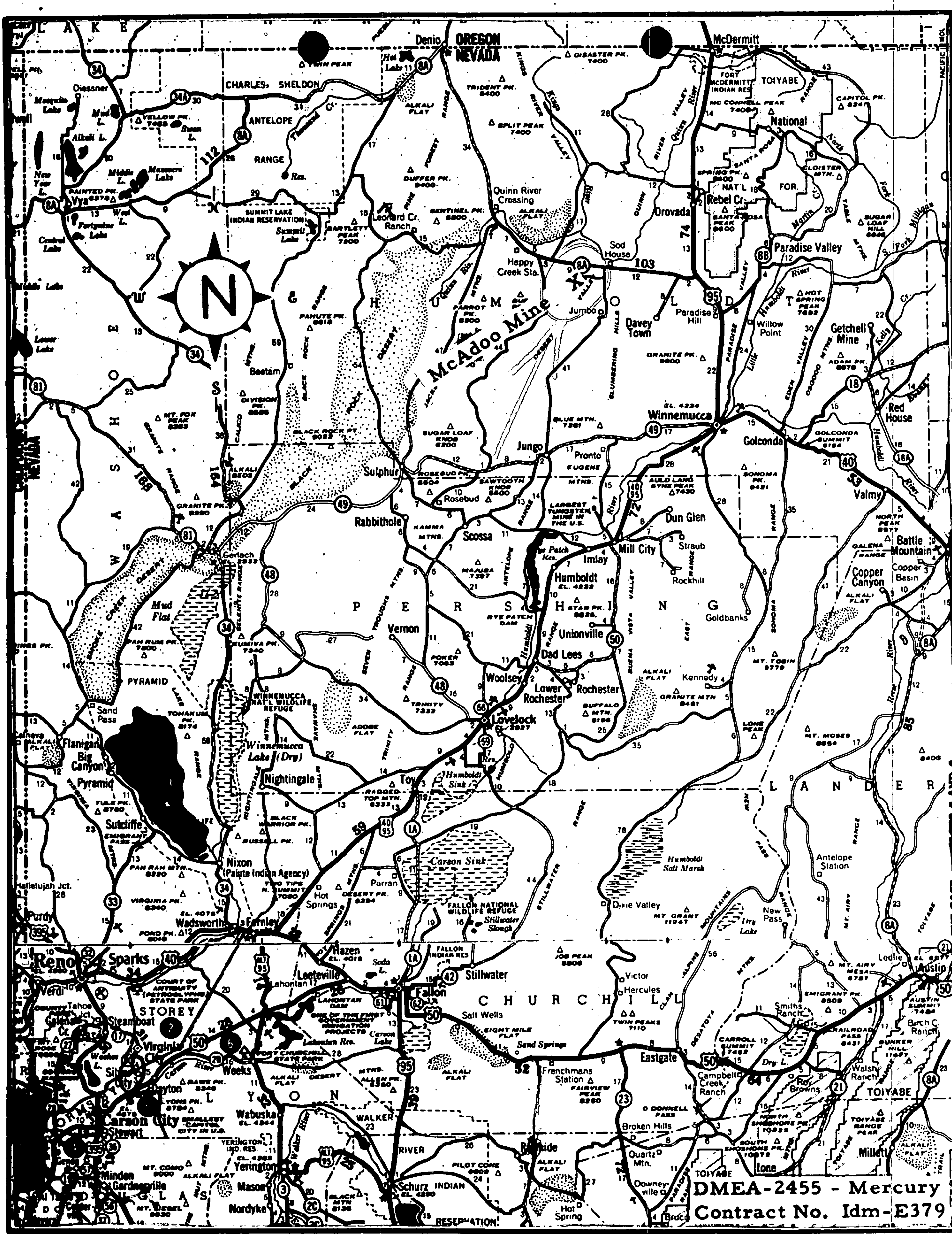
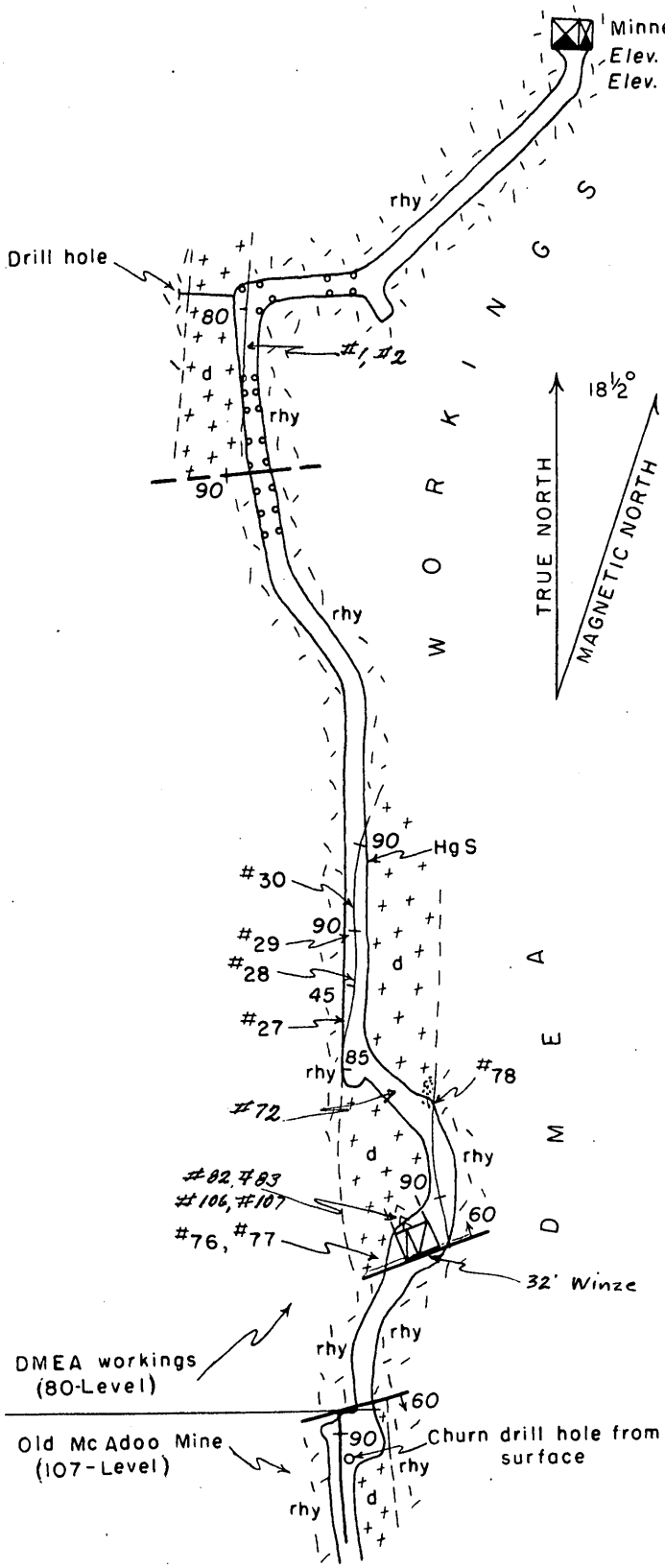


FIG. I LOCATION MAP

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DMEA 2455
Idm E 379
(MERCURY)

DEPARTMENT OF THE INTERIOR
Bureau of Mines Administration
RECEIVED
OCT 10 1955



EXPLANATION

d — Diabase dike

rhy — Rhyolite tuff

80 — Contact, showing dip
Dashed where approximately located

60 — Fault, showing dip
Dashed where approximately located

Cinnabar mineralization

Bottom of shaft

Head of winze

Inclined workings
(Chevrons point down)

Timbered workings

#78
Bureau of Mines sample number

Workings H. Jones, U.S.B.M.
Geology by E.H. Pampeyan, U.S.G.S.

Mc ADOO MINE, HUMBOLDT COUNTY, NEVADA

40 0 40 80 FEET

Figure 2

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 10 1955

420 Custom House
555 Battery Street
San Francisco 11, Calif.

January 5, 1955

Memorandum

To: Operating Committee, DMEA, Interior Building
Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region II

Subject: Docket No. DMEA-2455 - Mercury
Aubrey Minney
McAdoo Mine, Humboldt County, Nevada
Contract No. Idm-E379

Attached are four copies of the final report on above-subject project and contract submitted by Henry W. Jones, Mining Engineer, U. S. Bureau of Mines, and Earl H. Pampeyan, Geologist, U. S. Geological Survey, dated December 28, 1954.

The project has been moderately successful and the property is being put into production on a small scale. While estimated ore reserves are only 148 tons containing approximately 31 flasks of mercury, it is possible that additional ore reserves may be developed in the process of operations and further exploration by the operator is suggested.

The report recommended that a certificate of discovery should be issued. Roscoe Smith and I concur in the recomendation.

Four copies of the Operator's final report are attached with the above-mentioned Field Team reports.

S. Ricker
Executive Officer
DMEA Field Team, Region II

Attachments

Copy to: R. M. Smith, USGS
A. C. Johnson, Reno
George Mavor
F. Horton

AUBREY MINNEY
511 Archer Street
Salinas, California

Minerals Administration
RECEIVED
JAN 10 1955

Docket DMEA-2455 (Mercury)
Contract Idm-E379
McAdoo Mine, Humboldt County,
Nevada

FINAL REPORT

There has been no appreciable progress in underground mining since my report of September and October. Our efforts have been mainly in surface installations.

A 16-foot, three-tube retort has been completed. This furnace was constructed on a sidehill approximately 40 feet east of the shaft. Considerable land leveling and grading was required to obtain a 40-degree pitch which would allow gravity feed to the retort tubes. New fire brick, with concrete retaining walls, were used in the construction of the furnace, diatomaceous earth was packed around all boundaries as an insulative material.

To date we have not had a continuous run in excess of 48 hours. However, the results over this period have proved to be entirely satisfactory. Heat has been supplied by the use of diesel fuel, with the burner and blower force-feed method being employed. In this test run it was found that our recovery of mercury was not satisfactory due to insufficient condensing system; considerably more condensing pipes are being added at this time which should result in a favorable recovery. An ore bin has been installed over the furnace, with grizzly at tram track level from the shaft. A crusher has also been installed at an intermediate level, above the furnace to reduce the oversized material.

Two one thousand gallon fuel tanks have been placed, along with the necessary fuel lines for furnace supply.

Road grading, and surfacing with burnt ore finish, have been completed in and around mine and camp. In summation of surface necessities, I would say that all requirements are in place and ready for operation.

Geologically, the project, as you may have surmised from my previous reports, appears to have considerable merit. The ore lens which appears on the 105-foot level and which has been mined for an additional forty feet in depth, has a good mineralized zone, although small. Cinnabar in this lens is contained in a fracture of the diabase dyke, with calcite and iron pyrites as associated materials.

The ore stands at about eighty degrees in the winze, and appears in small kidneys ranging over an area of one to three feet in width, to three to six feet in length. The kidneys, along with the dyke cleavage, contain a fairly good grade of cinnabar, not following a definite plane, the deposits appearing in all quadrants of the winze, small, in and out, very allusive and difficult for

DEPARTMENT OF INTERIOR
BUREAU OF MINES
REGION III
RECEIVED

1954 DEC 8 PM 1:40

RENO, NEVADA

AUBREY MINNEY
511 Archer Street
Salinas, California

Docket DMEA-2455 (Mercury)
Contract Idm-E379
McAdoo Mine, Humboldt County,
Nevada

selective mining. There has been no noticeable change in the dimensions of the ore zone. The content of cinnabar can also be considered about the same (15 to 20 pounds per ton).

The ore lens above the 105-foot level has not been explored thus far. It is possible that further work on either raising or sinking will result in a more substantial ore body. It is expected that a flat fault area will be encountered both above and below, at which points ore bodies may exist. At any rate, it is intended to pursue these leads to the fullest extent.

I will be glad to submit any further information which you may require.

I sincerely appreciate the aid extended to me by the Defense Minerals Exploration Administration. My thanks also to the officers and personnel of all departments for their many efforts. It is my full desire that future development work will prove successful to the extent that full reimbursement can be made.

A. Minney
A. Minney

Attach.- 2

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

NOV 1 0 1954

Mr. George Mayer
DMEA Auditor
420 Custom House
555 Battery Street
San Francisco 11, California

Re: E-379, DMEA-2455
Aubrey Mineral
Heidvo Mine (Mercury)

Dear Mr. Mayer:

Reference is made to your letter of November 4, 1954, in regard to the audit of the above-cited contract.

I am in agreement that the amount of $436.54 to restore hoist house, headframe and hoist damaged by fire August 21, 1954, is not an allowable cost under the contract. I referred this item to the Division in charge of this contract and was informed that the project is too nearly completed for the Government to participate in restoring the damaged property.

Your disallowance of $65.56 for an overexpended item under Rehabilitation and Repairs is justified under the provisions of the contract.

It is true that the individual items in Exhibit "A" of the contract add to more than the $17,600 allotted to the contract. It isn't necessary, however, to amend the contract. No more, however, than $17,600 may be expended on the contract for Government participation.

Sincerely yours,

(Signed) J. L. Chambers
Jay L. Chambers, Chief
Contract Administration
and Audit Division

JLChambers/wb
November 10, 1954

Copy to: Docket
Admr. Reading File
Mr. Chambers

R.C.G.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 8 - 1954

420 Custom House
555 Battery Street
San Francisco 11, Calif.

November 4, 1954

Memorandum

To: George C. Selfridge, Chairman, Operating Committee, DMEA
Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA-2455 - Mercury
Aubrey Minney
McAdoo Mine, Humboldt County, Nevada
Contract No. Idm-E379

In attempting to "close the books" on the subject project, Mr. George Mavor, DMEA Auditor, has called my attention to some discrepancies in the contract figures as the result of Amendments Nos. 7 and 8.

Everything seems to be in order through Amendment No. 6 (Amendment No. 6 has no effect on any figures) so that I will use Amendment No. 5 as my starting point in the discussion to follow.

By Amendment No. 5, the Operator was allowed the following:

Stage I

Shaft sinking 80 feet at $42.225/ft.	$3,378.00
Crosscutting 103 feet at $23.00/ft.	2,369.00
Drifting ? feet at $23.00/ft. plus ? feet timbering at $14.11/ft.	4,991.00

Stage II

Drifting and crosscutting 61.643 feet at $23.00/ft.	$1,417.77
Raising 80 feet at $25.00/ft.	2,000.00
Sinking winze 50 feet at $37.00/ft.	1,850.00
Direct Costs	1,594.23
Total	$17,600.00

By Amendment No. 7, the Operator was allowed to do the following:

Stage I

Shaft Sinking 80 feet at $42.225/ft.	$3,378.00
Crosscutting 103 feet at $23.00/ft.	2,369.00
Drifting ? feet at $23.00/ft. plus ? feet timbering at $14.11/ft.	4,991.00
Crosscutting and drifting 99.577 feet at $23.00/ft.	2,290.27
Timbering 110 feet at $14.11/ft.	1,552.10

Stage II

Sinking winze, 50 feet at $37.00/ft.	$1,850.00
Direct Costs	1,594.23
Total	$18,024.60

The total ($18,024.60) is $424.60 more than the contract ($17,600.00) allows.

By Amendment No. 8, the Operator was allowed the following:

Stage I

Shaft sinking 80 feet at $42.225/ft.	$3,378.00
Crosscutting 103 feet at $23.00/ft.	2,369.00
Drifting ? feet at $23.00/ft. plus ? feet timbering at $14.11/ft.	4,991.00
Crosscutting and drifting 99.577 feet at $23.00/ft.	2,290.27
Timbering 99 feet at $14.11/ft.	1,396.89

Stage II

Sinking 32 feet at $50.00/ft.	$1,600.00
Timbering 28 feet at $14.11/ft.	395.08
Direct Costs	1,594.23
Total	$18,014.47

The total ($18,014.47) is $414.47 more than the contract ($17,600.00) allows and is $10.13 less than the overage resulting from Amendment No. 7.

In other words, we found when using your figures as indicated by Amendment No. 7 the total was $424.60 over the contract. After additions and reductions in accordance with Amendment No. 8, we find the overage to be $414.47, or $10.13 less. Apparently, not only was an error made when Amendment No. 7 was drawn, but an additional error of $10.13 was made when restating the figures used in Amendment No. 7 in Amendment No. 8.

You will probably want to correct the error by an Amendment, or maybe you can think of some other way to do it.

Mr. Mavor and I have checked our figures but you may have another interpretation, in which event we will gladly "argue the case" with you.

H. C. Miller for
S. Ricker
Executive Officer
DMEA Field Team, Region III

Copy to: Roscoe Smith, USGS
George Mavor (2 copies)

Form MF-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of [illegible], 195[illegible] Docket No. DMEA [illegible] Contract No. [illegible]
Operator's Name [illegible] Minerals [illegible]
Address [illegible]
Contract Amount, $ [illegible] Government Participation: [illegible]% Amount, $ [illegible]

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Contractors: Short Form						
Drilling	[illegible]	[illegible]	[illegible]			
Bulldozing	[illegible]	[illegible]	[illegible]			
Crosscutting	[illegible]	[illegible]	[illegible]			
Drifting	[illegible]	[illegible]	[illegible]			
[illegible]	[illegible]	[illegible]	[illegible]			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
[illegible]	[illegible]	[illegible]	[illegible]			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation		[illegible]	370.97			
(5) Initial Rehabilitation and Repairs	[illegible]	[illegible]	[illegible]			
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis	[illegible]	3.00	[illegible]			
Payroll Taxes	[illegible]	[illegible]	[illegible]			
Liability Insurance						
(8) Contingencies (specify):						
Less suspension per Final Report of Review				-502.11		
	[illegible]	[illegible]	[illegible]			
TOTALS				1108.96	14,695.06	$15,804.02

I certify that the above bill is correct and just and that payment therefor has not been received.

Date [illegible] *Payee Aubrey Mennell

Per [illegible] Title [illegible]

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 831.73

Signature [illegible]
(Authorized Certifying Officer)

Date [illegible] Vou. No. SF-Dmea-15

(See other side)

Includes $.01 additional to agree with Audit Report.

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E379 in accordance with the terms of the contract.

Signature R. C. Johnson Title Chief, Mining Div. Region III Date October 28, 1954.

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature H. C. Miller Title Executive Officer DMEA Field Team Region III Date October 29, 1954

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.1
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of [illegible] 1954 Docket No. DMEA [illegible] Contract No. [illegible]
Operator's Name [illegible] Minerals [illegible]
Address [illegible]

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting	[illegible]	-	-	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Crosscutting	[illegible]	-	-	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Raising								
Shafts	[illegible]	-	-	3,375.00	00	[illegible]	00	3,375.00
Winzes	[illegible]	[illegible]	1	1,000.00	32	[illegible]	32	1,000.00
Drilling: Core								
Diamond [illegible]	[illegible]	-	-	[illegible]	02	[illegible]	13	[illegible]
Auger [illegible]	[illegible]	[illegible]	2	[illegible]	28	[illegible]	28	[illegible]
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		[illegible]	00	[illegible]				Total Costs Authorized by Contract
Less expenses per Audit		-503.11		-503.11				
Operating Equipment Purchased				[illegible]				[illegible]
(5) Initial Rehabilitation and Repairs				[illegible]				[illegible]
(6) New Buildings, Improvements, etc.		[illegible]		[illegible]				[illegible]
		[illegible]		[illegible]				[illegible]
Total Costs		1100.96		15,804.02				[illegible]

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date [illegible] Operator Aubrey Mimms

Per [illegible] Title [illegible]

Remarks:

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

Bureau of Mines Administration
RECEIVED
DEC 6 1954

U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION III

Administrative Audit Difference Statement

Date: December 2, 1954
Payee's
Reference: Contract MPA-2100 Mercury
Mahoe Mine, Humboldt County, Nev.
Contract No. 1570

Aubrey Nancy
511 Archer St.
Salinas, Calif.

Dear Mr. Nancy

Upon examination of the above Payee's Reference, a difference was found which made it necessary to suspend your account accordingly:

Amount Claimed $ 1411.97 (Rept. Det.) MP-104

Difference $ 312.11

Amount Approved $ 1100.86

The reason for the difference was due to:

See Final Report of Review dated November 19, 1954 for details.

Any reclaim for deductions made above must be supported by the ORIGINAL of this form.

Very sincerely yours,

L. H. Sjolander
Chief, Budget and Finance Branch
Region III

AUBREY MINNAY
511 Archer Street
Salinas, California

DEPARTMENT OF THE INTERIOR
Bureau of Mines Minerals Administration
RECEIVED
DEC 20 1954

Docket DMA-2455 (Mercury)
Contract Ion-2379
McAdoo Mine, Humboldt County, Nev.

PROGRESS REPORT - SEPTEMBER TO OCTOBER 18, 1954

Since my report of August 25, 1954, considerable time has been consumed in restoring the damage caused by fire, as outlined in the above narrative. A new hoist house has been built, portion of the headframe has been replaced, a new hoist, generator, electric drill, electric saw, and all necessary hand tools have been replaced.

Beyond restoring the mine to its normal operation, a surface crew was employed with bulldozer and dump truck to grade and build roads and grade retort furnace site. Areas around living quarters were cleared of brush and paved with calcine to eliminate fire hazard.

A 5,000-gallon redwood water tank has been erected with approximately 2,000 feet of distribution water line to the living quarters and mine placed.

At this time I am in the process of building a three-tube, 16-foot retort. It is expected that this furnace will be in operation within a period of three weeks. This furnace will be fired with two propane burners and will be capable of processing approximately two tons of ore in 24 hours.

All of the above-mentioned improvements and installations were deemed necessary in order that operations can be continued throughout the winter. It is intended that a three-man crew be maintained through the winter months in further exploring the ore lens and processing the ore.

Mining progress on the bottom level has advanced the winze to a depth of 32 feet along the ore lens. Square set timber has been placed for 23 feet. Thus far the ore lens has not made any material change. It consists of an ore body varying from a one- to three-foot width, to a three- to six-foot length. The ore value will run between 15 and 20 pounds per ton. There is approximately 50 tons of such ore stockpiled, underground and on the surface. It is believed that with this stockpile, along with selective mining in the winze, a sufficient supply will be maintained for furnace ore. Of course, it is hoped that future exploration will develop a more substantial ore deposit.

Should the ore lens, which is contained in a fracture of the dyke, take a more horizontal plane it is highly probable that a

AUBREY MINNEY
511 Archer Street
Salinas, California

substantial ore body will develop. At any rate, sinking will be employed so long as the operation will supply sufficient furnace ore for continual processing. In the event that this procedure allows the stocks to deplete, through handling excessive waste materials, and timbering, a raise will be started on the ore lens above the bottom level where material can be obtained with considerably less effort. Finances at this time prevent a more concentrated effort. However, should the exploration of this property remain favorable or develop into larger ore findings, an expanded mining and processing operation would ensue by Spring or early Summer of 1955.

In computing my voucher, I find that there still remains in the contract $436.54 under "Actual Cost" items. Also, an amount of $1,293.07 remains under "Agreed Unit Cost". The amount for "Agreed Unit Cost" is in excess of the 32 foot of winze sinking, plus timbering, as specified in Amendment No. 8. I suggest that the remainder of this money be made available for additional winze sinking and timbering. The balance remaining in "Actual Cost" items is being submitted on my voucher, attached, for building the new hoist house. It is felt that since the building of the new hoist house was an absolute necessity in order to continue the work under the exploration contract, the Government should contribute to this expense.

A. Minney
A. Minney

EXPLANATION OF ITEMS LISTED ON FORM MF-104

6. New Buildings, Improvements, etc.

Build new 15 ft. by 20 ft. galvanized, corregated sheet iron hoist house.

Labor -		$208.00	
Materials -	$163.56		
	2.00		
	4.55		
		170.11	
Fuel, generator		5.91	
Drayage (inc.wages, 1 man $16.00)		28.00	
			$412.02

7. Miscellaneous

Payroll Taxes			
Social Security,	2% of $224.00	$4.48	
Unemployment	2.7% " "	6.05	
		$10.53	
Liability Insurance, Rate 7.01		$15.70	
			$26.23
Total			$438.25
Amount submitted on Form MF-104			$436.54

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 17 1954

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Office of
Executive Officer
DMEA Field Team
Region III

420 Custom House
555 Battery Street
San Francisco 11, Calif.

Date: September 13, 1954

Memorandum

To: Operating Committee, DMEA, Interior Bldg., Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Interim Inspection Report

Attached are four copies of Interim Report on -

Docket DMEA - 2455

Contract Idm-E 379

Commodity Mercury

Operator - Aubrey Minney

Property - McAdoo Mine, Humboldt County, Nevada

By Henry W. Jones, Mining Engineer

Dated September 9, 1954

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Attachment

Copy to: Finance Officer, Region III (With one copy of report)

Roscoe Smith, USGS (With one copy of report)

DEPARTMENT OF THE INTERIOR
Bureau of Mines Administration
SEP 17 1954

INTERIM REPORT

Docket No.: DMEA-2455 (Mercury) Sept. 9, 1954

Name and address of operator: Aubrey Minney
511 Archer Street
Salinas, Calif.

Name and location of property: McAdoo Mine
Bottle Creek Mining Dist.,
Humboldt County, Nevada

Contract No.: Idm-E379

SUMMARY AND CONCLUSIONS

The McAdoo mine was inspected on Sept. 2 and 3, 1954 to check the work progress applicable to terms of the DMEA loan. Amendment No. 8 was signed which permitted a larger size winze. Headroom for the inclined winze, being sunk on the ore zone, was provided for, and collar timbers set. The winze was deepened an additional measured 3 feet for a total depth of 17 feet from track level.

On Aug. 21, 1954, the hoist house and equipment were destroyed by fire. There was no mining equipment saved from the building. As a consequence, work under the contract has been seriously curtailed with a corresponding lack of footage gained during the reporting period.

STATEMENT OF WORK COMPLETED

The McAdoo mine was inspected on Sept. 2 and 3, 1954. Amendment No. 8, drawn up and signed on Aug. 11, 1954, permitted a 2-compartment winze to be sunk and timbered along the mineralized structure.

This work was carried on company account prior to receiving the amendment. The winze was driven a measured 17 feet along an 80° incline to the west. Since the previous measurement, the angle was steepened to more fully follow the rake of the ore shoot. A 6 by 6 foot collar set was installed and an additional set was placed on a 5-foot center below the collar. Headroom was blasted from the drift back and a small superstructure and sheave wheel placed over the winze. Material was hoisted by means of a hand winch with a 12 to 1 ratio. Due to the large size of the buckets available and the slowness of hoisting operations, reported plans are to obtain and install a tugger hoist.

OTHER INFORMATION

A fire started in the hoist house on Aug. 21, 1954. Before it was noticed it was out of control and all equipment in it was destroyed. Material lost included a new Allis-Chalmers, 24 horsepower hoist; 1 electric generator, 1 kw; 2 small gasoline motors; and assorted mining tools. The Le Roi, 210 c.f.m. portable compressor was towed from near the shed and was saved. Some members of the headframe timbers were badly charred and had to be replaced but damage to this structure was reportedly light.

A larger Wisconson APH-1 motor powering an Essick hoist was purchased and is currently being used. No shelter has been provided for the equipment but plans are to build before winter weather sets in.

An allowance of $264.43 was made in the original contract for mov-

ing and reconstructing the hoist house at the shaft site. The Government therefore must consider a loss in its equity of the frame building.

The operator reported that he has purchased three 20-inch tubes, approximately 20 feet long, with which he will retort his ore. Heat will be provided by two sets of propane burners. He estimated that about 700 pounds of ore could be run through each tube per 8-hour shift.

COMMENTS

Inasmuch as the largest part of the cinnabar mineralization occurs in a loosely cemented breccia and gouge, it was suggested by the visiting engineer, that the mill heads might be increased considerably by running the ore over a 1-inch screen and perhaps cobbing and sorting the larger rocks. The operator is planning on running a test to determine the amount of upgrading with the different sized screens.

Henry W. Jones

Henry W. Jones
Mining Engineer

MF-104 (Rev.)
(Apr. 1952)

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
SEP - 3 1954
RECEIVED

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of July, August, 1954 Docket No. DMEA 2455 Contract No. 1954 Idm-B379
Operator's Name Aubrey Minnoy Minerals Mercury
Address 511 Archor Street, Salinas, Calif.
Contract Amount, $ 17,600.00 Government Participation: 75% Amount, $ 13,200.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) ~~Independent~~ Short Form Contracts:						
~~Drilling~~ Timbering	98.77	776.05	874.82			
~~Bulldozing~~ " -Winze	70.55	-	70.55			
Crosscutting		2,369.00	2,369.00			
Drifting	713.00	5,382.00	6,095.00			
Shaft Sinking	-	3,370.00	3,370.00			
Winze	750.00	-	750.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
Misc. cooking equip. & hshld. furn.		114.90	114.90			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs		870.97	870.97			
(6) New Bldgs., Improvements, etc.		150.38	150.38			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes		3.88	3.88			
Liability Insurance		17.56	17.56			
(8) Contingencies (specify):						
TOTALS	1632.32	13,062.74	14,695.06			

I certify that the above bill is correct and just and that payment therefor has not been received.

Date Aug. 25, '54 *Payee Aubrey Minnoy

Per _____ Title Owner

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 1224.24

Signature _____
(Authorized Certifying Officer)

Date SEP 3 1954 Vou. No. SF-DMEA-6

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. dm-E379 in accordance with the terms of the contract.

Signature A. C. Johnson Title Chief, Mining Div. Date Sept. 2, 1954.
A. C. Johnson Region III

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature S. Ricker for H. C. Miller Title Executive Officer DMEA Field Team Region III Date September 3, 1954

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 83-38478

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 13 1954 P - 3 1954

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of [illegible] 195[illegible] Docket No. DMEA [illegible] Contract No. [illegible]
Operator's Name [illegible] Minerals [illegible]
Address [illegible]

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting	[illegible]	[illegible]	32	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Crosscutting	[illegible]	-	-	[illegible]	103	[illegible]	103	[illegible]
Raising								
Shafts	[illegible]	-	-	[illegible]	30	[illegible]	30	[illegible]
Winzes	[illegible]	[illegible]	12	[illegible]	12	[illegible]	32	[illegible]
Diamond Core								
Timber Chute	[illegible]	[illegible]	7	[illegible]	62	[illegible]	12	[illegible]
Auger	[illegible]	[illegible]	5	[illegible]	5	[illegible]	60	[illegible]
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		[illegible]	50	[illegible]				Total Costs Authorized by Contract
Operating Equipment Purchased				[illegible]				[illegible]
Initial Rehabilitation and Repairs				[illegible]				[illegible]
New Buildings, Improvements, etc.				[illegible]				[illegible]
Total Costs		[illegible]		[illegible]				[illegible]

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date [illegible] Operator [illegible]

Per [illegible] Title [illegible]

Remarks:

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

AUBREY MINNEY
511 Archer Street
Salinas, California

RECEIVED
SEP 10 1954

Docket DMEA-2455 (Mercury)
Contract Idm-5379
McAdoo Mine, Humboldt County,
Nevada

PROGRESS REPORT FOR THE MONTHS OF JULY AND AUGUST, 1954

Mining operations at the McAdoo mine for the month of July and a part of August have progressed at a steady pace with the exception of some minor breakdowns and the replacement of some of the mining personnel.

On the afternoon of August 21, 1954, a major loss was incurred by fire, which destroyed the hoist house. This included the complete loss of hoist, one electric generator, two electric drills, two spare Wisconsin one-cylinder engines, one blower, and numerous hand tools, along with considerable mining essentials. An investigation of the incident failed to establish the cause of the fire. At the time of origin of the fire, two men were employed underground. The hoist man was at the time engaged in obtaining a set of socket wrenches from a pickup truck located at the living quarters about 400 yards away. Upon his return the entire structure was engulfed in flame, making the salvage of items impossible and fire-fighting ineffectual. No injuries were incurred by the fire; the two miners below-ground were able to make their exit safely.

At this time, a new hoist, generator, Skill saw and essential hand tools have been purchased. It is expected that operations will be resumed within one week.

Mining progress since my last report has consisted of drifting 31 feet, which completed the connecting of our drift with the McAdoo north drift. There were no commercial ore values along this drift, which was along the east side of the diabase dyke. There was, however, some good cinnabar showing in places along the route. It was necessary to install 5 feet of timber upon entering the old workings. Also, there was one-half set of timber placed at a point 14 feet back from the September 5, 1953 face, in ground which became aggravated by blasting. 2 feet of complete timbering is reported for the half set.

A 4-foot by 6-foot winze, in the clear of timber, was sunk on the ore lens to a depth of 15 feet. One complete square set of timber was placed in the winze, 5 feet reported. A timbered superstructure was installed over the winze to accommodate a gear-driven hand hoist for hoisting material from the winze.

The ore lens at this depth is of about the same value and dimension. It still stands at about 80°, and follows the side of the dyke to depth.

In conclusion, I would say that normal operations will be resumed very shortly with every effort being extended toward the termination of this project.

Aubrey Minney
Aubrey Minney

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 3 1954

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Office of
Executive Officer
DMEA Field Team
Region III

420 Custom House
555 Battery Street
San Francisco 11, Calif.

Date: August 30, 1954

Memorandum

To: Operating Committee, DMEA, Interior Bldg., Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Interim Inspection Report

Attached are four copies of Interim Report on -

Docket DMEA - 2455

Contract Idm-E 379

Commodity Mercury

Operator - Aubrey Minney

Property - McAdoo Mine, Humboldt County, Nevada

By Henry W. Jones, Mining Engineer

Dated August 27, 1954

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Attachment

Copy to: Finance Officer, Region III (With one copy of report)

Roscoe Smith, USGS (With one copy of report)

INTERIM REPORT

Docket No.: DMEA-2455 (Mercury) August 27, 1954

Name and address of operator: Aubrey Minney
511 Archer Street
Salinas, Calif.

Name and location of property: McAdoo Mine
Bottle Creek Mining Dist.
Humboldt County, Nevada

Contract NO.: Idm-E379

SUMMARY

The McAdoo Mine was visited on Aug. 4 and 5, 1954 to determine the extent of work completed under terms of the DMEA exploration project. Work since the previous visit consisted of advancing the drift an additional 27 feet to join with the old McAdoo mine workings. Five feet of timber sets were placed at the break through to the McAdoo, and a partial set, 2 feet, was placed back in the drift near where the company placed churn drill hole intersected the drift. Total advance under terms of amendment No. 7 consisted of 91 feet of drifting to connect with the old workings. Fourteen feet of winze was driven on company account, pending approval of the larger winze specifications and timbering as covered by a memorandum of A. C. Johnson, July 19, 1954.

CONCLUSIONS

Winze sinking is unduly slow. The lack of the necessary mechanical underground hoisting equipment is the chief cause of the slowness. The

operator reportedly is planning to purchase a tugger hoist in the immediate future.

STATEMENT OF WORK COMPLETED

The McAdoo Mine was visited on Aug. 4 and 5, 1954 in company with Pete Menicucci. Work since the previous visit of July 6, 1954 consisted of advancing the drift heading an additional 27 feet to connect with the old McAdoo workings as covered in amendment No. 7 to the contract. Total drift advance since the start of amendment No. 7 was 91 feet. About 5 feet of timbering and blocking was placed in the old McAdoo workings to maintain the old drift and hold the sloughing at the face. An additional 2-foot partial set was placed at the intersection of the company drilled churn drill hole adjoining the dike.

A winze with outside dimensions of 6- by 7-feet is being sunk at a -65° dip to the northwest following the rake of the previously mentioned ore body. The depth was measured at 14 feet during the visit. The winze will be carried on company account pending approval of the submitted change in dimensions and timbering of the winze as noted in A. C. Johnson's memorandum of July 19, 1954. Sinking operations have been carried on by means of a rope and bucket. Immediate plans are to install a small headframe and tugger hoist for ease of operations.

OTHER INFORMATION

Cinnabar mineralization is continuing down dip and along the dike fault contact. The more highly mineralized segment consists of a semi-

circular pipe, roughly 3 feet in diameter with varying width tongues extending to the west along the fault drag. Most of the cinnabar mineralization occurs as a cementing material in a fine breccia, with some cinnabar filling in the broken segments of the dike rock. It appears as though little to no mineralization took place in the footwall volcanics.

Three samples were taken during the visit. Results of the assays are as follows:

Sample No.	Lbs. Hg/T.	Description
82	59.6	3.0-foot channel sample taken across mineralized segment at bottom of 14-foot winze. Partially breccia and some dike rock.
83	29.2	33-inch sample taken in soft breccia and gouge on west wall of winze, mineralized tongue 13-foot depth.
84	18.0	Dump sample of estimated 15-ton ore pile.

COMMENTS

The joining of the two workings helped ventilation of the McAdoo mine to a great extent. Moisture on the timbers and walls has disappeared and sump pumping has been considerably reduced.

Henry W. Jones

Henry W. Jones
Mining Engineer

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 31 1954

420 Custom House
555 Battery Street
San Francisco 11, Calif.

August 27, 1954

Memorandum

To: Operating Committee, DMEA, Interior Building
Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA-2455 - Mercury
Aubrey Minney
McAdoo Mine, Humboldt County, Nevada
Contract No. Idm-E379
Amendment No. 8

Attached are the original and two copies of Amendment No. 8, dated August 11, 1954, made in connection with subject contract.

