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OCT 1 1956

DEFENSE MINERALS EXPLORATION ADMINISTRATION
OFFICE OF ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Yuba Mine Mines, Incorporated
a Nevada Corporation
Pioche, Nevada

pertaining to Exploration Project Contract No. DMA-2798, Docket No. DMEA-3396, including Amendment No. 1, for the months of August 1955 to December 1955, inclusive, covering a project for the exploration of lead-zinc, on property, known as the Yuba Mine Mine, located in Lincoln County, Nevada.

My review included an examination of the Monthly Reports (Forms MF-104) and supporting documents attached thereto, comparison of the costs claimed with the contract and pertinent schedules, consultation with 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 reason:

All of the costs incurred were under a contract provision for payment by the Government on the basis of fixed unit costs of units of work actually performed.

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

Total cost as billed by contractor	$8,433.00
Exceptions	None
Total Accepted Cost	$8,433.00

The contract calls for a 50 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Four Thousand Two Hundred Sixteen and 50/100 Dollars:

** $4,216.50 **

is considered valid and proper, provided 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 contract.

George Mavor
George Mavor
Auditor

October 1, 1956

Divisin Copy

Appd. Sol. Off.
J. Alt.
Signed
Martin

TERMINATION AGREEMENT

It is agreed this 8th day of June, 1956, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Yuba Dike Mines, Incorporated, hereinafter called the "Operator," parties to that certain Exploration Project Contract Idm-5798 (Docket No. DMEA-3396), dated May 17, 1955, hereinafter called the "Contract," that:

1. Effective January 31, 1956, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

2. The Government shall contribute only to the fixed unit costs of work performed prior to said effective date.

3. The Operator shall promptly perform all winding-up and settlement actions provided for in the Contract, including the rendering of the final report and final account, and shall keep and preserve records as required by the Contract.

4. The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of said Contract, except as otherwise provided in this termination agreement.

IN WITNESS WHEREOF, these parties have executed this agreement as of the day and year first above written.

THE UNITED STATES OF AMERICA

By C W Mutterdorf
Administrator, Defense Minerals
Exploration Administration

YUBA DIKE MINES, INCORPORATED

By Wm H Bohman
Title President

JUN 29 1956

DIVISION COPY

AMENDMENT NO. 1
EXPLORATION PROJECT CONTRACT IDM-E798
DATED MAY 17, 1955
DOCKET NO. DMEA-3396
between
THE UNITED STATES OF AMERICA
and
YUBA DIKE MINES, INCORPORATED,
a Nevada corporation

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It is agreed this 8th day of February, 1956 that the contract is amended as follows:

(1) Work under this Contract shall be suspended during the period beginning January 21, 1956, and ending not later than April 1, 1956.

(2) The Government shall not contribute to any costs incurred by the Operator during the period of suspension or to any costs of rehabilitation or repair which, in its opinion, would not have occurred if there had been no suspension of the work.

(3) The Operator, at its own cost and expense, without contribution by the Government, during the period of suspension shall preserve and protect the project work.

(4) The time fixed for the completion of the work is extended to September 15, 1956.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate amount which the Government may be required to contribute, nor the fixed unit cost of any item of work.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

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

YUBA DIKE MINES, INCORPORATED

_____
President

Division Copy

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JUL - 7 1955

MF-200A
(Revised June 1954)

Docket No. DMEA-[illegible]

Commodity Lead-Zinc

Contract No. Idm-E 798

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
EXPLORATION PROJECT CONTRACT[1]
(Short Form)

It is agreed this 17th day of May, 1955, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] Yuba Pike Mines, Incorporated, a Nevada Corporation,

whose mailing address is Pioche, Nevada,

hereinafter called the "Operator," as follows:

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200A), the attached Exhibit "A," Annex I, and

The Operator shall not transfer or assign this contract or any right thereunder without the written consent of the Government.

ARTICLE 2. *Operator's property rights.*—(a) The land which is the subject of this contract (hereinafter called "the land") is in the State of Nevada, County of Lincoln, and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] lessee of [5] the mineral rights in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] assignment, [7] recorded in Book -, page -, official records of said County; and

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances: None

(c) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above, and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title of the land (lessor, seller, optionor, etc.), are attached, as follows: Consents to Lien of Amalgamated Pioche Mines and Smelter Corporation and Combined Metals Reduction Company

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] Insert name, and if an organization, its nature (corporation and place of incorporation, partnership with names of partners, etc.).
[3] State on a separate sheet marked "Annex I" the legal description or enough to identify the property, particularly excluding any areas from which the production is not to be subject to the Government's percentage royalty.
[4] Insert "owner," "lessee," "contract purchaser," "locator," etc.
[5] Insert "the entire interest," "the mineral rights," "an undivided one-third," etc.
[6] Insert "deed," "lease," "contract," "location notice," "patent," etc.
[7] If not recorded, so indicate by inserting "un."

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(d) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. Until the lapse of the time within which the Government may make a certification of discovery or development without any such certification having been made, and after any such certification has been made, the Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. If the Government makes no certification of discovery or development within the time limited in Article 7, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 7(b)(1).

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of [illegible] The work to be performed is described in Exhibit "A." The Operator on or before August 15, 1955 shall commence the work, and on or before [illegible] (unless the Operator's obligation to complete the work is terminated—see Article 8) shall complete the work.

ARTICLE 4. *Performance of the work.*—(a) *Operator's responsibility.*—The work shall be performed with reasonable diligence, efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for liability insurance covering employment; and with suitable and adequate equipment, facilities, materials, supplies, and labor, to bring it to completion within the time fixed.

(b) *Government may inspect.*—The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract, and also after a certification of discovery or development to inspect production operations and underground workings. The operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 5. *Contribution by the Government.*—A fixed cost for each unit of work to be performed (per foot of drifting, per foot of drilling, per hour of operations, etc.) is hereby agreed upon, and is set forth in Exhibit "A" in connection with the estimated total cost of the project in the sum of $[illegible] The Government will contribute [illegible] percent of the fixed unit costs as work is performed, in a total sum not in excess of $[illegible]: *Provided,* That until the Operator has rendered to the Government his final report, 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 10 percent of the estimated total cost of the work. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 6(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *Reports, accounts, audits.*—(a) *Operator's records.*—The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine any pertinent books, documents, papers, and records of the Operator. All of the Operator's vouchers and records and accounts relating thereto and the Government's payments thereof remain subject to adjustment until final audit by the Government.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing a detailed statement of units of work performed during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and the fixed unit costs incurred for each type of work; and (3) a Narrative Report of the work

performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

(c) *Final report.*—Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with five copies of a final report (in addition to the final progress report and voucher). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the unit costs thereof.

(d) *Report of sales.*—The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's percentage royalty relates, such as copies of smelter or concentrator settlement sheets, and certified accounts of production and sale or other disposition of production.

(e) *Compliance with requirements.*—If in the opinion of the Government any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the making or completion of such with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records or accounts.

ARTICLE 7. *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 a sufficient final report and final account (see Article 6) has been rendered, 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, within 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 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 crude 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 (1½) 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 (½) 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 (1½) percent; on an amount of ten dollars ($10.00) per ton, three and one-half (3½) percent.)

(f) *Time for computation and payment.*—The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be, as above provided in this article.

(g) *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.

(h) *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.

(i) *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 production operations.

(j) *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.

ARTICLE 8. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery, and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon the Government shall be free of all obligation to pay on account of units of work not then performed, and the Operator shall be free of all further obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

(b) If in the opinion of the Government the Operator is in any manner in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. The remedy provided for the Government in this paragraph "(b)" is in addition to any other remedy provided in this contract, and in addition to any other remedy the law may provide for breach of contract.

(c) The giving of any notice by the Government under the provisions of this Article 8 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and such rights shall be fully preserved.

ARTICLE 9. *Notices to be given by the Government* may be delivered to the Operator, or may be sent by registered mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 10. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 11. *Changes and added provisions.*—

Executed in sextuplicate the day and year first above written.

YUBA DIKE MINES, INCORPORATED
(Operator)

By John A. Fedman President
Yuba Dike Mines Inc.

THE UNITED STATES OF AMERICA

By O. Mittendorf
Administrator, Defense Minerals Exploration Administration

Chandler
Selfridge

I, Alexander Lloyd, certify that I am the Treasurer & secretary of the corporation named as Operator herein; that John A. Fedman who signed this contract on behalf of the Operator, was then President 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.

Alexander Lloyd

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—70618-1

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EXPLORATION PROJECT CONTRACT
YUBA DIKE MINES, INCORPORATED
DOCKET NO. DMEA-3396

ANNEX I

The land referred to in Article 2 of the Contract consists of the following mining claims located in the Ely Mining District, Lincoln County, Nevada, as follows:

Patented Claims

Pioche or Meadow Valley	U. S. Lot 40
Queen	U. S. Lot 53
King	U. S. Lot 53
Silver	U. S. Lot 38
Susan Duster	U. S. Lot 2714
Williams and Goodspeed	U. S. Survey 3343
Zero	U. S. Lot 49
Alberta No. 2	U. S. Lot 2714
Alberta	U. S. Lot 2714
Raymond & Ely or Panaca	U. S. Lot 39

Unpatented Claims
Records of Lincoln County

Claim	Book	Page
Wedge	Y	226
Monarch	L	446, Amended
	N	264, 265
South	H	264, Amended
	N	259-262
Eagle	P	10-12
Nappias	Z	29

These claims are shown on the map entitled "Map Showing Property of Nevada Utah & Ohio Kentucky Mining Companies, Ely Mining District, Pioche, Nevada."

EXCLUSION

Excluded from the land referred to in Article 2 of the Contract are portions of the Alberta, Alberta No. 2,

Raymond and Ely (Panaca), Williams and Goodspeed, Zero and Susan Duster claims as shown on the map entitled "Yuba Dike Mines, Inc. . . . Sketch Map Showing the location of Leased ground in Plan & Section . . .," attached hereto and made a part hereof.

EXPLORATION PROJECT CONTRACT
YUBA DIKE MINES, INCORPORATED
DOCKET NO. DMEA-3396

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EXHIBIT "A"

Description of the Work

The work is divided into three stages. The Operator shall perform Stage I and so much of the work set forth in Stages II and III as is approved in advance by the Government.

STAGE I

From the 800 level of the No. 1 Shaft, drill two diamond drill holes in a south to a southeasterly direction for the purpose of intersecting the Yuba dike. The approximate location of the drill holes is shown on the map entitled "Plan and Geologic Map of Part of the 800 Level, Yuba Dike Mines, Inc.," attached hereto and made a part hereof. The size of the holes shall be AX minimum. Each hole shall be approximately 200 feet in length and the aggregate drilling shall not exceed 400 feet.

STAGE II

From the drift, at the location shown on the map described under Stage 1, crosscut south through the Yuba dike. The aggregate crosscutting shall not exceed 150 feet. The size of the crosscut shall be not less than 5 feet by 7 feet in cross section in the clear of timber.

STAGE III

From the crosscut, drift easterly and westerly on the Yuba dike. The aggregate drifting shall not exceed 300 feet. The size of the drifts shall not be less than 5 feet by 7 feet in cross section in the clear of timber. The location and extent of the drifts shall have prior approval of the Government.

On the best indications of mineralization, raise 25 feet above each of the above drifts. The aggregate raising shall not exceed 50 feet. The size of the raises shall

be not less than 5 feet by 5 feet in cross section in the clear of timber.

All work shall be timbered as necessary.

FIXED UNIT COSTS

(The fixed unit costs include all costs whatsoever necessary for the performance of the project work)

STAGE I

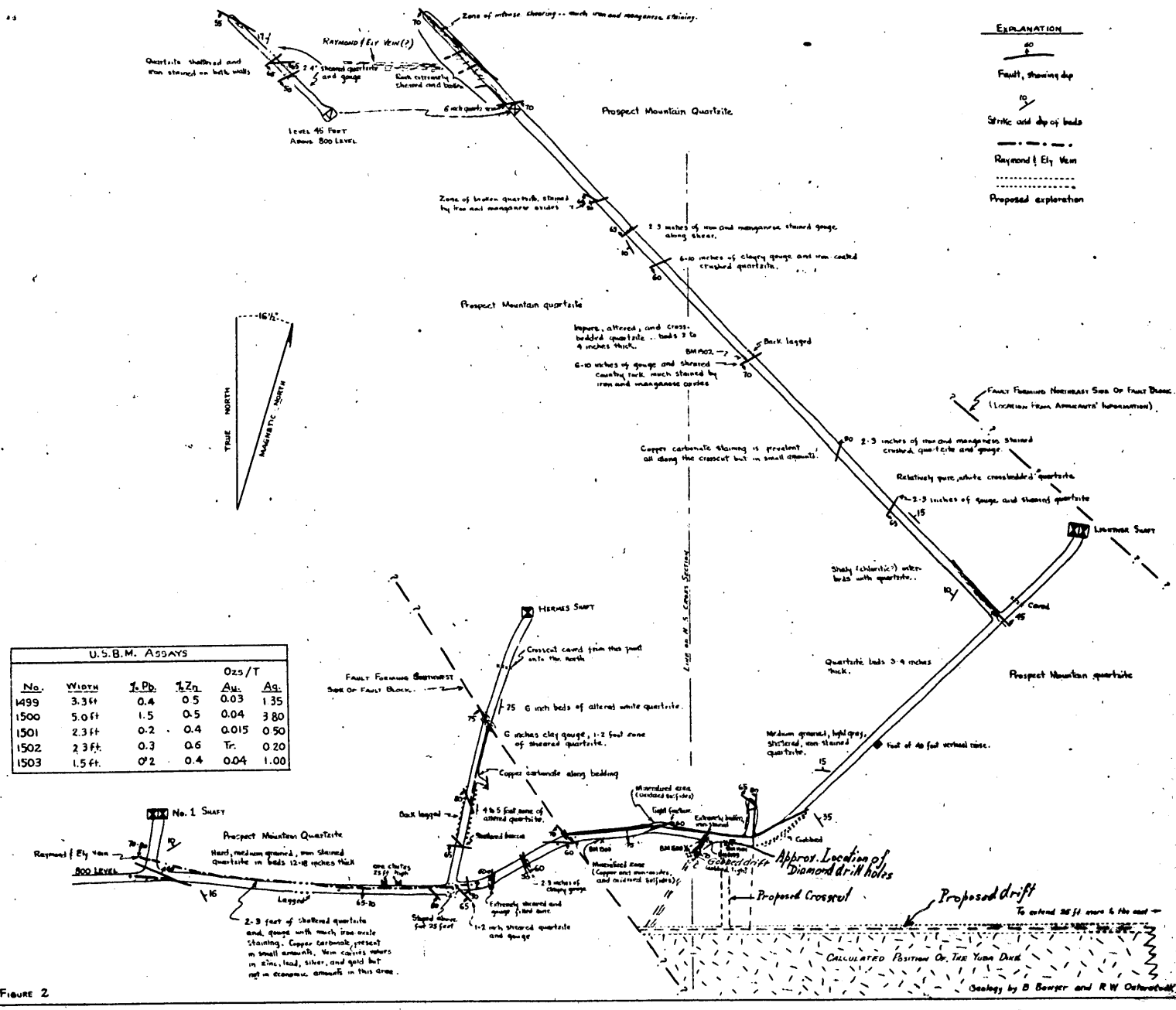
400 feet of diamond drilling @ $7.00/ft.	$ 2,800.00	

STAGE II

150 feet of crosscutting @ $37.00/ft.	$ 5,550.00	

STAGE III

300 feet of drifting @ $37.00/ft.	$11,100.00	
50 feet of raising @ $37.00/ft.	1,850.00	$12,950.00
50 feet of timbered drifts and crosscuts @ $7.00/ft. under Stages II and III.		$ 350.00
50 assays for lead and zinc @ $2.00 sample under Stages I, II, and III.		$ 100.00
Estimated Total Cost of the Project		$21,750.00
Government Participation @ 50%		$10,875.00



U.S.B.M. Assays					
				Ozs/T	
No.	Width	% Pb.	% Zn	Au.	Ag.
1499	3.3 ft	0.4	0.5	0.03	1.35
1500	5.0 ft	1.5	0.5	0.04	3.80
1501	2.3 ft	0.2	0.4	0.015	0.50
1502	2.3 ft.	0.3	0.6	Tr.	0.20
1503	1.5 ft.	0.2	0.4	0.04	1.00

Figure 2

Plan And Geologic Map Of Part Of The 800 Level, Yuba Dike Mines, Inc.

Lincoln County, Nevada

0 20 40 Feet

Docket No. DMEA-3396

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JUL - 7 1955

MF-203
(Revised July 1, 1954)

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of Texas, County of Lincoln, described as follows:1/

Parcel (U. S. Lot 31), Alberta No. 5 (U. S. Survey 8716), Cuesta Center (U. S. Survey 8716), Ledge, Nueces Valley (U. S. Lot 60), Sapphire, Green (U. S. Lot 63), Ring (U. S. Lot 63), Silver (U. S. Lot 63), Lode claims claims

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ Rare Earth Mines Incorporated

hereinafter called the "Operator"; and

WHEREAS, under the provisions of said contract the Government is entitled to a percentage royalty on production and to other rights and equities which do or may conflict with or be adverse to the rights of the undersigned:

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract or any amendment thereof shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract or any amendment thereof there is hereby granted to the Government a lien upon the land above referred to and upon any production of minerals therefrom until said royalty is fully paid or ten years have elapsed from the date of the contract, whichever occurs first.

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

2/ Insert the name of the Operator as it will appear in the exploration project contract.

3/ Mining or production from the land is not required, and in the absence of production there is no obligation to repay the Government.

(OVER)

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

4. Changes and added provisions [illegible]

[illegible] contract or any amendment thereof [illegible] for ten years [illegible].

AMALGAMATED PIOCHE MINES AND SMELTERS CORPORATION.

Dated this 5th day of May, 1951.

Wm F Roberts [Seal]
President

[Seal]

[Seal]
Secretary.

MF-203
(Revised July 1, 1954)

OWNER'S CONSENT TO LIEN

RECEIVED
JUL - 7 1955

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of Nevada, County of Lincoln, described as follows:1/

Panaca (U. S. Lot 39), Alberta No. 2 (U. S. Survey 2714), Susan Duster (U. S. Survey 2714)lode mining claims

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ Yuba Dike Mines Incorporated

hereinafter called the "Operator"; and

WHEREAS, under the provisions of said contract the Government is entitled to a percentage royalty on production and to other rights and equities which do or may conflict with or be adverse to the rights of the undersigned:

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract or any amendment thereof shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract or any amendment thereof there is hereby granted to the Government a lien upon the land above referred to and upon any production of minerals therefrom until said royalty is fully paid or ten years have elapsed from the date of the contract, whichever occurs first.

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

2/ Insert the name of the Operator as it will appear in the exploration project contract.

3/ Mining or production from the land is not required, and in the absence of production there is no obligation to repay the Government.

(OVER)

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

4. Changes and added provisions [illegible]

Dated this 7 day of June, 1955.

Combined Metals Reduction Company [Seal]

By W. H. Kelsey, Vice President [Seal]

[Seal]

PROJECT SUMMARY REPORT

By: J. W. Alt March 8, 1957

1. Docket No. DMEA-3396 (Lead-Zinc)
Contract No. Idm-E798
Property: Yuba Dike Mining Claims
Lincoln County, Nevada

Operator: Yuba Dike Mines, Incorporated
Pioche, Nevada

Operator's Property Rights: Lessee
Amalgamated Pioche Mines & Smelter Corp.
Consent to Assign Lease - dated August 6, 1953.
Extension of Lease - dated August 6, 1953.
Owner's Consent to Lien - dated May 5, 1955.

Combined Metals Reduction Company
Consent to Assign Sublease dated August 6, 1953.
Owner's Consent to Lien dated June 7, 1955.

2. Contract dated May 17, 1955. To complete June 1, 1956.

Work Authorized

Stage I

From the 800 level of the No. 1 Shaft drill two diamond drill holes for the purpose of intersecting the Yuba Dike. The aggregate drilling shall not exceed 400 feet.

Stage II

From the drift, crosscut south through the Yuba dike. The aggregate crosscutting shall not exceed 150 feet.

Stage III

From the crosscut, drift easterly and westerly on the Yuba dike. The aggregate drifting shall not exceed 300 feet.

Raising not to exceed 50 feet.

Fixed Unit Costs

Stage I

400 feet of diamond drilling @ $7.00/ft.		$ 2,800.00

Stage II

150 feet of crosscutting @ $37.00/ft.		5,550.00

Stage III

300 feet of drifting @ $37.00/ft.	$11,100.00	
50 feet of raising @ $37.00/ft.	1,850.00	12,950.00
50 feet of timbered drifts and crosscuts @ $7.00/ft. under Stages II and III		350.00
50 assays for lead and zinc @ $2.00/sample under Stages I, II, and III		100.00
Total Estimated cost of the project		$21,750.00
Government's participation, 50%		$10,875.00

Amendments

No. 1 Dated February 8, 1956.

Work suspended from January 21, 1956 to not later than April 1, 1956.

Completion time extended to September 15, 1956.

Work Completed

Diamond drilling, 145 feet @ $7.00/ft.	$1,015.00
Crosscutting, 72 feet @ $37.00/ft.	2,664.00
Drifting, 128 feet @ $37.00/ft.	4,736.00
Sampling and assaying, 9 samples @ $2.00/sample	18.00
Total cost of the project	$8,433.00
Government's participation, 50%	$4,216.50

Work on the project was started on August 10, 1955.

Work on the project was discontinued on December 12, 1955, and the contract was mutually terminated effective January 21, 1956.

3. Audit Certificate. (Report of Review) dated October 1, 1956.

Total cost as billed by the contractor	$8,433.00
Exceptions - None	
Total Accepted Cost	$8,433.00
Government's Participation, 50%	$4,216.50

Operator's final report dated September 20, 1956.

Field Team's final report dated November 30, 1956.

4. Certification Date.

No Certification of Discovery or Development was made as the project was unsuccessful in discovering ore.

5. Comments

The purpose of the project was to explore for ores of lead and zinc on the 800 level of the mine between two areas from which ore was produced during the early days of the mine operation.

The project was justified by the production of ore valued at about $500,000.00 and by the geologic similarity between the productive area and the area to be explored. Ore was inferred in and along both sides of the Yuba granite porphyry dike.

Although the project was successful in finding the dike, the areas disclosing lead and zinc minerals were too small and too low grade to be commerical and do not warrant further developing. Production from the DMEA workings is not probable and the Field Team recommend that no certificate of discovery be issued. The favorable zone was adequately explored and the work thus far has not revealed indications of other exploratory possibilities.

Because of lack of success with the work the project was recessed for reappraisal and finally terminated because it was concluded by both the Operator and the Government that additional work has little likelihood of discovery ore.

Further Government participation in future exploration is not recommended unless new geologic evidence is found from which ore bodies may be inferred.