A justification sheet is attached to each copy of the amendment.

Proper distribution has been made of the remaining copies.

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Enclosure

Copy to: A. C. Johnson, Reno (With copy of amendment)
Finance Officer, Region III (With copy of amendment)
Roscoe Smith, USGS
George Mavor

Docket
Surname copy

700

F. L. Knouse
Ellis
Talbert
Martin
H. Johnson

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

Mr. H. C. Miller
Executive Officer
DMEA Field Team, Region III
U. S. Bureau of Mines
420 Custom House
555 Battery Street
San Francisco 11, California

Re: Docket No. DMEA-2455 (Mercury)
Contract No. Idm-E379
Aubrey Mirmey
McAdoo Mine
Humboldt County, Nevada

Dear Mr. Miller:

Enclosed, with attachments, are the original and five copies of Amendment No. 8 to the subject contract, signed by the Administrator for the Government.

If the terms and conditions of this amendment meet with your approval and the Operator's, please have the original and all copies signed by the company official authorized to sign this document and make the usual distribution of the amendment.

If any part of this proposed amendment does not have either your approval or that of the Operator and cannot be amended within your delegated authority, the original and all copies of the proposed amendment are to be returned to this office with the proposed changes for consideration.

Sincerely yours,

W. S. Martin

ACTING Chairman, Operating Committee (FLB)

Enclosures

J. H. Hedges

Member, Bureau of Mines (FLB)

Philip W. Guild

Member, Geological Survey (FLB)

FLKnouse/gla
8-11-54

cc to: Admr. Reading File
Operating Committee
Docket
Messrs. H. M. Meyer, Rm. 2623
E. L. Newcomb, Rm. 5227
Code 700
F. L. Knouse

RCS

Surname
Docket copy

700

F L Knouse
Ellis

INTERIOR DEPT.
AUG 3 - 1954
SOLICITOR

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

August 2, 1954

Memorandum

To: Acting Assistant Solicitor, DMEA

From: F. L. Knouse, Mining Engineer
Rare and Miscellaneous Metals Division

Subject: Amendment No. 8
Docket No. DMEA-2455 (Mercury)
Contract No. Idm-E379
Aubrey Minney
McAdoo Mine
Humboldt County, Nevada

Please draft Amendment No. 8 for the signature of the Administrator which will permit the sinking of a 2-compartment timbered winze, as required by the Nevada State law, in lieu of the 1-compartment winze as set forth in the contract.

Under Amendment No. 7, page 2 "(c) Estimated Cost of the Project," change

110 feet of timbering, including 10 feet of timbering in the 103 feet of crosscut (under Amendment No. 4) @ $14.11/ft. $1,552.10

to read:

99.00 feet of timbering, including 10 feet of timbering in the 103 feet of crosscut (under Amendment No. 4) @ $14.11/ft. $1,396.89

Under "Exhibit 'A' Description of the Work," "Stage II", page 1 of the contract, <u>delete</u>:

"Sink 50 feet of winze along the dyke 4' x 4' in cross-section in the clear of timber."

and add:

"Sink a 2-compartment winze 32 feet along the mineralized vein. The skipway compartment is to be 4' x 4' in the clear of timber, and the manway compartment is to be

18" x 4' in the clear of timber and suitable ladders and landings installed. The winze is to be timbered with satisfactory square set timbers where necessary."

Under "Agreed Unit Cost," "Stage II," delete:

"Sinking winze 50 feet @ $37/ft.*	$1,850.00"

and add:

"Sink winze 32 feet @ $50/ft.	$1,600.00
"Square set timber 28 feet of 2-compartment winze @ $14.11/ft.	395.08
Total	$1,995.08"

This amendment shall not be construed to increase the estimated total cost of the project, the agreed unit cost of any item of work, or the aggregate total amount which the Government may be required to contribute.

/s/ F. L. Knouse

F. L. Knouse

FLKnouse/gla
8-3-54
cc to: Docket
Code 700 contract file
Mr. Knouse

Docket

700

Ellis

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

August 2, 1954

Memorandum

To: File

From: F. L. Knouse, Mining Engineer
Rare and Miscellaneous Metals Division

Subject: Docket No. DMEA-2455 (Mercury)
Contract No. Idm-E379
Aubrey Minney
McAdoo Mine
Humboldt County, Nevada

Telephone conversation with Mr. Miller, Region II, covering the following:

Mr. Miller was advised we have his memorandum dated July 27, 1954, but there are some points to be cleared up before I can proceed with the recommended amendment.

Q. What is the strike length of the ore shoot; has it been followed for the full length, and what grade ore has been found?

A. A 6-foot length chimney type ore shoot.

Q. As I doubt the Operating Committee would approve such short length raise and winze (15 feet each) as the proposed work appears to be in the nature of preparation for mining, the only way I believe they would approve of a modification in the contract as it stands would be to concentrate the work into one drive, i.e., either the winze or raise. Which would you recommend?

A. The winze.

Q. Has the drift been connected to the old McAdoo workings?

A. Yes, we understand it has.

Q. If this connection is completed, only $1850 remains for the raise and winze.

A. I think he has about $2000 left; he saved on timber. Timber was not required for the full length of the drift.

Q. In your teletype of July 20 you recommend $50/ft. for winze sinking and $35/ft. for raising and $14.11/ft. for timbering; however, in your memorandum of July 27 you recommend $71.86/ft. for winzing and $56.54 for raising. Which figures should be used?

A. Use Johnson's figures for cost in teletype of July 20.

Q. We note that the Operator wants to use 8-inch by 8-inch timbersin the raise and winze. Are such heavy timbers needed for an exploration winze?

A. No. It appears the Operator isproposing to prepare to begin mining. I believe the difference in the cost proposed by Mr. Johnson and that proposed by the Applicant for winzing - of the size Applicant proposes - is reasonable and will be acceptable to Applicant. Therefore, please draft an amendment for winzing at $50/ft. plus $14.11/ft. for timber; the winze to consist of two compartments, the skipway being 4 feet by 4 feet and manway being 18 inches by 4 feet - both being in the clear of timber. Timbering cost is based on using square set timbers.

F. L. Knouse

F. L. Knouse

Nevada Mine Safety Law - 1947, and Supplement - 1951 and 1953

Section 4226: Regulation of shafts, compartments, Ladders and Landings Section 19. Extracted -

"It is further required that all upraises of over twelve feet elevation driven from the back of all levels, tunnels, drifts, crosscuts or stopes and which upraises are inclined more than 45 degrees from the horizontal, and when men are working for wages or contracting in driving upraises, the same shall be divided into at least two compartments, one of which shall be set aside for a manway and ladder-way, the ladders in same to be kept in good condition at all times."

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
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AUG 3 - 1954

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Office of
Executive Officer
DMEA Field Team
Region III

420 Custom House
555 Battery Street
San Francisco 11, Calif.

Date: **July 30, 1954**

Memorandum

To: Operating Committee, DMEA, Interior Bldg., Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Interim Inspection Report

Attached are four copies of Interim Report on -

Docket DMEA-2455

Contract Idm-E 379

Commodity **Mercury**

Operator - **Aubrey Minney**

Property - **McAdoo Mine**
Humboldt County, Nevada

By **Henry W. Jones, Mining Engineer**

Dated **July 27, 1954**

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Attachment

Copy to: Finance Officer, Region III (With one copy of report)

Roscoe Smith, USGS (With one copy of report)

Defense Minerals Administration
RECEIVED
AUG 3 - 1954

INTERIM REPORT

Docket No.: DMEA-2455 (Mercury) July 27, 1954

Name and address of operator: Aubrey Minney
511 Archer Street
Salinas, Calif.

Name and location of property: McAdoo Mine
Bottle Creek Mining District
Humboldt County, Nevada

Contract No.: Idm-E379

SUMMARY

The McAdoo Mine was visited on July 6 and 7, 1954 to check the work progress applicable to terms of the DMEA exploration loan. Work consisted of crosscutting the hard basic dike and drifting along the eastern footwall. Advance since the previous inspection of June 6, 1954 was 53 feet. Total advance under terms of Amendment No. 7 was 64 feet. Good grade cinnabar mineralization was crossed along a 6.0 foot width fault zone near the present face. Work is continuing toward joining the new workings with the old McAdoo mine for ventilation.

CONCLUSIONS AND RECOMMENDATIONS

Work appears to be progressing in a satisfactory manner with no unusual difficulties being encountered.

Amendment No. 7 to the contract stipulates in part: The location, direction and extent of all work is subject to the approval of the government.

It is therefore recommended that the winze driven in phase 2 of the project be sunk at the juncture of the dike and fault zone following down along the rake of the ore zone.

STATEMENT OF WORK COMPLETED

The McAdoo mining property, located about 42 miles northwest of Winnemucca, Nev., was visited on July 6 and 7, 1954. Work was continued under terms of Amendment No. 7 to the contract. Present work consisted of continuing the crosscut diagonally across the hard basic dike and drifting southerly along the eastern footwall edge. Work was directed toward connecting the present heading with the old McAdoo mine workings and the churn drill hole to provide ventilation. Total advance under terms of Amendment No. 7 was 64 feet, 53 feet of which was completed since June 6, 1954. The headings to date have been in a firm ground, partially in the dike rock which so far has eliminated the necessity of timbering.

COMMENTS

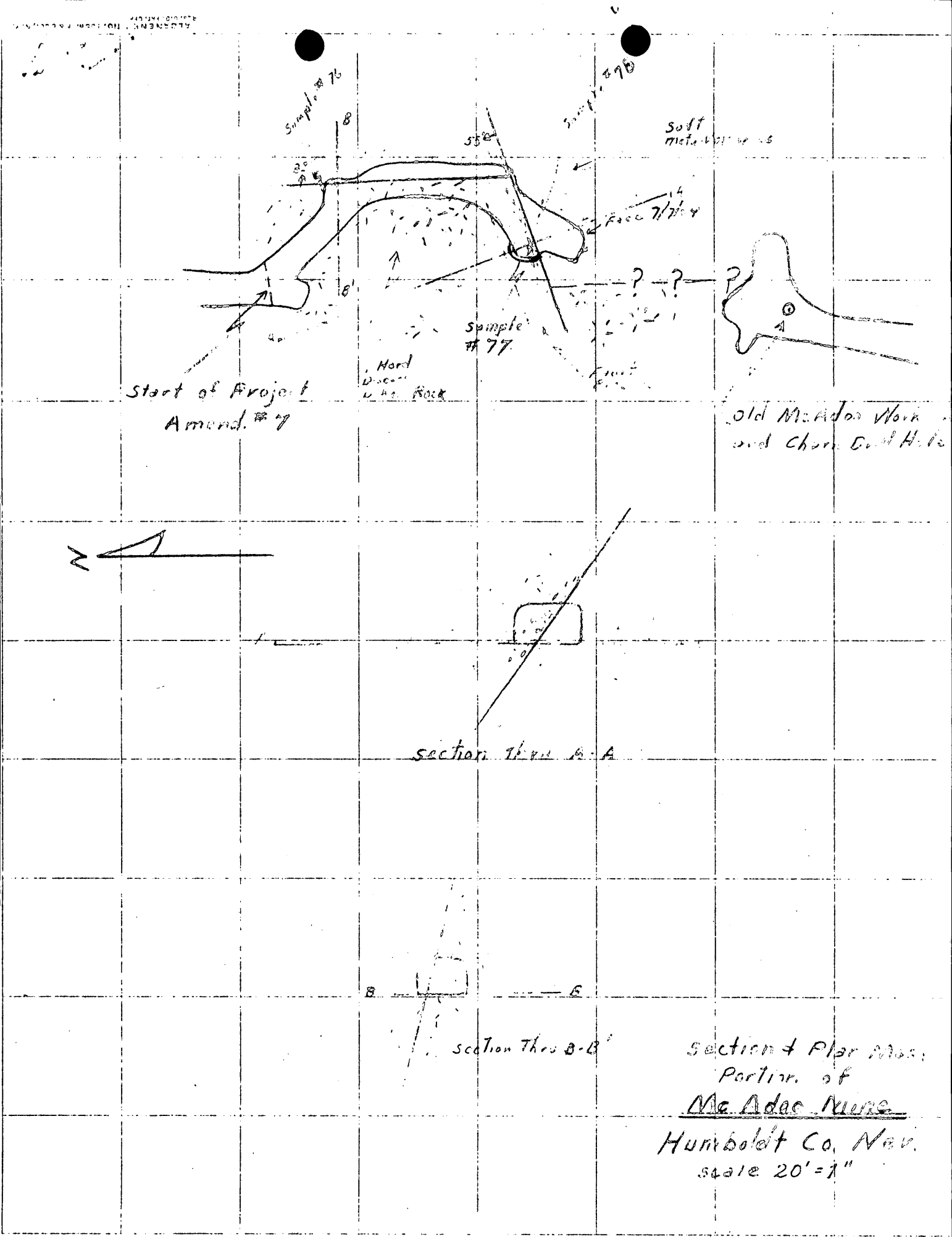
The drift was advanced along the footwall (east) side of the dike zone following a small mineralized fault stringer. The stringer terminated against a large fault striking N. 75° E. and dipping 55° N. W. The latter fault and approximately 6 feet of gouge on the hanging wall side contained variable amounts of cinnabar mineralization. Results of assays are as follows:

Sample No.	lb. Hg/T.	Description
76	8.5	General sample across 6-foot width at cross fault.
77	25.0	2.5-foot width sample along footwall of fault gouge.
78	5.7	1.5-foot width sample on hanging wall side of fault.

The mineralized fault structure displaces the dike rock to the west an unknown distance, with the continuation of the heading in a fresh appearing tuffaceous volcanic formation. Only a short distance of additional drifting was necessary at the time of inspection, to join the present work with the old McAdoo workings.

Henry W. Jones

H. W. Jones
Mining Engineer


Sample #76
Sample #78
Soft
Face 7/78
Sample #77
Hard
Start of Project
Amend. #7
Old McAdoo Work
and Chem. Drill Hole
Section Thru A-A
Section Thru B-B'
Section & Plan Map
Portion of
Mc Adoo Mine
Humboldt Co. Nev.
Scale 20' = 1"

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

420 Custom House
555 Battery Street
San Francisco 11, California

July 27, 1954

Air Mail

Memorandum

To: George C. Selfridge, Chairman, Operating Committee, DMEA, Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA-2455 (Mercury)
Aubrey Minney
McAdoo Mine, Humboldt County, Nevada
Contract No. Idm-E379

Your teletype of July 23 in reply to my wire to you dated July 20, 1954, both relating to the subject operator's request to raise and sink on ore to the extent of his remaining funds, is acknowledged.

I can now well understand why you did not grant me blanket approval to amend the contract, as suggested in my wire, for I have just spent the better part of a day trying to find out just where the subject contract stands. I have not prepared a proposed amendment as you suggested in your wire because I do not know what to do.

In reviewing the contract and numerous amendments, especially Amendments Nos. 2 and 7, I reached the conclusion that, by Amendment No. 7 everything in Phase II has been deleted with the exception of "sinking winze 50 feet at $37.00/ft. — $1,850.00."

Mr. Minney requested using funds remaining in Phases I and II to raise and sink along the rake of the ore body discovered in the drift along the dyke. His latest wish (see two copies of his July 25, 1954 letter attached hereto) is to raise 12 feet, sink 12 feet and drift or crosscut from the top of the raise and bottom of the winze until funds are exhausted. Mr. Roscoe Smith and I have discussed the request and conclude that, if the ore does not extend more than 12 feet above and below the adit level, there is no use spending money for horizontal drifting or crosscutting as the size of the ore body would not warrant the expense of that work.

Mr. Minney has furnished a detailed cost statement indicating that his cost of sinking a 4' by 5-1/2' timbered winze will be $71.86 a foot; a similar size timbered raise will cost $56.55 a foot. I understand that two-compartment winzes and raises are required in Nevada when their inclination is over 45 degrees. Mr. Smith and I see no reason why Mr. Minney should be allowed to spend all the remaining funds just because there are some funds remaining. We recommend, therefore, that a short raise and a short winze should be enough to determine whether the ore body is worthy of development. It is our suggestion that the amendment should allow a maximum of 15 feet of raising and a maximum of 15 feet of sinking, and no horizontal mining as requested by Mr. Minney. On the basis of Mr. Minney's estimated costs, the available $1,850.00 would allow 15 feet of sinking, costing $1,077.90 and 13.6534 feet of raising, costing $772.10. You may feel that the estimated costs per foot are too high but it has been my experience that throughout the project Mr. Minney has under, rather than over-estimated his costs.

We would very much like to complete this contract and if an additional $1,850.00 will do it and at the same time give us the needed information on the ore body, I believe we should allow it. We are not in favor of spending the available funds down to the last cent or do we think it necessary to tell us what we want to know about the ore body.

It will be a big help to me if your office (1) will draw up the necessary amendment, or (2) let me know how I should word an amendment that will satisfy the requirements.

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Attachment

Copy to: R. M. Smith—USGS

AUBREY MINNEY
511 Archer Street
Salinas, California

July 25, 1954

Docket No. DMEA-2455 (Mercury)
McAdoo Mine, Humboldt County, Nev.
Contract No. Adm-2379

Mr. H. C. Miller, Executive Officer
DMEA Field Team, Region III
420 Custom House
555 Battery Street
San Francisco 11, California

Dear Mr. Miller:

In reply to your letter of July 23, 1954, I am submitting as per your request the mining cost on the basis of sinking. I am also submitting the cost of raising, and horizontal mining at a lower level from the proposed winze, for such reasons as are outlined below.

If an amendment were drafted for sinking only, it may very well complicate matters at a later date. Consideration should be given to the possibilities of the ore lens' turning to a horizontal position where drifting and crosscutting should be employed. I expect such a development in reaching the fault area below, which may be a very short distance. Another aspect which should be considered is that the ore lens could develop into an ore body on a horizontal plane. Also, it is possible that the ore lens will blank out below, in which case a raise should be considered on the present commercial ore lens above. It is my recommendation that the new amendment be drafted on the basis of sinking, raising and drifting to the extent that the total money allowed for the project should not be exceeded.

I should like to outline for you the method which I would like to employ at this point. It would be most economical at this time to sink for about 12 feet, and timber. Beyond this, I would suggest a raise for about the same distance on the ore lens directly above. This would allow for an ore pocket to be installed which would serve in both sinking and raising. This would save considerable in operating costs, as hoisting operations could be kept continuous. It would also save having to remove, at such time as the raise is started, all of the superstructure over the winze which would be used for hoisting. I consider each of these points very important insofar as they allow flexibility and make allowances for practical operations.

The attached summary is based on a daily operating expense.

In applying these amounts to a per-foot basis, I estimate that each day will result in one and one-half feet of progress in sinking, at $71.86 per foot. This operation involves breaking ground

AUBREY MINNEY
511 Archer Street
Salinas, California

to accommodate a 4' x 4' skipway and a 18" x 4' manway. Winze will be constructed with 8" x 8" square sets at four-foot intervals encased with 2" x 12" lagging.

These amounts and specifications will also apply to raising, with a progress of 2 feet per day, at $56.55 per foot. Drifting and crosscutting, without timber, 3 feet per day, at $31.45 per foot. Drifting and crosscutting, with timber, 2 feet per day, at $56.55 per foot.

I shall be glad to furnish further information if it is required.

Yours truly,

A. Minney

A. Minney

AUBREY MINNEY
511 Archer Street
Salinas, California

1 Mine Superintendent, wage per day	$ 16.00
1 Relief Man, wage per day	14.00
2 Miners, wages per day	29.70
1 Cook, wage per day	5.00
Industrial Insurance, per day	3.36
Social Security and Unemployment Payments, per day	2.26
Fuel - gasoline, oil, etc., per day	6.93
Blasting Powder, Caps and Fuse, per day	8.00
Drill Steel and Bits, per day	1.50
Repairs and Maintenance, per day	1.00
Incidental Expense - professional services, phone, postage, stationery, household	2.50
Pipe, 1½" galv. and fittings, per foot	.62
Pipe, ¾" galv. and fittings, per foot	.21
Timbering, 8"x8" sq. set, 2" x 12" lagging, per foot	9.79
	$102.47

Surname 700

F.L. Knouse
Ellis
Selfridge
Fahlman
Whitenday

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

JUL 23 1954

T E L E T Y P E

FLKnouse

DMEA- Department of the Interior

14X4401(01) Revolving Fund, Defense Production Act (Interior) (Allocated Working Fund to the Office of the Sec.)

[redacted]

H. C. MILLER, EXECUTIVE OFFICER
DMEA FIELD TEAM, REGION III
420 CUSTOM HOUSE
555 BATTERY STREET
SAN FRANCISCO 11, CALIFORNIA

REURTT JULY 20 DMEA 2455 AUBREY MINNEY. SINCE REMAINING FUNDS LIMITED SUGGEST EXPENDING FUNDS ONE DRIVE ONLY. SUBMIT DRAFT PROPOSED AMENDMENT WITH JUSTIFICATION AND DETAILED COST BREAKDOWN.

George C. Selfridge
(246)
George C. Selfridge, Chairman
Operating Committee

FLKnouse/am
7-23-54
cc to: Admr. Reading File
Operating Committee
Docket
Messrs. H. M. Meyer, Rm. 2623
B. Gildersleeve, Rm. 5221
Code 700
Mr. Knouse
Confirmation to Region III

R.C.S.

JUL 21 1954

RECEIVED
JUL 21 7 35 AM '54

106 WA SFF /I-BOM/

SAN FRANCISCO CALIF 7-20-54 342P

GEORGE C SELFRIDGE, CHAIRMAN

DEFENSE MINERALS EXPLORATION ADMINISTRATION OPERATING COMMITTEE,

INTERIOR BUILDING WA

SUBJECT. DOCKET DMEA-2455 /MERCURY/ AUBREY MINNEY, MCADOO MINE, CONTRACT IDM-379

OPERATOR IN HIS PROGRESS REPORT FOR JUNE AND BY PHONE HAS REQUESTED HE BE ALLOWED TO RAISE AND SINK ON ORE DISCOVERED IN ~~DRUFT~~ Drift. ALONG DYKE. NEVADA LAW REQUIRES 2-COMPARTMENT RAISES AND WINZES WHEREAS CONTRACT CALLS FOR 4X4 FOOT RAISE AND WINZE. A. C. JOHNSON SUGGESTS OPERATOR BE ALLOWED $50 PER FOOT FOR SINKING PLUS $14.11 FOR TIMBERING, TOTAL $64.11 PER FOOT. OPERATOR ALSO WILL NEED MORE THAN CONTRACT ALLOWED $25 PER FOOT FOR REQUIRED 2-COMPARTMENT RAISE. ABOUT $3000 LEFT FOR RAISING AND SINKING. MAY I AMEND CONTRACT TO USE UP REMAINING FUNDS FOR RAISING AND SINKING ALONG RAKE OF ORE BODY AS FAR AS OPEERATOR CAN GO AT $64.11 PER FOOT FOR SINKING AND SAY $35 PER FOOT FOR RAISING PLUS $14.11 PER FOOT FOR TIMBERING.

H C MILLER EXECUTIVE OFFICER, DMEA FIELD TEAM, REGION III

DMEA-2455 379 2- 4X4 $50 $14.11 $64.11 $25 2- $3000 $64.11 $35 $14.00

EW 355P

JUL 21 10 01 AM '54

BUREAU OF MINES
MAIL ROOM
WASHINGTON D. C.

Form MF-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1636.3.
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of _____, 195__ Docket No. DMEA _____ Contract No. _____
Operator's Name _____ Minerals _____
Address _____
Contract Amount, $_____ Government Participation: ___% Amount, $_____

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS						

I certify that the above bill is correct and just and that payment therefor has not been received.

Date _____ *Payee Aubrey Mennelly

Per _____ Title _____

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

→ NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$1193.74

Ward H. Sjolander
Authorized Certifying Officer

Signature _____
(Authorized Certifying Officer)

Date JUL 20 1954 Vou. No. SF DMEA-2

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E379 in accordance with the terms of the contract.

Signature A. C. Johnson Title Chief, Mining Div. Date July 7, 1954

A. C. Johnson Region III

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature H. C. Miller Title Executive Officer DMEA Field Team Date July 8, 1954

H. C. Miller Region III

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of [illegible] 195[illegible] Docket No. DMEA [illegible] Contract No. [illegible]
Operator's Name [illegible] Minerals [illegible]
Address [illegible]

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Crosscutting	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Raising								
Shafts	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
TOTAL DISTRIBUTED COSTS		[illegible]	[illegible]	[illegible]				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased		[illegible]	[illegible]	[illegible]				[illegible]
Initial Rehabilitation and Repairs		[illegible]	[illegible]	[illegible]				[illegible]
New Buildings, Improvements, etc.		[illegible]	[illegible]	[illegible]				[illegible]
						[illegible]		[illegible]
TOTAL COSTS		[illegible]		[illegible]				[illegible]

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date [illegible] Operator Aubrey Mannelly

Per [illegible] Title [illegible]

REMARKS: [illegible]

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

AUBREY MINNEY
511 Archer Street
Salinas, California

Docket DMEA-2455 (Mercury)
Contract Idm-5379
McAdoo Mine, Humboldt County,
Nevada

PROGRESS REPORT FOR THE MONTH OF JUNE, 1954

Operations were resumed at the McAdoo Mine on May 26, 1954. A new hoist and hoist engine was purchased to replace the badly worn old equipment. Actual mining was started on May 29, 1954, with the aid of one miner, one hoist man, a cook and myself.

Ground-breaking operations were started at a point approximately 10 feet back from the face of the drift where work was terminated September 5, 1953. This margin was allowed for the installation of a switch which would permit the use of two tram cars and expedite the disposal of waste material. At the above-mentioned 10-foot point the dyke was crosscut from the west side to the east side as described in my letter of February 7, 1954. A diagonal crosscut of approximately 16 feet was required to reach the east side of the dyke, at which point drifting was continued to the south along the dyke for an additional 25 feet. At this point the dyke terminated in what I consider a sheer fault which was displaced to the east.

At the termination of the dyke it was necessary to drop back some 6 feet and side-swipe with two 4-foot rounds and angle at about S. 28° W., in order to stay in contact with the dyke, and also to permit a gradual curve for tramming. In breaking the third round across the faulted end of the dyke, an ore lens was encountered containing a high grade of cinnabar. The lens is some three to four feet wide and stands at about 80 degrees. It appears also that it may continue to the west in unexplored ground.

Thus far no attempts have been made to determine the extent or size of the ore body. I am at this time drifting diagonally south 28° west in order to hole through to the old McAdoo workings, as stipulated in my contract. It is estimated that it will take about 15 days to connect with the old McAdoo north drift, on our level.

It is my recommendation that the remainder of the money in this project be made available to explore the discovered ore lens, both by sinking and by raising. I believe that the ore body will enlarge and be further enriched at greater depth, possibly in the flat fault area below our present level. Also I believe that a commercial ore body will develop in the flat fault area above. I am sure that in your inspection of the discovery you will find considerable merit for such a plan.

I would suggest in the above recommendation that a raise be started first to prevent blasting in the close vicinity of the winze superstructure after installation. Timbering of course will

AUBREY MINNEY
511 Archer Street
Salinas, California

be necessary in both raising and sinking. A two-compartment raise with timbered manway should be considered to conform with the Nevada mining law which specifies such construction when raising over 45°. Beyond the approval of raising and sinking, consideration should be given to horizontal mining, both in the raise and sinking operations in order to follow important leads or ore bodies.

During the period May 26, 1954, to June 25, 1954, the underground drift has been extended 60 feet. One 5-foot section of timbering was placed approximately 35 feet back from the September 5, 1953 face. This location became heavy after blasting operations of this year and was considered unsafe. A great deal of time was required in getting under way this year, in the installation of the new hoist, and engine, adjustments, and changes in hoisting operations, and general underground cleanup. At this time the operation is running well, equipment and mine workings are in good shape and running smoothly.

Your early decision on my recommendations would be appreciated in order that mining may continue uninterrupted.

Aubrey Minney
Aubrey Minney

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Office of
Executive Officer
DMEA Field Team
Region III

420 Custom House
555 Battery Street
San Francisco 11, Calif.

Date: June 29, 1954

Memorandum

To: Operating Committee, DMEA, Interior Bldg., Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Interim Inspection Report

Attached are four copies of Interim Report on -

Docket DMEA-2455

Contract Idm-E 379

Commodity Mercury

Operator - Mr. Aubrey Minney

Property - McAdoo Mine
Bottle Creek Mining District
Humboldt County, Nevada

By Henry W. Jones, Mining Engineer

Dated June 25, 1954

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Attachment

Copy to: Finance Officer, Region III (With one copy of report)

Roscoe Smith, USGS (With one copy of report)

INTERIM REPORT

Docket No.: DMEA-2455 (Mercury) June 25, 1954

Name and address of operator: Aubrey Minney
511 Archer Street
Salinas, California

Name and location of property: McAdoo Mine
Bottle Creek Mining Dist.,
Humboldt County, Nevada

Contract No.: Idm-E379

SUMMARY

The McAdoo Mine was visited on June 6, 1954. Work on the DMEA exploration program was resumed under terms of Amendment No. 7 on June 1, 1954. Work consisted of driving a crosscut S. 48° E. 11 feet diagonally across the diabase dike. Slight cinnabar mineralization was noted throughout the dike. A noncontract churn drill hole was driven from the surface to near the face of the adit, to be used for ventilation.

CONCLUSIONS

Work appears to be progressing satisfactorily in the limited period of time in which the contract has been put into effect. No difficulties of note were experienced.

STATEMENT OF WORK COMPLETED

The McAdoo mining property, located about 42 miles northwest of Winnemucca, was visited on June 6, 1954. Work was resumed under

terms of Amendment No. 7 to the contract on June 1, 1954. The amendment stipulates in part: 99.57 feet of drifting or crosscutting at $23.00 a foot, 110 feet of timbering (including 10 feet of timbering in the previous crosscut) at $14.11 a foot, and sinking a 50-foot winze at $35.00 a foot. The contract was to be started by June 1, 1954 and terminate on November 30, 1954.

Slab rounds were started at a point 9.0 feet from the face and a crosscut was being driven on a bearing of S. 48° E. through the diabase dike. A measuring point was established at a mutually agreed upon spot and 11 feet of crosscut advance was measured. Slight cinnabar mineralization was noted in the rock joints and oxidized seams through the rock mass. A general sample was taken across the face. Results have not yet been received.

Noncontract work consisted of installing a larger hoist and cable. The present hoist is now capable of raising the loaded bucket by using a single cable.

A churn drill hole was in the progress of being driven from the surface to near the face of the drift, for ventilation purposes.

Work completed to date:

Minney Shaft	80 feet
Crosscut southwest from shaft	103 feet
Drift south along dike	174 feet
Crosscut from old heading	11 feet
Timbering in 103 feet of crosscut	10 feet
Timbering in drift	40 feet

COMMENTS

Two timber sets were placed on 5-foot centers along the diabase dike area at a point 40 feet back from the old drift. Amendment No. 7 to the contract, Article 1d, states: "The Government shall not contribute to any costs of rehabilitation or repair which in its opinion would not have occurred if there had been no suspension of work." The sloughing, in the opinion of the visiting engineer, was caused by the suspension of work and consequent partial caving due to water.

Henry W. Jones
Mining Engineer

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

Minerals Administration
RECEIVED
APR 20 1954

1012 Flood Building
870 Market Street
San Francisco 2, California

April 16, 1954

Memorandum

To: Operating Committee, DMEA, Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-2455 - Mercury
Aubrey Minney
McAdoo Mine, Humboldt County, Nevada
Contract Idm-E379
Amendment No. 7

Attached are the original and two copies of Amendment No. 7, dated April 1, 1954, drawn up in connection with subject contract.

A justification sheet is attached to each copy of the amendment.

Distribution has been made of the remaining copies.

H. C. Miller
Executive Officer, DMEA Field Team
Region III

Attachment

Copy to: A. C. Johnson, Reno (With copy of amendment)
Finance Officer, Region III (With copy of amendment)
Roscoe M. Smith, USGS
George Mavor

700

Docket
Surname

F L Knouse
Ellis
Chandler
Selfridge
Johnson

APR 1 1954

Mr. H. C. Miller
Executive Officer, DMEA
Field Team, Region III
1012 Flood Building
870 Market Street
San Francisco 2, California

Re: Docket No. DMEA-2455 (Mercury)
Contract No. Idm-2379
Aubrey Mining
McAdoo Mine
Humboldt County, Nevada

Dear Mr. Miller:

Enclosed, with attachments, are the original and five copies of Amendment No. 7 to the subject contract signed by the Administrator for the Government.

If the terms and conditions of this amendment meet with your approval and the Operator's, please have the original and all copies signed by the company official authorized to sign this document and make the usual distribution of the amendment.

If any part of this proposed amendment does not have either your approval or that of the Operator and cannot be amended within your delegated authority, the original and all copies of the proposed amendment are to be returned to this office with the proposed changes for consideration.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (2/3)

FLKnouse:foc 3-30-54
cc to: Adm. Reading File
Operating Comm.
Docket
Messrs. H. M. Meyer, Rm. 3623
A. K. Kinkel, Rm. B-242A -GSA
F. L. Knouse
Code 700
DMEA Field Team, Region III

Enclosures

APPROVED:

J. H. Hedges
Member, Bureau of Mines (2/3)

D. M. Larrabee
Member, Geological Survey (2/3)

cc:

Surname
Docket copy
F. L. Knouse

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

March 25, 1954

Memorandum

To: Legal Division

From: F. L. Knouse, Rare & Miscellaneous Metals Division

Subject: Docket No. DMEA-2455 (Mercury)
Contract No. Idm-E379
Aubrey Minney
Proposed Amendment No. 7

Please prepare Amendment No. 7 which permits the following changes in the work, for the signatures of the Administrator and the Operator:

1. Permits a recess of operations from September 14, 1953, until June 1, 1954, and also extends the period of time to complete the work until November 1, 1954. As this time extension exceeds two years for the life of the contract, the contract repayment provision should be increased to eleven years.

2. Delete under Stage II work, Amendment No. 2, the following:

Drifting or crosscutting 61.643 feet at $23/ft.	$1,417.77
Raising 80 feet at $25/ft.	2,000.00
Total	$3,417.77

Under Stage I add the following:

99.577 feet drifting or crosscutting at $23/ft.	$2,290.27
100 feet drift or crosscut timbering where authorized by Government at $14.11/ft.	1,411.00
10 feet timbering in 103-ft. crosscut at $14.11/ft.	141.10
	$3,842.37

* As shown on the attached map[1] entitled "Madge Mine (Mercury) Amargy Mining, Humboldt County, Nevada, Docket DMEA-2165, Contract Ion-4379," to connect with the old mine workings from the Madge shaft and to explore the diabase dyke with drifts and crosscuts at locations approved by the Government.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute or the amount of any item designated as "allowable maximum".

/s/ F. L. Knouse

F. L. Knouse

1/ Map is being photostated

FLKnouse/gla
cc to: Docket file
Code 700 Contract file
Mr. Knouse

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

FEB 23 1954

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

February 16, 1954

Memorandum

To: George C. Selfridge, Chairman, Operating Committee, DMEA, Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA-2455 (Mercury)
Contract No. Idm-E379
Aubrey Minney
McAdoo Mine, Humboldt County, Nevada

The subject operator has requested another amendment to his exploration contract to permit him to extend his drift along the dike to the old McAdoo workings. When operations at the property were closed down for the winter on September 14, 1953, the drift toward the old workings had reached the point "F" as shown on the enclosed map. The operator now wishes to crosscut the dike from a point about 10 feet north of the end of the drift at "F" and then drive south to the old workings as is shown by the dotted lines on the map - a distance of approximately 100 feet.

To do this the operator needs an extension of time and has requested an extension to November 1, 1954, as he will probably not be able to resume work at the property until about June 1, 1954.

Inasmuch as an extension of time to November 1, 1954, will run the life of the contract to over two years (the contract is dated July 31, 1952), the request for an amendment (Amendment No. 7) is being passed on to you.

In order to assist you in preparing the amendment, the following may be of help.

Amendment No. 4 allowed the following Stage I work:

80 feet of shaft	$3,378.00
103 feet of crosscut	2,369.00
217 feet of drifting	4,991.00
Total	$10,738.00

The matter of timbering came up after Amendment No. 4 had been drawn, so Amendment No. 5 was prepared to permit the operator to drift as far as he could and to timber where necessary up to a cost of $4,991.00. The operator succeeded in drifting 174 feet at a cost of $4,002.00 and doing $564.40 worth of timbering by the time his operations were suspended for the winter. He thus has spent $10,313.40 of the $10,738.00 in Stage I, leaving a balance of $424.60.

The operator had to do 10 feet of timbering at $14.11 a foot in the 103-foot crosscut which was suspended from his vouchers last fall pending a decision from our mining engineers as to whether that $141.10 should or should not be allowed. It is now agreed that the operator should be reimbursed for this expenditure.

Funds for carrying out the proposed work will have to come from Stage II which, according to the subject memorandum dated November 16, 1953, signed by Mr. W. S. Martin, can be done.