J. W. Alt

J. W. Alt

JWAlt/er 5/9/57

Copy to: Docket
Base Metals ✓
Chron.

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

RECEIVED DEC 13 1956 D.M.E.A.

December 12, 1956

Re: DMEA 1395; Contract Idm E-798
Yuba Dike Mines, Inc.
Yuba Dike Mining claims
Lincoln County, Nevada

Memorandum

To: W. E. Griswold, DMEA

From: O. M. Bishop, Branch of Base Metals

Subject: Final report dated November 19, 1956, transmitted November 23 and received December 5, 1956.

Under Contract Idm E-798 the operator diamond drilled 2 holes for a total of 145 feet to locate the Yuba dike, and determine if mineralization occurred on either or both walls. Subsequently a crosscut was driven 72.5 feet along drill hole No. 1 through the dike and drifts were driven east and west totaling 128 feet.

No economic concentration of minerals was discovered by the exploration, therefore the operator requested termination of the work prior to fulfilling all work outlined under the contract.

There would appear to be no basis for issuing a certificate of discovery; I therefore agree with the recommendation of the Executive Officer that none be issued.

O. M. Bishop

O. M. Bishop

Copy to: Division of Minerals
Mr. Kiilsgaard
Mr. Lamb
Mr. Bishop
Files

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

1605 Evans Avenue
Reno, Nevada

October 29, 1956

~~Unannounced~~
Betty

Memorandum

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

From: Executive Officer, DMEA Field Team, Region II

Subject: Docket No. DMEA-3396 (Lead-zinc)
Yuba Dike Mines, Inc.
Yuba Dike Mining Claims
Lincoln County, Nevada
(Contract No. Idn-8798)
(Your letter October 26, 1956)

The Bureau of Mines section of the final report on subject docket has been completed for some time. In the meantime the Geological Survey has been waiting to complete the report until their section has been received from R. W. Osterstock, who was the geologist on the project but has since resigned to join private industry.

Mr. Smith has informed me that they will complete the report based on Osterstock's interim reports and that it will be submitted within two weeks.

S. Ricker

SRicker:gh
cc: R. M. Smith
File

OCT 26 1956

Mr. Spangler Richer
Executive Officer
DMEA Field Team, Region II
1605 Evans Avenue
Reno, Nevada

Re: Docket No. DMEA-3396 (Lead-Zinc)
Yuba Dike Mines, Inc.
Yuba Dike Mining Claims
Lincoln County, Nevada
Contract No. Idm-3798

Dear Mr. Richer:

With reference to the cited terminated contract, please advise us as to when we may expect to receive the final Field Team report.

We are anxious to close our files for this contract and would appreciate receiving the report at your earliest convenience.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

APPROVED:

Frank D. Lamb

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

JWAlt/er 10/25/56
Copy to: Docket
Admr File
Op. Committee
Base Metals
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Chron.

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

Klegpalsid
Betty

1605 Evans Avenue
Reno, Nevada

June 26, 1956

Memorandum

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

From: Executive Officer, DMEA Field Team, Region II

Subject: Docket No. DMEA-3396 (Lead-Zinc)
Yuba Dike Mines, Inc.
Yuba Dike Mining Claims
Lincoln County, Nevada
Contract No. Idm-E798

The termination agreement on subject contract, forwarded under your letter of June 11, 1956, has been executed by the Operator, and attached are the Government, Docket, and Division copies. The other copies have been distributed in the usual manner.

S. Ricker

Attach.

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

Termination

RECEIVED
JUN 23 1956

YUBA DIKE MINES, INCORPORATED

PIOCHE, NEVADA

June 19, 1956.

Mr. [illegible] Ficker, Executive Officer
[illegible] Field Team, Region II,
[illegible] Avenue,
[illegible], Nevada.

Dear Mr. Ficker:

[illegible] the enclosing signed Termination Agreement [illegible] Yuba Dike Mines, Inc. Exploration Contract.

[illegible] date and wish to thank you for all [illegible] and cooperation on our project.

Yours very truly,

John A. Hedman

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

RECEIVED
JUN 18 1956

1605 Evans Avenue
Reno, Nevada

June 14, 1956

Mr. John A. Hedman, President
Yuba Dike Mines, Inc.
Pioche, Nevada

Re: Docket No. DMEA-3396 (Lead-zinc)
Yuba Dike Mines, Inc.
Lincoln County, Nevada
Contract No. Idm-E798

Dear Mr. Hedman:

We are enclosing the original and five copies of a Termination Agreement on subject contract.

If the termination agreement meets with your approval all six copies should be signed by your firm. The copy marked "Operator's Copy" should be retained by you and the original and other four copies should be returned to this office.

If any part of the agreement is not satisfactory to you, the original and all copies should be returned to this office with your suggested changes.

I regret that the project has not been successful, and wish to thank you for your cooperation in our joint effort.

Very truly yours,

S. Ricker
Executive Officer
DMEA Field Team, Region II

Encl.

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

Mr. Spangler Richer
Executive Officer
DMEA Field Team, Region II
1645 Bruce Avenue
Reno, Nevada

Re: Docket No. DMEA-1396 (Lead-Zinc)
Tube Bike Mines, Inc.
Tube Bike Mining Claims
Lincoln County, Nevada
Contract No. Idm-8798

Dear Mr. Richer:

We are enclosing the original and five copies of a Termination Agreement for the cited property, signed by the Administrator.

If the termination agreement meets with your approval, kindly present it to the Operator for approval and signature and, when completed, distribute the copies in the usual manner. In the event that the agreement is not satisfactory, and cannot be amended within your delegated authority, return all copies with your recommendation concerning any modification.

Sincerely yours,

W. S. Martin
ACTING Chairman, Operating Committee

JMAlt/er 6/5/56
Copy to: Docket
Admr R File
Op. Committee
Base Metals
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Chron.

Enclosures:

APPROVED:

/s/ Robert W. Geehan
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey

June 6, 1956

Memorandum

To: The Administrator

From: Chief, Base Metals Division

Subject: Mutual Termination Agreement for Docket No. DMEA-3396, Yuba Dike Mines, Inc., Yuba Dike Mining Claims, Contract No. Idm-2798, Lincoln County, Nevada

The work of the contract was to be done in three stages, the work to be done under Stages II and III to have prior approval of the Government. All work was to be conducted from the 800 level of the No. 1 Shaft.

Work under Stage I was to consist of two diamond drill holes to intersect the Yuba dike, each diamond drill hole to be approximately 200 feet in length.

Stage II work was to consist of crosscutting south through the Yuba dike at not to exceed 150 feet of crosscutting.

Stage III work was to consist of drifting easterly and westerly from the crosscut on the Yuba dike, the amount of drifting not to exceed 300 feet. Also, an allowance was made for 50 feet of raising on the best indications of mineralization.

All work was to be done under fixed unit costs, and the total cost of the project was estimated to be $21,750.00. Government's participation at 50% was $10,875.00.

The work completed consisted of:

Stage I 145 feet of diamond drilling

Stage II 150 feet of crosscutting

Stage III 181 feet of drifting

Total cost of work completed is $8,433.00 (subject to final audit).

Unexpended amount of contract is $13,317.00 (subject to final audit).

All work completed under the terms of the contract showed only sparse lead-zinc mineralization. A number of samples were taken of the drilling, drifting and crosscutting which all assayed low in zinc and lead.

It is our opinion that any further work done under the terms of the contract would not show any increase in mineralization. The Operator is discouraged with the results of the exploration and has indicated that he wants the program reappraised and the remaining funds to be used in exploring other parts of the mine.

The Field Team states: "I believe we should suggest a mutual termination of the contract without prejudice to the property. If at any future time he evolves a sound theory of exploration in another part of the mine that indicates the possibility of an ore discovery, he can make another application for a loan. It seems to us that at the present time we are evolving ideas for continuation merely because there is a balance of unspent funds left on the contract."

We concur with the recommendation of the Field Team that this contract be mutually terminated.

In reply to our telegram, dated June 4, 1956, the Field Team states that no discovery was made and no certification will be recommended.

W. R. Griswold

W. R. GRISWOLD

~~MEGX~~

JWAlter

Copy to: Docket
Base Metals
Chron.

6/4/56

TELEGRAM

O REA 432 NL PD RENO NEV 4

OPERATING COMMITTEE DEFENSE MINERALS EXPLORATION ADMIN
INTERIOR BLDG. WASH D C

REURTEL DOCKET DMEA 3396 CONTRACT IDM-E798 YUBA DIKE

MINES CORP NO DISCOVERY WAS MADE AND NO CERTIFICATION

WILL BE RECOMMENDED

ROSCOE M SMITH ACTG EXEC OFCR
DMEA FIELD TEAM REGION 2

JUN - 4 1956

JWAlt/er Rm 4444. Ext. 3569

T E L E G R A M

DMEA Base Metals Division

14X1441(G1) Revolving Fund,
Defense Production Act, Interior (allo-
cated Working Fund to Office of Secy.)

Mr. Spangler Richter
Executive Officer
DMEA Field Team, Region XI
1605 Evans Avenue
Reno, Nevada

Re Docket DMEA-3396, Contract IAm-3798, Yuba Mine Mines,
Inc. At your earliest convenience please send us your recommendations
regarding a Certification of Discovery for this property.

W. S. Martin
ACTING Chairman, Operating Committee

JWAlt/er (written 6/4/56)
Copy to: Docket
Adar R File
Op. Committee
Base Metals
Mr. Bishop, USBM
Mr. Killingsard, USGS
Chron.
Confirmation Copy

500

MAY 28 1956

Mr. Spangler Rinker
Executive Officer
DMEA Field Team, Region II
1605 Evans Avenue
Reno, Nevada

Re: Docket No. DMEA-3396 (Lead-Zinc)
Yuba Dike Mines, Inc.
Yuba Dike Mining Claims
Lincoln County, Nevada
Contract No. Idm-1796

Dear Mr. Rinker:

This is with reference to your memorandum dated May 17, 1956, regarding the cited project. Due to the negative results obtained in the exploration of this property, we are in agreement with you that this contract should be mutually terminated. Therefore, we will have such an agreement prepared and will, within a short time, submit it to you for your approval.

Sincerely yours,

W. S. Martin
ACTING Chairman, Operating Committee

APPROVED:

/s/ Robert W. Gechan
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey

JWAlt/er 5/26/56
Copy to: Docket
Admr R File
Op. Committee
Base Metals
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Chron.

May 28, 1956

Memorandum

To: Associate Solicitor, Division of Mineral Resources

From: Chief, Base Metals Division

Subject: Preparation of Mutual Termination Agreement for Contract No. Ida-8798, Docket No. DMEA-3396, Tube Dike Mines, Inc., Tube Dike Mining Claims, Lincoln County, Nevada, Lead-Zinc.

Will you please prepare a Mutual Termination Agreement for the cited contract. By Amendment No. 1, work on the project was recessed beginning January 21, 1956 and ending not later than April 1, 1956. Work under the terms of the contract was not resumed on April 1.

Please refer to the memorandum from the Executive Officer, DMEA Field Team, Region II, dated May 17, 1956.

W. R. Griswold

JWAlt/er 5/26/56

Copy to: Docket
Base Metals
Chron.