According to Amendment No. 2, Stage II work consists of:

Drifting or crosscutting 61.643 feet at $23/ft.	$1,417.77
Raising 80 feet at $25/ft.	2,000.00
Sinking winze 50 feet at $37/ft.	1,850.00
Total	$5,267.77

The operator does not want to touch the money provided for winzing, so that if drifting and raising are eliminated from Stage II and the funds made available for Stage I work, $3,417.77 will be available for transfer from Stage II to Stage I.

Then Amendment No. 7 should be drawn allowing the operator:

99.577 feet drifting or crosscutting at $23/ft.	$2,290.27
100 feet timbering at $14.11/ft.	1,411.00
10 feet timbering in 103-ft. crosscut at $14.11/ft.	141.10
Total	$3,842.37

The balance of Stage I funds amounts to $424.60, so that $3,842.37 - 424.60 or $3,417.77 exactly balances the money available from Stage II.

Actually less than 99.577 feet of drifting may be required to connect the present drift with the old workings. Whatever the excess footage may be, the operator should be allowed to use it to crosscut the dike from east to west and for providing a car pass or switch. For that reason the amendment should state specifically that the 99.577 feet are for exploring the dike and connecting the present drift with the McAdoo mine workings.

In preparing the amendment, approval also should be given to the recess period September 14, 1953 to approximately June 1, 1954.

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Attachment

Copy to: Roscoe Smith, USGS
A. C. Johnson (with copy of McAdoo mine map)
Reno, Nevada

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

Defense Minerals Administration
RECEIVED
JAN 18 1954

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

January 13, 1954

Mr. Aubrey Kinney
511 Archer Street
Salinas, California

Re: Docket No. DMEA-2455 (Mercury)
McAdoo Mine
Humboldt County, Nevada
Contract No. IDA-2375

Dear Mr. Kinney:

Reference is to your December 28, 1953, letter concerning our disallowance of 12 feet of drifting at $23.00 a foot and 10 feet of timbering at $14.11 a foot, or a total of $417.10 from your July-August 1953 voucher. As the analysis we made of your claim as I outlined in my letter dated October 28, 1953, was not satisfactory to you, I asked our Reno office to review the disputed matter and report back to me.

I now have a memorandum dated January 11, 1954, from Mr. A. C. Johnson, based on a detailed study of your claims. You will note from the attached copy of Mr. A. C. Johnson's memorandum that our Reno engineers do not recommend allowance for 12 feet of drifting but are willing that the contract be amended to allow the 10 feet of timbering within the 103-foot crosscut.

Mr. Johnson has proposed certain items that should be included in an amendment and suggests that they be brought to your attention and your comments considered before the amendment is drawn up.

Will you, therefore, give consideration to Mr. Johnson's thoughts and let me have your comments at an early date.

Sincerely yours,

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Enclosure

Copy to: DMEA, Washington, D. C. (With copy of memorandum)
Roscoe Smith, USGS (With copy of memorandum)
A. C. Johnson, Reno

Defense Minerals Administration
RECEIVED
JAN 13 1954

January 11, 1954

Memorandum

To: Mr. H. C. Miller, Executive Officer, DMEA Field Team, Region III

From: Chief, Mining Division, Region III

Subject: Docket DMEA-2455 (Mercury) - Contract Idm-E379
Aubrey Minney
McAdoo Mine, Humboldt County, Nevada

A detailed study of Mr. Minney's claims have already been made and recommendations were made disallowing 12 feet of drifting and 10 feet of timbering in my memorandum to you dated October 26, 1953.

To summarize Mr. Minney's basis for his claims, the following items are mentioned:

1. He claims the 12 feet of drifting in lieu of 9 feet of crosscut driven at point "B" and 3 feet of sump sunk between points "C" and "D". Neither of these items can be paid for under the terms of the existing contract, as the original contract stipulated driving the crosscut "to and through the dike from the bottom of the shaft". Therefore, the 9 feet of crosscut at point "B" does not comply with the contract. The 3 feet of sump, which is presumed as the balance of the footage claimed by Minney, is not covered by the contract. The 9 feet of crosscut were driven due to the indiscretion or remote supervision of the operator; and the sump was placed at his own option (or his contractor's option) without approval of the Government.

2. The additional 10 feet of timbering are claimed in lieu of a few stulls or partial sets placed within the 103-foot crosscut, which were again placed without regard to the crosscut. This work, if necessary, does not include complete timbering anyway. And the necessity for later timbering in the crosscut resulted from the delays, slow progress, and general inefficiency of the operator. However, an amendment, allowing 10 feet of timbering within the 103-foot crosscut, could be justified in view of the recommendations which follow:

Draw up an amendment allowing the operator to continue drifting along the mineralized dike to connect with the McAdoo mine workings. The directions and amounts of this work subject to prior approval of the Government. Within this amendment include timbering within the 103-foot crosscut as well as along the drift. This amendment to stipulate the following quantities of work:

a. Continuation of drift from point "F" to the McAdoo mine workings, approximately 160 feet @ $23.00/ft. = $3,680.00.

b. Timbering the continuation drift where necessary as authorized by amendment No. 5, 160 feet @ $14.11/ft. = $2,257.60.

c. Timbering 10 feet in 103-foot crosscut - 10 feet @ $14.11/ft. = $141.10.

d. Raising and winzing with the balance of the funds at points acceptable to both the Government and the Operator. This recommended amendment allows expenditure of $6,078.60 to complete exploration along the mineralized dike to the McAdoo workings; and it contains provision for payment of 10 feet of timbering along the 103-foot crosscut. But, it does not provide payment for the 12 feet additional drifting desired by Minney.

No distinction in the amendment should be made between drifting and crosscutting; however, some meandering of the drift would be permitted to allow following the mineralized structure; no extra footage will be allowed for switches or car passes. This amendment allows essentially the items requested in Mr. Minney's request dated December 28, 1953, and his map is used in reference to the recommendations. It is suggested that Mr. Minney be contacted and the proposals discussed with him before another amendment is prepared.

Such an amendment will allow conclusion of the project along the lines of Mr. Bailey's recommendations after his visit to the mine on October 1, 1953.

A. C. Johnson

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 24 1953

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

November 20, 1953

Mr. Aubrey Minney
511 Archer Street
Salinas, California

Re: Docket No. DMA-2455 (Mercury)
McAdoo Mine
Humboldt County, Nevada
Contract No. Idm-E379

Dear Mr. Minney:

Reference is made to your letter dated October 19, 1953. The several matters discussed therein were taken up by me with the Washington office, and I now have word that that office has no objection to extending the time of completion of the contract to November 1, 1954. The Washington office also has no objection to altering the description of the work to be done in Stage I, and using funds of Stage II to accomplish this purpose, provided -

(1) The total cost of the project is not increased.

(2) I indicate what work is to be eliminated in Stage II.

(3) The elimination of this work will not prevent the attainment of the objective of the contract.

In order for the Washington office to draw up the necessary amendment, I am requested to furnish the details of an amendment agreed upon by you and me.

Therefore, in order that I may have an exact and clear picture of what you propose should be done to complete the objectives of the contract within the remaining unused funds, kindly send me those details so that I can pass them on to the Washington office.

Sincerely yours,

H. S. Miller
Executive Officer
DMA Field Team, Region III

Copy to: DMEA, Washington, D. C.
E. H. Bailey, USGS
A. C. Johnson, Reno

FILE COPY
SURNAME:

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

NOV 16 1953

Mr. H. C. Miller
Executive Officer, DMEA
Field Team, Region III
1012 Flood Building
870 Market Street
San Francisco 2, California

Re: Docket No. DMEA-2455
(Mercury)
Aubrey Minney
McAdoo Mine
Humboldt County, Nevada
Contract Idm-2379

Dear Mr. Miller:

Reference is made to your memorandum to the Chairman of the Operating Committee dated October 29, 1953, in the above-entitled matter.

For the reasons cited in your letter, this office has no objection to extending the time of completion to November 1, 1954. There is also no objection to altering the description of the work to be done in Stage I, and using funds of Stage II to accomplish this purpose, provided—

(1) The total cost of the project is not increased.

(2) You indicate what work is to be eliminated in Stage II.

(3) The elimination of this work will not prevent the attainment of the objective of the contract.

If you will give us the details of the amendment agreed upon by you and the Operator, it will be drawn up in this office, signed by the Administrator, and returned to you for execution by the Operator and the usual distribution.

Sincerely yours,

W. S. Martin
ACTING Chairman, Operating Committee (2/B)

Approved:

J. H. Hedges (2/B)
Member, Bureau of Mines

D. M. Larrabee (2/B)
Member, Geological Survey

Chron.
Pending

Mr. H. M. Meyer, B/M
Mr. A. R. Kinkel, Jr., USGS
Mr. Ellis
Mr. Hoffland
Mr. Kane

AEKane:ep 11-10-53

Copy to: Mails & Files
Admr. Reading File
Oper. Comm.

R.C.G. 11-16-53

613

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

RECEIVED

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

October 29, 1953

Memorandum

To: George C. Selfridge, Chairman, Operating Committee, DMEA, Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-2455 (Mercury)
McAdoo Mine, Humboldt County, Nevada
Contract Idm-E379

You have received a copy of my letter to Mr. Aubrey Minney, dated October 9, 1953. Attached is a copy of Mr. Minney's reply, dated October 19.

Preparing amendments for Mr. Minney has long ceased being an interesting pastime and it seems to us that it is time we take stock and determine where we are and where we are going. To do this, I believe my October 9 letter to Mr. Minney is self-explanatory.

We have recommended that the drift along the dike be extended to the old workings but there is insufficient money under Stage I to do this work. What is needed apparently is an amendment to use Stage II money to do Stage I work.

Mr. Minney would like the amendment to be so worded that he could use the remaining money under Stage II in any way he thinks best, subject, of course, to our recommendations based on geologic conditions. He objects to diverting money allotted to winzing to extending the drift, and should conditions warrant sinking a winze, he may have a good point.

Mr. Minney brings up a good point when he refers to time lost while awaiting approval to go ahead. On a small job such as his it has been difficult to give prompt approval, and the unavoidable delay between the time he reached an objective and the time approval was granted to proceed has caused him delay and extra expense.

Operations at the McAdoo Mine are shut down for the winter. Mr. Minney does not believe he can get back to the mine to resume operations before June 1. Therefore the 6-month extension I suggested in my letter to him is not long enough and an 11-month extension will be needed.

An extension of the completion date to November 1, 1954, as requested by Mr. Minney, would run the completion date past the two-year limit, which may or may not be something that needs to be considered.

The mention in my October 9 letter to Mr. Minney of issuing a Certificate of Discovery was for a specific purpose and not necessarily a statement of fact. Mr. Bailey and I for some time have been under the impression that Mr. Minney was purposely stalling, with the thought that he could get us to rule as to a non-discovery and then he would go ahead on his own and finish the work and thus would have no royalty to pay the Government. I believe I succeeded in my objective as that statement in my letter caused him to make a long distance call a week or so ago, at which time I took the opportunity to lay our cards on the table. I believe Mr. Minney now understands that we are not satisfied with the way he has conducted operations and if resumption of work is permitted next spring that we will expect him to follow through as agreed.

As for the suspended item of $417.10 mentioned in Mr. Minney's letter, I wrote him yesterday and sent a copy of the letter to you. Apparently he has been paid for all the work he has done and the only controversy is whether he did 50 feet of timbering as he claims or 40 feet as our engineers report.

Any help you can give me in preparing the requested amendment or telling me how I should word one will be appreciated.

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Attachment

Copy to: E. H. Bailey, USGS
A. C. Johnson, Reno

11/4/53 gla

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

October 28, 1953

Mr. Aubrey Minney
511 Archer Street
Salinas, California

Re: Docket DMEA-2455 (Mercury)
McAdoo Mine
Humboldt County, Nevada
Contract Idm-2379

Dear Mr. Minney:

During a recent telephone call you brought up that you believed you were entitled to $417.10 more than you had been paid to date for work done under your contract. I promised at that time to look into the matter.

I have now gotten around to doing what I had promised and I find the following:

1. On your July-August voucher 12 feet of drifting at $23 a foot and 10 feet of timbering at $14.11 - a total of $417.10 were disallowed. Disallowance was made because you had included that amount of drifting and timbering in excess of the amount actually performed. Measurement made by our engineer subsequent to your July-August report showed that the drift had actually been advanced from 49 to 94 feet during the period rather than from 49 to 106 feet, and that 40 feet of timbering had been installed and not 50 feet as reported by you.

2. On your September voucher you show an advance of 80 feet of drifting, making a total of 174 feet of drift. Apparently that took care of the suspension for excess drifting of the previous month. You made no claim for an additional 10 feet of timbering on the September voucher.

3. Our engineer reports that only 40 feet of timbering has been done in your mine. In your September narrative report you state that 50 feet of timbering had been installed. There seems to be a difference in measurement of 10 feet. We accepted the figure of 40 feet as correct as you made no claim for the cost of the additional 10 feet on your September voucher.

The measurements given by you in your September narrative report check our engineer's figures exactly with the exception of the timbering - you say 50 feet and our engineer reports 40 feet of timbering was done.

4. It seems to me, therefore, that you have been paid your share of the cost of sinking 80 feet of shaft; crosscutting 103 feet from the shaft; drifting along the dyke 174 feet; and timbering 40 feet. The only matter to be settled then, is did you actually do 50 feet of timbering under the contract or only 40 feet as our engineer reports. If you are correct, you then should be reimbursed your share of the cost of the extra 10 feet of timbering.

A copy of this letter is going to Mr. A. C. Johnson and if there is any question in his mind about the exact footage of timbering, I know he will take steps to rectify it.

Sincerely yours,

H. C. Miller
H. C. Miller
Executive Officer
DMMA Field Team, Region III

Copy to: DMMA, Washington, D. C.
E. H. Bailey, USGS
A. C. Johnson, Reno

A. MINNEY
511 Archer Street
Salinas, California

October 19, 1953

Docket DMEA-2455 (Mercury)
McAdoo Mine
Humboldt County, Nevada
Contract Idm-E379

Mr. H. C. Miller, Executive Officer
DMEA Field Team, Region III
1012 Flood Building
870 Market Street
San Francisco 2, California

Dear Mr. Miller:

I am in receipt of your letter of October 9, 1953, in which you suggest further exploration work at the McAdoo Mine.

You advise that Mr. Bailey of the Geological Survey visited the property to determine the geologic viewpoint in consideration of approval of Stage II of my contract. Further, you mention a recommendation by Mr. Henry W. Jones of the Bureau of Mines in which he suggests to hole through to the old workings, this portion of work to be done by substituting the money allowed for the 50 feet of winze under Stage II of my contract, as I understand.

I am pleased that the merits of the property warrant additional exploration work. However, there is some concern on my part as to using the winze money from Stage II. I believe that in extending the drift it would be more likely that we would have to sink on promising leads rather than raise or crosscut. At this point, I would suggest the approval of all the remaining money in Stage II. In this regard, you would have the authority to approve or disapprove a portion or all of the expenditures under Stage II depending on the recommendations of your field people and geologic decisions. As you can appreciate, an operator is penilized to a great extent when he is compelled to stop operations while waiting for further approvals. I have experienced these results on several occasions with considerable financial loss.

Your proposal of extending the time limit of the contract for an additional six months would not be feasible. My housing problem and general conditions will not permit a work period over the winter months. You may recall of several reports submitted by me of the difficulties encountered during bad weather. I have had several financial reverses during this project and, considering this, I would not willingly attempt operations during an adverse period. It would be my recommendation to start June 1st and extend the work period through October 1954. This would allow for the completion of Stage II, if you so see fit.

I do not fully appreciate your statement of issuing a Certificate of Discovery at this time. It has always been my understanding that every effort would be exercised to develop commercial ore bodies within the bounds of the contract before such steps are taken. It is reasonable to believe that the Government is more interested in

A. MINNEY
511 Archer Street
Salinas, California

discovering critical minerals than it is in foreclosing on operators. However, this decision is well within your jurisdiction.

To date you have not replied to my inquiry in my letter of September 14, 1953, wherein I question the deletion of $417.10 from the Voucher MF-104 dated September 14, 1953. I do not feel that I should overlook this claim inasmuch as it is legitimate and can be verified. I would appreciate your response to this matter.

I would be glad to cooperate in any further matter which you may request.

Yours truly,

A. Minney

A. Minney

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

October 9, 1953

Mr. Aubrey Minney
511 Archer Street
Salinas, California

Re: Docket DMEA-2455 (Mercury)
McAdoo Mine
Humboldt County, Nevada
Contract Idm-E379

Dear Mr. Minney:

Mr. Bailey of the Geological Survey visited your McAdoo Mine on October 1 for the purpose of determining from the geologic viewpoint whether approval should be given for you to go ahead under Stage II of your contract.

Mr. Bailey found that you had run into some fair mineralization which, although not classed as ore, nevertheless is encouraging enough to warrant continuation of the drift along the dike toward the old workings. Mr. Henry W. Jones of the Bureau of Mines also points out in his latest inspection report that it would be to everyone's advantage to connect the present workings with the old workings.

Mr. Jones reports that you have drifted a total of 174 feet along the dike and that another 72 feet, more or less, would bring you to the old workings. Funds set aside for Stage I exploration are sufficient only for extending the drift about 18 feet. As operations at the property have been recessed, we appreciate that it would not be good business to have you recruit a new crew and start up operations merely to extend the drift another 18 feet. Consideration, therefore, is being given to the possibility of substituting the needed additional drifting for the 50 foot winze allowed under Stage II of your contract.

In view of the showings of mineralization in the present drift it is quite possible that we will issue a "Certificate of Discovery." However, before doing anything about that, we would like to know if you would agree to an amendment to your contract which would permit you to

use some Stage II money to complete the present drift. If so, the date of completion of the contract would in all probability have to be extended another six months to April 30, 1954.

May we hear from you at an early date.

Sincerely yours,

H. C. MILLER
H. C. Miller
Executive Officer
DMEA Field Team, Region III

Copy to: DMEA, Washington, D. C.
E. H. Bailey, USGS
A. C. Johnson, Reno

104 (Rev.)
(April 1952)

Budget Bureau No. 52-R10[illegible].3.
Approval expires 6-30-53.

ACCOUNTS SEP 18 1953

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of [illegible], 195[illegible] Docket No. DMEA [illegible] Contract No. [illegible]
Operator's Name [illegible] Minerals [illegible]
Address [illegible]
Contract Amount, $[illegible] Government Participation: [illegible]% Amount, $[illegible]

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting	[illegible]	[illegible]	[illegible]			
Drifting	[illegible]	[illegible]	[illegible]			
[illegible]	[illegible]	[illegible]	[illegible]			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
[illegible]	[illegible]	[illegible]	[illegible]			
[illegible]						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation		[illegible]	[illegible]			
(5) Initial Rehabilitation and Repairs		[illegible]	[illegible]			
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes		[illegible]	[illegible]			
Liability Insurance		[illegible]	[illegible]			
(8) Contingencies (specify):						
TOTALS	[illegible]	[illegible]	[illegible]			

I certify that the above bill is correct and just and that payment therefor has not been received.

Date [illegible] *Payee Audrey Memorial [illegible]

Per [illegible] Title [illegible]

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$1380.00

Signature Lloyd H. Sjolander
Authorized Certifying Officer
(Authorized Certifying Officer)

Date SEP 21 1953 Vou. No. SF-DMEA-17

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. [illegible] in accordance with the terms of the contract.

Signature [illegible] Title [illegible] Date [illegible]

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature S. Ricker for H. C. Miller Title Executive Officer DMEA Field Team Region III Date Sept. 17, 1953

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 83-38476

104A
(April 1952)

Budget Bureau No. 42-R151
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

ACCOUNTS SEP 18 1953

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of _____ 195____ Docket No. DMEA [illegible] Contract No. [illegible]
Operator's Name [illegible] Minerals Mercury
Address [illegible]

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Crosscutting	[illegible]	-	-	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Raising								
Shafts	[illegible]	-	-	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
[illegible]	[illegible]	-	-	[illegible]		[illegible]		[illegible]
TOTAL DISTRIBUTED COSTS		[illegible]		[illegible]				TOTAL COSTS AUTHORIZED BY CONTRACT
[illegible]		-	-	[illegible]				[illegible]
Operating Equipment Purchased		-	-	[illegible]				[illegible]
Initial Rehabilitation and Repairs		-	-	[illegible]				[illegible]
New Buildings, Improvements, etc.		-	-	[illegible]			[illegible]	[illegible]
TOTAL COSTS		[illegible]		[illegible]				[illegible]

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date [illegible] Operator Aubrey Minnely

Per _____ Title _____

REMARKS: [illegible]

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

U. S. GOVERNMENT PRINTING OFFICE 205676

AUBREY MINNEY
511 Archer Street
Salinas, California

Docket DMSA-2455 (Mercury)
Contract Idm-2379
Meadoo Mine, Humboldt County, Nevada

PROGRESS REPORT FOR THE MONTH OF SEPTEMBER, 1953

In this final report of Stage No. 1 of my Contract Idm-2379, Docket No. DMSA-2455, at the Meadoo Mine, Humboldt County, Nevada, the following complete summary and description of the project will apply as to the general status of the operation.

Terms of the contract have been carried out to the extent that the headframe and hoist house have been erected, with hoisting equipment and other incidental mining gear on hand. An 80-foot, two-compartment fully timbered shaft has been sunk. A crosscut has been completed from the shaft station for a distance of 103 feet, at which point drifting along the dyke was employed for 174 feet. A total of 50 feet of timbering has been installed, square set method, with 2-inch by 12-inch lagging encasement. A 6-inch ventilation line, air line, water line, and pump line have been extended throughout the underground workings. A 3-foot by 6-foot timbered sump was placed in the drift for de-watering purposes.

The mining progress since my last report has extended the drift a distance of 80 feet. About 60 feet of this drift has been through volcanic country rock, with the remaining 20 feet being along the west side of the dyke.

Minerals have been found in a very sparce degree only in the dyke cleavage in the portion of dyke at the face of the crosscut. In relocating the fractured portion of dyke, beyond the fault shear area, the dyke carried cinnabar in the seams to a greater degree. In either case, the minerals have not been of commercial values.

I would be glad to submit any further information which you may regard as pertinent to the project.

Aubrey Minney
Aubrey Minney

MGS

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT - 2 1953

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

Date: September 28, 1953

Memorandum

To: Operating Committee, DMEA, Interior Bldg., Washington 25, D.C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Interim Inspection Report

Attached are four copies of Interim Report on -

Docket DMEA - 2455

Contract Idm-E 379

Commodity Mercury

Operator - Aubrey Minney

Property - McAdoo Mine, Humboldt County, Nevada

By Henry W. Jones

Dated September 24, 1953

H C Miller

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Attachment

Copy to: Finance Officer, Region III (With one copy of report)

E. H. Bailey, USGS (With one copy of report)

DEPT. OF THE INTERIOR
Bureau Mines Mineralogy
RECEIVED

INTERIM REPORT

Docket No.: DMEA-2455 (Mercury) Sept. 24, 1953

Name and address of operator: Aubrey Minney
511 Archer Street
Salinas, California

Name and location of property: McAdoo Mine
Bottle Creek Mining Dist.,
Humboldt County, Nevada

Contract No.: Idm-E379

SUMMARY

The McAdoo mining property, located about 42 miles northwest of Winnemucca, was visited on Sept. 14, 1953 to check the work progress under the DMEA project. The last inspection and transit survey was made on August 18, 1953.

Work during this period consisted of advancing the drift 80 feet southward toward the terminal of the most northerly workings on the 100-foot level of the old McAdoo mine.

The diabase dike along which mineralization is associated was intersected, followed, and partially penetrated along the latter 40 feet of drift. Slight cinnabar mineralization was noted in spots along the dike. Four samples were taken. A total of 174 feet of drift was completed before termination of the work by the operator. The funds set aside for Stage I

of the contract are nearly depleted.

RECOMMENDATIONS

It is recommended that a geologist make an examination of the property so that a decision can be reached upon the advisability of Stage 11 of the contract. If Stage 11 is approved, the following recommendations are submitted:

1. The date of completion of the contract should be further extended six months to April 30, 1954.

2. Funds previously set aside for sinking a 50-foot winze be used to complete the present heading (about 72 feet remaining).

(It would be to the operator's advantage to connect with the old workings. It would further explore favorable structural strata and be a means for ventilating the mine).

STATEMENT OF WORK COMPLETED

The drift from the bottom of the Minney shaft was advanced an additional 80 feet toward the northernmost workings on the 100 foot level of the McAdoo Mine. Funds set aside for Stage 1 of the DMEA exploration project were nearly used up and work at the mine was discontinued. An interpretation of the contract shows that 18.5 feet of additional drifting would have completed Stage I of the contract and depleted the funds provided for drifting as follows:

Drifting 174 feet @ $23.00/ft.	=	$4,002.00
Timbering drift 40 feet @ $14.11/ft.	=	564.40
Total expended		$4,566.40

Maximum allowed for drifting (Amendment No. 5)	$4,991.00
Total expended	4,566.40
Balance	$ 424.60

$$\frac{\$424.60}{\$23.00} = 18.46 \text{ feet remaining}$$

Work completed under Stage I of the contract is as follows:

Minney shaft	80 feet
Crosscut southwest from shaft	103 feet
Drifting southward along dike	174 feet
Timbering in drift	40 feet

COMMENTS ON PROGRESS

A line established on the previous visit by means of the transit survey was followed S. 2° W. for 80 feet. The latter 40 feet encountered cinnabar mineralization along and within the diabase dike. It was too low grade to class as ore, however favorable structural conditions exist within which commercial mineralization might form. The mineralization noted was generally associated with small calcite stringers within the dike. Results of the four samples taken along the dike are as follows:

Sample No.	Lbs. Hg/Ton	Width	Location	Description
27	-0.1	6' vert.	Face - 10'	Silicified reddish contact area
28	0.5	6' vert.	Face - 20'	Calcite seam in diabase, slight mineralization
29	1.1	18"	Face - 30'	Contact material, some dike rock
30	0.3	Picked	Face - 36'	Convergence of calcite seams

The operator was forced to terminate work short of completing Stage I due to loss of labor which performed work under an independent contract.

Henry W. Jones

Henry W. Jones
Mining Engineer

Form MF-104 (Rev.)
April 1952

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

ACCOUNTS AUG 25 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of [illegible], 195[illegible] Docket No. DMEA [illegible] Contract No. [illegible]
Operator's Name [illegible] Minerals [illegible]
Address [illegible]
Contract Amount, $[illegible] Government Participation: [illegible]% Amount, $[illegible]

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting		[illegible]	[illegible]			
Drifting	[illegible]	[illegible]	[illegible]	1035.00	1127.00	2162.00
[illegible]	[illegible]	[illegible]	[illegible]	564.40		564.40
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
[illegible]	--	116.90	116.90			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs	--	676.97	676.97			
(6) New Bldgs., Improvements, etc.	--	150.38	150.38			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes	--	3.30	3.30			
Liability Insurance	--	17.50	17.50			
(8) Contingencies (specify):						
TOTALS	[illegible]	8,[illegible]	10,[illegible]	1599.40	8031.68	9631.08

I certify that the above bill is correct and just and that payment therefor has not been received.

Date 8/17/53 *Payee Aubrey Mining [illegible]

Per _____ Title _____

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

→ NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$1199.55

Signature _____
AUG 25 1953 (Authorized Certifying Officer)

Date _____ Vou. No. SF-DMEA-8

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. [illegible] in accordance with the terms of the contract.

Signature [illegible] Title [illegible] Date August 22, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title Executive Officer DMEA Field Team Region III Date August 24, 1953

H. C. Miller

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(*a*) *Form MF–104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(*b*) *Form MF–104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(*c*) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF–104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF–104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF–200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF–200; and delete word "Independent" if the contract reported is on Form MF–200 (A). Also, report work paid for on a unit basis under contract Form MF–200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF–104 when submitted for reimbursable expenses incurred under contract Form MF–200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF–200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF–104 is required to be documented. The four copies of Form MF–104 are not to be thus supported.

Form MF–104 submitted for reimbursement under fixed price contracts on Form MF–200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF–104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-101A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

ACCOUNTS AUG 25 1953

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of Jul. & Aug. 1953 Docket No. DMEA 2455 Contract No. 1Gm-2379

Operator's Name Aubrey Murray Minerals Mercury

Address 511 Anchor Street, Salinas, Calif.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
		1035.00	45	2 162.00	94			
Drifting	Ft.	~~1,311.00~~	~~57~~ ft.	~~2,439.00~~	~~106 ft.~~	23.00	217	4,221.00*
Crosscutting	Ft.	--	--	2,362.00	103 ft.	23.00	103	2,362.00
Raising								
Shafts	Ft.	--	--	3,370.00	80 "	42.225	80	3,370.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails		564.40	40	564.40	40			
Timbering Only	Ft.	~~705.50~~	~~50~~ ft.	~~705.50~~	~~50~~ ft.	14.11		See "Remarks"
		1 599.40		8 473.40				Total Costs Authorized by Contract
Total Distributed Costs		~~2016.50~~	107 ft.	~~8,870.50~~				
Household Operating Equipment Purchased		--		114.90				100.00
Initial Rehabilitation and Repairs		--		087.19				1,062.71
New Buildings, Improvements, etc.		--		155.60				311.56
		1 599.40					Misc.	100.00
Total Costs		~~2,616.50~~		~~10,080.19~~ 9,631.09				1,574.23

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date 8/17/53 Operator Aubrey Murray
Aubrey Murray
Owner

Per _____ Title _____

REMARKS: * Timbering where required authorized by Amendment No. 5. Costs allowed from total amount authorized for drifting.

→ NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

U. S. GOVERNMENT PRINTING OFFICE 205676

AUBREY MINNEY
511 Archer Street
Salinas, California

Docket DMEA-2455 - Mercury
Contract Idm-2379
McAdoo Mine, Humboldt County,
Nevada

PROGRESS REPORT FOR MONTHS OF JULY AND AUGUST

Work has been resumed following the approval of additional unit cost for timbering heavy ground where necessary.

Waste materials have been cleared from caved underground areas, and timbers have been installed by square set method with collar sets and mud sills. Square sets have been encased by use of 2" x 12" lagging to avoid further sloughing. A 3' x 3 ' x 6' length timbered sump has been placed so as to retain water near the fault area. water line and pump have been installed and pump is being operated daily.

Drifting along the dike from the shaft crosscut has advanced through the fault area into a solid material which does not require timber for the time being. A 15-degree turn to the east has been placed in the drift just beyond the fault zone in an attempt to locate the displaced section of dike. This course has been maintained for 27 feet, at which point the drift was again straightened to its former alignment, which parallels the dike.

Materials encountered have been volcanic rock and rhyolite. The dike thus far has carried very little cinnabar, all of which has been in the calcite seams and of no commercial value. It is thought that upon locating the faulted blocks of dike to the east they will be altered and mineralized with cinnabar contents. Additional fault zones are expected along this course which in former history and characteristics of this property have been productive.

A. Minney
A. Minney

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 31 1953

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

Date: August 25, 1953

Memorandum

To: Operating Committee, DMEA, Interior Bldg., Washington 25, D.C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Interim Inspection Report

Attached are four copies of Interim Report on -

Docket DMEA -2455

Contract Idm-E - 379

Commodity Mercury

Operator - Aubrey Minney

Property - McAdoo Mine, Humboldt County, Nevada

By John D. Warne

Dated August 21, 1953

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Attachment

Copy to: Finance Officer, Region III (With one copy of report)

E. H. Bailey, USGS (With one copy of report)

INTERIM REPORT

Docket No.: DMEA-2455 (mercury) August 21, 1953

Name and address of operator: Aubrey Minney
511 Archer Street
Salinas, California

Name and location of property: McAdoo Mine, located approximately 42 miles northwest of Winnemucca, Bottle Creek Mining District, Humboldt County, Nevada.

Contract No.: Idm-E379

SUMMARY

This exploration project was inspected on August 18, 1953 by John D. Warne and Henry W. Jones. The operator requested surveying assistance and advice as to the direction to advance the drift to connect with old McAdoo mine workings.

A transit survey was made of the work accomplished in connection with this contract and a map prepared (fig. 1).

No mercury mineralization is present in the drift; and the diabase dike which is associated with mineralization has been lost due to a fault near the 37-foot point in the drift (57 feet behind the present drift face). However, the connection line furnished at the time of this inspection bears about S. 2° W. directly toward the terminal of the most northerly McAdoo Mine 100-foot level workings - where some mineralization is known to have existed associated with the north-south diabase dike formation.

The last quantity of work performed during the period July and August 1953, as submitted by the operator on Aug. 17, 1953, does not agree with measurements made during the inspection.

Some additional work which is not included in the contract has been done:

> A sump in the drift, 6 feet of timbering in the 103-foot crosscut, and 8 feet of drifting southward from the 72-foot point of the 103-foot crosscut (fig. 1).

The operator expects compensation for this work, although no formal request for amending the contract to include it has been made by him. Additional drifting and timbering has perhaps been claimed to cover the cost of this work.

RECOMMENDATIONS

1. Payment for only 45 feet of additional drifting (from 49 to 94 feet) for the July-August 1953 period is recommended. An additional 12 feet which the operator submitted for payment on August 17, 1953 should be disallowed.

2. Payment for only 40 feet of timbering in the drift is recommended; 50 feet was included in the MF-104 form submitted by the operator for the July-August 1953 period.

3. No further amendment of the contract to allow compensation to the operator for a small amount of work performed in addition to that outlined under Stage I is recommended at this time. Some additional work performed to date is considered insignificant and reimbursement made to the operator would only result in decreasing the length of the exploration drift by a few feet to complete expenditure of Stage I funds.

STATEMENT OF WORK COMPLETED

Work completed to date under Stage I of the contract is as follows:

Minney Shaft (Completed)	80 feet
Crosscut - southwest from shaft (Completed)	103 "
Drifting - southward from shaft (in progress)	94 "
Timbering in drift	40 "

GENERAL COMMENTS

No progress was made on this project during the period April 24 to about July 1, 1953 due to the operator's inability to secure labor. The quantity of work performed during the period July and August 1953, as submitted by the operator, does not agree with measurements made during this inspection. The total quantity of drifting performed to date is 94 feet rather than 106 feet as reported; and 45 feet of additional drifting has been done during the July-August period rather than 57 feet as reported. Only 40 feet of timbering in the drift has been done, but 50 feet has been reported by the operator in the July and August 1953 progress and cost reports.

In addition to work outlined under the contract, a small sump was excavated in the drift at 16 feet from the point of beginning of the drift or 77 feet from the present drift face (fig. 1). This sump 6 feet in length, 3 feet in width, and 3 to 4 feet in depth was connected with a pipe line to the bottom of the 80-foot Minney shaft; and a pump was installed to remove water from the mine. Also 6 feet of timber supports, which consist of only a few posts, stulls and lagging, were placed in the 103-foot crosscut to support a fractured formation which was considered unsafe by the operator (fig. 1). The

operator expects compensation for this work by the Government; but no provisions for this work have been made by the contract and no formal request for amending the contract to cover this work has been made to date by Mr. Minney.

Compensation for 8 feet of drifting (previously performed)from the crosscut at a point 72 feet from the shaft (as shown in fig. 1), which was of no value as exploration is also now claimed by the operator. This work was unnecessary and was done due to the operators absence; it is described in an interim report on the project dated April 13, 1953.

It is believed that the operator has increased the quantities of drifting and timbering in his July and August 1953 reports to allow him compensation for the extra work performed (as described above) to preclude further amending of his contract.

During this inspection a transit survey was made of underground work performed under this contract; and sufficient surface mapping was done to determine the direction which the final portion of the drift must be driven to connect with old McAdoo mine workings. The operator recently requested this information. Figure 1 was prepared from this survey.

CHECK SAMPLING AND ASSAYING

The diabase dike which is related to the mercury mineralization has not been followed by the last portion (57 feet) of the drift and no formation containing mercury has been encountered; no samples were taken for analysis. The diabase dike was lost due to faulting; however, the line given to the operator, as a result of mapping done

during this inspection, will connect the drift with the old McAdoo mine workings at a point of reported mercury mineralization.

John D. Warne
Mining Engineer

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 28 1953

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

August 24, 1953

Memorandum

To: Operating Committee, DMEA, Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-2455 (Mercury), McAdoo Mine, Humboldt County, Nevada, Contract Idm-E379 Amendment No. 6

Attached are the original and two copies of Amendment No. 6, dated August 18, 1953, made in connection with subject contract.

A justification sheet is attached to each copy of the amendment.

Proper distribution has been made of the remaining copies.

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Attachment

Copy to: A. C. Johnson, Reno (with copy of amendment)
Finance Officer, Region III (with copy of amendment)
E. H. Bailey, USGS
George Mavor

RECEIVED
SEP 25
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 24 1953

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

August 19, 1953

Memorandum

To: C. O. Mittendorf, Administrator, DMEA, Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Contract Idm-E379 - Docket DMEA-2455 (Mercury)
Aubrey Minney
McAdoo Mine, Humboldt County, Nevada
Amendment No. 5

For your information and the record there are attached two copies of a memorandum dated August 17, 1953, from A. C. Johnson, relating to Amendment No. 5 to the subject contract.

Mr. Johnson gives more information than I did in my memorandum to you dated August 11, 1953, as to the need for drawing Amendment No. 5.

I was glad to hear from the Chief Counsel that Mr. Selfridge was able to convince him that the action we took was justified.

The Chief Counsel's Amendment No. 6 is being sent to the Operator for his signature. We are certain that he will sign it and thus clear the record with respect to existing Amendment No. 5.

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Attachment

Copy to: E. H. Bailey, USGS

Defense Minerals Administration
RECEIVED
AUG 24 1953

August 17, 1953.

Memorandum

To: Mr. H. C. Miller, Executive Officer, DMEA Field Team Region III

From: Chief, Mining Division, Region III

Subject: Contract Idn-E379 - Docket DMEA-2455 (Mercury)
Aubrey Minney
McAdoo Mine, Humboldt County, Nevada
Amendment No. 5

Reference is made to your memorandum dated August 11, 1953, to Mr. C. O. Mittendorf regarding disapproval of amendment No. 5 by the Chief Counsel.

It is recommended that further consideration be given to approval of this amendment for the following reasons:

1. The present caving and hazardous condition of the drift would render further progress or completion of the project impossible without timbering the drift.

2. A total of $8,031.68 was expended on this project as of April 24, 1953, and additional work estimated to cost about $2,000. has already been done; and the main exploration feature of the project (drifting along the mineralized diabase dike) is now in progress. The expenditures to date will have been wasted if the amendment is not approved to permit sufficient work to be done to arrive at some conclusion as to the merit of the property.

3. Some timbering has already been done by the operator to prevent losing the drift and to protect men engaged in proceeding with project work. This timbering was absolutely necessary to insure safety of the men and to protect the operator's as well as the Government's interests in the project. No miners will work in this drift without the protection of timber - and it would be in violation of State and Federal laws to work men in this drift without supporting the caving and dangerous workings.

4. Provisions were not made in the original contract to allow payment for timbering. The operator cannot perform the drifting and also timber unsafe workings for the $23. a foot that is allowed in the contract. Timbering the unsafe and caving parts of the drift is a must if the project work is to be carried to completion and the costs for the work under the amended contract are reasonable and should be allowed. The

necessity for timbering has resulted from encountering water in the drift and a soft caving ground condition that could not be foreseen when the contract was written.

5. Amendment No. 5 does not increase the total cost of Stage I of the contract - but it allows completion of drifting work in accordance with proper mining standards however, less work will be accomplished under Stage I. The amendment will allow sufficient drifting to determine if there is sufficient mineralization to warrant further work under Stage II. The amendment to allow the operator an increase for timbering to complete a major part of Stage I could easily result in a discovery and the Government would then be paid back funds that have been spent for exploration. If the operator is not allowed costs for timbering the drift, he will undoubtedly cancel out the contract and the Government's expenditures to date will be lost.

6. The Bureau is in no position to allow work to continue under unsafe practices. In a memorandum to Regional Directors dated December 10, 1952, the Director of the Bureau of Mines issued the following directives

"A few instances of unsafe practices by operators under DMEA exploration projects have come to my attention. Inasmuch as those projects are supervised by the Bureau-Survey, field teams and are inspected periodically to insure compliance by the operators with the terms of the contracts, any serious accident involving injury or loss of life will inevitably discredit the Bureau of Mines.

"Exploration project contracts provide among other things that "The work shall be performed by the operator, or by independent contractor or contractors efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety ——". Further "The Government may, at any time, by written notice to the Operator, terminate this contract —— (b) if the Operator in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract ——".

"Hazardous conditions found to exist at any project should be called to the attention of the operator by the inspector with instructions to correct them. Failure to comply would be grounds for termination of the contract if less drastic measures are ineffective.

"Regional Directors, whether or not serving as members of their field teams, are responsible for field team operations. Please instruct your field team representative and the engineers engaged in project inspection to insist that exploration projects be conducted in a safe and efficient manner."

Mr. H. C. Miller, Executive Officer, DMEA Field Team, Region III 8/17/53.

7. As a general rule the operators that have a Defense Minerals Exploration loan are not in a position to expend funds unless they have assurance that they will be reimbursed for the work. Your amendment to Contract Ida-E379 is justified and should be given reconsideration by the Washington Office.

A. C. Johnson

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 24 1953

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

August 18, 1953

Mr. Aubrey Minney
511 Archer Street
Salinas, California

Re: Docket No. DMEA-2455 (Mercury)
McAdoo Mine
Humboldt County, Nevada
Contract Idm-5379
Amendment No. 6

Dear Mr. Minney:

Amendment No. 5 to your contract, as granted in this office, did not get the approval of the Chief Counsel of DMEA when the signed copies reached his office in Washington.

Arguments advanced by the Chief Counsel are that your contract requires you to perform 217 feet of drifting at the agreed unit cost of $23 per foot, totaling $4,991.00. He brings out that Article 4 of the contract requires that this drifting shall be done efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety . . . with suitable and adequate equipment, materials, and labor.

The Chief Counsel does not believe that timbering could be omitted from any drifting which requires timbering for purposes of safety or otherwise, in the light of these provisions.

I pointed out to the Chief Counsel that the need for timbering was not anticipated when the unit price of $23 a foot was established for drifting. If it had been anticipated, the unit cost would have been increased to cover it. I told him also that the amount of timbering would be kept to a minimum but not at the sacrifice of safety, and that by allowing you funds for timbering we were not increasing the cost of the contract but only shortening the amount of drifting that could be done with the money allowed for that work.

Fortunately, I was able to convince the Chief Counsel of the need for Amendment No. 5, although the legality of it is open to question. Accordingly, in order that there will be no question of the legality of letting you spend some of the money (which the contract allows you for

drifting) for timbering, the Chief Counsel has prepared Amendment No. 6 to clear the record with respect to the existing amendment.

The original and five copies of Amendment No. 6 are enclosed. Will you kindly sign all six copies and return all but the copy marked "Operator's Copy" to this office promptly. The Operator's Copy is for your files.

Sincerely yours,

H. C. MILLER
H. C. Miller
Executive Officer
DMEA Field Team
Region III

Enclosure

Copy to: DMEA, Interior Building, Washington
E. H. Bailey, USGS
A. C, Johnson, Reno, Nevada

FILE COPY
SURNAME:

FLKapuse

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

August 12, 1953

Memorandum

To: Legal Division

From: F. L. Knowse

Subject: Amendment No. 5 dated July 9, 1953 to
Docket No. DMEA-2455 (Mercury)
Contract No. Idm-5379
Aubrey Mining
McAdoo Mine
Humboldt County, Nevada

Mr. Spangler Richer, Acting Executive Officer, DMEA Region III, informed me by telephone today that the original contract cost estimate for drifting was based on the Operator's underground experience in and on the Field Team Engineers' examination of the old mine workings where no heavy ground condition exists such as is now being encountered in the drift. He, therefore, feels that the additional cost as set forth in amendment No. 5 is justified and reasonable. The Operator is unable financially to continue this work to reach the objective unless the amendment increasing the cost is approved.

As the original cost estimate for this sort of work under similiar conditions is very low and the additional cost for timbering appears reasonable, we recommend the amendment allowing the additional cost for timbering as executed by Mr. Miller. However, this amendment should be redrafted for the signature of the Administrator.

Sincerely yours,

F. L. Knowse

FLKnowse/db
8-13-53
cc to: Adm. Reading File
Docket
~~Messrs. H. M. Meyer, Rm. 3603~~
~~A. R. Kinkel, Rm. 1-2424, DSA~~
~~Filing~~
~~Knowse~~ / ~~DMEA Field Team, Region III~~

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 13 1953
DOCKET COPY

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

August 11, 1953

Air Mail

Memorandum

To: C. O. Mittendorf, Administrator, DMEA, Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Contract Idm-E379 - Docket DMEA-2455 (Mercury)
Aubrey Minney
McAdoo Mine, Humboldt County, Nevada
Amendment No. 5

Before leaving on a field trip to Boulder City, Mr. Miller dictated the following:

"We have received a copy of the Chief Counsel's memorandum to the Administrator dated August 6, 1953, concerning Amendment No. 5 to the subject contract, which was executed in this office and is in effect.

"We note that the Chief Counsel is unable to approve the amendment.

"I think it unwise on the part of the Chief Counsel not to approve this amendment. The operator cannot carry out his drift for $23 a foot, much less timber any bad ground encountered. It was a case of letting him go as far as he could with the $4,991 allowed under Stage I, or have him give up with the resultant loss to the Government of all that the Government put in.

"By allowing him to proceed with the drift and to use $14.11 a foot of the $23 a foot for timbering where necessary, we are only shortening the length of the ultimate drift. In any case, the drift would never reach a length of 217 feet as the operator stated he could not make a go of it at that cost as he was losing too much money every foot he advanced.

RECEIVED
AUG 17 1953
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

JB

"Our entire thought in drawing up the amendment as we did was to get as much footage out of Stage I as we could. No one has any idea how much timbering will be needed but we feel reasonably sure that the amount will be a minimum commensurate with good mining practice, as the Operator is eager to go as far as he can in drifting at $23 a foot and to sacrifice footage only when it is necessary to timber.

"There is no intention in the amendment to provide payment to the operator at a higher rate than originally agreed upon. He still will get only $23 a foot for drifting, although if he runs into bad ground we allowed him $14.11 per foot of his drifting money for timbering.

"I trust that the Chief Counsel can be made to see that under the circumstances we made the best deal we could and I am sure it was a wise one.

"If he cannot be convinced that we did the proper thing, what does he suggest we do now that the amendment is in effect?"

S. Ricker for H. C. Miller
Executive Officer, DMEA Field Team
Region III

Copy to: E. H. Bailey, USGS
A. C. Johnson, Reno

140

FILE COPY
SURNAME:

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

August 11, 1953

Hofflund
Selfridge
Chatterton
Marton
Kimball
Hedges

Mr. H. C. Miller, Executive Officer
DMEA Field Team, Region III
1012 Flood Building
870 Market Street
San Francisco 2, California

Re: Docket No. DMEA-2455 (Mercury)
Aubrey Minney
Humboldt County, Nevada
Contract Idm-E379

Dear Mr. Miller:

Reference is made to my memorandum to the Administrator dated August 6, a copy of which went to you, in which I indicated my inability to approve Amendment No. 5, which was executed in the field.

I have discussed this matter with Mr. George Selfridge who has pointed out that in view of the price, $23 per foot, the parties undoubtedly did not contemplate that extensive timbering would be required to accomplish the work, and that if it had been contemplated the unit cost would have been increased to cover it. In this view of the case, it may be possible to amend the contract on the basis of mutual mistake of fact.

Attached is a draft of a proposed Amendment No. 6 which, if it states the facts, you might use to clear the record with respect to the existing amendment.

Sincerely yours,

J. L. Hofflund

J. L. Hofflund
Chief Counsel

Enclosure

JLHofflund/emd
Copy to: Mails and Files
Adm. R. File
G. C. Selfridge
Operating Committee
J. L. Hofflund
E. W. Ellis chron.

R.C.S. 8/13-53

MF-500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE .....

REFERRED TO:
1. ~~Johnson~~
2. Lundge
3.
4. Don

FOR:

..... Action	..... Recommendation
..... Approval	..... Record of .....
..... Comment	..... Referring to .....
..... Conference	..... Reply for signature of .....
..... Consideration	..... Rewriting
..... Filing	..... Signature
..... Instructions	..... Suggestions
..... Investigation	..... Your information
..... Initials	
..... Mailing	
..... Previous correspondence	

REMARKS: Contracts should be flexible enough to do these things even changing conditions.

Check (X) before the items needing attention.

Initials of sender.

GPO 16—63815-1

Don Dotson

MF-500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE 8/6

REFERRED TO:
1. Mittendorf
2. ~~[illegible]~~
3.
4.

FOR:

---------- Action	---------- Recommendation
---------- Approval	---------- Record of ----------
---------- Comment	---------- Referring to ----------
---------- Conference	---------- Reply for signature of ----------
---------- Consideration	---------- Rewriting
---------- Filing	---------- Signature
---------- Instructions	---------- Suggestions
---------- Investigation	---------- Your information
---------- Initials	
---------- Mailing	
---------- Previous correspondence	

REMARKS: Transcript - Dwight
draft of amendment
attached to Mr Mitt
[illegible]
[illegible]

Check (X) before the items needing attention.

[illegible]

George C. Selfridge
Initials of sender.

GPO 16—63815-1

Do not detach

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

August 6, 1953

Memorandum

To: The Administrator

From: Chief Counsel

Subject: Aubrey Minney, Docket No. DMEA-2455 (Mercury)
Humboldt County, Nevada, Contract Idm-E379

Reference is made to memorandum from the Executive Officer, Region IV to the Operating Committee dated July 22, enclosing two copies of Amendment No. 5, which have been referred to this office for review. The amendment was executed in the field and is in effect.

III ?

I am unable to approve this amendment, and consequently have not surnamed it in the margin.

As the contract stands before this amendment, the Operator is required to perform 217 feet of drifting at the agreed unit cost of $23 per foot, totaling $4,991. Article 4 of the contract requires that this drifting shall be done "efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety ... with suitable and adequate equipment, materials, and labor ..." I do not believe that timbering could be omitted from any drifting which requires timbering for purposes of safety or otherwise, in the light of these provisions. In other words, the contract prior to Amendment No. 5 would require the Operator to include any necessary timbering in the drifting at the agreed unit cost of $23 per foot.

Observing no [illegible] in expenditure of [illegible] funds

This office has repeatedly pointed out that a contract based on agreed unit costs cannot be amended to provide for payment to the Operator at a higher rate than originally agreed upon.

J. L. Hofflund
J. L. Hofflund
Chief Counsel

Attachment
Copy to: H. C. Miller, Region III (Should be sent through Operating Committee)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 27 1953

1012 Flood Bldg.
870 Market Street
San Francisco 2, Calif.

July 22, 1953

Memorandum

To: Operating Committee, DMEA, Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Contract Idm-E379 - Docket DMEA-2455 (Mercury)
Aubrey Minney
McAdoo Mine, Humboldt County, Nevada
Amendment No. 5

Attached are the original and two copies of Amendment No. 5, dated July 9, 1953, made in connection with subject contract.

A justification sheet is attached to each copy of the amendment.

Distribution has been made of the remaining copies of the amendment.

H. C. Miller
Executive Officer, DMEA Field Team
Region III

Attachments

Copy to: A.C.Johnson, Reno (With copy of amendment)
Finance Officer, Region III (With copy of amendment)
E. H. Bailey, USGS
George Mavor

RECEIVED
AUG -5 1953
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

case
1-27

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

July 10, 1953

Mr. Aubrey Minney
511 Archer Street
Salinas, California

Re: Docket DMEA-2455 (Mercury)
McAdoo Mine, Humboldt County, Nev.
Contract Idm-E379
Amendment No. 5

Dear Mr. Minney:

We acknowledge your letter dated July 6, 1953, and its contents have been given serious studied consideration by the DMEA field team.

We cannot grant your request to amend your contract to permit using Stage II money for work coming under Stage I. You still have considerable Stage I money unspent, so we are allowing you, by Amendment No. 5, to drift and timber (where necessary) as far as you can with the money still available under Stage I.

When you have done all the work you can with the money available to you under Stage I, we then will give consideration to your request to complete the connection to the old workings with Stage II money. Such a request, however, will have to be taken up with the Washington Office, which will be done if the showings in your drift are sufficiently promising to warrant it.

Six copies of the Amendment No. 5 are attached, with the request that you sign all copies, retaining the copy marked "Operator's Copy" for your files, and returning the other five copies to this office.

Sincerely yours,

H. C. MILLER

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Enclosures

Copy to: DMEA, Washington, D. C.
E. H. Bailey, USGS
A. C. Johnson, Reno

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS ADMINISTRATION

WASHINGTON 25, D. C.

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

July 1, 1953

Mr. Aubrey Minney
511 Archer Street
Salinas, California

Re: Docket DMEA-2455 (Mercury)
Meadoo Mine, Humboldt County, Nevada
Contract Idm-E379, Amendment No. 4

Dear Mr. Minney:

We have your letter dated June 25, 1953, requesting an amendment to your contract, which, as we see it, will involve increasing the cost of the contract.

Inasmuch as I have no authority to increase the cost of the contract, the matter must be referred to the Washington Office of the Defense Minerals Exploration Administration. However, before doing that I have several questions which I wish you would answer.

In sinking the shaft to a depth of 80 feet, crosscutting 103 feet to the dike, and drifting 47 (or 49?) feet thereon, you have used approximately $6,874 of the $10,738 allowed you under Amendment No. 4 of the Contract for work under Stage I. Thus, there is a balance of approximately $3,864 for Stage I work.

We estimate from the figures you supplied that the labor, plus material cost for timbering, is $16.25 per foot. Thus, for 47 feet the timbering cost would equal $763.75. Deducting that amount from $3,864 leaves approximately $3,100.

You have estimated drifting costs at $36.20 per foot; drifting and timbering would therefore cost $52.45 per foot. Dividing the balance ($3100.) by $52.45 gives approximately 59 feet of drifting and timbering that can be done without exceeding the amount allotted under Stage I of the contract as amended.

If the additional 59 feet of drifting are added to the 47 feet of existing drift, you will have a drift on the dike about 106 feet long. Is not a drift that long sufficient to prove whether or not the dike is mineralized? We see no reason why it is necessary to connect up with the old workings to prove this point. It seems certain therefore

that if the showings along the 106 feet of the dike are negative, there is no use extending the drift or going on to Stage II.

Your thoughts on the above will be appreciated.

Sincerely yours,

H. C. MILLER

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Copy to: DMEA, Washington, D. C.
E. H. Bailey, USGS
A. C. Johnson, Reno

913

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
Receipt

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

JUN 29 1953

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

Date: June 25, 1953

Memorandum

To: Operating Committee, DMEA, Interior Bldg., Washington 25, D.C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Interim Inspection Report

Attached are four copies of Interim Report on -

Docket DMEA 2455

Contract Idm-E 379

Commodity Mercury

Operator - Aubrey Minney
24 W. Gabilan Street, Salinas, Calif.

Property - McAdoo Mine, located approximately 42 miles northwest of Winnemucca, Humboldt County, Nevada

By John D. Warne, Mining Engineer

Dated June 19, 1953

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Attachment

Copy to: Finance Officer, Region III (With one copy of report)

E. H. Bailey, USGS (With one copy of report)

George Mavor

INTERIM REPORT

Docket No.: DMEA-2455 (mercury June 19, 1953

Name and address of operator: Aubrey Minney
24 W. Gabilan Street
Salinas, Calif.

Name and location of property: McAdoo Mine, located approximately 42 miles northwest of Winnemucca, Bottle Creek Mining District, Humboldt County, Nevada

Contract No.: Idm-E379

SUMMARY

This project was visited on June 5, 1953 by John D. Warne.

No progress has been made since April 24, 1953 due to the operators inability to procure labor; and only 8 feet of drifting has been done since April 17, 1953 (the time of the last inspection) according to the operator.

The operator is now attempting to locate labor to proceed with the project; however, he will be unable to complete the work within the time stipulated by the contract.

The engineer was unable to inspect the underground workings as no project personnel were available at the McAdoo mine.

RECOMMENDATIONS

If the operator is able to procure labor, an extension of time should be made in the contract allowing him to complete the project. The difficult labor situation, isolated location of the mine, and the practicability for completing the exploration project are deemed sufficient reason for granting an extension in time. Drifting along the mercury mineralized zone (the main exploration feature of the

project) was in progress before the work was halted. An extension of 6 months (180 days) should be allowed for completing this project if a time extension is requested by the operator.

STATEMENT OF WORK COMPLETED

No progress has been made in connection with this project since April 24, 1953. The operator has been unable to procure labor to continue with project operations since that date.

Work completed to date, as reported by the operator comprises the following:

Minney shaft (total footage completed)	80 feet
Crosscut (southwestward from shaft)	103 "
Drifting (southward, along diabase dike) . . .	49 "

A progress of only 8 feet of drifting southward along the diabase dike has been accomplished during the period April 17 to June 5, 1953 (see figure 1 accompanying interim report on this project, dated April 22, 1953).

GENERAL COMMENTS

Progress was halted on this project during the latter part of April due to termination of an independent contract between Mr. Minney and Mr. Roy Bowman (who has performed most of the project work). Mr. Minney is now attempting to locate another contractor or other labor to proceed with the work. He has been unsuccessful in locating labor.

An extension of time allowable under the contract for completing the project will perhaps be requested by the operator. Due to the difficult labor situation, the isolated location of the mine, and

practicability for completing the project, an extension of time should be granted. Work yet to be performed to complete this exploration could be done within six months time (180 days) if the operator is able to procure labor.

Unless the operator installs supports in the drift, and keeps them as close as possible to the face, extra expense in removing caved material and spiling work may be required. Therefore, it is important that work on this project be resumed as soon as possible. The operator has previously been advised to install supports as he advances the drift; and recommendations have been made allowing expenditures for timber.

At the time that this project was visited by the examining engineer, the operator was not present at the project site; and inspection of underground workings could not be made. However, the operator's representative at Winnemucca, Nevada was contacted.

CHECK SAMPLING AND ASSAYING

No check samples were taken for analysis.

John D. Warne

John D. Warne
Mining Engineer

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

Office of
DMEA Field Team
Region III

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

June 10, 1953

Memorandum

To: George C. Selfridge, Chairman, Operating Committee, DMEA, Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-2455 (Mercury)
McAdoo Mine, Humboldt County, Nevada
Contract Idm-E379
Amendment No. 4

Reference is made to your subject letter dated May 28, 1953. As suggested, Amendment No. 4 to the subject contract prepared in this office by Mr. S. Ricker has been cancelled and the new Amendment No. 4 drawn up in your office executed.

Attached are the Government's, Docket, and Division copies of the amendment signed by Mr. Aubrey Minney and me. Mr. Minney has retained his copy and proper distribution has been made of the remaining copies of the amendment. A justification sheet is attached to each copy of the amendment.

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Attachment

Copy to: A. C. Johnson, Reno (With copy of amendment)
Finance Officer, Region III (With copy of amendment)
E. H. Bailey, USGS
George Mavor

Col
6/15

140

FILE COPY
SURNAME:

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

MAY 28 1953

Mr. H. C. Miller, Executive Officer
DMEA Field Team, Region III
1012 Flood Building
870 Market Street
San Francisco 2, California

Subject: Aubrey Minney
Docket No. DMEA-2455
Contract No. Idm-E379
(Mercury)

Chron.
Pending

Dear Mr. Miller:

There are returned herewith the original and two copies of Amendment No. 4 dated March 16, 1953, which you forwarded with your letter to the Operating Committee dated May 1, 1953.

Hedges
Mr. Ellis
JLHofflund
AEKane

In the amendment, you say, "Stage I of Amendment No. 2 dated January 29, 1953, is hereby revoked and cancelled," and then you proceed to retain the total estimate of costs for the work of Stage I, but change the estimate of two items thereof by increasing the amount of crosscutting from 70 to 103 feet, and by reducing the drifting from 250 to 217 feet.

AEKane/ep/ema 5-21-53
cc: Mails & Files
Adm. R. File
Op. Comm.
Thayer

Paragraph 2(B)(a) of Amendment No. 2 correctly increases the shaft sinking referred to in Exhibit "A" from 70 to 80 feet and if you revoke "Stage I of Amendment No. 2," you eliminate reference to this change. Furthermore, you have changed the cost estimates because of the revised footage allowances without changing the description of the work to conform thereto. Therefore, we suggest that the amendment submitted be cancelled and a new amendment, attached hereto, be entered into as of March 16, 1953.

Enclosures

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

J. H. Hedges

Member, Bureau of Mines

A. R. Kinkel, Jr.

Member, Geological Survey

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

May 7, 1953

Memorandum

To: Hazel Berry, Operating Committee

From: Grace L. Ault, Rare & Misc. Metals Division

Subject: Amendments to contracts

In the absence of Mr. Knouse this week, Mr. Murphy reviewed the following amendments and approves them:

Docket	Contract	Operator	Amend.No.	Date
DMEA-2470	Idm-E466	Nevada Uranium Company	1	4/21/53
DMEA-2455	Idm-E379	Aubrey Minney	4	3/16/53

Grace L. Ault
Grace L. Ault

RECEIVED
MAY 11 1953
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

RECEIVED
MAY 1 1 1984
GENERAL COUNSEL
FEDERAL MINERALS
ADMINISTRATION

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 5 1953

1012 Flood Bldg.
870 Market St.
San Francisco 2, Calif.

May 1, 1953

Memorandum

To: Operating Committee, DMEA, Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Contract Idm-E379 - Docket DMEA-2455 (Mercury)
McAdoo Mine, Humboldt County, Nevada
Amendment No. 4

Attached are the original and two copies of Amendment No. 4, dated March 16, 1953, made in connection with subject contract.

A justification sheet is attached to each copy of the amendment.

Distribution has been made of the remaining copies of the amendment.

RECEIVED
MAY 11 1953
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

H. C. Miller
Executive Officer, DMEA Field Team
Region III

Attachments

Copy to: A. C. Johnson, Reno (With copy of amendment)
Finance Officer, Region III (With copy of amendment)
E. H. Bailey, USGS
George Mavor

cal 5/5

Form MF 004 (Rev.)
(April 1952)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 22 1953

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

ACCOUNTS MAY 4 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of Feb. to Apr. 24 1953, incl. Docket No. DMEA [illegible] Contract No. [illegible]
Operator's Name Aubrey Minney Minerals Tungsten
Address 115 Cayuga Street, Salinas, California
Contract Amount, $ 17,600.00 Government Participation: 75% Amount, $ 13,200.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Contracts:						
Drilling						
Bulldozing						
Crosscutting	759.00	1,610.00	2,369.00			
Drifting	1,127.00	None	1,127.00			
Shaft Sinking	None	3,377.99	3,377.99			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
Misc. cooking equip. & household appl.	-	114.90	114.90			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs	-	870.97	870.97			
(6) New Bldgs., Improvements, etc.	-	150.38	150.38			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes	-	3.88	3.88			
Liability Insurance	-	17.50	17.50			
(8) Contingencies (specify):						
TOTALS	1,886.00	6,145.68	8,031.68			

I certify that the above bill is correct and just and that payment therefor has not been received.

Date 4/27/53 *Payee Aubrey Minney
Aubrey Minney

Per _____ Title Owner

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 1414.50

Lloyd H. Sjolander
Authorized Certifying Officer

Signature _____ (Authorized Certifying Officer)

Date MAY 13 1953 Vou. No. SF-DMEA-42

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. [illegible] in accordance with the terms of the contract.

Signature [illegible] Title [illegible] Date [illegible]

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title Region III Executive Officer DMEA Field Team Date April 30, 1953

E. C. Miller Region III

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(*a*) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(*b*) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(*c*) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF 104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

ACCOUNTS MAY 4 1953
Defense Minerals Administration
RECEIVED
MAY 22 1953

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of Feb. 00 Apr. 1954, '53, 100 Docket No. DMEA 2455 Contract No. IC-379
Operator's Name Aubrey Minney Minerals Mercury
Address 119 Cayuga Crescent, Kalamazoo, Mich.

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting	Ft.	1127.00	49 Ft	1127.00	49 Ft.	23.00	217	4991.00
Crosscutting	Ft.	759.00	33 "	2367.00	103 "	23.00	103	2367.00
Raising								
Shafts	Ft.	-	-	3377.99	80 "	42.225	80	3378.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		1886.00	82 Ft.	6874.00				Total Costs Authorized by Contract
Operating Equipment Purchased		None		114.90				120.00
Initial Rehabilitation and Repairs		"		687.19				1002.71
New Buildings, Improvements, etc.				155.00				311.52
						Misc.		100.00
Total Costs		1886.00		8031.09				1974.23

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date 4/27/53 Operator Aubrey Minney
Per _____ Title Owner

Remarks:

→ NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

U. S. GOVERNMENT PRINTING OFFICE 205676

AUBREY MINNLY
119 Cayuga Street
Salinas, California

Docket DMLA-2455 - Mercury
Contract Idm-2379
Meadoo Mine, Humboldt
County, Nevada

PROGRESS REPORT FOR FEBRUARY TO APRIL 24, 1953, INCLUSIVE

Exploration work thus far has extended the crosscut of the 80-foot level southwest of the shaft a total of 103 feet, 33 feet of which is being submitted under this report.

The diabase dike was encountered at the 100-foot margin of the crosscut, at which point drifting along the east side of the dike was employed.

Total work completed this report: Crosscut: 33 feet; drift: 49 feet.

The materials throughout the crosscut consisted mostly of rhyolite or volcanic rock. The diabase dike was explored to a depth of 3 feet by means of crosscut and 7 feet by drill hole. The diabase dike proved to be 12 feet thick at the west workings of the crosscut. The dike cleavage contained cinnabar in a very sparce degree, which is characteristic of the old Meadoo Mine. The drill hole beyond the dike encountered a slight mud material; also rhyolite was prevalent to a depth of 4 feet. No trace of cinnabar was obtained from the panning of this drill hole.

The drift along the east side of the dike has exposed a fault at approximately 35 feet south of the crosscut. It appears at this point that the dike has completely sheared off and has displaced itself to the east. This evidence is based on the presence of minute pieces of dike in the fault area east of the drift.

It is planned, with your concurrence, that in further extending this course a slight bearing to the east should be employed in hopes of contacting the displaced portions of dike. It is also planned to explore to the east with 8- and 12-foot drill holes as work progresses.

We have been experiencing a very difficult time since encountering the fault area. Water, which is considered surface seepage, has caused the ground to cave and become heavy. The water volume is not serious in itself, but it has incurred timbering along its course in the crosscut and drift due to its softening the ground. We are at this time timbering several feet along the present open workings in order to hold the ground.

It is obvious that further exploration work will involve timbering and full encasement with lagging so long as the present conditions exist. I expect in the near future to submit a full, detailed report of this problem.

A. Minnely

DEPARTMENT OF INTERIOR
BUREAU OF MINES
REGION III
RECEIVED

1983 APR 30 AM 11 : 35

SAN FRANCISCO, CALIFORNIA

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Office of
Executive Officer
DMEA Field Team
Region III

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 5 1953

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

Date: April 30, 1953

Memorandum

To: Operating Committee, DMEA, Interior Bldg., Washington 25, D.C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Interim Inspection Report

Attached are four copies of Interim Report on -

Docket DMEA 2455

Contract Idm-E 379

Commodity Mercury

Operator - Aubrey Minney
24 W. Gabilan Street
Salinas, Calif.

Property - McAdoo Mine, Bottle Creek Mining District
Humboldt County, Nevada

By John D. Warne, Mining Engineer

Dated April 22, 1953

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Attachment

Copy to: Finance Officer, Region III (With one copy of report)

E. H. Bailey, USGS (With one copy of report)

George Mavor

INTERIM REPORT

Docket No.: DMEA-2455 (mercury) April 22, 1953

Name and address of operator: Aubrey Minney
24 W. Gabilan Street
Salinas, Calif.

Name and location of property: McAdoo Mine, located approximately 42 miles northwest of Winnemucca, Bottle Creek Mining District, Humboldt County, Nev.

Contract No.: Idm-E379

SUMMARY

An inspection of this exploration project was made by John D. Warne of the Bureau of Mines on April 17, 1953 at the request of the operator to ascertain the wet condition of the drift and the necessity for timbering it.

The drift had been advanced 41 feet (see fig. 1).

A wet faulted condition was encountered in the drift at the 31-foot point; and supporting of the entire 41 feet of drift, driven to date, will be required as material is now caving and spalling all along the drift. Also, timbering will probably be required for the remaining portion of the drift (about 194 feet). The operator has already begun timbering work and has supported 10 feet of the drift.

The operator requests amending the contract allowing additional funds available under Stage I to cover the cost of timbering. A unit cost of $14.38 per foot of timbering installed is estimated as the cost for installing timber.

By performing most of this exploration work on an independent contract, costs are believed to be greater than if operations were conducted directly by the operator. Most of the work is only remotely supervised by Mr. Minney.

RECOMMENDATIONS

1. The contract should be amended allowing $14.38 per foot for timbering the 80-foot level drift as required from the beginning point 103 feet from the Minney Shaft (see fig. 1). Provision for timbering 250 feet of drift should be made in the contract to insure connecting this exploration drift with the old McAdoo mine workings.

2. The operator should not be allowed to change the direction of the drift any appreciable extent in order to complete drifting with an estimated 235 feet to connect with old McAdoo mine workings. Some meandering of the drift to accomplish exploration and to follow the more favorable formations is warranted.

STATEMENT OF WORK COMPLETED

Work completed to date on this exploration project comprises the following (see fig. 1):

Minney Shaft (total footage completed)	80 feet
Crosscut (southwestward from shaft)	103 "
Drifting (southward, along diabase dike) . . .	41 "

A progress of 33 feet of drifting was accomplished during the period March 25 to April 17 between inspections of this project. Drifting work has been temporarily suspended to allow timbering of the drift which has begun to cave and which will not remain open without supports.

GENERAL COMMENTS

The operator requested by telephone on April 16 that an engineer from the Mining Division, Region III, make an inspection of this project to ascertain as to the wet condition of the drift and the necessity for timbering.

A wet faulted formation was encountered at a point 31 feet from the beginning of the drift (10 feet behind the face) which has saturated the drift; and supporting the drift for its entire length (41 feet) will be required. Ten feet of timbering (from 20 to 30 feet) has already been installed in the drift.

The operator states that timber delivered at the mine site will cost him about $150.00 per M ft. BM; and that one shift (with 3 men) will be required to erect each timber set. These cost estimates appear somewhat high. A cost of $14.38 per foot for timbering the drift is believed to be reasonable and comparable to costs in other isolated Nevada mining districts. The basis for this estimated cost follows:

Timber:

Posts, cap, plus some blocking	1(8" x 8" x 20')	= 107	ft.	b.m.	per 4'	set
Spreaders, collar braces, blocks	1(4" x 8" x 28')	= 75	"	"	" 4'	"
Lagging	16(2" x 12" x 4')	= 128	"	"	" 4'	"
Foot-blocks and wedges		40	"	"	" 4'	"
		350	"	"	" 4'	"

350 ft. @ $100.00/M = $35.00/4 ft. set = $8.75/ft.

Labor:

2 miners and 1 hoistman at an average daily wage of $15.00 per man (includes insurance, compensation, etc.) allowing one-half shift for framing and erecting one 4-foot timber set.

3 men @ $15.00 = $45.00/day = $22.50 per half day or 4-foot set or $22.50 x 1/4 = $5.63 per foot

Summary:

Timber (4-foot set, 350 feet per set)	=	$ 8.75 per foot of drift.
Labor (3 men @ $15.00/day, 1/2 day timbering	=	5.63 " " " "
Total estimated cost of timbering		$14.38 " " " "

Note: This estimated unit cost per foot for timbering includes installation of 8" x 8" timber sets, at 4-foot intervals, fully lagged, with 4" x 8" foot blocks and spreaders.

Dimensional mine timber can be obtained through Mr. Charles Kassabaum at Winnemucca, Nevada at a cost of $80.00 per M ft. B.M. - allowing $20.00 per M ft. b.m. for transporting the timber from Winnemucca to the McAdoo mine (in truck load lots of 12 to 14 M ft.) forms the basis for the above estimate of costs of timbering the drift.

No provision is made in the contract for timbering the drift; and the contract cost of $23.00 per foot will not allow for timbering. It is recommended that the contract be amended allowing a unit cost of $14.38 per foot for timbering the drift. Approximately 250 feet of drifting will be required to connect the exploration drift with the old McAdoo mine (105-foot level) workings. Figure No. 1 shows the progress to date, and location of the exploration drift. Unless provision is made in the contract allowing for timbering the drift, the operator will be unable to complete this work with funds unexpended in Stage I of the present contract.

The operator states that he is expending more than his share (25 percent) of the cost of the exploration project. Most of the work has been done under an independent contract and has been super-

vised by Mr. Minney from a remote location. The sub-contractor is paid the full price allowed by the exploration contract ($23.00 per foot of drift) and some of the extra costs are borne by Mr. Minney. Under this arrangement, the actual costs of accomplishing the exploration work are believed to be greater than if operations were conducted directly by the operator.

CHECK SAMPLING AND ASSAYING

Results of analysis of two samples taken in connection with the inspection of this project on March 25, 1953 were as follows:

Sample No.	Lbs. Hg/T	Description
1	0.2	Channel sample, 18 inches in width, of argillaceous material adjacent to diabase dike, at drift face 8 feet from crosscut.
2	2.6	Specimen sample of diabase dike material at drift face 8 feet from crosscut.

One check sample of decomposed diabase, gouge, and other fault material was taken from the drift face at 41 feet from the crosscut during this inspection. Results of analysis will be included in the next interim report.

OTHER INFORMATION

The operator plans to turn the drift slightly eastward in an attempt to locate the diabase dike material which disappeared at the fault at 31 feet along the drift. He was advised not to change the direction of the drift without oral or written consent from the Executive Officer of DMEA. The direction of the drift should be about S. 7° W. to complete this work with an estimated 235 feet of length.

The line of drifting should adhere somewhat closely to the direct line (as shown in fig. 1); and further exploration could later be accomplished by crosscutting at the more favorable locations along the completed N-S drift.

The operator was advised to install and keep timber as close as possible to the face in advancing the drift through the soft caving material to prevent losing the face and opening up holes in the back. Careful mining will be required to advance this drift and to preclude spiling through caved material.