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

RECEIVED
MAY 21 1956

1605 Evans Avenue
Reno, Nevada

May 17, 1956

Memorandum

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

From: Executive Officer, DMEA Field Team, Region II

Subject: Docket No. DMEA-3396 (Lead-zinc)
Yuba Dike Mines, Inc.
Yuba Dike Mining Claims
Lincoln County, Nevada
Contract No. Idm-E798

Since my memorandum of May 14, 1956 on subject contract, I have received an Interim Report by R. W. Osterstock, Geological Survey. Four copies of this report are attached. I have also discussed the project with Roscoe Smith and Glenn Gentry, and they do not believe that more work in the project area offers much hope for making a discovery. In addition the letter of April 30, 1956 from the Operator indicates that he wants the program reappraised and is discouraged with the results of the exploration.

I believe we should suggest a mutual termination of the contract with the Operator without prejudice to the property. If at any future time he evolves a sound theory of exploration in another part of the mine that indicates the possibility of an ore discovery, he can make another application for a loan. It seems to us that at the present time we are evolving ideas for continuation merely because there is a balance of unspent funds left on the contract.

I would be pleased to have your suggestions.

S. Ricker

Attach.

SRicker:gh
cc: R. M. Smith

cc: Bob Osterstock
Finance Off., Reg. II
Geo. Mavor
File

In reply refer to:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

RECEIVED
MAY 21 1956

[illegible]

[illegible]

To: [illegible]

From: [illegible]

Subject: [illegible]

[illegible]

[illegible]

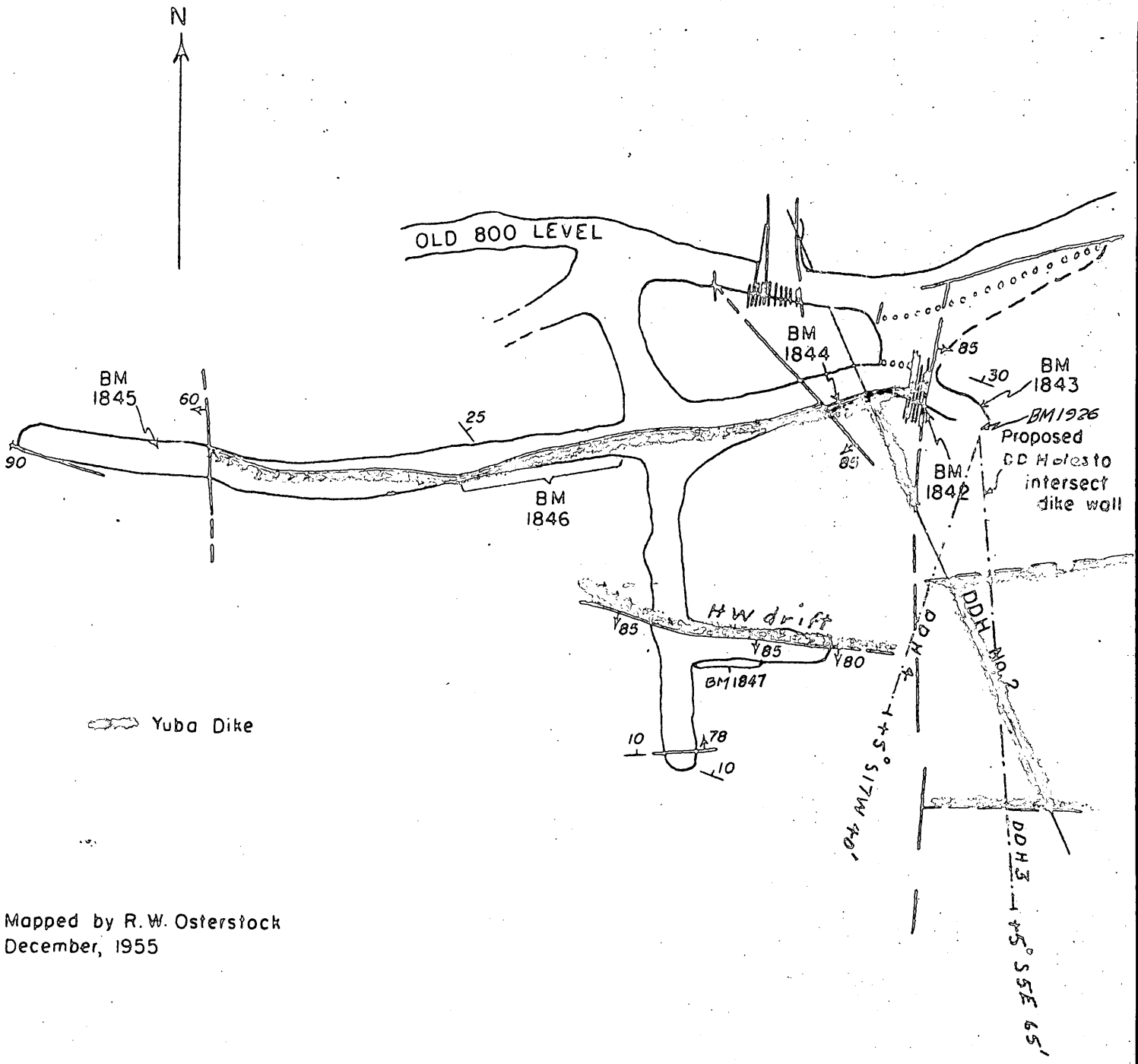
[illegible]

[illegible]

[illegible]

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DMEA 3396
Idm E-798
(LEAD - ZINC)



Mapped by R.W. Osterstock
December, 1955

DMEA WORKINGS ON 800 LEVEL, YUBA DIKE MINE
LINCOLN COUNTY, NEVADA

20 0 20 40 Feet

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

RECEIVED
MAY 16 1956

1605 Evans Avenue
Reno, Nevada

May 14, 1956

Memorandum

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

From: Executive Officer, DMEA Field Team, Region II

Subject: Docket No. DMEA-3396 (Lead-zinc)
Yuba Dike Mines, Inc.
Yuba Dike Mining Claim
Lincoln County, Nevada
Contract No. Idm-E798

For your information I am attaching two copies of letter of April 30, 1956 from the operator on subject contract.

We will withhold our suggestions until the property is visited by our engineer and geologist.

S. Ricker

Attach.

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

YUBA DIKE MINES, INCORPORATED

PIOCHE, NEVADA

April 30, 1956.

S. Ricker, Executive Officer
DMEA Field Team, Region 11
1605 Evans Avenue,
Reno, Nevada.

RECEIVED
MAY 16 1956

Re: Docket No. DMEA-3396-[illegible]
Yuba Dike Mines, Inc
Lincoln County, Nevada
Contract No. Idm-E798

Dear Mr. Ricker:

We respectfully request an additional 60 days recess on the above project.

The past month has been spent in cleaning up the work space on the project and our electrical equipment had become water logged, making it necessary to bring it to the surface for drying.

Before continuing this work, would it be possible to re-appraise the program, as our work so far has not been encouraging. In order to save money and time, I believe diamond drilling instead of drifting and raising would bring the best results.

Or if you could grant permission to transfer the balance of the work to a new location where exploration is necessary to locate ore I think we would have a better chance.

Thanking you and awaiting your decision, I am

Yours very truly,

John A. Hedman.

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

1685 Evans Avenue
Reno, Nevada

February 13, 1956

Memorandum

Approved: J.W.A.

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

From: Executive Officer, DMEA Field Team, Region II

Subject: Docket No. DMEA-3396 (Lead-zinc)
Yuba Dike Mines Inc.
Yuba Dike Mining Claim
Lincoln County, Nevada
Contract No. Idm-E798

Reference is made to your letter of February 1, 1956 relative to an amendment to subject contract.

Attached are the original and two copies of amendment No. 1 in which operations are suspended from January 21, 1956 and ending not later than April 1, 1956. The remaining copies have been distributed in the usual manner.

S. Ricker

Attach.

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

Amendments

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

Dot
Betty

RECEIVED
FEB 10 1956

1605 Evans Avenue
Reno, Nevada

February 8, 1956

Mr. John A. Hedman, President
Yuba Dike Mines, Inc.
Pioche, Nevada

Re: Docket No. DMEA-3396 (Lead-Zinc)
Yuba Dike Mines, Inc.
Lincoln County, Nevada
Contract No. Idm-E798

Dear Mr. Hedman:

We are enclosing the original and five copies of a proposed Amendment No. 1 to above referenced exploration contract signed by the Executive Officer, Defense Minerals Exploration Administration, Region II, for the Government.

If the terms and conditions of the proposed amendment are satisfactory to you, all six copies should be signed by your firm. The copy marked "Operator's Copy" should be retained by you and the original and the other four copies should be returned to this office.

If any part of this amendment does not meet with your approval, the original and all copies should be returned to this office with your suggested changes.

This proposed amendment formalizes my letter of January 24, 1956.

Very truly yours,

S. Ricker
Executive Officer
DMEA Field Team, Region II

Encl.
SRicker:gh

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

FEB - 1 1956

Mr. Spangler Rickar
Executive Officer
DMEA Field Team, Region II
1605 Evans Avenue
Reno, Nevada

Re: Docket No. DMEA-3396 (Lead-Zinc)
Yuba Dike Mines, Inc.
Yuba Dike Mining Claim
Lincoln County, Nevada
Contract No. Idm-3798

Dear Mr. Rickar:

This is with reference to the copy of your letter to Mr. John A. Redman, President, Yuba Dike Mines, Inc., dated January 24, regarding the cited project. It is our opinion that you should prepare an amendment allowing the Operator to recess operations and, if necessary, extend the time to complete the work of the contract.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

APPROVED:

/s/ Robert W. Geehan
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey

JWAlt/bjl (1/31/56)

Copy to: Docket
Admr. R. File
Op. Committee
Base Metals
Mr. Bishop
Mr. Kiilsgaard
Chron.

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

RECEIVED
JAN 26 1956

1605 Evans Avenue
Reno, Nevada

Betty

January 24, 1956

Mr. John A. Hedman, President
Yuba Dike Mines, Inc.,
Pioche, Nevada

Re: DMEA-3396 (Lead-zinc)
Yuba Dike Mines, Inc.
Lincoln County, Nevada
Contract No. Idm-E798

Dear Mr. Hedman:

Reference is made to your letter of January 21, 1956 requesting a recess of 60 days on work on above referenced contract.

We agree to this 60-day recess with the understanding that work shall be resumed on or before April 1, 1956 and that the Government shall be exempt from participation in any costs accurring during the recess period or from any causes due thereto.

Very truly yours,

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

Ricker DR 1/24/56

YUBA DIKE MINES, INCORPORATED

PIOCHE, NEVADA

January 21, 1956.

Mr. S. Ricker, Executive Officer
DMEA Field Team, Region 11
1605 Evans Avenue,
Reno, Nevada.

Dear Sir:

We wish to ask permission to call a 60 day recess on our Yuba Dike Mines, Inc. Contract No. XDM-R798, Docket No. DMEA 3396, as we are short handed and must fulfill a work agreement on a lease held on nearby ground.

Thanking you and hoping you are able to grant us this intermission in our work, I am

Yours very truly,

John A. Hedman, Pres.

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

RECEIVED
JUL - 7 1955

1605 Evans Avenue
Reno, Nevada

July 5, 1955

Alb
Betty

Memorandum

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

From: Executive Officer, DMEA Field Team, Region II

Subject: Docket No. DMEA-3396 (Lead-zinc)
Yuba Dike Mines, Inc.,
Yuba Dike Mining Claim
Lincoln County, Nevada
Contract No. Idm-E798

Reference is made to your letter of May 17, 1955 with which you transmitted the original and five copies of the above subject contract.

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

You will note the "Consent to Lien" attached are old forms due to the fact this had been sent to the Operator before the new forms were adopted.

S. Ricker

Encls.