John D. Warne
Mining Engineer

DEPARTMENT OF INTERIOR
BUREAU OF MINES
REGION III
RECEIVED

1973 APR 30 AM 11:29

SAN FRANCISCO, CALIFORNIA

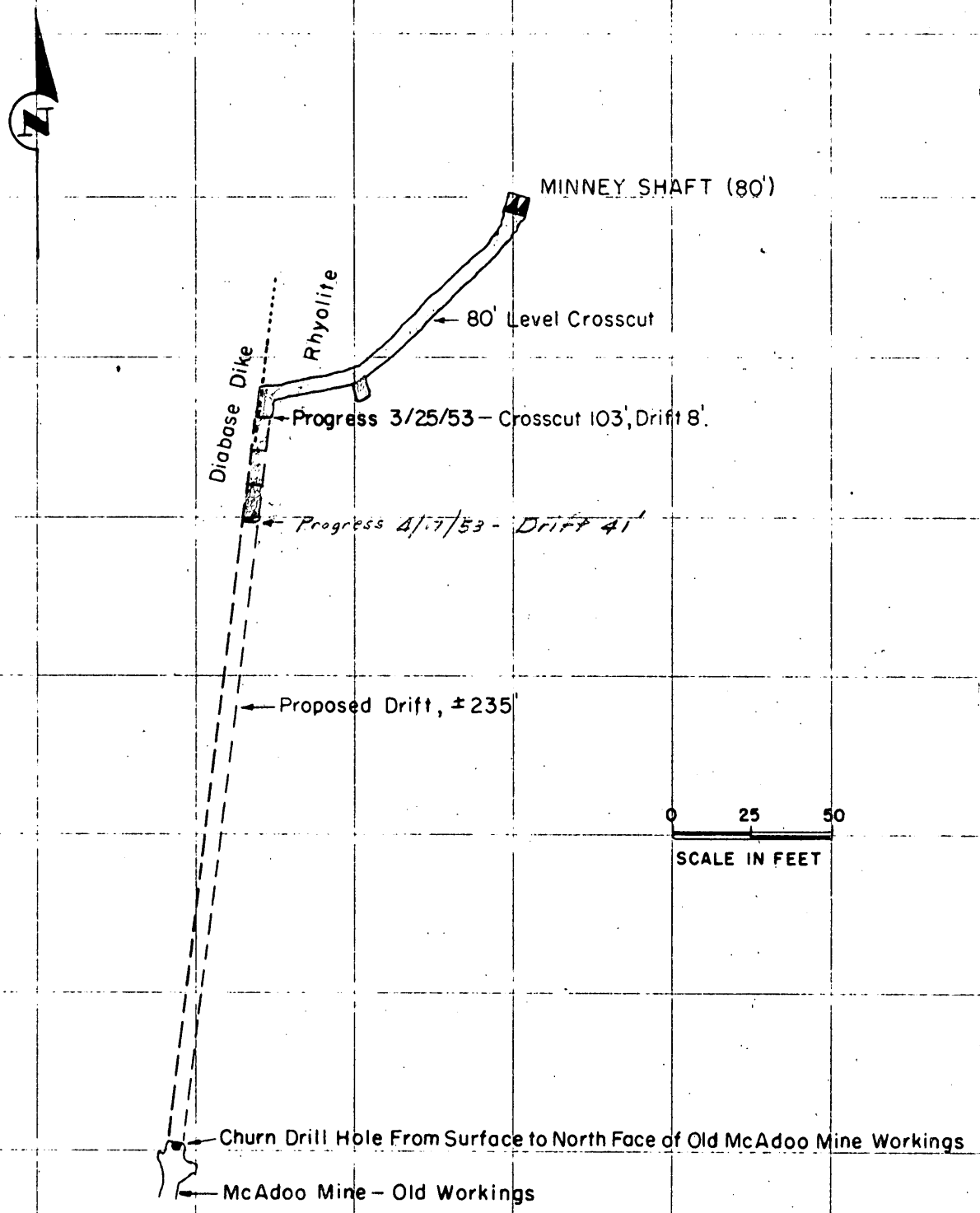


Fig. 1 Progress Map – McAdoo Mine (Mercury), Humboldt County, Nevada – March 25, 1953 – Contract Idm – E379.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 24 1953

Date: April 20, 1953

Memorandum

To: Operating Committee, DMEA, Interior Bldg., Washington 25, D.C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Interim Inspection Report

Attached are four copies of Interim Report on -

Docket DMEA 2455

Contract Idm-E 379

Commodity Mercury

Operator - Aubrey Minney
24 W. Gabilan Street
Salinas, California

Property - McAdoo Mine, located approximately 42 miles northwest of Winnemucca, Bottle Creek Mining District, Humboldt County, Nevada

By John D. Warne, Mining Engineer

Dated April 13, 1953

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Attachment

Copy to: Finance Officer, Region III (With one copy of report)

E. H. Bailey, USGS (With one copy of report)

George Mavor

INTERIM REPORT

Docket No. DMEA-2455 (Mercury) April 13, 1953.

Name and address of operator: Aubrey Minney
24 W. Gabilan Street
Salinas, California

Name and location of property: McAdoo Mine, located approximately 42 miles northwest of Winnemucca, Bottle Creek Mining District, Humboldt County, Nevada.

Contract No.: Idm-E379

SUMMARY

This exploration project was inspected on March 25, 1953.

The crosscut driven from the 80-foot level of the Minney Shaft encountered the objective diabase dike at 103 feet from the shaft (See Fig. 1). Eight feet of drift driven southward along the east side of the dike, encountered only slight, occasional showings of cinnabar mineralization in the dike material.

Approximately 235 feet of drifting will be required to connect with previous McAdoo mine workings.

RECOMMENDATIONS

The contract should be amended allowing a total of 103 feet (work actually performed) of crosscutting from the 80-foot level of the Minney Shaft; and 250 feet of drifting along the mercury bearing diabase dike to insure connecting the exploration drift with old McAdoo mine workings. (See Fig. 1).

STATEMENT OF WORK COMPLETED

Work completed to date on this exploration project comprises the

following (See Fig. 1):

Minney Shaft (Total footage completed)	80 feet
Crosscut (Southwestward from shaft)	103 feet
Drifting (Along diabase dike)	8 feet

GENERAL COMMENTS

The new shaft (Minney Shaft) was completed during November, 1952, to 80 feet in depth. This shaft is a 2-compartment vertical timbered shaft with hoisting compartment 45" x 45" and manway compartment 21" x 45" in the clear of timber. This work was performed in a workmanlike and satisfactory manner.

A total of 103 feet of crosscut work was performed on the 80-foot Minney Shaft level to intercept the mercury bearing diabase dike. (Fig.1). This quantity of crosscutting work was necessary to reach the mineralized zone; and the contract should be retroactively amended to allow payment for the total amount of crosscut driven.

The sub-contractor performing the work for Mr. Minney (the operator) started drifting in a southward direction from the 80-foot level crosscut at a point 72 feet from the Minney Shaft to comply with the specific footages outlined by the contract. However, as the mineralized diabase dike zone had not been reached, and as the exploration work was not closely supervised by Mr. Minney at that time this work (8 feet of drifting) should be disregarded.

Eight feet of drifting along the east side of the nearly vertical diabase dike had been done at the time of the inspection. Only occasional and slight cinnabar mineralization was noted in thin calcite seams within the diabase dike material.

Work performed to date by the operator is satisfactory. Considerable

delays in the project have been due to inclement weather conditions and the difficulty in recruiting miners.

CHECK SAMPLING AND ASSAYING

Two check samples were taken in connection with this inspection as follows:

Sample No. 1	Channel sample, 18 in. in width, of argillaceous material adjacent to diabase dike
Sample No. 2	Specimen sample of diabase dike material

These samples are to be analized for mercury content by the Bureau of Mines, Hydrometallurgical and Ore Dressing Branch, Reno, Nevada. No visible cinnabar was present in the samples, and results of the analysis will be reported in the next interim report. Results of analysis of these samples are not considered important.

OTHER INFORMATION

Drifting work is being done along the eastern contact of the diabase dike in rhyolite and argillaceous material to allow better progress and more rapid drilling. Previous ore bodies in the McAdoo mine were encountered within this zone.

One hole was drilled through the dike at the face of the 103-foot crosscut. This hole revealed that the diabase dike material was 12-feet in width, with no mercury mineralization, at this point.

John D. Warne

John D. Warne
Mining Engineer.

DEPARTMENT OF INTERIOR
BUREAU OF MINES
REGION III
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1953 APR 15 AM 8:58

SAN FRANCISCO, CALIFORNIA

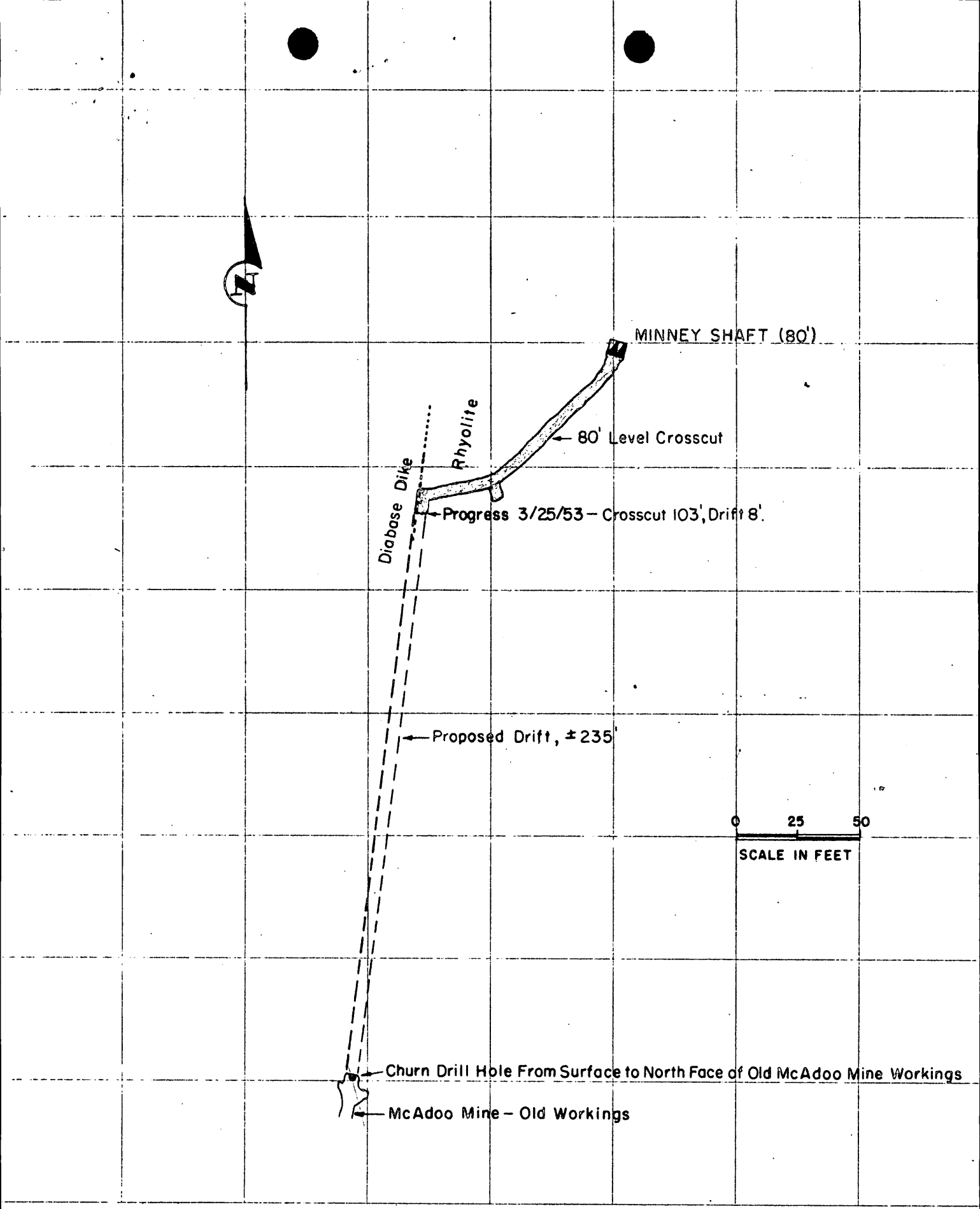

Fig. 1 Progress Map – McAdoo Mine (Mercury), Humboldt County, Nevada – March 25, 1953 – Contract Idm – E379.

700

FILE COPY

SURNAME:

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

Bev

MAR 25 1953

Mr. [illegible] C. Miller
Executive Officer
DMA Field Team, Region III
1112 Flood Building
870 Market Street
San Francisco 2, California

Re: Contract No. [illegible]A-2[illegible] (Monarch)
Quincy [illegible] (Tie Lee [illegible])
Humboldt County, Nevada
Contract No. I[illegible]-[illegible]79

J.C. 3/25/53

Dear Mr. Miller:

This is with reference to your inquiry dated March 11, 1953, in which you request your authority to amend the captioned contract to extend the crosscut an additional [illegible] feet (to reach the objective dyke) and deduct this added length of crosscut from the 250 feet of drifting allowed under item 1.

Your authority in this case is outlined in Order No. 2[illegible], dated April 25, 1952:

"Sec. 3 Delegation of authority. Subject to the limitations stated in section 4, executive officers of defense minerals exploration administration field teams are authorized:

"(a) to enter into written amendments of exploration project contracts that effect:

"(1) changes in the description of the work within the limits of its original scope and purpose."

As the preparation of this amendment is within your authority, it should be prepared by your office providing you are in agreement with the proposed change in the contract.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Concurred:

J. H. Hedges (JHG)

Member, Bureau of Mines

A. R. Kinkel, Jr. (JHG)

Member, Geological Survey

Messrs. ARKinkel, Jr., Rm. 4234 GSA
HMeyer, Rm. 3623
Ellis
Knowse
DMA Field Team, Region III

J.Knowse/gla 3-26-53
cc to: Adm.Reading File
Operating Committee
Docket

3/18/53 gla

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 17 1953

1012 Flood Bldg.
870 Market St.
San Francisco 2, Calif.

March 16, 1953

Air Mail

Memorandum

To: George C. Selfridge, Chairman, Operating Committee, DMEA, Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-2455 (Mercury) - Aubrey Minney
McAdoo Mine, Humboldt County, Nevada
Contract Idm-E379

Attached are two copies of a letter, dated March 12, from Mr. Aubrey Minney regarding his failure to reach the sought-for dike at a distance of 70 feet from the Minney shaft. You will note that his geophysicist estimates that the dike is still thirty - sixty feet beyond the present face of the 70-foot crosscut.

Mr. Minney asks that he be given permission to extend the crosscut and that the corresponding footage be deducted from the 250 feet of drifting allowed under Stage I of Amendment No. 2 to his contract.

I note that neither crosscutting nor drifting are maximum items in Amendment No. 2 and that both are estimated to cost $23.00 per foot. It seems, therefore, that Mr. Minney should be allowed to extend the crosscut until he hits the dike; otherwise the money spent to date will have been spent in vain.

Kindly let me know if my authority covers changing the contract (Amendment No. 2) to the extent desired; if not, will you kindly prepare the necessary amendment.

H. C. Miller
Executive Officer, DMEA Field Team
Region III

Attachment

Copy to: E. H. Bailey, USGS
A. C. Johnson, Reno

ASHLY [illegible]
119 Cayuga Street
Salinas, California

March 12, 1953

Contract [illegible]379
Project [illegible]-2455 (Mercury)
McAdoo Mine, Humboldt County
Nevada

Mr. H. C. Miller, Executive Officer
DMEA Field Team, Region III
1012 Flood Bldg.
870 Market Street
San Francisco, 2 California

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 17 1953

Dear Mr. Miller:

Exploration work at the McAdoo Mine has progressed to such point as has completed the seventy feet of crosscut southwest of the Minney shaft. As was outlined in my contract, it was expected that the dike would be reached at this point.

The dike has not been reached, and the opinion of Mr. H. L. Stephenson, mining geophysicist, who was engaged by me, places the dike thirty to sixty feet beyond the crosscut's present face.

I see no alternative at this time other than to suggest that the crosscut be extended until the dike has been reached.

To compensate for this additional crosscut, a corresponding amount of feet could be eliminated from the drifting in Stage I.

Your consideration of this matter will be appreciated.

Yours truly,

A. Minney

A. Minney

DEPARTMENT OF INTERIOR
BUREAU OF MINES
REGION III
RECEIVED

1953 MAR 16 AM 9:39

SAN FRANCISCO, CALIFORNIA

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

February 19, 1953

Memorandum

To: Hazel Berry, Operating Committee

From: Grace L. Ault, Rare & Misc. Metals Division

Subject: Docket No. DMEA-2455 (Mercury)
Contract No. Idm-E379
Aubrey Minney (McAdoo Mine)
Humboldt County, Nevada

Mr.Knouse has reviewed the following amendments to the above comtract:

Amendment No. 2, dated January 29, 1953, which was drawn by the Legal Division in Washington, and transmitted to Region III to be substituted for Amendment No. 2, dated December 30, 1952, executed by the Operator and the Executive Officer of Region III. According to Mr. Miller's memorandum of February 12, 1953, to Mr. Selfridge, a copy of which we received, the substitution has been made, the Amendment No. 2 copies destroyed (dated December 29, 1952), and the usual distribution of the January 29, 1953, amendment has been made by the Regional Office. Accordingly, we have received our Division Copy.

Amendment No. 3, dated February 3, 1953, extending the time of completion of the contract to July 31, 1953, is approved by Mr. Knouse, provded there are no legal objections.

Grace L. Ault
Grace L. Ault

RECEIVED
MAR - 3, 1953
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

3-5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 17 1953

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

February 12, 1953

Memorandum

To: George C. Selfridge, Chairman, Operating Committee, DMEA, Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-2455 (Mercury), McAdoo Mine, Humboldt County, Nevada, Contract Idm-E379 - Amendments Nos. 2 and 3.

Reference is made to your letter, dated January 29, with which you sent us six copies of a substitute Amendment No. 2, dated January 29, 1953, drawn by the Chief Counsel's office.

The Operator has signed all six copies of the amendment. Three copies of the amendment are attached herewith and proper distribution has been made of the other copies.

The Operator has returned his copy of the original Amendment No. 2 and his copy together with the Field Team copy and the Finance Office copy will be destroyed.

Attached also are three copies of Amendment No. 3, dated February 3, 1953, prepared to give Mr. Minney sufficient time to complete Stage I of his contract. Justification sheets are attached thereto. Proper distribution has been made of the remaining three copies.

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Attachments

Copy to: E. H. Bailey, USGS
A. C. Johnson, Reno
Finance Officer, Region III

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 6 1953

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

February 2, 1953

Mr. A. Minney
119 Cayuga Street
Salinas, California

Re: Docket DMEA-2455 (Mercury)
Contract Idm-2579
Maddoc Mine
Humboldt County, Nevada

Dear Mr. Minney:

Apparently, my draft of Amendment No. 2 to your contract did not meet with the approval of the Chief Counsel, of the Defense Minerals Exploration Administration in Washington, as his office has sent me a substitute Amendment No. 2 which it is asked you sign in place of the document now in effect.

This revised amendment will clarify the contract as it now stands. The Chief Counsel writes that the drifting or crosscutting to be eliminated should come from Stage II and not Stage I, as that provided for in Stage I is essential to connect the drift with the old mine workings. Inasmuch as the drifting or crosscutting to be done in Stage II can be done only with the approval of the Government, the Field Team can determine what drifting or crosscutting, if any, should be eliminated.

Kindly sign the six copies of the substitute amendment herewith enclosed. The copy of the new amendment No. 2 marked Operator's copy should be retained in your office. The other five copies, together with the copy in your possession of the amendment which the substitute amendment replaces should be returned to this office promptly.

It is requested that you also affix the enclosed map marked "Exhibit 'C' Revised" to your copy of the contract.

Your letter requesting an extension of time within which to complete your contract is being given studied consideration in this office, and will be acted upon shortly.

Sincerely yours,
H. C. MILLER
H. C. Miller
Executive Officer
DMEA Field Team, Region III

HCMiller:MPP
Files
Chron.

Enclosures
Copy to: DMEA, Washington
E. H. Bailey, USGS
A. C. Johnson, Reno

104 (Rev.)
(April 1952)

UNITED STATES
DEPARTMENT OF THE INTER
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No.
Approval expires 6-

ACCOUNTS MAR 16 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of [illegible], 195[illegible] Docket No. DMEA [illegible] Contract No. [illegible]
Operator's Name [illegible] Minerals [illegible]
Address [illegible]
Contract Amount, $[illegible] Government Participation: [illegible]% Amount, $[illegible]

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent / Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting	[illegible]	[illegible]	[illegible]			
Drifting						
[illegible]	[illegible]	[illegible]	[illegible]			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
[illegible]	[illegible]	[illegible]	[illegible]			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs	[illegible]	[illegible]	[illegible]			
(6) New Bldgs., Improvements, etc.	[illegible]	[illegible]	[illegible]			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes	[illegible]	[illegible]	[illegible]			
Liability Insurance	[illegible]	[illegible]	[illegible]			
(8) Contingencies (specify):						
TOTALS	[illegible]	[illegible]	[illegible]			

I certify that the above bill is correct and just and that payment therefor has not been received.

Date 3/10/53 *Payee Aubrey Minnelly

Per _____ Title Owner

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 586 50

Lloyd H. Sjolander
Authorized Certifying Officer

Signature _____
(Authorized Certifying Officer)

Date MAR 24 1953 Vou. No. SF-DMEA-38

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. [illegible] in accordance with the terms of the contract.

Signature A. C. Johnson Title [illegible] Date March 12, 1953.

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title Executive Officer DMEA Field Team Region III Date March 16, 1953

H. C. Miller

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(*a*) *Form MF–104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(*b*) *Form MF–104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(*c*) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF–104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF–104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF–200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF–200; and delete word "Independent" if the contract reported is on Form MF–200 (A). Also, report work paid for on a unit basis under contract Form MF–200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF–104 when submitted for reimbursable expenses incurred under contract Form MF–200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF–200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF–104 is required to be documented. The four copies of Form MF–104 are not to be thus supported.

Form MF–104 submitted for reimbursement under fixed price contracts on Form MF–200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF–104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-104A
(April 1952)

Budget Bureau No.
Approval expires

ACCOUNTS MAR 16 1953

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of January 1953 Docket No. DMEA [illegible] Contract No. [illegible]
Operator's Name [illegible] Minerals [illegible]
Address [illegible]

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	[illegible]	-						
Crosscutting	[illegible]	702.00	[illegible]	1610.00	[illegible]	[illegible]	[illegible]	1,010.00
Raising								
Shafts	[illegible]	-	-	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		702.00	[illegible]	4,987.[illegible]				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased		None		124.00				120.00
Initial Rehabilitation and Repairs		0		637.20				1,000.14
New Buildings, Improvements, etc.		0		195.60				[illegible]
						[illegible]		200.00
TOTAL COSTS		0		4,157.00				[illegible]

6,145.68

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date 2/10/53 Operator Aubrey Mannell

Per Title Owner

REMARKS:

→ NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

U. S. GOVERNMENT PRINTING OFFICE 205676

42-R1036.3.
0-53

Docket MLM-455 - Mercury
Contract Ian-6379
Mendoo Mine, Humboldt County,
Nevada

Monthly Report for the Months of December and January

During the months of December and January there has been very little progress by the contractor, Roy Bowman. The weather during this period has been adverse for mining conditions, water lines for the most part were frozen, making underground mining work very difficult. Housing is not good during severe weather. The contractor has, on several occasions, been forced to abandon operations.

Progress thus far has completed the shaft to a depth of 50 feet, including shaft timbering, skip guides and shaft station. The crosscut has been completed to 70 feet.

Portions of dike material has been encountered, with color resulting from the pouring. It is thought that the face of the crosscut is in the immediate vicinity of the dike. The general material has been mostly rhyolite, with slight portions of quartz and calcite.

Operations will commence on a full-time basis on March 10th, and it is expected that we can proceed without interruptions beyond this date.

A. Minnell
A. Minnell

DEPARTMENT OF INTERIOR
BUREAU OF MINES
REGION III
RECEIVED

1953 MAR 13 AM 9:10

SAN FRANCISCO, CALIFORNIA

March 12, 1953.

Memorandum

To: Mr. H. C. Miller, Executive Officer, DMEA Field Team Region III

From: Chief, Mining Division, Region III

Subject: MF-104 - McAdoo Mine - Idr-E379

Enclosed are four copies each of MF-104 form, MF-104A form and narrative report submitted by Mr. Aubrey Minney, owner of the above captioned property, covering expenses incurred under Contract Idr-E379.

The forms indicate that charges were incurred only in January, however, the narrative report covers December and January. Last report submitted covered the months of October and November and there has been no claim presented in the interim. Amounts shown in column "Totals previously Reported" (on the enclosures) bears out the fact that a claim was not forwarded for December.

The form has been approved for processing by your office.

A. C. Johnson

Ehels.

MAR 13 11 31 AM

DEPARTMENT OF INTERIOR
BUREAU OF MINES
REGION III
RECEIVED

1988 MAR 13 AM 9:09

SAN FRANCISCO, CALIFORNIA

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

January 30, 1953

Memorandum

To: A. C. Johnson, Bureau of Mines, Reno, Nevada

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-2455 (Mercury), Contract Idm-2379, Maddox Mine, Humboldt County, Nevada

Attached is a copy of a letter, dated January 26, 1953, from Mr. A. Minney who has a contract on the Maddox Mine.

You will note that Mr. Minney asks for an extension of time within which to complete his contract. I hesitate to extend the time to January 1, 1954, as he requested, but before deciding what to do I would like your thought as to how long you think we should extend the contract.

Any other comments concerning Mr. Minney's letter will be appreciated.

H. C. MILLER

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Attachment

Copy to: DMEA, Washington
E. K. Bailey, USGS

FILE COPY
SURNAME:

140

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

JAN 29 1953

G.C. Kane
Hofflund
Ellis
Selfridge

Mr. H. C. Miller, Executive Officer
DMEA Field Team, Region III
1012 Flood Building
870 Market Street
San Francisco 2, California

Re: Docket No. DMEA-2455
Contract No. Idm-E379
Aubrey Minney (Mercury)

Dear Mr. Miller:

Receipt is acknowledged of your memorandum dated January 7, 1953, to the Operating Committee enclosing an original and two executed copies of Amendment No. 2, which are herewith returned.

We enclose a substitute Amendment No. 2, drawn by the Chief Counsel's office, which you should endeavor to have the operator sign in place of the document now in effect. The operator's copy of the original amendment should be returned to you and destroyed along with all other copies thereof, if the amendment as prepared by this office is signed.

This revised amendment will clarify the contract as it now stands. Moreover, the drifting or crosscutting to be eliminated should come from Stage II and not Stage I, as that provided for in Stage I is essential to connect the drift with the old mine workings. Inasmuch as the drifting or crosscutting to be done in Stage II can be done only with the approval of the Government, the Field Team can determine what drifting or crosscutting, if any, should be eliminated.

Please make certain that the map marked "Exploration ~~Contract~~ Revised" is attached to all outstanding copies of the contract.

Sincerely yours,

George C. Selfridge

AEKane/JLH/ema/1-26-53
cc: Mails & Files
Mr. Thayer
Adm. R. File
Mr. Hedges
Chairman, Operating Committee
Mr. Ellis
A. E. Kane
J. L. Hofflund
J.L.Chambers
Op. Comm.
Chron.
Pending

Enclosures

Approved:

H. H. Hedges
Member, Bureau of Mines

A. R. Kinkel, Jr.
Member, Geological Survey

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

700

January 13, 1953

Memorandum

To: Hazel Berry, Operating Committee

From: Grace L. Ault, Rare and Misc. Metals Division

Subject: Docket No. DMEA-2455
Contract No. Idm-E379
Aubrey Minney

Mr. Knouse has reviewed Amendment No. 2, dated December 30, 1952, to the above contract and approves it.

Grace L. Ault
Grace L. Ault

RECEIVED
JAN 15 '53
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 12 1953

Office of
Executive Officer
DMEA Field Team
Region III

RECEIVED
JAN 15 1953
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

January 7, 1953

Memorandum

To: Operating Committee, DMEA, Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Contract Idm-E379 - Docket DMEA-2455 (Mercury)
McAdoo Mine, Humboldt County, Nevada
Amendment No. 2

Attached are the original and two copies of Amendment No. 2, dated December 30, 1952, made in connection with subject contract.

A justification sheet is attached to each copy of the amendment.

Proper distribution has been made of the remaining copies of the amendment.

cole 1-12-53

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Attachments

Copy to: A. C. Johnson, Reno (With copy of amendment)
Finance Officer, Region III (With copy of amendment)
E. H. Bailey, USGS
George Mavor

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 5 1953

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

December 31, 1952

Mr. A. Minney
119 Cayuga Street
Salinas, California

Re: Docket DMEA-2455 (Mercury)
McAdoo Mine
Humboldt County, Nevada
Contract Idm-E379

Dear Mr. Minney:

We acknowledge your letter of December 27 with which you sent us the requested copies of the maps of the McAdoo Mine.

As stated in my letter of December 19 to you, Amendment No. 2, dated October 1, 1952, which did not meet with your approval has been re-drafted. Six copies of the new amendment are enclosed and if you have no objection kindly sign all six copies and return all but the Operator's copy to this office.

Sincerely yours,

H. C. MILLER

H. C. Miller
Executive Officer, DMEA Field Team
Region III

Enclosure

Copy to: DMEA, Washington
E. H. Bailey, USGS
A. C. Johnson, Reno

HCMiller:mpp
Files
Chron.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 22 1952

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

December 18, 1952

Mr. Aubrey Minney
119 Cayuga Street
Salinas, California

Re: Docket DMEA-2455 (Mercury)
Contract Idm-E379
McAdoo Mine
Humboldt County, Nevada

Dear Mr. Minney:

Reference is made to your letter, dated November 17, concerning your reasons why you would not sign Amendment No. 2 to your contract as prepared by the Washington Office of the Defense Minerals Exploration Administration.

I can now report that efforts made in your behalf to write an amendment that will permit you to be compensated for the additional cost of the extra shaft-sinking and crosscutting at the expense of some 39 feet of drifting has been successful. As a result, a new amendment is being drafted in this office, which will be submitted to you for your signature shortly. However, before I can complete the required numbers of copies of the amendment, I will need one more copy of each of the following maps: 1. Exhibit "C"-Revised. 2. Unidentified Map.

The unidentified map is a southward extension of Exhibit "C" to and including the McAdoo shaft.

I trust that this/enough information to indicate what maps are needed as a part of the proposed amendment.

Upon receipt of the maps, the amendment will be submitted to you for your approval.

Sincerely yours,

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Copy to: DMEA, Interior Bldg., Wash.,DC
E. H. Bailey, USGS
A. C. Johnson, Reno, Nevada

FILE COPY
SURNAME:

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

DEC 5 1952

[illegible]

[illegible]

George C. Selfridge
ACTING [illegible] Committee

J. H. Hedges
[illegible]

A. R. Kinkel, Jr.
[illegible] Survey

[illegible]/[illegible]/jem
12/3/52
cc to: [illegible] Reading [illegible]
Docket
Messrs. [illegible]eyer-3623
[illegible]inkel-4234 [illegible]
[illegible]llis [illegible]ane Knouse
[illegible]pr. Com.
Field [illegible]eam, Reg. III

Form [illegible] (Rev.)
(April 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Budget Bureau No. 42-R1036.34
Approval expires 6-30-53.
Defense Minerals Administration
RECEIVED
DEC 23 1952

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of [illegible], 1952 Docket No. DMEA [illegible] Contract No. [illegible]
Operator's Name [illegible] Minerals [illegible]
Address [illegible]
Contract Amount, $ [illegible] Government Participation: 75 % Amount, $ [illegible]

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short-Form Contracts:						
Drilling						
Bulldozing	[illegible]	[illegible]	[illegible]			
Crosscutting						
Drifting						
[illegible]	[illegible]	[illegible]	[illegible]			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
[illegible]						
[illegible]	-	[illegible]	[illegible]			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation	-	[illegible]	[illegible]			
(5) Initial Rehabilitation and Repairs	-	[illegible]	[illegible]			
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes	-	3.00	3.00			
Liability Insurance	-	47.50	47.50			
(8) Contingencies (specify):						
TOTALS	[illegible]	[illegible]	[illegible]			

I certify that the above bill is correct and just and that payment therefor has not been received.
Date [illegible] *Payee Aubrey Manning
Per [illegible] Title [illegible]

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

→ NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
$ 1096 03
A. J. Renner
Signature Authorized Certifying Officer
(Authorized Certifying Officer)
DEC 17 1952
Date Vou. No. SF-DMEA-29
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E379 in accordance with the terms of the contract.

Signature George H. Holmes, Jr. Title Mining Methods Research Engineer Date 12/10/52

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature H. C. Miller Title Executive Officer DMEA Field Team Region III Date Dec. 15, 1952

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1161
Approval expires 6-30-53.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 23 1952

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of Oct. & Nov. 1952 Docket No. DMEA 2455 Contract No. Idm-2379
Operator's Name Aubrey Minney Minerals Mercury
Address 111 Cayuga Street, Salinas, California

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting								
Crosscutting	Foot	820.00	36 Ft.	828.00	36 Ft.	23.00	70 Ft.	1,610.00
Raising								
Shafts	Foot	633.37	15 Ft.	3,377.99	80 Ft.	42.225	80 Ft.	3,378.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		1,461.37	51 Ft.	4,205.99				Total Costs Authorized by Contract
Household Operating Equipment Purchased		None		114.40				120.00
Initial Rehabilitation and Repairs		None		887.12				1,062.71
New Buildings, Improvements, etc.		None		155.60				311.52
						Misc.		100.00
Total Costs		None		1,157.69				1,594.23

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date Dec. 2, 1952 Operator Aubrey Minney
Per _____ Title Owner

Remarks: This report includes expenses for the months of Oct. and Nov. due to temporary termination of work while obtaining approval of Amendment No. 1 to my contract.

→ NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

U. S. GOVERNMENT PRINTING OFFICE 205676

Docket DMEA-2455 (Mercury)
Contract Idm-E379
McAdoo Mine, Humboldt County,
Nevada

PROGRESS REPORT FOR THE MONTHS OF OCTOBER AND NOVEMBER

The shaft has been completed, to a depth of 80 feet. The entire depth of the shaft has been fully timbered, including shaft station.

Crosscutting has been completed to 36 feet. It is expected that the dike will be reached within the next 40 feet.

The crosscut thus far has not necessitated the use of timber.

Tram track has been extended to the face of the crosscut.

Materials encountered during this project have consisted mostly of rhyolite, with portions of quartz and calcite prevalent.

No cinnabar results have been obtained from any of the pannings. No materials were assayed as there were no evidence of minerals. However, such results were not to be expected at this distance from what is considered to be the ore-bearing zone.

We have experienced recently several reverses account of weather conditions which have incurred a considerable amount of lost time. Freezing temperatures have caused a work stoppage in some instances.

Work is being continued, and it is expected that the crosscut will be completed during the month of December.

A. Minney
A. Minney

D. M. E. A. 11/28/52 gla

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

November 20, 1952

Air Mail

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 24 1952

Memorandum

To: Frank E. Johnson, Chairman, Operating Committee, DMEA, Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-2455 (Mercury), Contract Idm*E379, McAdoo Mine, Humboldt County, California

Reference is made to your subject letter to me, dated November 6, to which you attached six copies of Amendment No. 2 to the subject contract to be substituted for Amendment No. 1, which was drawn in this office.

Amendment No. 2 was submitted to the Operator on November 10 for his signature. He, however, returned the six copies of the amendment unsigned with a letter to me, dated November 17, 1952. The original and one copy of that letter in which he gives his reasons for not signing the amendment are attached.

Your thoughts as to how to proceed from here on will be appreciated. We are retaining the six copies of Amendment No. 2, pending your further advice.

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Attachment

Copy to: E. H. Bailey, USGS

cae 11-25

RECEIVED
NOV 28 1952
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

BUREAU OF MINES
WASHINGTON, D. C.

Nov 24 12 31 PM '52

A. MINNEY
119 Cayuga Street
Salinas, California

November 17, 1952

Docket DMEA-2455 (Mercury)
Contract Idm-E379
McAdoo Mine, Humboldt County, Nevada

Mr. H. C. Miller, Executive Officer
DMEA Field Team, Region III
1012 Flood Building
870 Market Street
San Francisco 2, California

Dear Sir:

This is to acknowledge receipt of your letter of November 10, 1952 and the copies of Amendment No. 2 to my contract Idm-379 (DMEA-2455).

Amendment No. 1 authorized the change of shaft site, and an additional 10 feet of shaft and 20 feet of crosscut. Amendment No. 2 changes this by adding, "....operator who has agreed to pay the entire cost of the additional 20 feet of crosscutting and of the additional 10 feet of shaft sinking without any contribution from the Government therefor."

There are several items which I would like to present for consideration inasmuch as this new amendment involves work operations that have been completed on the basis of Amendment No. 1, which was signed and the contents thereof administered in good faith.

The terms of the original contract are flexible as I interpret them, to the extent that shaft sinking, crosscutting and drifting in themselves are not restricted to "allowable maximum" amounts. However, the aggregate of the above items are fixed, and the total specified under "allowable maximum" cost - the total of Stage I - cannot be exceeded. I understand this, and believe that it is so designed in order to allow some flexibility in exploration work.