SRicker:gh
cc: H. C. Miller
Finance Officer, Reg. II
R. M. Smith
File

MAY 1 7 1955

Mr. Spangler Rieker
Executive Officer
DMEA Field Team, Region II
1605 Evans Avenue
Reno, Nevada

Pending

Re: Docket No. DMEA-3396 (Lead-Zinc)
Yuba Dike Mines, Inc.
Yuba Dike Mining Claim
Lincoln County, Nevada

Dear Mr. Rieker:

We are enclosing the original and five copies of the contract for the cited property, signed by the Administrator, together with Annex I, Exhibit "A" (2 pages), and three maps.

It will be necessary to insert in the contract, in the space provided under Article 3, the date when the Operator shall commence work on the project.

Before the contract can be executed, it will be necessary to attach Consents to Lien from Amalgamated Pioche Mines and Smelter Corporation and the Combined Metals Reduction Company.

If the contract meets with your approval, kindly present it to the Applicant for approval and signature and, when completed, distribute the copies in the usual manner. In the event that the contract is not satisfactory, and cannot be amended within your delegated authority, return all copies with your recommendation concerning any modification.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Enclosures

JWAlt/er 5/11/55

APPROVED:

M. E. Volin for J. H. Wedge

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

Copy to: Docket
Admr A File
Op. Committee
Base Metals
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SOLICITOR
WASHINGTON 25, D. C.

MAY 9 1955.

Pending

Memorandum

To: The Administrator, DMEA
Attention: W. R. Griswold

From: Acting Assistant Solicitor, Defense Minerals

Subject: Docket No. DMEA-3396 (Lead-Zinc), Yuba Dike Mines, Incorporated

Pursuant to the informal resubmission of the subject docket to us, on May 2, we have prepared the attached contract, in satisfactory legal form for execution, subject to the attachment of Consents to Lien from Amalgamated Pioche Mines and Smelter Corporation and the Combined Metals Reduction Company prior to execution.

/S/ Henry C. Rubin
for J. L. Hofflund
Acting Assistant Solicitor,
Defense Minerals

Attachment

HCRubin:gjb 5/6/55

Copy to: DMEA Docket
Sol. Docket
W. R. Griswold (2)
H. C. Rubin
J. L. Hofflund
Chron. File

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 29 1955

1605 Evans Avenue
Reno, Nevada

April 26, 1955

Memorandum

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

From: Executive Officer, DMEA Field Team, Region II

Subject: Docket No. DMEA-3396 (Lead-zinc)
Yuba Dike Mines, Inc.
Yuba Dike Mining Claim
Lincoln County, Nevada

In reference to telephone conversation with Mr. Alt, regarding above subject docket, I am attaching six copies of sketch map and vertical section of portion of ground leased from the Combined Metals Reduction Company.

I believe that these maps will clarify the questions posed by Mr. Alt relative to pages 7 and 8 of the report by Mr. Gentry and Mr. Osterstock. It is apparent that the upper developed levels were not included in the areas leased from the Combined Metals Reduction Co. I believe, however, that the Government will be amply protected from royalties on any ore that may be produced from the ground below the excluded zone.

S. Ricker

Attach.

SRicker:gh
cc: H. C. Miller
R. M. Smith
Finance
File

April 21, 1955

Memorandum for the Files

From: J. W. Alt, Base Metals Division

Subject: Yuba Dike Mines, Inc., Yuba Dike Mining Claims, Lincoln County, Nevada County, Nevada, Docket No. DMEA-3396 (Lead-Zinc)

On this date, I phone Spangler Ricker, Executive Officer, Region II, about the land that is deleted in the lease. This deletion is described on pages 7 and 8 of the Field Team report. I told Mr. Ricker that we do not have any maps that give us the elevations which would show these deletions. He was of the opinion that this land should not be deleted and that the limitation should be removed from the lease. He will consult the Applicant in regard to this. If it is to be deleted, I told Mr. Ricker that we would need a map showing this land that is deleted.

He also stated that there is some question now as to whether the Applicant can supply his share of the cost of the proposal exploration work.

He advised me to hold up the Application until he gets the information regarding the deletion of the land.

J. W. Alt

J. W. Alt

JWAlt/er

Copy to: Docket
Base Metals
Chron.

April 12, 1955

Memorandum

To: Acting Assistant Solicitor, Defense Minerals

From: Base Metals Division

Subject: Preparation of Contract for Docket No. DMEA-3396, Yuba Dike Mines, Incorporated, Yuba Dike Mining Claims, Lincoln County, Nevada (Lead-Zinc)

Will you please prepare a contract for the cited application. A draft of this contract is attached to this memorandum. The copies of the two maps mentioned in the contract will be received in a few days and will be forwarded to your office.

J. W. Alt

J. W. ALT

Attachment

JWAlt/bjl

Copy to: Docket
~~Base~~ Metals
Chron.

UNITED STATES 500
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

April 8, 1955

Memorandum for the Files

From: J. W. Alt, Base Metals Division

Subject: Tuba Dike Mines, Inc., Tuba Dike Mining Claims, Lincoln County, Nevada, Docket No. DMEA-3396 (Lead-Zinc)

On this date I phoned S. Ricker, Executive Officer, Region II, about costs of the work to be done on this project.

I stated that the costs for drifting, crosscutting, raising, and diamond drilling, as recommended by the Field Team, were too high and that these costs were confusing. I told him that we thought that the costs for drifting, crosscutting, and raising could be on unit costs at $37.00 per foot and the timbering at $7.00 per foot. Sampling would be at $2.00 per assay. There would be no allowance for use of equipment; this would be included in the $37.00 per foot for drifting, crosscutting, and raising and in the diamond drilling at $7.00 per foot. He was agreeable to these costs as stipulated in this conversation.

In Ricker's memorandum of April 1, 1955, he listed claims adjacent to the Panaca claim on which the proposed work is to be done. I stated that according to the map we have that there are overlapping claims on the ones which he has listed. He stated that we should, in order to be safe, list the overlapping claims and the claims that he has listed in the claims which are to be included in the contract.

J. W. Alt
J. W. Alt

Copy to: Docket
~~Base~~ Metals
Chron.

April 1, 1955

Pending

Memorandum for the Files

From: J. W. Alt, Base Metals Division

Subject: Yuba Dike Mines, Inc., Yuba Dike Mining Claims, Lincoln County, Nevada, Docket No. DMEA-3396 (Lead-Zinc)

On this date I phoned S. Ricker, Executive Officer, Region II, in regard to the following items:

Size of raises needed and could they be driven for the same cost as the drifting and crosscutting. Two 25-feet raises are to be driven.

Size of drifts and crosscuts as recommended, 4½' x 6', are too small. Size of drifts and crosscuts should be not less than 5' x 7' in the clear.

Time estimate for completion of the work is slow. Time allowed to drive two 25-feet raises is estimated to take 2½ months, and drifting and crosscutting at only 60 feet per month. We believe that costs could be cut some by speeding up the proposed work.

Owners' Consents to Lien are needed. He stated that he will write to Applicant and request them to send the Owners' Consent to Lien to him.

I informed him that we did not think it was necessary to include in the contract all of the claims as stipulated in the lease, that only the adjacent claims to where the work is to be done should be in the contract and to send us such a map.

I also asked him if it was possible to eliminate the clearing out of the gobbed drift and to do the proposed diamond drilling from the drift somewhere in the vicinity of BM 1501 as shown on the map attached to the report. Then if crosscutting to and through the Yuba Dike is approved, this could be done from the drift and not by making use of the gobbed drift.

Mr. Ricker stated that he would check these items with Glenn Gentry and would give us an answer soon.

J. W. Alt

J. W. Alt

JWAlt/er
Copy to: Docket
Base Metals
Chron.

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

Air Mail

1605 Evans Avenue
Reno, Nevada

April 1, 1955 Pending

Memorandum

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

From: **Executive Officer, DMEA Field Team, Region II**

Subject: **Docket No. DMEA-3396 (Lead-Zinc)**
Yuba Dike Mines, Inc.,
Yuba Dike Mining Claims
Lincoln County, Nevada

Reference is made to our telephone conversation as of April 1 with Mr. Alt, regarding proposed contract on above subject docket. We will take up the questions raised as they were brought to our attention.

1. **Size of raise?**

   Suggest 5 by 5 feet in diameter.

2. **Cost of raises, drifts and crosscuts?**

   Believe that these could be placed on some unit cost basis.

3. **Size of drift and crosscut?**

   5 by 7 feet would be agreeable to us instead of 4-1/2 by 6 feet.

4. **Time limit?**

   We do not believe time limit should be shortened. Too many amendments are continually requested for time extensions on account of unforeseen contingencies, which frequently arise on many of our contracts.

5. Owner's Consent to Lien?

Five sets are being sent to Operator and should be in this office by the time the contract is received.

6. Cleaning out gob drift?

We believe it's a sound suggestion to diamond drill from BM-1501, as shown on map, instead of cleaning out gob drift at a cost of $2,500. Diamond drilling should, therefore, be Stage I. Stage II crosscut would start from BM-1501 after diamond drilling and dependent on drilling results.

7. Claims included under contract?

We believe the following claims are sufficient to cover Government's equity in proposed contract.

Panaca - U.S. Lot 39
Mother Lode - 2014
Alberta No. 2 - 2714
Susan Duster - 2714
Wedge
Pioche or Meadow Valley - U.S. Lot 40
Nappias
Queen - 53
King - 53
Silver - 38

We appreciate having your suggestions.

S. Ricker

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

April 1, 1955

Memorandum

To: W. R. Griswold
Chief, Base Metals Division, DMEA

From: J. H. Hedges, Bureau of Mines

Subject: DMEA-3396 (Lead-Zinc) Yuba Dike Mines, Inc., Yuba Dike Mine, Pioche, Lincoln County, Nevada

The proposal to explore the Yuba Dike-quartzite contact in a hitherto unexplored area in the old Raymond-Ely mine has enough merit to justify a modest project. However, there are discrepancies in the field team report that should be cleared up before any decision is made.

The plan and geologic map which accompanied the report show the Yuba Dike only about 50 feet south of the 300 level drift, yet the proposal calls for cleaning out a 100-foot gobbed drift and drilling 200 feet south from the face to locate and explore the dike. I realize that the location of the dike at this point is not definitely known and it is not apparent how far it may have been projected to plot its probable position in relation to the 300 level at the point selected for exploration. The location and character of the dike could be determined more quickly and at less cost by drilling one or two holes directly from the 300 drift to intersect the dike as stage I of the project. It could then be determined whether the proposed crosscutting and drifting of stage II are justified, and the most advantageous location for the crosscut. I might also point out that $10 a foot for diamond drilling seems high although the small footage involved may be a reasonable explanation if the drilling is to be done by an outside contractor.

I suggest that the points raised here be communicated to the field team for consideration and comment.

J. H. Hedges

J. H. Hedges

Copy to: Division of Minerals
Mr. C. H. Bishop, Room 3617
J. H. Hedges

IN REPLY REFER TO:

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

March 25, 1955

Re: DMEA-3396
Yuba Bike Mines, Inc.
(Yuba Bike Mine)
Lincoln Co., Nevada
$40,754.50 - Lead-Zinc

Memorandum

To: W. R. Griswald, Defense Minerals Exploration Administration

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

Subject: Review of proposed exploration program

The applicant proposed to rehabilitate the 1200 level in preparation for crosscutting, drifting and diamond drilling to explore the Yuba Bike and related intersecting fissures.

The Field Team has recommended that exploration be done from the 800 level rather than the 1200 level. Exploration can be done at less expense and the geological target is better located for a successful project.

The work proposed on the 800 level will test for mineralization along the Yuba Bike in three stages.

Stage I
a.) clean out gobbed drift on 800 level.

Stage II
a.) 2 diamond drill holes -- max. total -- 400 feet.
b.) crosscut 150 feet.

Stage III
a.) drift 300 feet.
b.) raise 50 feet.

Inasmuch as the Yuba Bike must be located before possible mineralization can be further explored, the proposed program of three stages is well planned. If results are not favorable at any stage, the project can be terminated after a reasonable amount of work has been done. The bearing and inclination of the diamond drilling should be decided by the Field Team in consultation with the operator.

Ore bodies near the exploration area occur in the Yuba Dike (granite porphyry) and in northeast fissures extending from the dike into the Prospect Mountain quartzite. Past experience has shown that the largest ore shoots frequently occur where the Yuba Dike is intersected by northeast shear zones. The proposed exploration will explore for this type of ore deposit along a strike distance of 300 feet.

The record of past production in the Yuba Dike area has been substantial and there is a reasonable chance that the proposed work will find additional, mineable ore bodies.

I recommend the proposed exploration from the 800 level be approved as a three-stage program.

E. L. Newcomb

ELNewcomb:hlm
G-3/25/55

Copy to: Director's reading, 5212
Branch reading, 4212
BMEA (3)
Docket file
O. M. Bishop, 3617 Interior

1605 Evans Avenue
Reno, Nevada

March 16, 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-3396 (Lead-Zinc)
Yuba Dike Mines, Inc.
Yuba Dike Mining Claims
Lincoln County, Nevada

Reference is made to your letter of November 25, 1954 regarding status of above subject docket.

Attached are four copies of a report DMEA-3396, Yuba Dike Mine, Lincoln County, Nevada (Lead-Zinc) by R. W. Osterstock and Ben Bowyer, geologists, U. S. Geological Survey and Glenn G. Gentry, mining engineer, U. S. Bureau of Mines, dated March 9, 1955.

The report recommends 1,000 feet of work including rehabilitation, drifting and crosscutting, raising, and diamond drilling at a total cost of $30,754.50 in order to explore the Yuba dike from the 800 foot level. The dike and contacting quartzites have been highly productive in the areas adjoining the proposed exploration.

Roscoe Smith and I approve the recommendation and believe an exploration contract is justified.

S. Ricker

SRicker:gh
cc: R. M. Smith
H. C. Miller
File

UNITED STATES
DEPARTMENT OF THE INTERIOR
DOUGLAS McKAY, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION II

DMEA-3396, Yuba Dike Mine

Lincoln County, Nevada

(Lead-Zinc)

R. W. Osterstock, Geologist
Ben Bowyer, Geologist
U. S. Geological Survey

Glenn G. Gentry, Mining Engineer
U. S. Bureau of Mines

March 9, 1955

EXAMINATION REPORT

Docket No.: DMEA-3396 (Lead-Zinc)

Name and address of applicant: Yuba Dike Mines, Inc.,
John A. Hedman, President
Pioche, Nevada

Name and location of property: Yuba Dike Mine
No. 1 Shaft,
Lincoln County, Nevada

SUMMARY

Under date of October 20, 1954, the Yuba Dike Mines, Inc. applied to the Defense Minerals Exploration Administration for financial assistance in the amount of $94,409.00 for the purpose of rehabilitating the 1200 level, crosscutting, drifting and diamond drilling in order to explore the Yuba Dike in an unknown location from the 1200 level off the No. 1 shaft.

Pursuant to this application, the Yuba Dike mine was examined on February 1 and 2, 1955. During the examination on February 1, the examining engineers were accompanied by Mr. John A. Hedman and F. L. Heidenreich, and on February 2 by Mr. F. L. Heidenreich.

Due to the large amount of drift rehabilitation required on the 1200 level and the estimated increased distance to the unknown location of the Yuba Dike, the examining engineers considered that additional exploration could be done at less expense and a more as-

sured geological target, by exploring for the Yuba Dike vein from the 800-foot level. Mr. F. L. Heidenreich, manager for the applicant, agreed to the change in location and the proposed exploration work.

CONCLUSIONS AND RECOMMENDATIONS

The examining engineers conclude that exploration is justified to explore for the Yuba dike from the 800-foot level off the No. 1 shaft in an effort to determine the location of the Yuba dike and the degree of mineralization between two areas from which a production of ore having an estimated value of about $500,000.00 had been obtained on the upper levels during the early days of the mine operation. The area to be explored is in entirely virgin ground above and below the 800-level.

The examining engineers recommend that the exploration be conducted in three stages, each stage being dependent upon the successful conclusion of the previous stage and the total cost not to exceed $30,754.50. The time estimated as required for this work is considered to be one year. Government participation at 50% would amount to $15,377.25.

NAME AND LOCATION OF PROPERTY

The No. 1 shaft (which is the working entrance to the Yuba Dike Mine) is situated approximately one mile southeast of the town

of Pioche, Lincoln County, Nev.

The mining claims are located in the Ely Valley Mining district, Lincoln County, Nev., and the proposed exploration work will be conducted on the Panaca patented claim which is designated as U.S. Lot 39. (For detailed description of all mining claims, see indenture of lease dated August 6, 1953 between the Amalgamated Pioche Mines and Smelters Corp., Lessor and Alexander Lloyd, John A. Hedman and F. L. Heidenreich, Lessors; attached to and made apart of the docket.

ACCESSIBILITY

The road from the town of Pioche, Nev. to the No. 1 shaft, a distance of approximately one mile, is an unimproved road having a moderate gradient. For short periods, during severe snow storms and high winds, the road may be closed. However, the operators can usually operate all year without much difficulty.

COMPETENCY OF APPLICANT

Mr. F. L. Heidenreich, one of the lessors and manager of operations, will have supervision of the exploration project. Mr. Heidenreich has had over 20 years mining experience in the Pioche district and has held positions from mucker to mine foreman with the Combined Metals Reduction Co. The examining engineers consider that Mr. Heidenreich is entirely qualified to supervise all of the proposed exploration work. The applicants report that they have sufficient funds on hand to pay their share of the exploration costs.

APPLICANTS PROPERTY RIGHTS

The Yuba Dike Mines, Inc., a Nevada corporation, is incorporated under the laws of the State of Nevada. The officers of the company are reported to be:

Name	Office	Address
John A. Hedman	President and Director	Pioche, Nevada
Allan Gustafson	Vice President	1630 East 70th Street, Chicago, Ill.
F. L. Heidenreich	Secretary and Director	Pioche, Nevada
Alexander Lloyd	Treasurer and Director	Pioche, Nevada
Charles V. Rice	Director	1633 E. 79th Street, Chicago 49, Ill.
John M. Southman	Director	2459 E. 75th Street, Chicago 49, Ill.

Under date of August 6, 1953, the Amalgamated Pioche Mines and Smelters Corp., owners of the mining claims, leased the property to Alexander Lloyd, John A. Hedman and F. L. Heidenreich, all of Pioche, Nevada for a term of 15 years. The mining claims are referred to in the lease as comprising:

Pioche or Meadow Valley,	Patented,	U. S.	Lot	40
Bullion	"	"	"	54
Meridian	"	"	"	56
Cache	"	"	"	54
Silex	"	"	"	54
Queen	"	"	"	53
King	"	"	"	53

Silver	Patented, U. S.	Lot 38	
Greenback Currency	"	"	No. 2725
Yuba	"	"	Lot 42
U. S. Survey	"	"	No. 3342
Alpha	"	"	Lot 52
Richmond	"	"	Lot 52
Juno	"	"	Lot 55
Vesta	"	"	Lot 55
Bedrock	"	"	Lot 55
Treasure	"	"	Lot 55
Burk Washington	"	"	Lot 41
Mazzepa	"	"	Survey No. 3888

And such portion of the Panaca, U.S. Lot 39, that lies east of a vertical plane through a north-south line located 100 feet east of the center of the working compartment of the No. 1 shaft. Also, such portions of the Deerfoot, U.S. Lot No. 52; the Index, U. S. Lot No. 52; and the Williams and Goodspeed, U.S. Survey No. 3343 that lie east of the east side line of the Susan Duster, U.S. Survey No. 2714. Also, all of the following unpatented lode mining claims, to wit:

Enyard,	Recorded	in	Book	Z,	pages 28, 29, records of Lincoln Co.		
Nappias,	"	"	"	Z,	" 29		
West,	"	"	"	N,	" 262 and 263	"	"
Lookout,	"	"	"	E	" 257, 258, 259	"	"
Winter,	"	"	"	G,	" 230, 231, amended Book N " 255, 256, 257, records of Lincoln County, Nev.		
Monarch,	"	"	"	L,	" 446, amended Book N " 264, 265 records of Lincoln Co.		
South	"	"	"	M,	" 264, amended Book N pages 259-262, records of Lincoln County		
Eagle	"	"	"	P,	" 10-12 records of Lincoln County		
Bee	"	"	"	Z,	" 29-30	"	"
Wedge	"	"	"	Y,	" 226	"	"
Triangle Fraction	"	"	"	Y,	" 225-226	"	"

The foregoing description is intended to cover the property known as "Treasure Hill" and to include all property owned by the lessor in that vicinity not included in the lease dated March 1, 1952 between the Amalgamated Pioche Mines and Smelters Corporation and Combined Metals Reduction Co., recorded in Miscellaneous Book "E", pages 274-284, inclusive, in the Office of the Recorder of Lincoln County, Nevada and the supplemental agreement thereto dated December 17, 1942, recorded in Miscellaneous Book "M", pages 182-185, inclusive, in said office.

Lease Agreement

This agreement made in duplicate this second day of July 1953 between Combined Metals Reduction Company, a corporation under the laws of Utah, qualified to do business in Nevada, first party (hereinafter referred to as "Combined"), and F. L. Heidenreich, John A. Hedman, and Alexander Lloyd, all of Pioche, Nevada, second parties (hereinafter referred to as lessee)-

1. Combined does hereby demise, lease and let to lessee for a term commencing on the date hereof and ending on April 30, 1962 the following described properties in the Ely Mining District, Lincoln County, Nevada, to-wit:

All of the Alberta, Alberta No. 2 and Susan Duster claims (U.S. Lot 2714); the Zero (U.S. Lot 49); the Scipio (U.S. Lot 50); such portion

of the Panaca (U.S. Lot 39); as lies west of a vertical plane through a north-south line located 100 feet east of the center of the working compartment of the No. 1 shaft; such portions and Goodspeed claims (U.S. Lot 52) and the Williams and Goodspeed claims as lie west of a vertical plane through the east side line of the Zero claim; and limited to ground lying below the following described horizontal and inclined planes:

West of coordinate 13,500 east a horizontal plane at elevation 5,100.

Between coordinates 13,500 east and 13,900 east a horizontal plane at elevation 5,300.

Between coordinates 13,900 East and 14,250 East, a horizontal plane at elevation 5,500.

Between coordinates 14,250 East and 14,500 East, a horizontal plane at elevation 5,600.

Between coordinates 14,500 East and 14,750 East, a horizontal plane at elevation 5,700.

Between coordinates 14,750 East and 15,500 East, a horizontal plane at elevation 5,800.

East of coordinate 15,500 East, a horizontal plane at elevation 5,900.

North and East of the No. 1 shaft, and within the leased portion

of the Panaca claim, horizontal plane at elevation 6,100 and an inclined plane striking N. 45° W., dipping 65° SW, and intersecting the No. 1 shaft at elevation 5,810.

The coordinates referred to above are those of the Combined Metals Reduction Company grid system based on 15,000 East at the center of the No. 1 shaft. The elevations referred to are feet above mean sea level as established on Government bench marks in the area.