In citing my own case, the results of the suggested and approved changes have undoubtedly proved to be economical as well as conforming to practical mining standards. Considering that this revision has saved considerable time and money, it is beyond my understanding to believe that the Defense Minerals Exploration Administration should elect to penalize me. My letter of September 2, 1952, in which I requested approval of this additional work, specifically suggested that some work operations be eliminated in order that the total cost will not be exceeded. It was my thought that steps would be taken to eliminate 39 feet of the extreme limits of the drifting in Stage I, which would compensate for the cost of this additional work. This I believe would not in any way destroy the potential

aspects of the property and would still explore to such extent as would determine the value of the ground as originally intended.

I do not wish to incur any further complications or problems which may cause suspension of this project, however, although I was fully prepared to bear my twenty-five per cent of the costs of the exploration work, I am limited as to my personal contributions, and up to this time I have used a considerable amount of money which is in excess of that intended as my share.

As you can readily appreciate, there are no fully-timbered shafts being sunk these days at $42.225 per foot, nor drifts and crosscuts for $23.00 per foot. These costs have been borne, and will continue to be, without complaint. However, it will be doubtful that this additional cost of $900.00 can be supported by me.

It would be very much appreciated if further thought and consideration be given to the above suggestions.

Yours truly,

A. Minney

A. Minney

DEPARTMENT OF INTERIOR
BUREAU OF MINES
REGION III
RECEIVED

1952 NOV 19 AM 8:4

SAN FRANCISCO, CALIFORNIA

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED

November 19, 1952

Mr. Aubrey Minney
119 Cayuga Street
Salinas, California

Re: Docket DMEA-2455 (Mercury)
Contract Idm-E379
McAdoo Mine
Humboldt County, Nevada

Dear Mr. Minney:

Reference is made to your contract with Mr. Ray Bowman, dated September 16, 1952, for performance of work, consisting of sinking the shaft and crosscutting at the McAdoo Mine under Exploration Project Contract Idm-E379.

The subcontract has been approved and a copy of Approval of Subcontract, dated November 12, 1952, is attached.

Sincerely yours,

H. C. MILLER

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Enclosure

Copy to: DMEA, Interior Bldg., Washington, D. C. (with copy of subcontract)
E. H. Bailey, USGS
A. C. Johnson, Reno, Nevada (with copy of subcontract)
G. Mavor, San Francisco

Docket Copy 2455
Mercury

APPROVAL OF SUBCONTRACT
(Under Form MF-200, revised February 1952)

To: Aubrey Minney

That certain contract, a copy of which you have submitted with your request for approval, dated September 16, 1952 between you and Ray Bowman for the performance of the following work:

Sinking shaft and crosscutting at the Owner's McAdoo Mine, Battle Creek Quicksilver Mining District, Humboldt County, Nevada,

which is all or a specific element of the work described in an Exploration Project Contract, dated July 31, 1952, Idm-E379, Docket No. DMEA-2455, is hereby approved by the United States of America, subject to all of the terms and conditions relating to such independent contracts set forth in said Exploration Project Contract.

Dated: November 12, 1952.

THE UNITED STATES OF AMERICA

By E. C. Miller
E. C. Miller, Executive Officer
DMEA Field Team, Region III

cc 1,2-4

A. MINNAY
119 Cayuga St.
Salinas, California

November 3, 1952

Mr. E. C. Miller, Executive Officer
DMEA Field Team, Region III
1612 Flood Bldg., 870 Market St.
San Francisco 2, Calif.

Dear Mr. Miller:

In accordance with our telephone conversation of today, you will find enclosed five signed copies of contract and agreement with Mr. Roy Bowman in connection with Docket No. DMEA-2455, Contract No. Idm-2379 (Mercury), Meadow Mine, Humboldt County, Nevada.

You will please note that under the terms of the contract with Mr. Bowman an allowance of $35.00 per lineal foot for sinking the shaft is a mutually agreed figure, and you will also note that timber and incidental mining materials are to be furnished by me.

The above amounts will undoubtedly be greater than the actual cost allowed by the Government under the unit price basis.

The contract also states that Mr. Bowman will receive $23.00 per lineal foot for crosscutting and drifting. These amounts are the same as allowed to me by the Government. Here again I am to furnish all materials at my own expense.

It is not my intention to complain or in any way hamper this project. I only wish to state my case in order that there will be no further complications regarding my sincere determination to pursue and bring this project to a satisfactory conclusion to all concerned.

Yours truly,

A. Minney

A. Minney

enc.

C O P Y

16th (See letter dated Nov 10/52 A. Minney to H Cellier)

THIS AGREEMENT, entered into this 16th day of September, A. D. 1952, by and between A. MINNEY, of Winnemucca, Nevada, hereinafter referred to as OWNER, and RAY BOWMAN, of Winnemucca, Nevada, hereinafter referred to as CONTRACTOR;

W I T N E S S E T H:

That the Contractor hereby agrees to furnish all labor, necessary equipment and tools, and supervision, except as otherwise provided hereinafter, for the performance of certain underground mining as hereinafter specified and described, upon the property owned by the Owner and located in the Bottle Creek Quick Silver Mining District in the County of Humboldt, State of Nevada, and known as the McAdoo Mine.

The Owner agrees to pay to the Contractor for the faithful performance of the work herein required to be performed, the unit prices hereinafter set out for each lineal foot of shaft or tunnel, as designated below.

The work to be performed is laid out in three different stages, which shall be performed by the Contractor in the Order hereinafter presented, that is, stage number one shall be performed first, and so on, unless otherwise authorized by the Owner, and provided that after the completion of stage number one the Owner shall have the right, at any time, to cancel this Contract and cause work hereunder to be stopped without liability for the uncompleted part of the Contract or for lack of notice of cancellation.

STAGE NUMBER ONE: Contractor agrees to sink a rectangular shaft upon the above described property upon the location of the now existing shaft and as a continuation thereof, for a distance of forty (40) feet, and to accept as full compensation therefor, to be paid by the owner, the sum of Thirty-five

Dollars ($35.00) per lineal foot.

The following specifications shall be complied with:

The dimensions of the shaft shall be rectangular, four feet by six feet (4' x 6') over-all, with the skipway area forty-eight inches by forty-eight inches (48" x 48") in the clear, with the manway area eighteen inches by forty-eight inches (18" x 48") in the clear.

All shaft timbering to be made to six inch by six inch (6" x 6"); sets spaced at five (5) foot intervals at the centers of the timbers.

The shaft shall be fully encased by two inch by twelve inch (2" x 12") lagging to the full depth.

Skip guides shall be constructed of four inch by four inch (4" x 4") timber placed at the center line of each side of the skipway.

Ladder shall be constructed in the manway, reaching the full depth of the shaft, and all guides andladdering shall be patterned after the same now constructed in the upper forty (40) feet of the shaft.

Each timber set in the shaft shall be level, and each set to be in a direct line with other sets at the corners which line shall be perpendicular to level.

The Owner agrees to furnish for the construction steel rod, timbering and incidental materials; also, air line, water line, and incidental equipment and tools which are now located at the mine.

STAGE NUMBER TWO: The Contractor agrees to perform the following described work immediately upon the Completion of Stage Number One, unless notified by the Owner to cease work: Cross-cut sixty (60) feet in the above described mine, at the location and in the direction, to be designated by the Owner, and as full compensation therefor, shall accept the sum of Twenty-three Dollars ($23.00) per lineal foot.

The cross-cutting shall be accomplished in compliance with the following specifications:

The tunnel shall have the dimension of four

feet by six feet five inches (4' x 6'5") in the clear.

Where heavy ground is encountered, timbering shall be used and placed in compliance, in all respects, with good mining practices and the laws of the State of Nevada.

Owner agrees to furnish air line, water line, tram trank, andall timbering where required.

STAGE NUMBER THREE: Contractor agrees to perform the following work consisting of a drift tunnel two hundred fifty (250) feet long upon the above described mining property and as designated by the Owner immediately upon the completion of Stage Number Two, unless notified to cease work by the Owner, and shall accept as full compensation therefor, the sum of Twenty-three Dollars ($23.00) per lineal foot.

The drift tunnel shall comply with the following specifications:

The drift tunnel shall have the following dimensions: Four feet by six feet five inches (4' x 6' 5") in the clear.

The drift tunnel shall be made upon an absolute level plane.

The Owner agrees to furnish air line, water line, tram track, and all timbering where required.

Timbering shall be used as in the cross-cut tunnel if heavy ground is encountered.

The Contractor agrees to the following terms before the commencement of any of the above described work:

1. The Contractor shall assume sole responsibility for the payment of all bills incurred by him and shall post and keep posted Notices, as required by Law, of the Non-Responsibility of the Owner for any such bills, claims, or obligations.

2. Contractor shall furnish proof to the Owner, before commencing work, of complete coverage of all employees employed

at the mine under Nevada Industrial Insurance and Occupational Disease Act.

3. The Contractor agrees to commence work upon Stage Number One not later than September 19, 1952, and thereafter to continuously and diligently work in the performance of the above required mining until all of the Stages above described are completed, or until stopped by the Owner, in accordance with the terms of this Contract.

IN WITNESS WHEREOF, we have hereunto set our hands the day and year first above written.

A. Minney

A. MINNEY

OWNER

Roy Bowman

RAY BOWMAN

CONTRACTOR

Office of
Executive Officer
DMEA Field Team
Region III

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 1 - 1952

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

November 10, 1952

Mr. Aubrey Minney
119 Gayuga Street
Salinas, California

Re: Docket DMEA-2455 (Mercury)
Contract Idm-E379
McAdoo Mine
Humboldt County, Nevada

Dear Mr. Minney:

For the sake of clarity, the Washington Office of the Defense Minerals Exploration Administration has rewritten Amendment No. 1, dated October 1, 1952, to your contract and has prepared Amendment No. 2 to be substituted for Amendment No. 1, which was prepared in this office.

Kindly sign all six copies of Amendment No. 2 and return the original and four copies to this office. You may retain the copy marked "Operator's Copy" for your files.

Kindly also let us have an early reply to our letter to you, dated November 5 in which we requested you to send us the date on which you signed your agreement with your subcontractor, Mr. Ray Bowman.

Sincerely yours,

H. C. MILLER

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Enclosure

Copy to: DMEA, Interior Bldg., Washington, D. C.
E. H. Bailey, USGS
A. C. Johnson, Reno, Nevada

FILE COPY
SURNAME:
800

Talbert

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

NOV 6 1952

Air Mail

Mr. George Mavor
1012 Flood Building
870 Market Street
San Francisco 2, California

Re: Contract No. Idm-E379
Docket No. DMEA-2455
Aubrey Mimsey (Mercury)

Dear Mr. Mavor:

This letter is being addressed to you on the premise that possibly you are included in the "auditors" referred to in the attached copy of a letter, dated October 30, 1952, addressed by Mr. Miller to the Operator of the subject project.

The Exploration Project Contract involved is, in effect, a combination of the short and long form contracts. It provides for contribution by the Government:

(a) on the basis of actual cost as set forth in Article 6 of the contract insofar as the preparatory work (i. e., the initial rehabilitation and repairs, the new installations, rental of a house, and purchase of cooking equipment and household furnishings) is concerned; and

(b) on the basis of the agreed estimated unit costs per foot, as they accrue, for units of work actually performed in lieu of actual costs for the actual exploratory work (i. e., the sinking, drifting, crosscutting and raising).

From an audit standpoint we are not concerned with the actual costs of the underground work or how they were incurred, since payment is to be made on the basis of the footage rates indicated in Exhibit "A" of the contract for the work actually performed.

Instructions for reporting these costs at footage rates appears on the reverse of the MF-104 as follows:

> "Under Item (1) ****. Also, report work paid for on a unit basis under Contract Form MF-200 as though it was performed under an independent contract."

It appears, therefore, that the Operator probably has prepared his September Form MF-104 correctly.

It is suggested that you review the file on this project and then consult with the Executive Officer and the Certifying Officer. It may be desirable for Mr. Miller to withdraw his letter to the Operator.

Sincerely yours,

(Signed) E. D. Talbert

E. D. Talbert, Acting Chief
Contract Administration and
Audit Division

D.J.
11/6/52

Attachment

EDTalbert/wb
November 6, 1952

Copy to: Docket
Admr. Reading File
Mr. Ellis
Mr. Talbert

FILE COPY
SURNAME:

140

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

NOV 6 1952

Mr. H. C. Miller, Executive Officer
DMEA Field Team, Region III
1015 Flood Building
870 Market Street
San Francisco 2, California

Re: Docket No. DMEA-2455 (Mercury)
Aubrey Mineey
Contract No. IDM-2379

Dear Mr. Miller:

If it meets with your approval, for the sake of clarity, it is suggested that Amendment No. 2, which we have enclosed, be substituted for Amendment No. 1 which you have drawn. If this amendment is acceptable and is executed, please deliver all copies to the designated parties concerned.

Sincerely yours,

(signed) FRANK E. JOHNSON
Chairman, Operating Committee

Enclosures-6

cc: Mail:

J. H. Hedges (JHB)
Member, Bureau of Mines

A. R. Kinkel, Jr. (JHB)
Member, Geological Survey

AEKane/mef
10/31/52
cc to: Mails and Files
Adm. R. File
Op. Committee
~~Chis~~ Mr. Thayer
Mr. H edges
Mr. Ellis
Mr. H offlund
Mr. Kane
Chron.
Mr. Chandler

AEKane
FI Cyque
Mr. Talbert

F.H.
11-6-52

C
O
P
Y

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Bldg.
870 Market St.
San Francisco 2, Calif.

October 30, 1952

Mr. Aubrey Minney
119 Gayuga Street
Salinas, California

Contract Idm-E379
Docket DMEA-2455 (Mercury)
McAdoo Mine, Humboldt County, Nev.

Dear Mr. Minney:

Our auditors have called my attention to your September Operator's Unit Cost and Progress Report and to your September Operator's Monthly Report and Voucher wherein you have indicated your shaft sinking costs based upon an independent contract.

Inasmuch as your contract dated July 31, 1952, under Exhibit "A" Scheduled Actual Costs (in Stage 1 only) specifies that there are to be no independent contracts, the Government may refuse to participate in the cost thereof until Government approval has been given. Therefore, as written approval by the Government of your independent contract is required according to Article 4 (b) of the contract, kindly furnish this office as soon as possible with six copies of your independent contract for sinking your shaft, cross-cutting and drifting under your contract.

Sincerely yours,

/s/ H. C. Miller

H. C. Miller
Executive Officer, DMEA Field Team
Region III

Copy to: DMEA, Washington, D. C.
E. H. Bailey, USGS
A. C. Johnson, Reno

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

October 15, 1952

Memorandum

To: DMEA, Operating Committee, Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-2455 (Mercury), Contract Idm-E379, McAdoo Mine, Humboldt County, Nevada - Amendment No. 1

Attached are the original and two copies of Amendment No. 1, dated October 1, 1952, made in connection with subject contract.

A justification sheet is attached to each copy of the amendment.

Proper distribution has been made of the remaining copies of the amendment.

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Attachments

Copy to E. H. Bailey, USGS
A. C. Johnson, Bureau of Mines, Reno, Nev. (with copy of Amend. 1)
Finance Officer, San Francisco, Cal. (with copy of Amend. 1)

Balance Sheet Reconciliation
NOV 3 1952

Case 10-LO
Cleared Contracts Div 10/21
Left Field
Per file to Debbie
11/12/52 ar 12/8

Posted 10/27/52

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

Date: October 16, 1952

Memorandum

To: Operating Committee, DMEA, Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Interim Inspection Report

Attached are four copies of Interim Report on -

Docket DMEA 2455

Contract Idm-E 379

Commodity Mercury

Operator - Aubrey Minney

Property - McAdoo Mine, Bottle Creek Mining District
Humboldt County, Nevada

By John D. Warne

Dated October 13, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 20 1952

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Attachment

Copy to: Finance Officer, Region III (with one copy of report)
E. H. Bailey, USGS (with one copy of report)

INTERIM REPORT

Docket No. DMEA-2455 (mercury) October 13, 1952

Name and address of operator: Aubrey Minney
24 W. Gabilan Street
Salinas, California

Name and location of property: McAdoo Mine, located approximately 42 miles northwest of Winnemucca, Bottle Creek Mining District, Humboldt County, Nevada.

Contract No.: Idm-E379

SUMMARY

This exploration project was inspected on October 10, 1952 by John D. Marne. The operator requested assistance in surveying the shaft and advice as to the bearing and depth of the crosscut required to connect with old McAdoo mine workings.

No mineralization has been encountered to date in the shaft; which had been driven to 68 feet depth (vertical) with 61 feet timbered at the time of inspection.

Project work is being performed by an independent contract, and is being done in compliance with the contract.

RECOMMENDATIONS

No recommendations for improvement or changes in the project work are made at this time.

STATEMENT OF WORK COMPLETED

The new shaft (Minney Shaft) had been sunk to a total depth of 68 feet and timbered to a depth of 61 feet below the surface at the time of this inspection.

GENERAL COMMENTS

Mr. Aubrey Minney (the operator) requested that the Bureau of Mines engineer make an inspection of work performed under his contract at this time in order to measure the shaft and to make a survey in order to advise him as to the correct level to perform crosscutting and drifting work to connect with the McAdoo 80-foot mine level workings. Also to advise him as to the correct bearing which to drive the crosscut from the shaft to conform with EXHIBIT "C" (revised) in the contract. Mr. Minney was advised to begin crosscutting from the shaft at the 80-foot level, on a S. 53° W. bearing. This work will conform with the contract.

CHECK SAMPLING AND ASSAYING

No mineralization had been encountered in the shaft, and no samples were taken for analysis. Volcanic rock formations have been penetrated throughout the entire length of the shaft.

OTHER INFORMATION

The project work is now being performed under an independent contract by Mr. Minney (the operator). The shaft sinking and timbering work performed to date is satisfactory.

The shaft will be sunk to a depth of 80 feet which conforms with Amendment No. 1 to the contract.

John D. Warne

John D. Warne
Mining Engineer

Form M-2104 (Rev.)
(April 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.3.
Approval expires 10-31-53.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 12 1952

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of November, 1952 Docket No. DMEA 4455 Contract No. IGT-379
Operator's Name Amboy Mining Minerals Jasperoid
Address 14 Cayuga Street, Salinas, California
Contract Amount, $17,000.00 Government Participation: 75% Amount, $13,000.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
Shaft Sinking	2,744.62	None	2,744.62			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
Miscellaneous Items	-	114.90	114.90			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs	-	870.97	870.97			
(6) New Bldgs., Improvements, etc.	-	150.38	150.38			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis	-	3.08	3.08			
Payroll Taxes	-	17.56	17.56			
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	2,744.62	1157.69	3902.31			

I certify that the above bill is correct and just and that payment therefor has not been received.
Date Nov. 12, '52 *Payee Amboy Mining Company
Per Title

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
$2,058.46
A. J. Renner
Authorized Certifying Officer
Signature (Authorized Certifying Officer)
Date NOV 5 1952 Vou. No. SF-DMEA-25
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. [illegible] in accordance with the terms of the contract.

Signature R. C. Johnson Title [illegible] Date [illegible]

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title [illegible] Date [illegible]

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(*a*) *Form MF–104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(*b*) *Form MF–104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(*c*) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF–104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF–104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF–200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF–200; and delete word "Independent" if the contract reported is on Form MF–200 (A). Also, report work paid for on a unit basis under contract Form MF–200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF–104 when submitted for reimbursable expenses incurred under contract Form MF–200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF–200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF–104 is required to be documented. The four copies of Form MF–104 are not to be thus supported.

Form MF–104 submitted for reimbursement under fixed price contracts on Form MF–200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF–104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 12 1952

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of September 1952 Docket No. DMEA 2455 Contract No. Idm-6379
Operator's Name Aubrey Minnoy Minerals Mercury
Address 117 Cayuga St., Salinas, California

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts	Foot	2,744.62	65 ft.	2,744.62	65 ft.	42.225	80 ft.	3,378.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		2,744.62	65 ft.	2,744.62				TOTAL COSTS AUTHORIZED BY CONTRACT
Household Operating Equipment Purchased		None		114.90				120.00
Initial Rehabilitation and Repairs		None		887.19				1062.71
New Buildings, Improvements, etc.		None		155.60				311.52
							Misc.	100.00
TOTAL COSTS		None		1157.69				1594.23

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date Oct. 12, 1952 Operator Aubrey Minnoy
Per Aubrey Minnoy Title Owner

REMARKS:

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

U. S. GOVERNMENT PRINTING OFFICE 205676

Docket [illegible]55 (Mercury)
Contract [illegible]-379
Meadow Mine, Humboldt County, Nevada

PROGRESS REPORT FOR THE MONTH OF SEPTEMBER

The work during the month of September has consisted entirely of shaft sinking. The shaft has been completed to a depth of 65 feet. The entire depth of the shaft has been fully timbered.

Materials encountered during this project have consisted mostly of rhyolite, with portions of quartz and calcite also prevalent in the conglomerate.

No cinnabar results have been obtained from any of the pannings. No materials were assayed as there were no evidence of minerals. However, such results were not to be expected as the shaft is being sunk at a location which is diverted by a margin of 56 feet from what is considered to be the ore-bearing zone.

Work is being continued and it is expected that full depth of the shaft will be completed by about November 17.

No particular difficulties have been encountered. However, there are indications from damp materials that water may be expected within a short distance, but probably not before the shaft depth of 80 feet is reached.

A. MINER

9-24-52 jem

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

SEP 22 1952

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Building
870 Market Street
San Francisco 2, California

September 18, 1952

Air Mail

Memorandum

To: Operating Committee, DMEA, Interior Building, Washington, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 2455 (Mercury), Contract Idm-E379
Aubrey Minney, McAdoo Mine, Humboldt County, Nevada

We have run into a matter in connection with the subject contract that neither Mr. Bailey nor I, singly or collectively, know how to handle.

Mr. Aubrey Minney, the Operator, called at this office on September 16, requesting an amendment to his contract. In discussing the work he was doing under the contract, Mr. Bailey and I learned the following: (1) Without permission or approval of the Government, Mr. Minney has changed the location of his shaft and has erected the head frame at the new shaft site and has begun to sink the shaft which has reached a depth of 30 feet. The shaft had been timbered to a depth of 20 feet when inspected on August 26. (2) Contrary to the terms of the contract, Mr. Minney has subcontracted the labor for sinking the shaft.

According to Mr. Minney, changing the location of the shaft will necessitate approximately 20 feet more of crosscutting and 100 feet more of sinking than is called for in his contract.

The location of the shaft at the site designated by Mr. Minney in his application and shown on Exhibit "C", attached to the contract was near the bottom of a draw, which would have exposed the underground workings to water run-offs. Also, according to Mr. Minney, the lay of the land at the original shaft site was such that waste materials from the shaft and underground workings could not be disposed of economically. In other words, according to Mr. Minney, the level terrain would require excessive tramming.

NOTE: 9/25/52 Mr. Knouse discussed these problems with Mr. Miller by phone this date. Mr. Miller will draft an amendment to permit work to be done under Phase I of the contract, according to the telephone discussion, and forward the amendment to Washington for approval.
gla

RDS 9/25/52

The site of the original shaft is shown on the attached map. The site of the new shaft, labeled "Minney Shaft" also is shown thereon. To get from the originally proposed shaft to the dike, along which Mr. Minney proposes to drift, requires approximately 50 feet of crosscutting; to reach the dike from the new shaft location - if the dike runs approximately north-south as shown on the map - it will require a crosscut approximately 70 feet long. From the geologic viewpoint, Mr. Bailey says that the length of the crosscut from the new site of the shaft depends upon the location of the dike, which may or may not be where pictured by Mr. Minney on the accompanying map. In fact, there is a possibility that it may not even extend as far north as shown on the map.

Mr. Minney stated to us that he did not realize that his contract was inflexible and thought that if he didn't do some of the raising (or sinking) called for under Stage II that he could divert from that item sufficient funds to do the increased amount of crosscutting and shaft-sinking required from the new shaft site.

Mr. Minney has signed the contract to sink the shaft at $35 a foot. For that price the subcontractor furnishes all labor needed to sink the shaft, the compressor, pneumatic tools, powder, caps, fuse, etc. Mr. Minney's contribution to the cost of sinking the shaft is that he furnishes the water and air pipe, timber, truck, hoist and miscellaneous small tools. Mr. Minney estimates that the difference between the contract price of $35 a foot and the price ($42.225) stipulated in his contract will only partly pay for the additional above ($35) cost of sinking. He had planned, therefore, to bill us for $42.225 a foot out of which he would pay the subcontractor $35 a foot and he would absorb all costs above $42.225 a foot.

It will be appreciated if you will advise me as soon as possible how this matter should be handled.

H. C. Miller
Executive Officer
DMEA Field Team, Region III

PS The inspection engineer (John D. Warne), following his inspection of the property on August 26, writes: "The Operator's request for relocating the shaft should be granted if the nature of the deposit, geologic conditions and scope of the approved project allow for completing essentially the same exploratory features of the project."

Attachment

Copy to: E. H. Bailey
A. C. Johnson

Ass

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

Date: Sept. 17, 1952

Memorandum

To: Operating Committee, DMEA, Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Interim Inspection Report

Attached are four copies of Interim Report on -

Docket DMEA 2455

Contract Idm-E 379

Commodity Mercury

Operator - Aubrey Minney

Property - McAdoo Mine - Battle Creek Mining Dist.
Humboldt County, Nevada

By John D. Warne

Dated Sept. 12, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 22 1952

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Attachment

Copy to: Finance Officer, Region III (with one copy of report)
E. H. Bailey, USGS (with one copy of report)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 22 1952

INTERIM REPORT

Docket No. DMEA-2455 (mercury) Sept. 12, 1952

Name and address of operator: Aubrey Minney
119 Cayuga Street
Salinas, Calif.

Name and location of property: McAdoo mine property - located approximately 42 miles northwest of Winnemucca, Battle Creek Mining District, Humboldt County, Nevada.

Contract No.: Idm-E379

SUMMARY

This exploration project was inspected on August 26, 1952 by John D. Warne. Sufficient rehabilitation work had been performed to allow for beginning the actual exploration project; and 27 feet of a new shaft had been sunk at the time of the inspection.

The new shaft is being sunk at a point 309 feet east by north of the northern extremity of the McAdoo (105 level) mine workings rather than at a point about ~~(85)~~ 185 feet north of this point as indicated by Exhibit "C" of the contract. The operator (Mr. Aubrey Minney) plans to immediately submit a new Exhibit "C" and his request for amending the contract to conform to the location of the work as it is actually being performed.

RECOMMENDATIONS

The operators request for relocating the shaft should be granted if the nature of the deposit, geologic conditions, and scope of the approved project allow for completing essentially the same exploratory features of the project. Copies of the revised Exhibit "C" furnished by Mr. Minney are attached.

STATEMENT OF WORK COMPLETED

The following rehabilitation and shaft sinking work has been performed during the period August 1 to 27, 1952 under Stage I of the contract:

1. Removed existing hoist house (a 15 foot by 25 foot corrugated iron building) and hoisting equipment and reconstructed at the new shaft site.

2. Constructed a 5 foot by 5 foot by 10 foot high headframe at the new shaft site. The waste bunker has not been constructed as yet. The headframe was constructed from salvaged material hauled from Winnemucca, Nevada in lieu of using material salvaged from the existing headframe as stipulated in the contract.

3. A 3-room house on the site was repaired for living quarters. No 8 foot by 10 foot washroom or outside toilet has been constructed as yet.

4. A new shaft has been sunk to a depth of 27 feet and timbered to a depth of 20 feet from the surface. Dimensions of the hoisting compartment are 48 inches by 48 inches and the manway compartment is 18 inches by 48 inches in the clear of timber.

GENERAL COMMENTS

The new shaft is being excavated at a point 309 feet east by north of the northern extremity of the McAdoo (105-foot level) mine workings rather than at a point about 85 feet north of the northern extremity of the McAdoo mine workings as indicated by Exhibit "C" attached to the exploration contract.

Insofar as this shaft location may alter the amount of drifting and crosscutting work required to accomplish the main exploration features of the project, it was suggested to the operator (Mr. Aubrey Minney) that he prepare a new sketch of the proposed exploration work, and request amending the contract (if necessary), or Government approval of the new shaft location.

The reasons, as stated by Mr. Minney, for relocating the new shaft were to gain elevation above a dry wash to allow for a dump area, to allow sufficient elevation for road and truck loading facilities below the shaft collar, and to preclude the possibility of flooding the mine working from rain or melting snows. The original proposed location (Exhibit "C") would have placed the shaft at or near the bottom of a dry wash.

The location chosen for the shaft appeared to be satisfactory if the geologic conditions, nature of the deposit, and scope of the approved project will allow for the completion of the exploration work.

CHECK SAMPLING AND ASSAYING

No mineralization had been encountered in the shaft, and no samples were taken for analysis.

OTHER INFORMATION

The dimensions of the shaft excavation and timbering do not conform exactly with the contract. However, this difference should be disregarded if they comply with State law. The work is being performed in a satisfactory manner.

John D. Warne

John D. Warne
Mining Engineer

Form MF-104 (Rev.)
(April 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.3.
Approval Expires 6-30-53

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 17 1952

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of August, 1952 Docket No. DMEA 2455 Contract No. Ion-8379
Operator's Name Aubrey Minney Minerals Mercury
Address 221 E. 4th St., Winnemucca, Nevada
Contract Amount, $ 17,600.00 Government Participation: 75% Amount, $ 13,200.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
Mine cooking equip. and house-hold furniture	114.40	None	114.40			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs	870.97	None	870.97			
(6) New Bldgs., Improvements, etc.	150.30	None	150.30			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes	3.88	None	3.88			
Liability Insurance	17.56	None	17.56			
(8) Contingencies (specify):						
TOTALS	1157.69	None	1157.69			

I certify that the above bill is correct and just and that payment therefor has not been received.

Date 9-17-52 *Payee Aubrey Minney
Aubrey Minney
Owner
Per Title

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 868.27

Signature A. J. RENNER
(Authorized Certifying Officer)

Date 10/10/52 Vou. No. SF-Omea-20
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. 10-3379 in accordance with the terms of the contract.

Signature A. C. Johnson Title Chief, Mining Div. Date Sept. 23, 1952.

A. C. Johnson Region III

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. C. Miller Title Executive Officer, DMEA Field Team Date Oct. 25, 1952

W. C. Miller Region III

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

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Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

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Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 17 1952

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of August 1952 Docket No. DMEA 2455 Contract No. IDR-5379

Operator's Name Aubrey Hinney Minerals Mercury

Address 221 E. 4th St., Winnemucca, Nevada

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Household Operating Equipment Purchased		114.90		114.90				120.00
Initial Rehabilitation and Repairs		887.19		887.19				1062.71
New Buildings, Improvements, etc.		155.60		155.60				311.52
							Misc.	100.00
TOTAL COSTS		1157.69		1157.69				1594.23

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date 9-27-52 Operator Aubrey Hinney

Per Aubrey Hinney Title Owner

REMARKS:

→ NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

U. S. GOVERNMENT PRINTING OFFICE 205676

Docket DMLA-2455 (Mercury)
Contract Idm-2379
Meadow Mine, Humboldt County, Nev.

PROGRESS REPORT FOR THE MONTH OF AUGUST

An area of approximately 30' x 70' was graded and leveled on a sidehill at the site of the new shaft. The grade required a cut of from 2' to 3' to permit the construction of headframe and hoist house.

A 5' x 5' x 12' high headframe was constructed.

The shaft at the time of this report has been completed to a depth of 30'. The first 3 sets of timber, spaced at 5' intervals, are constructed from 6" x 8" timber. The balance of sets are of 6" x 6" timber. The entire depth of the shaft is lagged solid with 2" x 12" timber.

Skip-way dimensions are 48" x 48" in the clear. Manway dimensions are 18" x 48" in the clear.

Materials encountered in sinking the shaft consisted of 6' of earth over-burden; the balance was mostly rhyolite, with what is thought to be minor portions of diabase dike material. Minor portions of quartz and calcite were also prevalent in the conglomerate. Iron oxydization was encountered throughout the depth of the shaft in the rhyolite material.

No cinnabar results have been obtained from any of the pannings; no material was assayed, as there has been no evidence of minerals. However, such results were not to be expected as the shaft is being sunk at a location which is diverged by a margin of 50' from what is considered to be the ore-bearing zone.

Items referred to as "Scheduled Actual Costs" under the contract have been to a great extent completed, and lists of costs are attached.

During the entire progress of this project I have tried repeatedly to engage help, without success. Although the mining wage offered is the standard rate, it is believed that the availability of work by large, well-established mining concerns, and more convenient and comfortable living quarters, were the factors involved in being unable to employ help. However, this situation will be pursued persistently.

The above condition has incurred an average 14-hour shift, 7 days per week, for both the hoist man and myself, with no thought by either of reimbursement. It has been our desire to diligently conform and restrict ourselves to the time limitations and all other agreements of the contract.

It is hoped that this report contains the information desired. I shall be glad to furnish any further information which may be necessary.

A. Minney 9-1-52
A. Minney

EXPLANATION OF ITEMS LISTED ON FORM MP-104

(5) Rehabilitation and Repairs

(a) Dismantle existing hoist house and reconstruct hoist house at new shaft site.

Labor and Supervision:				
Hoist Man	3 days @ $12.00	$36.40		
Cook	4 days @ $ 7.50	30.00		
			$68.40	
Superintendent	3½ days @ $16.666			
Labor	35 hours	$48.61		
Supervision	7 hours	9.72		
			58.33	
				$126.73
Materials and Supplies:				
Drag Line Bucket			$49.35	
10 Lbs. Nails			2.00	
				51.35
Transporting of Materials:				
Transporting of salvaged timber and materials from Winnemucca to McAdoo Mine - used in construction of hoist house. (Materials not charged to project.)			$50.00	
Rental of 3/4-ton truck	3½ days @ $5.00		17.50	
Gasoline for rented truck	3 gal. @ .33		.99	
				68.49
Depreciation on operator-owned equipment	3½ days @ $.31			1.09
		Total Cost		$247.66

(5) (b) Construct 5' x 5' x 14' high headframe at new shaft site.

Labor and Supervision:				
Hoist Man	3 days @ $12.80	$38.40		
Cook	3½ days @ $ 7.50	26.25		
			$64.65	
Superintendent	4½ days @ $16.666			
Labor	46 hours	$63.89		
Supervision	8 hours	11.11		
			75.00	
				$139.65
Materials and Supplies:				
Angle Iron			$33.78	
2 Pulleys			1.00	
2 pc. 6" x 8" x 14' - Rgh.			13.44	
				48.22
Transporting of Materials:				
Transporting of salvaged timber and materials from Winnemucca to McAbee Mine - used in construction of headframe. (Materials not charged to project.)			$75.00	
Rental of 3/4-ton truck 4½ days @ $5.00			22.50	
Gasoline for rented truck 1 gal. @ $.33			.33	
				97.83
Depreciation on operator-owned equipment 4 days @$.31				1.24
		Total Cost		$286.94

(5) (c) Purchase one three-room house on site for living quarters, and repair for living condition.

Labor and Supervision:				
Hoist Man	3 days @ $12.80	$38.40		
Cook	3½ days @ $ 7.50	26.25		
			$64.65	
Superintendent	3½ days @ $16.666			
Labor	35 hours	$48.61		
Supervision	7 hours	9.72		
			58.33	
				$122.98
Materials and Supplies:				
Lumber				4.48
(Majority of materials used salvaged from grounds; and paint on hand.)				
Transporting of Materials:				
Rental of 3/4-ton truck 3½ days @ $5.00			$17.50	
Gasoline for rented truck 4 gal. @ $.33			1.32	
				18.82
Depreciation on operator-owned equipment 3½ days @ $.31				1.09
Purchase of house				150.00
		Total Cost		$297.37

(5) (d) Initial repairs to hoist.

It was found that during the winter months water had entered the cylinders and froze the pistons to the cylinder walls.

Cost of Repairs	$ 39.00
Total Page 3	$336.37
Total Page 2	286.94
Total Page 1	247.66
Total Costs Charged to Item (5)	$870.97

(6) Improvements

(a) Clean out and timber well, and repair pump house.

Labor and Supervision:				
Hoist Man	3 days @ $12.80	$38.40		
Cook	3 days @ $ 7.50	22.50		
			$60.90	
Superintendent	3 days @ $16.666			
Labor	30 hours	$41.67		
Supervision	6 hours	8.33		
			50.00	
				$110.90
Materials and Supplies:				
Timber			$10.56	
"			12.00	
				22.56
Transporting of Materials:				
Rental of 3/4-ton Truck	3 days @ $5.00		$15.00	
Gasoline for rented truck	3 gal. @$.33		.99	
				15.99
Depreciation on operator-owned equipment	3 days @$.31			.93

Total Costs Charged to Item (6) $150.38

(7) Miscellaneous

(a) Payroll Taxes

1.5% of $197.70 - labor under Item (5)	$ 2.97	
1.5% of $ 60.90 - labor under Item (6)	.91	
Total Payroll Taxes		$ 3.88

(b) Liability Insurance

9.92% of $115.20 - labor under Item (5)	$11.43		
2.2 % of $ 82.50 - labor under Item (5)	1.82		
		$13.25	
9.92% of $ 38.40 - labor under Item (6)	$ 3.81		
2.2 % of $ 22.50 - labor under Item (6)	.50		
		$4.31	
Total Liability Insurance			$17.56
Total Miscellaneous			$21.44

FILE COPY
SURNAME:
700

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D.C.

AIR MAIL

JUL 31 1952

Mr. H. C. Miller
Executive Officer, Region III
DMEA Field Team
1012 Flood Building
870 Market Street
San Francisco 2, California

Re: Docket No. DMEA-2455 (Mercury)
Aubrey Mineney
Pehtoo Mine
Humboldt County, Nevada

Dear Mr. Miller:

Enclosed are the original and five copies of the captioned contract signed by the Government with attachments.

If the terms and conditions of this contract meet with the approval of the operator, the original and all copies are to be signed by the official authorized to sign the contract. Upon obtaining the signature to the contract the copy marked "Operators Copy" is to be given to the operator, and the copy marked "Field Team's Copy" is to be retained in your office, and the copy marked "Finance Officer's Copy" is to be given to the Regional Finance Officer, pursuant to new instructions now being prepared in the Washington office. The original and two copies are to be returned to Washington.

If any part of this contract does not meet with the approval of the operator, the original and all copies are to be returned to this office together with the proposed changes for consideration.

The original application was for the total amount of $14,862.96 and the final contract is for the amount of $17,600 which is the total recommended by the Field Team and approved by the applicant.

Sincerely yours,

George C. Selfridge 7/31 GCS

ACTING Chairman, Operating Committee

Enclosures

APPROVED: J. H. Hedges (JHH)
Member, Bureau of Mines

T. P. Thayer (TPT)
Member, Geological Survey

FLKnouse/jem 7/25/52
cc to: Adm. Reading File
Docket
Messrs. H.M.Meyer-2623
E.T.McKnight-4204 GSA
Ellis Knouse
Opr. Com.
Field Team, Region III

311 WA SFS /I-BOM/

SAN FRANCISCO CALIF 7-11-52 149P

DEFENSE MINERALS EXPLORATION ADMIN

INTERIOR BLDG WA

RE YOUR TELEPHONE CALL JULY 10 CONCERNING LOCATION OF HOUSES ON MC-ADOO MINE PROPERTY OWNED BY AUBREY MINNEY, DOCKET DMEA-2455 /MERCURY/. MR.MINNEY INFORMS ME THAT THE 3-ROOM FRAME BUILDING IS ON BLUE BIRD CLAIM NUMBER 3 OWNED BY HIM. THE 2-ROOM CABIN IS OFF HIS PROPERTY AND HE SUGGESTS THAT IN PLACE OF PURCHASING THE CABIN HE WILL RENT IT AT $20 A MONTH.

H C MILLER, EXEC OFFCR, DMEA FLD TEAM REG III

10 DMEA-2455 3 3 2 $20

AM 155P

JUL 10 5 40 PM '52

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Defense Minerals Administration
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BUREAU OF MINES
MAIL ROOM
WASHINGTON, D. C.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Bldg.
870 Market St.
San Francisco 2, Calif.

July 10, 1952

Mr. Aubrey Minney
119 Cayuga Street
Salinas, California

Re: Docket DMEA-2455 (Mercury)
Aubrey Minney--Moidoc Mine
Humboldt County, Nevada

Dear Mr. Minney:

The Washington Office of the Defense Minerals Exploration Administration telephoned me today regarding the three-room frame building and the two-room cabin which you indicate in your loan application you desire to purchase for use on your proposed exploration project. The information desired by Washington is whether these two buildings are on land you own or on adjacent land owned by someone else.

If the buildings are on land owned by someone else, does the purchase price include the land? If so, the land will have to be deeded over to you when the buildings are purchased. Another way around the matter, if the land on which the buildings are erected is owned by someone other than you, would be for you to rent the buildings from the owner and charge the project for their repair and rental.

Kindly give me full information regarding the location of these buildings as quickly as possible, so I can get the information to the Washington Office with dispatch.

Sincerely yours,

H. C. MILLER

H. C. Miller
Executive Officer, DMEA Field Team
Region III

Copy to: DMEA, Washington, D.C. (2)
E.H.Bailey, USGS

7/2/52 gla

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
WASHINGTON 25, D. C.

June 30, 1952

Memorandum:

To: E. W. Ellis, DMEA

From: Helena M. Meyer, Base Metals Branch

Subject: Field Team report on DMEA - 2455 (revised), Aubrey Minney, McAdoo Mine, Exploration Loan $17,600.29

I have read the subject report and recommend approval of the proposed loan. Edgar H. Bailey of the US Geological Survey knows the area well. His opinion is that the possibilities of finding small but rich quicksilver ore bodies are good enough to warrant the loan and this opinion is adequate justification for the loan's approval. Bailey's suggestion that the contract be set up in two stages is a good one and should be followed.

Helena M. Meyer

HELENA M. MEYER

Copy to: Minerals Division
Base Metals Branch
E. T. McKnight-GS
DMEA for Field Team
H. M. Meyer
FILES

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UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Bldg.
870 Market Street
San Francisco 2, Calif.

June 25, 1952

Memorandum

To: Frank E. Johnson, Chairman, Operating Committee, DMEA, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-2455 (Mercury), Aubrey Minney, McAdoo Mine, Humboldt County, Nevada

Mr. Bailey, of the Geological Survey, and I have discussed Mr. F. L. Knouse's telephonic request for a breakdown of costs of the proposed exploration work at the McAdoo Mine.

First I must apologize for several errors in my subject memorandum dated June 5. The total amount of work proposed by the applicant as stated in my memorandum is incorrect. I must have picked up the wrong notes when I dictated that letter. The correct amount of work as proposed is that indicated by Mr. Bailey in his report. It consists of the following, which Mr. Bailey and I have divided into two stages as requested by Mr. Knouse:

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Stage I:	Sinking shaft 70 ft.	
	Crosscutting to and through dyke 50 ft.	
	Drifting 250 ft.	
Stage II:	Drifting or crosscutting	100 ft.
	Raising	80 ft.
	Sinking winze	50 ft.

Stage II will depend upon the results of Stage I.

As to our estimate of costs under Stage I, we submit the following:

Sinking shaft	70 ft. at $65 per ft.	$ 4,550.00
Crosscutting	50 ft. at 23 per ft.	1,150.00
Drifting	250 ft. at 23 per ft.	5,750.00
	Total	$11,450.00

The costs for Stage II are estimated as follows:

Drifting	100 ft. at $23 per ft.	$ 2,300.00
Raising	80 ft. at $25 per ft.	2,000.00
Sinking winze	50 ft. at $37 per ft.	1,850.00
	Total	$ 6,150.00

The total cost (Stage I and Stage II) is $17,600.00. This agrees with the applicant's estimate of $17,600.29, if we drop the 29 cents from his request.

The above cost estimates throw all the costs of the preliminary work into the underground cost and prorate it on a 60-40 percent basis between Stage I and Stage II respectively. This is probably not the way it should be done, inasmuch as the preliminary work, such as rehabilitation of existing buildings, facilities, etc., and the cost of additional facilities, building s, and fixtures required (with the exception of timbering the shaft, constructing hoist guides and a ladder, and lagging the shaft) will have to be done ahead of the underground work listed under Stage I.

To segregate these costs from the underground costs will necessitate estimating what part of the cost of labor and materials amounting to $1,086.67 (Page 5) is chargeable to constructing a 5' x 5' x 10' high headframe of 6" timber. The cost of the headframe probably could be estimated to be $86.67, which will leave $1,000 for doing the rest of the work.

Mr. Minney told us that he and his men will be on a monthly salary basis. He and the cook will work every day, whereas the hoistman and mucker will be on a 6-day week basis but paid for on a monthly basis as indicated on Page 7 attached to my June 5 memorandum to DMEA. In that memorandum, the page numbers given in the second to last sentence should be 3 and 3a in place of 2 and 3.

I trust that this supplemental information will enable you to prepare the exhibits to the contract, if one is to be drawn up.

H. C. Miller
Executive Officer, DMEA Field Team
Region III

Copy to: E. H. Bailey, USGS

6/18/52 glu

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

June 16, 1952

Memorandum

Re: DMEA-2455
McAdoo Mine
Humboldt County, Nevada
Exploration: $17,600.29
Mercury

To: Mr. E. Wm. Ellis, DMEA

From: Erwin J. Lyons, USGS

Subject: Recommendation for approval of proposed project.

The field report on the McAdoo Mine by E. H. Bailey has been received and reviewed. E. T. McKnight had previously recommended approval of the project, and the present reviewer had recommended approval of the revised project which included sinking of a new shaft in place of rehabilitation of the old one.

E. H. Bailey, in his memorandum, recommends two stages of exploration. Stage I is to include sinking of the 70 foot shaft, a crosscut through the dike, and 250 feet of drift. Stage II would consist of 100 feet of drifting or crosscutting, 80 feet of raising, and 50 feet of sinking.

The present reviewer concurs with the above exploration procedure except that it is believed that more footage should be allowed for raising. As pointed out by E. T. McKnight, the fault intersection with the dike should be made a specific target for exploration. According to the cross-sections published in the University of Nevada Bulletin 38, this intersection is about 75 feet above the 107 foot level in the north part of the mine. If this condition continues to the north more than 80 feet of raising will be required to adequately explore the intersection of the dike and the fault.

Erwin J. Lyons

Erwin J. Lyons
Geologist

6/11/52 glm

Notes regarding DMEA-2455

by E. H. Bailey

U. S. Geological Survey

An attempt was made to visit the property on May 8, 1952 by E. H. Bailey and H. L. Sobel, but owing to a heavy downpour the property was not reached. I believe I know enough about the mine to evaluate the proposal without a second attempt to examine it.

The collar of the working shaft has partly caved and it is reported to be unsafe. The applicant revised his proposal to include a new shaft 70 feet deep, and as this will eliminate the need for a churn drill hole for ventilation, I believe it to be a reasonable proposal. The cost of rehabilitating the old shaft is likely to equal the cost of putting in a new one, and a new shaft will permit vertical exploration of the ground.

The quicksilver ore bodies of the McAdoo mine were formed along the margin of a diabase dike, and they were unusually high grade. The yield per linear foot of horizontal workings has been 88 pounds of quicksilver, a yield that is appreciably better than the average for quicksilver mines in the United States. The applicant proposes to explore the diabase dike north of the northern workings in the mine, and it should be pointed out that most of the ore found was discovered in the block to the south of the McAdoo shaft. Since the mine was mapped by the Survey in 1943 Mr. Warren Overholser extended the 107-foot label about 100 feet to the north. No ore was found by this work, but cinnabar veinlets are reported to show in the face. He also put down a churn drill hole from the surface to a point near the face, and it failed to encounter ore. In 1947, Otis A. Kittle and associates did a little diamond drilling in the mine area, chiefly in the vicinity of a winze 100 feet north of the base of the McAdoo shaft. One hole explored below the winze and another above, but neither found ore. Subsequently a 30 foot shaft was sunk in the dike above the face of the north drift and a little drifting was done on the 30-foot level.

The applicant proposes to sink a new shaft from a point about 300 feet north of the old McAdoo shaft to a depth of 70 feet, which will coincide with the 107 feet level from the McAdoo shaft. He further proposes to crosscut about 50 feet to the vein, drift 125 feet north and south of the crosscut on the 107-foot level, and to run short crosscuts through the dike raise 30 feet in two places, and sink 25 feet in these places. In addition, he proposes to put down a churn drill hole to intersect the northern face of his new drift.

It is my opinion that the possibilities of finding small but rich quicksilver ore bodies by exploration of this area are good enough to warrant an exploration program to cost in the neighborhood of $20,000. I believe the new shaft is justified and that drifting on the 107-foot level is a practical way to explore the ground. The churn drill holes I do not favor. When a connection is made between the old workings and the proposed new drift the ventilation will be adequate. Exploration for ore by churn drilling is not likely to yield results unless directed at a specific geologic target.

As the ore bodies of the area are localized along the dike only in favorable places, either at rolls or fault intersections, the remainder of the applicant's program should not be planned in advance of geologic study of the exposures provided by the proposed drift. I believe the contract should be set up in two stages. Stage one to include the 70 foot shaft, a crosscut to cut through the dike, and the 250 feet of drift. Stage two should allow 100 feet of drifting or crosscutting, 80 feet of raising, and 50 feet of sinking, but the exact location of this work should not be decided until after the completion of stage one.

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Aubrey Minney
119 Cayuga Street
Salinas, California

5. Existing Facilities, Buildings, Installations and Fixtures

One 15' x 25' corregated iron hoist house. Building to be dismantled and erected at site of new shaft. Sufficient material will be recovered for construction of new hoist house.	
Cost of dismantling hoist house -	$ 89.81
One shaft headframe with superstructure and ore bunker. Dismantle and salvage all reusable timber for use in new shaft and headframe.	
Cost of dismantling headframe and ore bunker -	134.71
One corregated iron, and wood, pump house, adequate and in usable condition.	
One well, 4' x 4' x 8' depth, timbered. Well located on dependable spring; water available throughout year in sufficient quantity.	
Cost in labor and material to re-timber and clean out well -	179.62
One underground earth-covered powder magazine in usable condition.	
Total cost to rehabilitate existing buildings, facilities, etc.	$ 404.14

Aubrey Minney
119 Cayuga Street
Salinas, California

6. Additional Facilities, Buildings and Fixtures Required

Construct one 15' x 25' hoist house. Use material salvaged from old hoist house.

Cost in labor and material for construction hoist house $ 174.62

Construct a 5' x 5' x 10' high headframe from 6" x 6" timber. Brace and reinforce in such manner as will permit the hoisting of waste material.

Timber full depth of 70' shaft with 6" x 6" timber at 6' intervals. Brace each of these sets with a cross-member at such location as will allow a 45" shaft for hoisting, and a 21" manway.

Construct hoist guides from 4" x 4" timber, extending the full depth of the shaft, one at each center point of two sides of the shaft.

Construct ladder full depth of manway in 12' sections which will traverse diagonally, from side to side.

Enclose each side of the shaft with 1-1/2" x 10" lagging at all locations where the ground cannot be considered safe and free from caving.

Cost in labor and material for headframe and all shaft timbering - 1,086.67

Purchase one 3-room frame building at side of exploration project. (Owned by P. J. Menicucci.) 150.00

Purchase one 2-room cabin at site of exploration project. (Owned by P. J. Menicucci.) 100.00

Cost of rehabilitating the above two buildings - material and labor - 194.74

(Continued on Page 5-A)

Aubrey Minney
119 Cayuga Street
Salinas, California

6. (Continued)

Construct an addition to the above 3-room building, one 8' x 10' washroom and bathhouse.	
Material and labor -	$ 177.26
Construct one outside toilet.	
Material and labor -	54.90
Construct framework to support a 300-gal. water tank at the rear of 3-room building. Elevate tank 8 ft. above ground.	
Material and labor -	56.90
Purchase one 300-gal. water tank.	75.00
Purchase one wash tray.	12.00
Household furnishings required (second hand).	
4 cots at $5.00 — 4 mattresses at $4.00 6 chairs at $2.50 — 2 tables at $5.00 1 heating stove at $12.00	73.00
Cooking utensils, pots, pans, plates, knives, forks, etc.	35.00
Total cost of additional buildings, facilities, etc.	$2,190.09

Aubrey Minney
119 Cayuga Street
Salinas, California

7. Operating Equipment Required — Rental per month

(a) To be rented

1 compressor, portable, 105 CFM	$150.00
1 jackhammer, J-50, 55-lb.	35.00
1 stoper	65.00
1 column, rock drill, single screw	25.00
1 drifter, mounting	20.00
1 truck, pickup, 1/2-ton	150.00
1 tugger	40.00
2 drill steel, 7/8", Hex., 4'	5.00
2 drill steel, 7/8", Hex., 6'	8.00
2 hose, air line, 3/4", 50' length	14.00
2 hose, water, 1/2", 50' length	10.00
1 oiler, air line	2.00
Total per mo.	$524.00
Total, 5 months	$2,620.00

(b) To be purchased

No operating equipment to be purchased.

(c) To be furnished by applicant	Current Value	Depreciation per month
1 Utility Trailer, equipped with 200-gal. water tank	$400.00	$ 6.67
1 Hoist, 25 hp, gasoline, single drum, equipped with 250' 5/16" steel flexible line	400.00	6.67
1 Pump, water, gasoline, 1-1/2", 3M gal., self-primed	225.00	3.70
1 Car, Tram, one-yard capacity	100.00	1.67
2 Buckets, Ore, 50-gal. capacity	40.00	.67
2 Trucks, Tramming, Ore Bucket	40.00	.67
Total depreciation per month		$20.05
Five months, total		$100.25

Aubrey Minney
119 Cayuga Street
Salinas, California

8. Mining Personnel - Schedules and Salaries

	8-Hr. Shift	12-Hr. Shift	Net wage* per month	
1 Supt. and Miner** (Owner, self-employed)		$18.91	$500.00	30-day basis
1 Hoistman	$12.80		265.30	26-day basis
1 Mucker	12.00		244.50	26-day basis
1 Cook	7.50		157.50	30-day basis
	Total wages per month		$1,167.30	
	Total, five months		$5,836.50	

*Above Monthly Wage is "take-home" pay after deducting for board at $2.25 per day ($67.50 per month).

**Superintendent and Miner assignment will include caring for all general accounting, supervising, all surface and underground operations, mapping and submitting reports required by DMA, approve the purchase of materials and supplies, set up drill and blast for all underground work.

Social Security, Compensation Insurance, Etc.
$160 per month, 5 months $800.00

Project to be completed in 5 months.

Aubrey Minney
119 Cayuga Street
Salinas, California

9. Materials and Supplies to be purchased, Engineering, Assaying, and Utilities

400' pipe, Black steel, 1-1/2", at $29 per 100'	$116.00
400' pipe, Black steel, 3/4", at $17.07 per 100'	68.28
1 Die Set, Pipe Threading, 3/4" to 1-1/2"	36.65
300' train track	150.00
Pipe valves and fittings	15.00
1 Pipe Cutter, 1/8" - 2"	12.95
1 Pipe Vise	13.00
75 Timkin Rock Bits, 1-5/8" at $0.485	36.38
75 " " " 1-1/2" at .470	34.55
75 " " " 1-3/8" at .448	33.60
Incidental Hardware	25.00
500' 2" x 12" - #2 D. fir at $120 per M	120.00
150' 8" x 8" " " " at 125 per M	100.00
500' 6" x 6" " " " at 120 per M	180.00
300' 4" x 4" " " " at 115 per M	46.00
500' 2" x 4" " " " at 115 per M	38.00
2000" 1-1/2" x 10" " " at 120 per M	240.00
1000" 1" x 12" " " " at 115 per M	115.00
3 rolls Roofing Paper at $3.80	11.40
2 Panel Doors at $4.25	8.50
4 Windows 4' x 4' at $5.00	20.00
Dynamite, 60%	690.00
Blasting Caps	185.00
Blasting Fuse	135.00
Food Supplies	1,350.00
General Repairs and Maintenance	175.00
Drayage, lumber and supplies	725.00
Gasoline and oil	500.00
Fuel (heating and cooking)	175.00
Incidental household goods	125.00
Engineering and assaying	250.00
Total	$5,730.31

Aubrey Minney
119 Cayuga Street
Salinas, California

Recapitulation of Costs

5.	Existing Facilities, Buildings, Installations and Fixtures	$ 404.14
6.	Additional Facilities, Buildings and Fixtures Required	2,109.09
7.	Operating equipment required	
	(a) To be rented	2,620.00
	(c) To be furnished by applicant	100.25
8.	Mining Personnel plus Social Security, etc.	6,636.50
9.	Material and Supplies to be purchased, Engineering, Assaying and Utilities	5,730.31
	Total Cost of Project	$17,600.29

6/16/52 glu

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

DEPARTMENT OF THE INTERIOR
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Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

June 5, 1952

Memorandum

To: Defense Minerals Exploration Administration, Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-2455 (Mercury), Aubrey Minney, McAdoo Mine, Humboldt County, Nevada.

Reference is made to subject letter dated April 25, signed by Frank E. Johnson.

The subject applicant was referred to the Geological Survey as Mr. E. H. Bailey is well acquainted with the McAdoo Mine.

Attached are four copies of "Notes Regarding DMEA-2455", which were prepared by Mr. Bailey.

On May 29 the applicant, Mr. Aubrey Minney, Edgar Bailey and I met in this office and went over Mr. Minney's cost statement after deleting churn drilling from his exploration proposal as suggested by Mr. Bailey. When the total amount of work proposed by the applicant -- sinking a 70% vertical shaft, crosscutting 90 feet, drifting 250 feet, and sinking a winze 75 feet -- is considered, it would appear that the amount of work could not be done for the $17,600.29 requested by the applicant and worked out in this office with his help. Mr. Minney states, however, that he is sure that he can do it for that amount as he and his brother-in-law will do the mining and plan to work long hours a day with overtime on their own time.

Four sets of a revised cost estimate are attached. The page numbers on the pages revised correspond with the numbers on the pages of Mr. Minney's letter to DMEA dated May 5, 1952. Pages 2 and 3 of that letter were not retyped as they are unchanged.

The docket is being returned herewith.

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Attachments 8

Copy to E. H. Bailey, USGS

DMEA OPERATING COMMITTEE
6-12-52
(date) (HB)

171-Site
Nyam

Notes regarding DMEA-2455

by E. H. Bailey

U. S. Geological Survey

An attempt was made to visit the property on May 8, 1952 by E. H. Bailey and H. L. Sobel, but owing to a heavy downpour the property was not reached. I believe I know enough about the mine to evaluate the proposal without a second attempt to examine it.

The collar of the working shaft has partly caved and it is reported to be unsafe. The applicant revised his proposal to include a new shaft 70 feet deep, and as this will eliminate the need for a churn drill hole for ventilation, I believe it to be a reasonable proposal. The cost of rehabilitating the old shaft is likely to equal the cost of putting in a new one, and a new shaft will permit vertical exploration of the ground.

The quicksilver ore bodies of the McAdoo mine were formed along the margin of a diabase dike, and they were unusually high grade. The yield per linear foot of horizontal workings has been 88 pounds of quicksilver, a yield that is appreciably better than the average for quicksilver mines in the United States. The applicant proposes to explore the diabase dike north of the northern workings in the mine, and it should be pointed out that most of the ore found was discovered in the block to the south of the McAdoo shaft. Since the mine was mapped by the Survey in 1943 Mr. Warren Overholser extended the 107-foot label about 100 feet to the north. No ore was found by this work, but cinnabar veinlets are reported to show in the face. He also put down a churn drill hole from the surface to a point near the face, and it failed to encounter ore. In 1947, Otis A. Kittle and associates did a little diamond drilling in the mine area, chiefly in the vicinity of a winze 100 feet north of the base of the McAdoo shaft. One hole explored below the winze and another above, but neither found ore. Subsequently a 30 foot shaft was sunk in the dike above the face of the north drift and a little drifting was done on the 30-foot level.

The applicant proposes to sink a new shaft from a point about 300 feet north of the old McAdoo shaft to a depth of 70 feet, which will coincide with the 107 feet level from the McAdoo shaft. He further proposes to crosscut about 50 feet to the vein, drift 125 feet north and south of the crosscut on the 107-foot level, and to run short crosscuts through the dike raise 30 feet in two places, and sink 25 feet in these places. In addition, he proposes to put down a churn drill hole to intersect the northern face of his new drift.

It is my opinion that the possibilities of finding small but rich quicksilver ore bodies by exploration of this area are good enough to warrant an exploration program to cost in the neighborhood of $20,000. I believe the new shaft is justified and that drifting on the 107-foot level is a practical way to explore the ground. The churn drill holes I do not favor. When a connection is made between the old workings and the proposed new drift the ventilation will be adequate. Exploration for ore by churn drilling is not likely to yield results unless directed at a specific geologic target.

As the ore bodies of the area are localized along the dike only in favorable places, either at rolls or fault intersections, the remainder of the applicant's program should not be planned in advance of geologic study of the exposures provided by the proposed drift. I believe the contract should be set up in two stages. Stage one to include the 70 foot shaft, a crosscut to cut through the dike, and the 250 feet of drift. Stage two should allow 100 feet of drifting or crosscutting, 80 feet of raising, and 50 feet of sinking, but the exact location of this work should not be decided until after the completion of stage one.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
JUN 10 1952

Aubrey Minney
119 Cayuga Street
Salinas, California

5. Existing Facilities, Buildings, Installations and Fixtures

One 15' x 25' corregated iron hoist house. Building to be dismantled and erected at site of new shaft. Sufficient material will be recovered for construction of new hoist house.	
Cost of dismantling hoist house -	$ 89.81
One shaft headframe with superstructure and ore bunker. Dismantle and salvage all reusable timber for use in new shaft and headframe.	
Cost of dismantling headframe and ore bunker -	134.71
One corregated iron, and wood, pump house, adequate and in usable condition.	
One well, 4' x 4' x 8' depth, timbered. Well located on dependable spring; water available throughout year in sufficient quantity.	
Cost in labor and material to re-timber and clean out well -	179.62
One underground earth-covered powder magazine in usable condition.	
Total cost to rehabilitate existing buildings, facilities, etc.	$ 404.14

Aubrey Minney
119 Cayuga Street
Salinas, California

6. Additional Facilities, Buildings and Fixtures Required

Construct one 15' x 25' hoist house. Use material salvaged from old hoist house.

Cost in labor and material for construction hoist house $ 174.62

Construct a 5' x 5' x 10' high headframe from 6" x 6" timber. Brace and reinforce in such manner as will permit the hoisting of waste material. 86.67

Timber full depth of 70' shaft with 6" x 6" timber at 6' intervals. Brace each of these sets with a cross-member at such location as will allow a 45" shaft for hoisting, and a 21" manway.

Construct hoist guides from 4" x 4" timber, extending the full depth of the shaft, one at each center point of two sides of the shaft.

Construct ladder full depth of manway in 12' sections which will traverse diagonally, from side to side.

Enclose each side of the shaft with 1-1/2" x 10" lagging at all locations where the ground cannot be considered safe and free from caving.

Cost in labor and material for headframe and all shaft timbering - 1,~~086.67~~ 00,00

Purchase one 3-room frame building at side of exploration project. (Owned by P. J. Menicucci.) 150.00

Purchase one 2-room cabin at site of exploration project. (Owned by P. J. Menicucci.) 100.00

Cost of rehabilitating the above two buildings - material and labor - 194.74

(Continued on Page 5-A)

Aubrey Minney
119 Cayuga Street
Salinas, California

6. (Continued)

Construct an addition to the above 3-room building, one 8' x 10' washroom and bathhouse.	
Material and labor -	$ 177.26
Construct one outside toilet.	
Material and labor -	54.90
Construct framework to support a 300-gal. water tank at the rear of 3-room building. Elevate tank 8 ft. above ground.	
Material and labor -	56.90
Purchase one 300-gal. water tank.	75.00
Purchase one wash tray.	12.00
Household furnishings required (second hand).	
4 cots at $5.00 — 4 mattresses at $4.00 6 chairs at $2.50 — 2 tables at $5.00 1 heating stove at $12.00	73.00
Cooking utensils, pots, pans, plates, knives, forks, etc.	35.00
Total cost of additional buildings, facilities, etc.	$2,190.09

Aubrey Minney
119 Cayuga Street
Salinas, California

7. Operating Equipment Required — Rental per month

(a) To be rented

1 compressor, portable, 105 CFM	$150.00
1 jackhammer, J-50, 55-lb.	35.00
1 stoper	65.00
1 column, rock drill, single screw	25.00
1 drifter, mounting	20.00
1 truck, pickup, 1/2-ton	150.00
1 tugger	40.00
2 drill steel, 7/8", Hex., 4'	5.00
2 drill steel, 7/8", Hex., 6'	8.00
2 hose, air line, 3/4", 50' length	14.00
2 hose, water, 1/2", 50' length	10.00
1 oiler, air line	2.00
Total per mo.	$524.00
Total, 5 months	$2,620.00

(b) To be purchased

No operating equipment to be purchased.

(c) To be furnished by applicant	Current Value	Depreciation per month
1 Utility Trailer, equipped with 200-gal. water tank	$400.00	$ 6.67
1 Hoist, 25 hp, gasoline, single drum, equipped with 250' 5/16" steel flexible line	400.00	6.67
1 Pump, water, gasoline, 1-1/2", 3M gal., self-primed	225.00	3.70
1 Car, Tram, one-yard capacity	100.00	1.67
2 Buckets, Ore, 50-gal. capacity	40.00	.67
2 Trucks, Tramming, Ore Bucket	40.00	.67
Total depreciation per month		$20.05
Five months, total		$100.25

Aubrey Minney
119 Cayuga Street
Salinas, California

8. Mining Personnel - Schedules and Salaries

	8-Hr. Shift	12-Hr. Shift	Net wage* per month	
1 Supt. and Miner** (Owner, self-employed)		$18.91	$500.00	30-day basis
1 Hoistman	$12.80		265.30	26-day basis
1 Mucker	12.00		244.50	26-day basis
1 Cook	7.50		157.50	30-day basis
	Total wages per month		$1,167.30	
	Total, five months		$5,836.50	

*Above Monthly Wage is "take-home" pay after deducting for board at $2.25 per day ($67.50 per month).

**Superintendent and Miner assignment will include caring for all general accounting, supervising, all surface and underground operations, mapping and submitting reports required by DMA, approve the purchase of materials and supplies, set up drill and blast for all underground work.

Social Security, Compensation Insurance, Etc.
$160 per month, 5 months $800.00

Project to be completed in 5 months.

Aubrey Minney
119 Cayuga Street
Salinas, California

9. Materials and Supplies to be purchased, Engineering, Assaying, and Utilities

400' pipe, Black steel, 1-1/2", at $29 per 100'	$116.00
400' pipe, Black steel, 3/4", at $17.07 per 100'	68.28
1 Die Set, Pipe Threading, 3/4" to 1-1/2"	36.65
300' train track	150.00
Pipe valves and fittings	15.00
1 Pipe Cutter, 1/8" - 2"	12.95
1 Pipe Vise	13.00
75 Timkin Rock Bits, 1-5/8" at $0.485	36.38
75 " " " 1-1/2" at .470	34.55
75 " " " 1-3/8" at .448	33.60
Incidental Hardware	25.00
500' 2" x 12" - #2 D. fir at $120 per M	120.00
150' 8" x 8" " " " at 125 per M	100.00
500' 6" x 6" " " " at 120 per M	180.00
300' 4" x 4" " " " at 115 per M	46.00
500' 2" x 4" " " " at 115 per M	38.00
2000" 1-1/2" x 10" " " at 120 per M	240.00
1000" 1" x 12" " " " at 115 per M	115.00
3 rolls Roofing Paper at $3.80	11.40
2 Panel Doors at $4.25	8.50
4 Windows 4' x 4' at $5.00	20.00
Dynamite, 60%	690.00
Blasting Caps	185.00
Blasting Fuse	135.00
Food Supplies	1,350.00
General Repairs and Maintenance	175.00
Drayage, lumber and supplies	725.00
Gasoline and oil	500.00
Fuel (heating and cooking)	175.00
Incidental household goods	125.00
Engineering and assaying	250.00
Total	$5,730.31

Aubrey Minney
119 Cayuga Street
Salinas, California

Recapitulation of Costs

5.	Existing Facilities, Buildings, Installations and Fixtures	$ 404.14
6.	Additional Facilities, Buildings and Fixtures Required	2,109.09
7.	Operating equipment required	
	(a) To be rented	2,620.00
	(c) To be furnished by applicant	100.25
8.	Mining Personnel plus Social Security, etc.	6,636.50
9.	Material and Supplies to be purchased, Engineering, Assaying and Utilities	5,730.31
	Total Cost of Project	$17,600.29

FILE COPY
SURNAME:

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

JUN 3 1952

Mr. [illegible] Miller
Executive Officer, Region III
[illegible] Field Team
1012 Flood Building
70 [illegible] Street
San Francisco 2, California

Re: Docket No. [illegible]-2135 (Mercury)
Hurley Pinney
Cedro Mine
Humboldt County, Nevada

Dear Mr. Miller:

Under date of April 29, 1952, we [illegible] the captioned application to your office for a field examination. The applicant has since submitted a revision of the proposed exploration work outlined in the application that we are enclosing for consideration when [illegible] the field examination.

Sincerely yours,

(signed) FRANK E. JOHNSON

Chairman, Operating Committee
Defense Minerals Exploration
Administration

Enclosure

APPROVED:

J. H. Hedges
For Bureau of Mines

J. M. Lemmon
For Geological Survey

FHinouse/jem
5/29/52
cc to: Adm. Reading File
Docket
Messrs. H.M.Meyer-3623
E.T.McKnight-4204 GSA
Ellis Keller
Opr. Committee
Field Team, Region III

5/28/52 glm

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
WASHINGTON 25, D. C.

May 28, 1952

Memorandum:

To: E. W. Ellis, DMEA

From: Helena M. Meyer, Base Metals Branch

Subject: DMEA-2455, (revised), Aubrey Minney, McAdoo Mine, Exploration Loan $14,862.96 (Mercury)

I have read the revised proposal and continue to believe that the Field Team of Region III should review the application. First-hand knowledge, based on a new examination or data already at hand, probably would make possible improved cost, time, and requirement estimates. The time factor involved, questioned when the project was first reviewed, appears more impossible of accomplishment under the revised proposal than before.

Helena M. Meyer
HELENA M. MEYER

Copy to: Minerals Division
Base Metals Branch
E. T. McKnight-GS
DMEA Field Team
H. M. Meyer
Files

5/27/52 gla

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

May 26, 1952

Memorandum

To: Mr. E. Wm. Ellis

From: Erwin J. Lyons

Subject: Geologic approval of docket DMEA-2455
McAdoo Quicksilver mine, Humboldt County, Nevada.

This project was recommended for approval by Edwin T. McKnight in his memorandum of April 11, 1952, to Mr. E. Wm. Ellis, with some slight modifications of the project as proposed by the applicant. The present proposal of the applicant differs from the original chiefly in that he suggests sinking a new shaft rather than rehabilitating the old one. This is necessary, according to the applicant, because the old shaft has been so severely damaged during the past winter that rehabilitation would be impracticable. The remainder of the program is essentially the same as the original, except that one raise and one crosscut will be eliminated by the new shaft and by the crosscut from the bottom of the shaft to the dike.

The present reviewer concurs with Mr. McKnight in approval of the project and also in his suggestions regarding the winzes and the amount of footage to be used for raises as given in the memorandum referred to above. The new shaft proposed by the applicant also is recommended for approval provided that ~~the old shaft cannot be rehabilitated~~ ~~seem~~ it is not practical or economically feasible to rehabilitate the old shaft. Erwin J. Lyons

Erwin J. Lyons
Geologist

5/22/52 gla

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

May 16, 1952

Memorandum

To: Frank E. Johnson, Chairman, Operating Committee, Defense Minerals Exploration Administration, Washington, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-2455 (Mercury) - Aubrey Minney, McAdoo Mine, Humboldt County, Nevada

Subject applicant desires to change his original exploration application as a result of the damage done to his mine during the past winter. He has, therefore, submitted four copies of a revised plan which calls for the sinking of a new shaft at approximately the center of the proposed exploration work.

Three copies of the applicant's revised plan are attached herewith to be added to the three original applications in the Washington office. The fourth copy of the revised plan is being added to the copy of the docket which at present is in our hands and is being processed.

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Attachment

Copy to E. H. Bailey, USGS

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 20 1952

5-23-52

Telephoned
McKaughan Office
(Lyons)
and Mrs Meyer
Commodity Reports
for their concrete
"early data"

J.M.C.

Please file w/
docket.
6-2-52
J.M.C.

AUBREY MINNEY
119 Cayuga Street
Salinas, California

May 5, 1952

Re: Dockett No. DMEA-2455 (Mercury)
McAdoo Mine
Humboldt County, Nevada

Defense Minerals Exploration Administration
United States Department of the Interior
Washington 25, D.C.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 20 1952

Gentlemen:

Regarding my application, DMEA-2455, I wish to call to your attention certain changes in my original plans for exploration work which have become necessary due to the discovery of damage incurred during the past severe winter.

On my field trip of April 26, 1952, to the McAdoo Mine I found that excessive rain and snow conditions during the past winter have caused considerable damage. Water run-off has further aggrevated and caused the minor level stope near the McAdoo shaft to cave and involve the ground surrounding the shaft. Much of the caved material has broken into the untimbered portion of the shaft at the 31-foot level. Timbers at the collar of the shaft have been broken and considerable of the immediate ground has become heavy, as indicated by surface breaks. The extent of the damage below the 31-foot level could not be observed due to the unsafe condition which would not permit entry.

It is my opinion at this time that cost, material and time which would be necessary to hold and make this shaft workable would be impracticable, and unwise.

I am submitting a revised plan on the basis of sinking a new shaft at approximately the center of the proposed new exploration work. This, I believe, will prove a savings inasmuch as the cost of reclaiming the old shaft would be more or less of a gamble, since holding caved areas is a never-ending process of retimbering. Also, the necessity of tramming a distance of 500 feet to, and from, the extreme limits of the new exploration work to the old shaft, versus a distance of only 150 feet, in case of a new shaft, is a factor well worth consideration. Aside of the merits of a centralized shaft, a savings can be realized in the elimination of one churn drill hole, plus one crosscut and one raise, inasmuch as the new shaft will be so located as to explore this particular ground.