In addition to copies of the above leases, the following documents are attached to and made a part of the docket:

Extension of lease, dated Dec. 30, 1953, between the Amalgamated Pioche Mines and Smelters Corporation, lessor and the Yuba Dike Mines, Inc.

Consent to assign lease: Agreement between the Amalgamated Pioche Mines and Smelters Corporation and Alexander Lloyd, John A. Hedman and F. L. Heidenreich, lessees, dated Aug. 6, 1953; lessor consents to assignment of said lease to the Yuba Dike Mines, Inc.

Consent to assign sublease:

Re: Lease agreement between Amalgamated Pioche Mines and Smelters Corporation and Combined Metals Reduction Co. Whereas Combined Metals Reduction Company has subleased to Alexander Lloyd, John A. Hedman and F. L. Heidenreich, a certain portion of said premises. Now, therefore, Amalgamated Pioche and Smelters Corporation does here-

by consent that said sublease may be assigned to Yuba Dike Mines, Inc., a Nevada corporation, its successors and assigns.

Assignment and transfer:

Leases between Amalgamated Pioche Mines and Smelters Corporation and John A. Hedman, Alexander Lloyd, F. L. Heidenreich and lease between Combined Metals Reduction Company and John A. Hedman, Alexander Lloyd, F. L. Heidenreich, assigned and transferred by John A. Hedman, Alexander Lloyd, F. L. Heidenreich on Sept. 1, 1953 to the Yuba Dike Mines, Inc.

Landlord's subordination agreement:

It appears necessary that the applicants furnish Landlord's Subordination Agreement from the owners, the Amalgamated Pioche Mines and Smelters Corporation and from the sublessee, the Combined Metals Reduction Company in order to fully protect the Government in the exploration contract.

DESCRIPTION OF PROPERTY

Surface and surface facilities:

The entrance to the mine workings is via the No. 1 shaft which is presently being used jointly by the applicants and the Combined Metals Reduction Co. The shaft is adequately equipped with a timber headframe and ore bins. The applicant has provided an adequate double drum hoist, operated by an electric motor, warehouses, change room

and other buildings, which may be used as required.

Mine workings and underground facilities:

The No. 1 shaft is a 2-compartment, vertical shaft which has been extended to the 1250-foot level. The shaft is in good condition, timbered, and equipped with mine skips, air, water and electric power lines. Water is pumped from a sump below the 1200 to the 1200-foot level and transferred on that level to pumps operated by the Combined Metals Reduction Co. On the 800-foot level of the No. 1 shaft, the applicant has installed track, mine cars, air and water lines, ventilation equipment and adequate compressor capacity.

PAST OPERATION

During the years 1859-1940 inclusive, the area of the No. 1 shaft is reported to have produced 372,249 tons of ore having a value of $18,926,474.00.

Up to the date of the examination, the applicants report they have expended approximately $75,000.00 on the property in cleaning out and repairing surface buildings, repairing and/or replacing surface machinery and equipment, in repairing the shaft and various levels, and in conducting prospecting on various levels of the mine.

MANPOWER, SUPPLIES, ETC.

It is considered that an adequate number of experienced miners and mine labor may be obtained from the town of Pioche, Nev., and

practically all items of mine supplies may be obtained from either the Combined Metals Reduction Company warehouses or from suppliers in Pioche. The Company also maintains an excellent machine shop at their Caselton Plant, where repairs of equipment may be made.

Adequate water and transmitted electric power is available at the mine.

GEOLOGY

The mine workings, concerned with in the application, are in flatly dipping Prospect Mountain quartzite of Cambrian age. The beds of quartzite range in thickness from one to 18 inches, and well developed cross-bedding is common; where unaltered, the quartzite is medium grained and white. In many places, the quartzite has undergone extensive alteration and fracturing, and commonly is coated with iron and manganese staining.

The collar of the No. 1 shaft is in Cambrian Pioche shale. Within the shale is the Combined Metals limestone member about 50 feet thick, which is the host rock for the limestone replacement deposits that have been so productive in recent years. The basal contact of the Pioche shale with the underlying Prospect Mountain quartzite is near the 600 level. Other Cambrian formations are in the vicinity but are not likely to be encountered in the underground workings of the proposed exploration.

The Yuba dike is a granite porphyry dike that trends east, dips 80° S., and averages 40 feet in thickness. The dike has been extensively altered by sericitization and practically the only original mineral remaining is quartz. Smaller dikes of similar composition are found in the Pioche district but none are known to extend into the area under consideration.

The mine area is crossed by many faults and shear zones. Three trends predominate: (1) Northwest faults, post-mineralization, that have considerable offsets; (2) northeast faults that are in places mineralized but have small offsets; (3) east-west fissures that are considerably mineralized but along which no major offsets are detectable. The Raymond & Ely and Meadow Valley veins are examples of the east-west fissures.

For additional information on the general geology and ore deposits of the area, the reader is referred to U. S. Geological Survey Prof. Paper 171 by Westgate and Knopf.

ORE DEPOSITS

The principal ore deposits near the proposed area for exploration occur in pods and shoots in, and along, the Yuba dike and in northeast trending fissures leading out from the dike into the quartzite; and in replaced breccia zones along the east-west trending Raymond & Ely and Meadow Valley veins which lie 350-450 feet north of the Yuba dike.

The largest ore shoots occur where the dike and veins are intersected by northeast shear zones.

The ore consists of galena altered largely to cerusite and plumbojarosite, silver chlorides, gold, and pyrite altered to iron oxides. In unoxidized ground on the lower levels black sphalerite is common and in the Black Ledge ore shoot it is the predominant ore mineral. Green copper carbonate occurs in small but persistent amounts throughout much of the area. Manganese staining derived from the alteration of manganesiderite is extensive in shear zones and coating fractured quartzite.

The gangue is mainly altered granite porphyry in the deposits associated with the Yuba dike, and shattered quartzite in the fissure deposits.

PROPOSED EXPLORATION

The applicant proposed to rehabilitate the 1200-foot level an approximate distance of 2,605 feet, install necessary machinery and equipment and from this level diamond drill, crosscut, and drift to explore the Yuba dike. The applicant estimated the cost of their proposed exploration at $94,409.00.

Rehabilitation of 2,605 feet of drift on the 1200-foot level is not justified. The cost of the rehabilitation would not warrant the risk involved in such a plan unless more supporting geological evidence is found.

There is no advantage in drilling from the proposed new drift, and better drill sites could be located on the 1400 level. From the maps included with the docket, it is apparent that the "old timers" had tested, with unfavorable results, the dike above, west and east of the proposed area of new drifting.

The plan to diamond drill downward along the Yuba dike for the intersection of the Meadow Valley vein with the dike has some merit. If the dips of the dike and vein remain constant, then the intersection could be expected approximately 1,350 feet below the 1200 level. At such a depth this intersection would be difficult to recognize and the chances of missing it entirely in a diamond drill hole are considerable. Geological evidence that the dips remain constant is lacking. From underground examination, it appears that the dike gradually is dipping less with depth, consequently there is the possibility that there might be no intersection of the vein and dike.

The examining engineers discussed this proposal with F. L. Heidenreich and John A. Hedman and proposed a revised program in three stages from the 800-foot level of the No. 1 shaft to explore the Yuba dike at a closer point at less cost. This change in location was approved by Mr. Heidenreich.

The alternate proposal requires three stages of work to be done on or from the 800 level.

	Feet
Stage 1 - Clean out the gobbed drift, which is 310 feet east of the No. 1 shaft - estimated maximum distance	100
Stage 2 - From the face of the gobbed drift, drill two diamond drill holes in a south to southeasterly direction for the purpose of intersecting the Yuba dike, a total of approximately 200 feet each, or a maximum of	400
" 2(a) - Crosscut from the face of the gobbed drift to the intersection of the Yuba dike as determined by diamond drilling and crosscut through the dike - maximum amount of crosscutting	150
Stage 3 - Drift along the Yuba dike 150 feet in an easterly and 150 feet in a westerly direction - maximum drifting	300
" 3(a) - On the best indications of mineralization, raise 25 feet above the level in each of the above drifts - maximum raising.	50

Miscellaneous: Timbering is estimated for a total of 50 linear feet of drifts.

Estimated time required to complete the project:

Stage 1: Clean out gobbed drift	1 month
Stage 2: Diamond drilling, 400 feet	1 "
" 2(a): Crosscutting, 150 feet	2-1/2 "
Stage 3: Drifting, 300 feet	5 months
" 3(a): Raising, 50 feet	2-1/2 "
Total	12 months

The applicant would be expected to begin work on the project within 10 days after approval of the exploration contract.

ESTIMATED EXPLORATION COSTS

Stage 1:	Provide all necessary labor, equipment and supplies, install slusher double drum hoist with cables and scraper, and clean out the gobbed drift 100 feet at $25.00/ft.	$2,500.00
Stage 2:	Provide all necessary labor, equipment and supplies and drill 400 feet of diamond drill holes (size AX) at $10.00/ft.	4,000.00
" 2(a):	Provide all necessary labor, equipment and supplies and crosscut from the face of the gobbed drift, a distance of 150 feet to the intersection of the Yuba dike and through the Yuba dike at $38.37/ft. (Size of crosscut to be 4-1/2 feet by 6 feet in the clear of timbers)	5,775.50
Stage 3:	Provide all necessary labor, equipment and supplies, and drift easterly and westerly along the Yuba dike for a total distance of 300 feet at $38.37/ft. . . . . (Size of drifts to be 4-1/2 feet by 6 feet in the clear)	11,511.00
" 3(a):	Provide all necessary labor, equipment and supplies, and raise from drifts in Stage 3 - 2 raises of 25 feet each, total 50 feet of raising at $40.00/ft.	2,000.00
Miscellaneous:	50 feet of drift to be timbered at $7.00/ft.	350.00
Assaying:	50 samples at $2.00/each	100.00
Rental charges for equipment		4,518.00
	TOTAL	$30,754.50

Government participation at 50% = $15,377.25

Each stage of the exploration is to be dependent upon the successful completion of the prior stage; and the contract, if approved, to be upon a unit or footage basis.

EQUIPMENT

The applicant will furnish all necessary equipment as follows:

Item	Applicant's valuation
1 Double drum mine hoist - cable - cage	$12,000.00
1 Gardner-Denver air compressor	3,800.00
1 Mine car, 18-inch track ga.	75.00
1 Double drum slusher, cables and scraper	1,200.00
1 Air leg drill	625.00
Drill steel and bits	200.00
Air and water hose	150.00
Ventilation tubing	400.00
Ventilation blower	500.00
Small tools	200.00
1 Dump truck, 5-ton capacity	1,500.00
1 Diamond drill machine, rods and bits	1,500.00
200 feet of 30# mine rail, with splice bars, bolts, spikes, ties	150.00
1 Mine track switch	50.00
1,200 feet of 1-inch black iron pipe and fittings and installation	240.00
	$22,590.00

Rental charge:- $22,590.00 ÷ 60 months = $376.50 x 12 months = $4,518.00 or $5.02 per foot

Labor:	Cost per foot
1 Superintendent @ $600.00 per month	$8.00
1 Hoistman @ $14.54 per day	5.04
2 Miners @ $14.54 per day each	10.08
1 Truck driver and topman @ $14.54 per day	5.04
1 Bookkeeper, part time @ $50.00 per month	.66
	$28.82
Insurance and taxes @ 15.57%	4.49
	$33.31
Electric power @ $5.00 per day	1.73
Powder - fuse - detonators	2.00
Timbering (50 feet of drifts @ $7.00/ft.)	.70
Repairs	.50
Assaying 50 samples @ $2.00 each	.20
	$38.44

		Applicant's valuation
	Balance Brot Fwd	$38.44
Add rental charges		5.02
	Total	$43.46

The applicant has submitted the costs as itemized in each stage of the exploration, and as these costs check closely with those detailed above by the examining engineer, it is recommended that the applicant's costs be accepted.