Attached you will find such necessary revisions in cost and plans as will conform with the foregoing.

I am sorry to have caused the inconvenience brought about by my revision of plans, however, from observations during my visit to the McAdoo property in September of 1951, one most certainly could not have anticipated this turn of events, since the shaft at that time appeared to be substantially sound.

I hope that this most recent information meets with your approval from a practical and economic viewpoint.

Yours truly,

Aubrey Minney

Aubrey Minney

Aubrey Minney
119 Cayuga Street
Salinas, California

3. (a) Description of Proposed Work

Sink a new vertical shaft at a point 125 feet north and 25 feet east of the present face of the existing 105-foot level north drift. Shaft dimensions to be 7' x 5' by 70' in depth. Considering the declining surface contour, a depth of 70 feet will reach the plane of the 105-foot level drift.

Construct a 5' x 5' by 10' high headframe to permit hoisting of waste material. Timber full depth of shaft at 6-foot intervals with 6" x 6" timber, conforming to a 4' x 6' inside measurement.

Brace each of the above sets with a 6" x 6" cross-member at such location as will allow a 45" shaft for hoisting, and a 21" manway.

Construct ladder full depth of manway, built in such manner as will traverse the shaft diagonally, from side to side, in 12-foot sections.

Construct 4" x 4" hoist guides, extending the depth of the shaft, one at each center point of two sides of the shaft.

Enclose each side of the shaft with 1½" x 10" lagging at all locations where the ground cannot be considered sound and free from caving.

Hoist and dispose of all waste material.

Crosscut ground to the west from the bottom of the shaft a distance of approximately 25 feet to intercept the dike. Dimensions of crosscut shall be 4 feet in width and 6½ feet in height. Lay tram track, water and air lines as work progresses. Tram, hoist and dispose of waste material.

At this point, timber the large exposed area which will result from driving a drift both to the north and to the south.

Drift to the south along the dike a distance of approximately 125 feet to intercept the extreme north workings of the existing 105-foot level drift. Drift dimensions shall be 4 feet in width and 6½ feet in height. Lay tram track, water and air lines as work progresses. Tram, hoist and dispose of waste material.

Drift to the north along the dike a distance of approximately 125 feet to the proposed limits of the exploration work. Drift dimensions to be 4 feet in width and 6½ feet in height. Lay tram track, water and air lines as work progresses. Tram, hoist and dispose of waste material.

DMEA 2455 (Mercury)

Revised (and additional) pages, for insertion in place of those original pages with corresponding numbers, which were attached to Application for Exploration Loan.

Aubrey Minney
119 Cayuga Street
Salinas, California

Crosscut dike at approximately 50-foot intervals to tap both the hanging and the foot-walls. Deviate from this plan where it becomes necessary to follow promising leads such as high-grade stringers or dike faults. Tram, hoist and dispose of waste material. Total, 65 feet of crosscuts.

Drive two 4' x 4' raises, one at the crosscut to the east, and one at the face of the north drift extension. Construct ore chutes and manways at each of the two raises. Tram, hoist and dispose of waste material. Total, 60 feet of raises.

Sink three winzes, one at each of the three crosscuts to the west. Construct collars and headframes which will permit the hoisting of waste material. Tram, hoist and dispose of waste material. Total, 75 feet of winzes.

Sink one churn drill hole at the extreme limits of the proposed north drift, or at such other location as will explore promising ground. Considering the surface contour, a distance of 75 feet will reach the 105-foot level drift. The churn drill hole will also permit underground ventilation. Total, 150 feet of churn drill hole.

Total cost of the project is estimated at $14,862.96.

(b) The time required to start this project will be 30 days maximum after approval of the exploration contract.

The time required to complete will be 130 working days after commencement.

It is hoped that the project will start, depending upon approval, on July 1, 1952, and completed by November 15, 1952.

Aubrey Minney
119 Cayuga Street
Salinas, California

5. Existing Facilities, Buildings, Installations and Fixtures

One 15' x 25' corregated iron hoist house. Building to be dismantled and erected at site of new shaft. Sufficient material will be recovered for construction of new hoist house.	
Cost of dismantling hoist house -	$ 89.81
One shaft headframe with superstructure and ore bunker. Dismantle and salvage all reusable timber for use in new shaft and headframe.	
Cost of dismantling headframe and ore bunker -	134.71
One corregated iron, and wood, pump house, adequate and in usable condition.	
One well, 4' x 4' x 8' depth, timbered. Well located on dependable spring; water available throughout year in sufficient quantity.	
Cost in labor and material to retimber and clean out well -	179.62
One underground earth-covered powder magazine in usable condition.	
Total cost to rehabilitate existing buildings, facilities, etc.	$ 404.14

Aubrey Minney
119 Cayuga Street
Salinas, California

6. Additional Facilities, Buildings and Fixtures Required

Construct one 15' x 25' hoist house. Use material salvaged from old hoist house.

Cost in labor and material for construction hoist house - $ 174.62

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Timber full depth of 70' shaft with 6" x 6" timber at 6' intervals. Brace each of these sets with a cross-member at such location as will allow a 45" shaft for hoisting, and a 21" manway.

Construct hoist guides from 4" x 4" timber, extending the full depth of the shaft, one at each center point of two sides of the shaft.

Construct ladder full depth of manway in 12" sections which will traverse diagonally, from side to side.

Enclose each side of the shaft with 1-1/2" x 10" lagging at all locations where the ground cannot be considered safe and free from caving.

Cost in labor and material for headframe and all shaft timbering - 1,086.67

Purchase one 3-room frame building at site of exploration project. (Owned by P. J. Menicucci.) 150.00

Purchase one 2-room cabin at site of exploration project. (Owned by P. J. Menicucci.) 100.00

Cost of rehabilitating the above two buildings - material and labor - 194.74

(Continued on Page 5-A)

Aubrey Minney
119 Cayuga Street
Salinas, California

6. (Continued)

Construct an addition to the above 3-room building, one 8' x 10' washroom and bathhouse.		
Material and labor. -	$ 177.26	
Construct one outside toilet.		
Material and labor -	54.90	
Construct framework to support a 300-gal. water tank at the rear of 3-room building. Elevate tank 8 ft. above ground.		
Material and labor -	56.90	
Purchase one 300-gal. water tank.	75.00	
Purchase one wash tray.	12.00	
Household furnishings required (second hand).		
4 cots @ $5.00 4 matresses @ $4.00 6 chairs @ $2.50 2 tables @ $5.00 1 heating stove $12.00	73.00	
Cooking utensils, pots, pans, plates, knives, forks, etc.	35.00	
Total cost of additional buildings, facilities, etc.		$ 2,190.09

Aubrey Minney
117 Cayuga Street
Salinas, California

7. Operating Equipment Required

(a) To Be Rented

		Per Month
1	Compressor, Portable, 105 CFM	$ 150.00
1	Jackhammer, J-50, 55-lb.	35.00
1	Stoper	65.00
1	Column, Rock Drill, Single Screw	25.00
1	Drifter, Mounting	20.00
1	Truck, Pickup, 1/2-ton	150.00
1	Tugger	40.00
2	Drill Steel, 7/8", Hex., 4'	5.00
2	Drill Steel, 7/8", Hex., 6'	8.00
2	Hose, Air Line, 3/4", 50' Length	14.00
2	Hose, Water, 1/2", 50' Length	10.00
1	Oiler, Air Line	2.00
		$ 524.00
1	Churn Drill with Operator @ $7.50 per hr. Three 8-hr. shifts	180.00
		$ ~~704.00~~

Total cost (to be determined)

(b) To Be Purchased

No operating equipment to be purchased.

(c) To Be Furnished by Applicant

				Current value	Dep.
1	Utility Trailer, equipped with 200-gal. water tank	$	65.00	400.00	6.67
1	Hoist, 25 hp, Gasoline, Single Drum, equipped with 250' 5/16" steel flexible line		64.00	400.00	6.67
1	Pump, Water, Gasoline, 1-1/2", 3M gal., self-primed		34.00	225.00	3.70
1	Car, Tram, one yard capacity		25.00	100.00	1.67
2	Buckets, Ore, 50 gal. capacity	@ $10.00	20.00	20.00 each	.67
2	Trucks, Tramming, Ore Bucket	@ $10.00	20.00	20.00 each	.67
				$ ~~238.00~~	20.05
				$ ~~742.00~~	per mo.

SBA approval required for inclusion of rental for the above listed equipment.

Aubrey Minney
119 Cayuga Street
Salinas, California

8. Mining Personnel - Schedules and Salaries

	8 Hr. Shift	12 Hr. Shift	Net Wage* Per Mo.	
1 Supt.xx and Minor** (Owner, Self-employed)		$18.91	$500.00	30-day basis
1 Hoist Man	$12.80 x		265.30	26-day basis
1 Mucker	12.00 x		244.50	26-day basis
1 Cook	7.50 x		157.50	30-day basis
			$1167.30	

xAbove Monthly Wage is "take-home" pay after deduction for board at $2.25 per day ($67.50 per month).

**Superintendent and Minor assignment will include caring for all general accounting, supervising all surface and underground operations, mapping and submitting reports required by DMA, approve the purchase of materials and supplies, set up drill and blast for all underground work.

Social Security, unemployment insurance, etc $160 / mo

1167.30 x

Aubrey Finney
119 Cayuga Street
Salinas, California

V. Materials, Supplies, Engineering, Assaying, and Utilities — to be purchased

400'	Pipe, Black Steel, 1-1/2", @ $29.00 per 100'		$ 116.00
400'	Pipe, Black Steel, 3/4", @ $17.07 per 100'		68.28
1	Die, Set, Pipe Threading, 3/4"-1-1/2"		36.65
300'	Tram Track		150.00
	Pipe Valves and Fittings		15.00
1	Pipe Cutter, 1/8"-2"		12.95
1	Pipe Vise		13.00
75	Timkin Rock Bits, 1-5/8", @ $.405		30.38
75	" " " 1-1/2", @ $.470		34.55
75	" " " 1-3/8", @ $.448		33.60
	Incidental Hardware		25.00
500'	2" x 12" - #2 D. Fir	@ $120.00 M.	120.00
150'	6" x 6" - " "	@ $125.00 M.	100.00
500'	6" x 6" - " "	@ $120.00 M.	180.00
300'	4" x 4" - " "	@ $115.00 M.	40.00
500'	2" x 4" - " "	@ $115.00 M.	30.00
2000'	1-1/2" x 10" - " "	@ $120.00 M.	240.00
1000'	1" x 12" - " "	@ $115.00 M.	115.00
3	rolls Roofing Paper	@ $ 3.80	11.40
2	Panel Doors	@ $ 4.25	8.50
4	Windows, 4' x 4'	@ $ 5.00	20.00
			$ 1,420.31

	Per Month
Dynamite, 60%	$ 130.00
Blasting Caps	37.18
Blasting Fuse	27.04
	$ 202.22
Food Supplies	$ 270.00
General Repairs and Maintenance	35.00
Drayage	125.00
Gasoline and Oil	100.00
Coal and Fuel	35.00
Incidental Household Goods	25.00
	$ 590.00
Engineering	$ 75.00
Assaying	45.00
	$ 120.00

Total Monthly Expense $ 912.22

$ 2,332.53

5 mos.

FILE COPY
700 SURNAME:

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

APR 2 5 1952

Mr. [illegible] Imney
119 [illegible] Street
[illegible], California

Re: Knouse [illegible], [illegible]-2455 (Mercury)
[illegible] Line
Humboldt County, Nevada

Dear Mr. Imney:

Your application for assistance in exploring your property in Humboldt County, Nevada, under the above captioned docket number, has been viewed [illegible] Small Business Division of the Defense Minerals Exploration Administration and has been referred to Mr. [illegible], Field Team, Region III, [illegible] Field Team, [illegible] Building, 870 Market Street, San Francisco 2, California, for a field examination.

The Regional Office will contact you at the earliest opportunity in regard to your project.

Incerely yours,

C. O. Mittendorf (for)

Acting Administrator
Defense Minerals Exploration Administration

F.L. Knouse c/fem
4/22/52
cc to: Adm. Reading File
Docket
Messrs. [illegible] Knight, Rm. 4204 GL
[illegible] Allis
Knouse
Miss Meyer, Rm. 3021
Field Team, Region III (2)

FILE COPY
700 SURNAME:

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

APR 2 5 1952

AIR MAIL

Mr. E. L. Miller
Executive Officer, Region III
Field Team
1612 Flood Building
870 Market Street
San Francisco 8, California

Re: Docket No. DMA-2155 (Mercury)
Aubrey Mine
McAdoo Mine
Humboldt County, Nevada

Dear Mr. Miller:

The captioned application is referred to your office for a field examination.

A copy of a memorandum from Mr. Edwin L. McKnight dated April 13, 1952, is attached and a copy of a memorandum from Miss Ione Meyer, dated April 1, 1952, are sent to your office. These memoranda outline the important questions to be considered when the examination is made.

If your office recommends either the exploration program submitted by the applicant or an alternate program approved by the applicant, maps or sketches showing the proposed work in relation to the ledge, adjacent claims, and claim lines, with detailed costs of the recommended work as is outlined in Form DF-103, should accompany the report.

The description and cost of equipment units required to do this work (classified as units to be purchased or rented), and fair market value and description of units to be furnished by the operator should also accompany the report. If all or any part of a recommended program is to be done by a contractor it should be so indicated and a detailed cost breakdown for the contracted part supplied. If an exploration program is recommended we will require from the applicant a list of the mining claims on which work is to be done and any adjoining claims or property controlled by the applicant, where the claims or property are recorded, book number, page, and entry date.

As noted in your memoranda dated March 26, 1952, and April 1, 1952, a copy of Form DF-103 and DF-100 were retained by your office.

Upon receipt of your recommendation on this case we will be able to continue the processing of this application.

Enclosure

Sincerely yours,

(signed) FRANK E. JOHNSON
Chairman, Operating Committee
Defense Minerals Exploration Administration

J. H. Hedges
Member, Bureau of Mines

Don Lemmon
Member, Geological Survey

FLKnouse/jem 4/22/52
cc to: Adm. Reading File
Docket
Messrs. McKnight
Miss Meyer
Opr. Knouse

F.N. 4-25-52

4/18/52 gla

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
WASHINGTON 25, D. C.

April 18, 1952

Memorandum

To: E. W. Ellis, DMEA

From: Helena M. Meyer, Base Metals Branch

Subject: DMEA-2455, Aubrey Minney, McAdoo Mine, Exploration Loan $15,247.70 (Mercury)

I have reviewed the subject application and recommended referral to the Field Team of Region III.

The McAdoo mine is in Sec. 7, T. 40 N., R. 33 E., Humboldt County, Nevada. It is described in U. S. Geological Survey Bulletin 922 (chapter on quicksilver deposits of the Bottle Creek district, Humboldt County), 1940, and in University of Nevada Bulletin, vol. 38, no. 5, Geology and Mining Series No. 41, Quicksilver Deposits in Nevada, December 1944.

Bureau of Mines records check the production claims made in the application (incorrectly quoted as 1,648 instead of 1,646 from the University of Nevada Bulletin, already mentioned).

Whether or not the loan should be granted would seem to depend on a field team examination, despite the fact that Edgar H. Bailey, senior author of the University of Nevada report on quicksilver, has first-hand knowledge of the mine. The authors of that report stated:

> "...The geology shown on the mine map is partly hearsay, as most of the stopes were either tightly timbered or caved when the mine was studied. (See Plate 7.) The ore bodies lie either in or adjacent to parts of a diabase dike which trends northerly and dips westerly through altered pre-Tertiary and Tertiary sediments and tuffs. ..."

The authors also stated "...The upper part of the dike followed by the 107-foot level north of the shafts should be further explored, for, where it is cut off by the easterly dipping fault that is exposed in the shaft, the structual conditions are similar to those responsible for the localization of the western group of ore bodies in the Blue Can mine. ..."

Bureau of Mines' and other reports, on file at Mt. Weather, include some information on the McAdoo and nearby mines. These point to the possibility of finding additional small tonnages of high-grade ore such as was the source of output to date. If proposed exploration work would result in subsequent production of 1,700 flasks, with a value of $175 a flask, the resultant gross value would be about $300,000.

I think a field team review of the proposal, whether based on field examination of the property only or first-hand knowledge of local conditions, would contribute to improved cost, time, and requirement estimates. It is doubtful, for one thing, that the three men (and a cook) can accomplish the proposed work in the time indicated. It is unlikely that a drill contractor can be found to do the 150 feet of churn drilling for $300.

Helena M. Meyer

HELENA M. MEYER

Copy to Minerals Division
Base Metals Branch
Mr. E. T. McKnight, G. S.
Regional Director, Region III
H. M. Meyer
F I L E S

4/11/52 gla

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

April 11, 1952

Memorandum

Re: DMEA-2455
McAdoo Quicksilver Mine
Humboldt County, Nevada
Exploration - $15,247.70
Quicksilver

To: Mr. E. Wm. Ellis

From: Edwin T. McKnight

Subject: Geologic approval of proposed project.

The geology of the McAdoo mine is described in two fairly recent reports, U. S. Geological Survey Bulletin 922A, 1940, and University of Nevada Bulletin, vol. 38, 1944. The mineralization in the McAdoo mine is continuous with that of the Blue Can mine, only the accident of a property line separating them. The two properties together produced 3374 flasks of quicksilver between 1938 and 1943. The ore occurs in a diabase dike where it has been shattered by structural movements, particularly along "rolls" and also below a flat dipping fault which offsets the dike between the upper and lower levels. The dike in most places strikes northerly and dips westward whereas the offsetting fault strikes northerly and dips eastward.

Mineralization localized in the diabase dike just below the flat eastward dipping fault is largely confined to the Blue Can workings, although a little of the stoped ground extends north into the McAdoo. The dike has been drifted on over a distance of 350 feet on the McAdoo property without success at the level of drifting (107-foot level). The applicant's proposal is to extend this drift 250 feet farther northward, with appropriately spaced crosscuts to explore the complete thickness of the dike; to drive 3 raises on the dike from this new drift in the hope of finding an ore body below the flat eastward dipping fault presumed to be present in this area; also to sink on the dike in the hope of locating ore along a hidden roll or along a hidden flat dipping fault that might be present.

Exploration of the upper part of the dike followed by the 107 level drift is specifically recommended in one of the publications cited (University of Nevada Bulletin 38, p. 87). At least 2 raises appear already to have been made (and were in existence at the time the recommendation was made), one opposite the foot of the McAdoo shaft and the other 120 feet northward from there, both shown on applicant's map. No information is available as to what these raises revealed, though it can be presumed that they found no ore. Whether they went to the fault is not known.

The proposed drift along the dike is in a direction away from the worked-out ore bodies (see University of Nevada Bulletin 38, plate 7, composite plan). Although the geologic target, at the intersection of the dike with the flat dipping fault inferred to be present near the surface, has apparently already been tested in two places, further testing may be justified in the stretch proposed in this application. There is also a wildcat chance that the dike may develop a cross break or roll that will produce ore at the 107-foot level. However, I can see little justification for the winzes unless some structure is intersected by the drift that would be worth following down the dip. There is, of course, an outside possibility that the strike of the flat fault may change so that it would be intersected at drift level. Winzing along a straight unmineralized and unbroken part of the dike, however, would offer no greater promise than wildcat drifting, and would be far more expensive.

It is not certain that the applicant appreciates the significance of the flat fault lying above his proposed drift, for he mentions this fault as being post-ore. However, this does not agree with the geologic interpretation in the Nevada University Bulletin, and the fault intersection should be made a specific target in the raising in order to thoroughly test the interpretation that it is one of the ore controls. The applicant's estimate of 100 feet total for raising in 3 places may be inadequate, and an allowance of twice this should be made.

Edwin T. McKnight

Edwin T. McKnight
Geologist

EXPLORATION

Subject: DMEA-2455
Re: Exploration Loan
McAdoo Mine
March 31, 1952

Mr. Aubrey Minney
119 Cayuga Street
Salinas, California

My dear Mr. Minney:

This will acknowledge receipt of your application dated March 24, 1952 for a loan under the Defense Production Act of 1950.

Your application was assigned Docket Number DMEA-2455 and referred to the Rare and Miscellaneous Metals Division.

Kindly refer to DMEA-2455 in any future correspondence relating to your application.

Sincerely yours,

ROBERT E. ADAMS

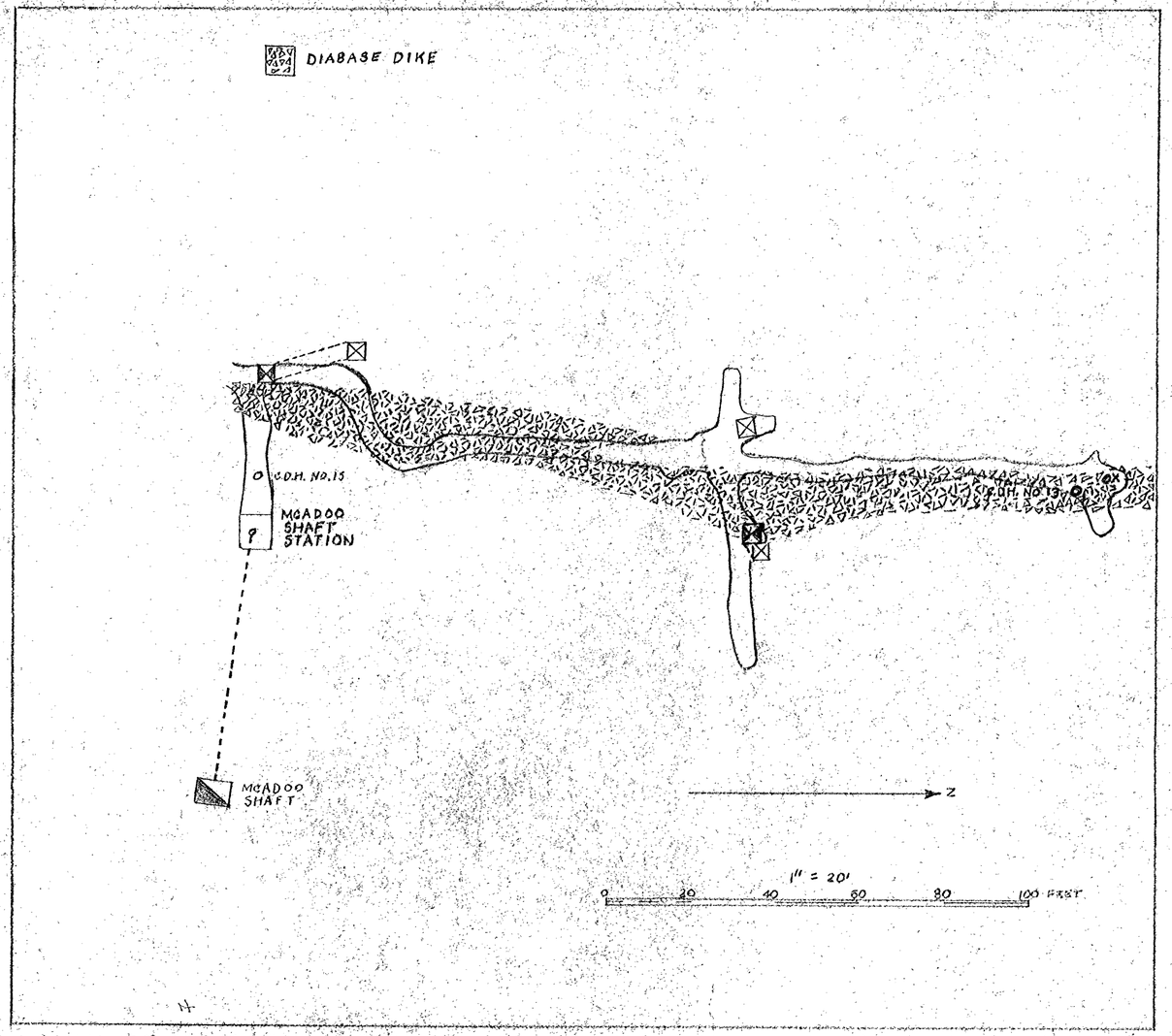
Robert E. Adams
Acting Administrative Officer

7862

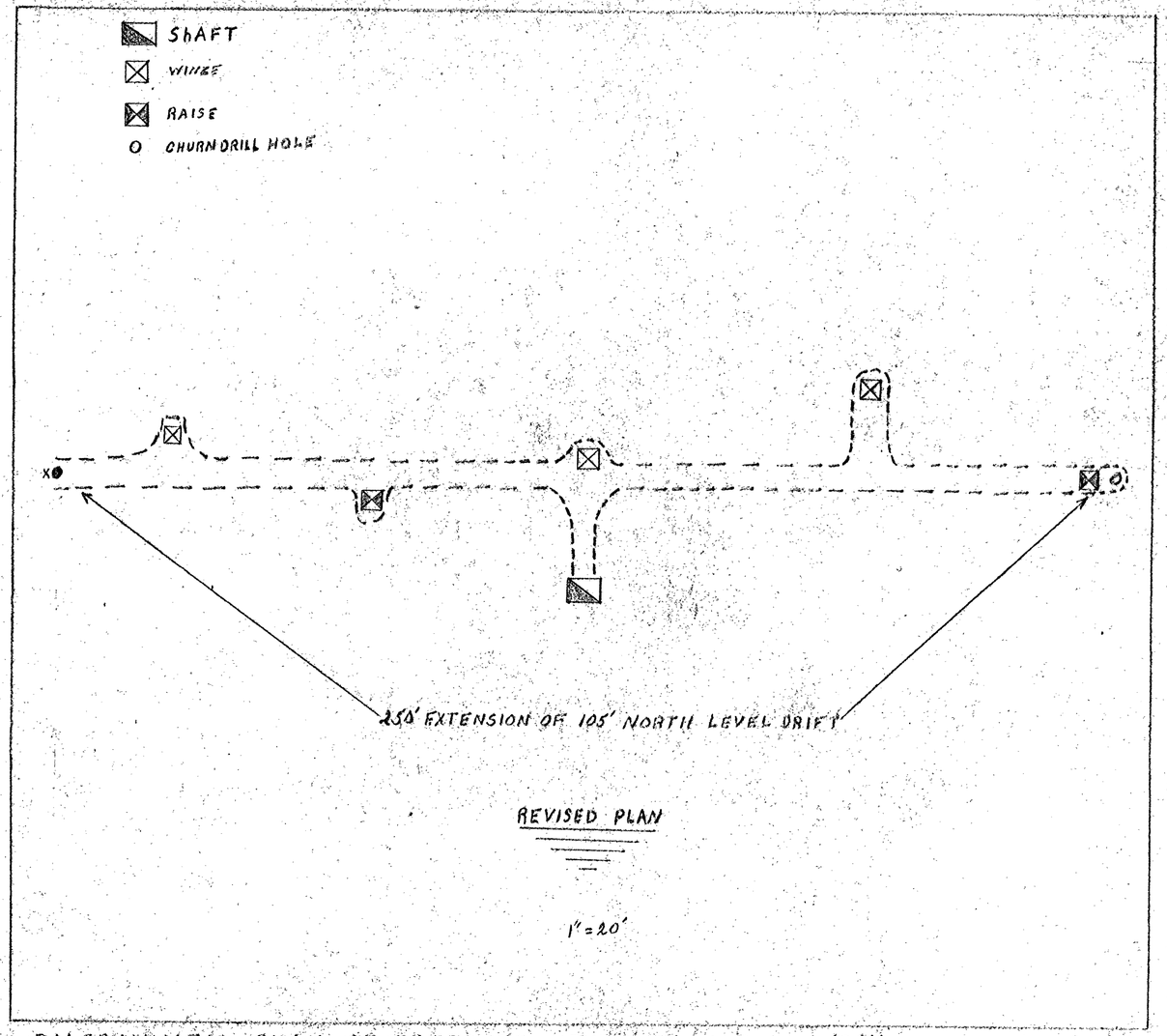
No. 4

BOTTLE CREEK QUICKSILVER DISTRICT HUMBOLDT COUNTY, NEVADA

AUBREY MINNEY
119 CAYUGA STREET
SALINAS, CALIFORNIA



PLAN OF 105-FOOT LEVEL OF McADOO NORTH WORKINGS



DIAGRAMMATIC PLAN OF PROPOSED NEW EXPLORATION WORK

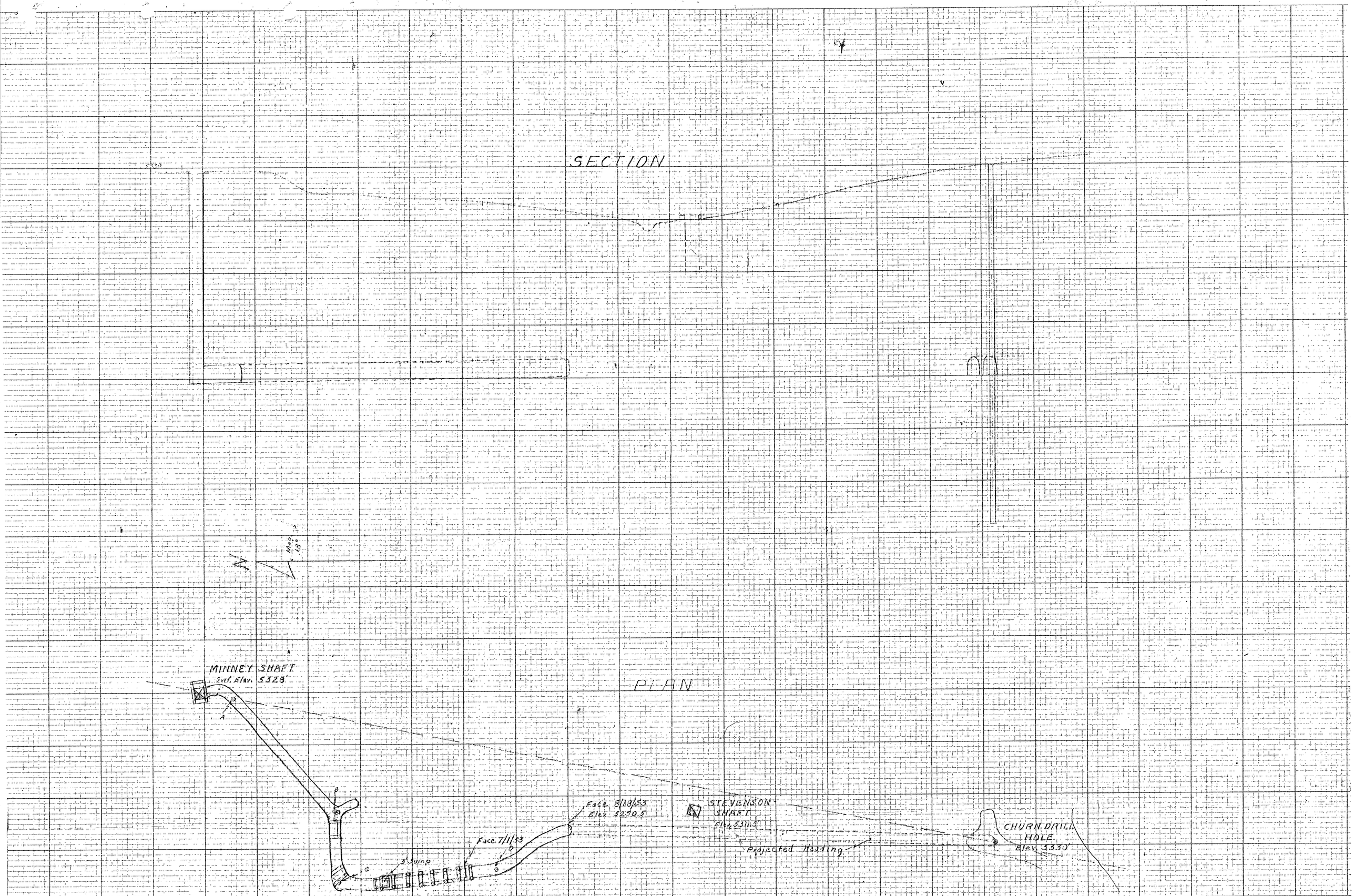
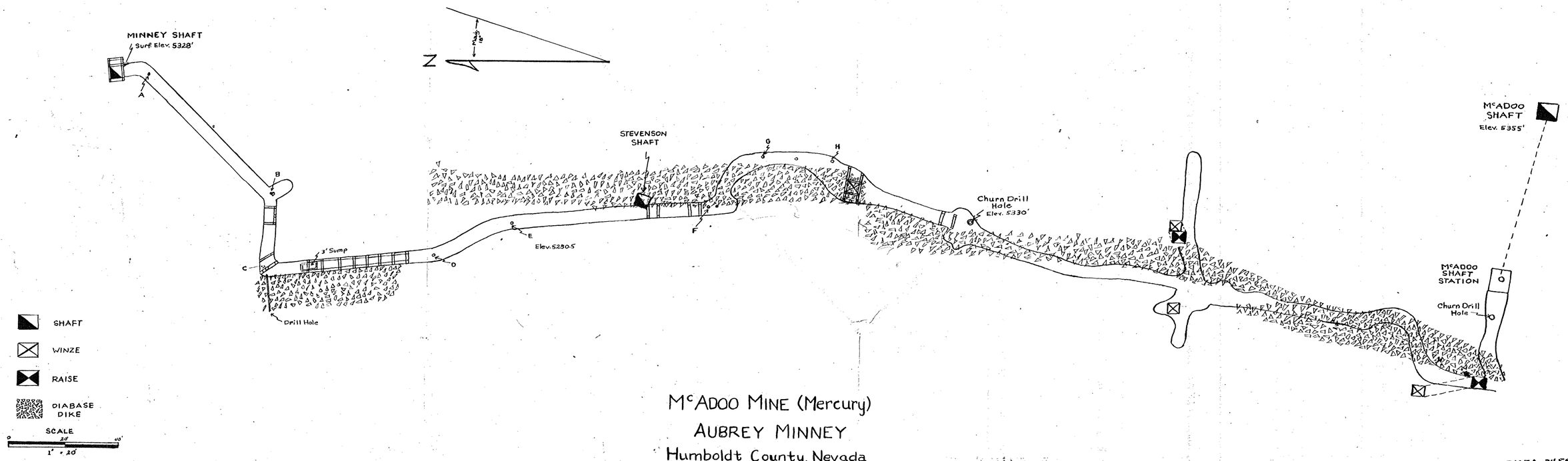


FIG. 1 McADOO MINE (Mercury)
HUMBOLDT CO. NEVADA
Aubrey Minney, Contract Idm-E379, DMEA-2455
SCALE 20' = 1"

PLAN

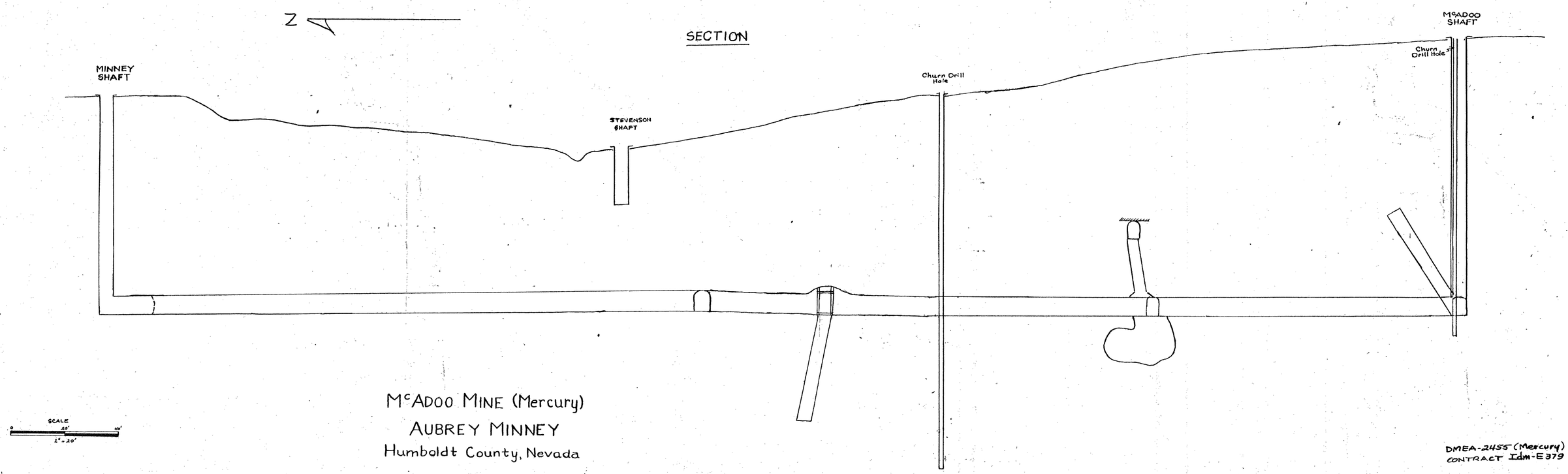


McADOO MINE (Mercury)

AUBREY MINNEY

Humboldt County, Nevada

DMEA-2455 (Mercury)
CONTRACT Idm-E379



McADOO MINE (Mercury)
AUBREY MINNEY
Humboldt County, Nevada

DMEA-2455 (Mercury)
CONTRACT Idm-E379