Independent contracts: None

Rehabilitation and repairs of buildings and installations: None

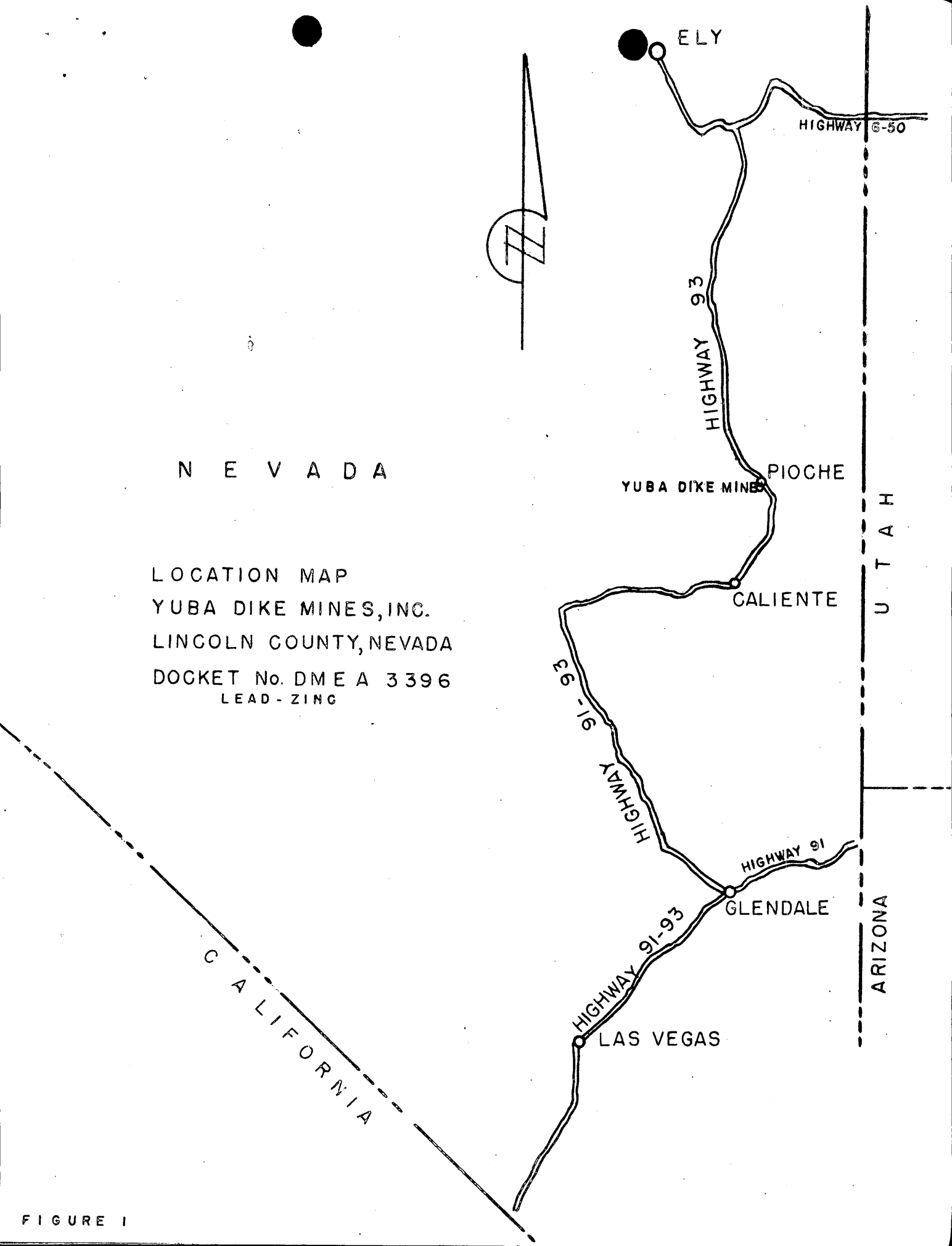
Improvements: None

Resume:

1. The course and attitude of the diamond drill holes should be determined by consultation between representatives of the Government and the applicant prior to the start of drilling.

2. The drill cores should be properly marked and stored for inspection.

3. The applicant should advise the Government the approximate date the gobbed drift clean out will be completed in order that the Government engineers may inspect the drift so that no delay will occur in starting the diamond drilling program.



LOCATION MAP
YUBA DIKE MINES, INC.
LINCOLN COUNTY, NEVADA
DOCKET No. DME A 3396
LEAD - ZINC

FIGURE I

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

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

Pending

December 1, 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-3396 (Lead-Zinc)
Yuba Dike Mines, Inc.
Yuba Dike Mining Claims
Lincoln County, California

Reference is made to your letter of November 24, 1954, regarding the status of the above-docketed application.

Upon looking over the file, I find that no action has been taken since Mr. Miller's memorandum to you dated October 25, 1954. Mr. Miller had apparently been waiting for instructions from Washington.

We are now referring the application to our Field Team for a joint field examination.

S. RICKER

S. Ricker
Executive Officer
DMEA Field Team, Region III

Copy to: Roscoe Smith, USGS
A. C. Johnson, Reno

NOV 24 1954

Pending

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

Re: Docket No. DM A-3396 (Lead-Zinc)
Yuba Dike Mines, Inc.
Yuba Dike Mining Claims
Lincoln County, Nevada

Dear Mr. Ricker:

Will you please advise us regarding the status of the cited application. We received your memorandum, dated October 25, 1954, enclosing copies of the revised application.

If the field examination has been made of this property, we would appreciate receiving the Field Team report and recommendations at your earliest convenience.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

JWAlt/er 11/22/54

APPROVED:

J. H. Hedges
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey

Copy to: Docket
Admr R File
Op. Committee
Base Metals
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Chron.

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

Department of the Interior
Defense Minerals Administration
RECEIVED
NOV 10 1954

November 9, 1954

Memorandum

To: W. R. Griswold, DMEA

From: O. M. Bishop, USBM, Reviewed by Walter E. Lewis

Subject: Docket No. DMEA-3396 (lead-zinc) Yuba Dike Mines, Ind., Yuba Dike Mining claims, Lincoln County, Nevada - Application for $94,409

The application in its present form is of little use in evaluating the merit of the proposed exploration program.

The applicant proposes to rehabilitate the 1,200-level drift from what is apparently the No. 1 shaft (Pioche Phoenix shaft). From the 1,200 level, crosscutting will be done to the Yuba Dike in areas of mineralized fractures. Diamond drill holes will be drilled at advantageous points along the eastern extension of the 1,200 level.

There is little information given that indicates that there would be mineralized fractures in the target area on the Yuba Dike. In addition, the application gives no statement on the nature of the economics involved, assays, proportion of ores oxidized or expected metallurgical recoveries. The extension rehabilitation work eastward from the No. 1 shaft is apparently proposed merely on the assumption that the Yuba Dike will show fractured areas suitable for mineral deposition.

Judging from the application alone, we are of the opinion that the experience and background of the applicant would admit a better prepared application.

We recommend that the application be referred to the field team. If the field team believes the property has a worthwhile potential, it may assist in planning a suitable program.

It is our opinion that the work can be cut extensively. Little need is seen for the rehabilitation of the 1,200 level east from the shaft. The work, if justified, can be confined to the proposed 400-foot crosscut to the Yuba Dike from a point just east of the shaft in the 1,200 level, or in place of crosscutting, diamond drill holes could be drilled from the same point to intersect the Dike at 100- or 200-foot intervals.

O. M. Bishop

Copy to: Minerals Division
Edward L. Newcomb, Room 5227
O. M. Bishop
Files

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

Department of the Interior
Defense Minerals Administration
RECEIVED
OCT 29 1954

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

October 25, 1954

Memorandum

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

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA-3396 (Lead-Zinc)
Yuba Dike Mines, Incorporated
Yuba Dike Mining Claims
Lincoln County, Nevada

By memorandum dated September 7, 1954, Mr. S. Ricker advised you that Mr. John A. Hedman, President, Yuba Dike Mines, Incorporated, had requested that their application (Docket No. DMEA-3396) be held in abeyance.

When the Corporation requested we hold the application in abeyance, Mr. Hedman asked that that be done "as it is understood that the rehabilitation of the No. 1 Shaft would probably come under the heading of mine development rather than exploration."

Today we received four copies of the Corporation's revised application. Three of the four copies are being sent to you attached herewith. Though there was no covering letter, it is assumed that this latest application is the one to be processed.

H. C. MILLER

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

Attachment

Copy to: Roscoe Smith, USGS
A. C. Johnson, Reno

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

RECEIVED
SEP 13 1954

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

September 7, 1954

Memorandum

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

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA-3396 (Lead-Zinc)
Yuba Dike Mines, Inc.
Yuba Dike Mining Claims
Lincoln County, Nevada

Relative to above subject we are enclosing three copies of a letter dated August 26, 1954, from Mr. John A. Hedman, President, Yuba Dike Mines, Incorporated, to A. S. Johnson, requesting that their application for Government assistance be held in abeyance.

We are therefore holding up any further action on this property until we receive further advice from Mr. Hedman.

B. RICKER

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

Attachment

Copy to: Roscoe Smith, DMEA
A. S. Johnson, Reno

DEPARTMENT OF THE INTERIOR
Bureau Mines Administration
RECEIVED
SEP 13 1954

August 26, 1954

Mr. A. C. Johnson
Chief Mining Division, Region 3
1520 Evans Avenue
Reno, Nevada

IMSA 3396 Application Yuba
Dike Mines Incorporated,
Pioche, Nevada $127,556
Government Assistance
Exploration Program

Dear Mr. Johnson:-

The Yuba Dike Mines Incorporated respectfully requests that their application for Government Assistance dated June 16, 1954 be held in abeyance as it is understood that the rehabilitation of the No. 1 Shaft would probably come under the heading of mine development rather than exploration.

We now propose to, at our own expense, to provide all the necessary equipment, labor, supplies and rehabilitate the No. 1 Shaft from the 1200 Level to the 14th Level, a distance of approximately 800 feet. Upon completion of this work and subject to further geological study the Yuba Dike Mines Incorporated propose to request Government consideration of a revised exploration program for the purpose of exploration of the downward continuation of the Black Ledge Vein below the 14th Level (approximately 1502 feet below the collar) at approximately station No. 24 as shown on "Plan of the 13th and 14th Levels of No. 1 Mine".

It is therefore requested that our present application dated June 16, 1954 be retained in the active file until the revised exploration program can be presented for further consideration.

Yours very truly,

John A. Pedman
President

Yuba Dike Mines, Incorporated

Pioche, Nevada

Re: Docket No. DMA-3396 (Lead-Zinc)
Yuba Dike Mines, Incorporated
Yuba Dike Mining Claims
Lincoln County, Nevada

Gentlemen:

Your application for Government assistance to explore the cited property has been reviewed by the Base Metals Division of the Defense Minerals Exploration Administration, and has been referred for a field examination to:

Mr. H. C. Miller, Executive Officer
DMEA Field Team, Region III
420 Custom House
555 Battery Street
San Francisco 11, California

The Regional Office will contact you at an early date as to when the examination is to be made. Any assistance that you may give the members of the Field Team during the examination will be appreciated.

Sincerely yours,

C. O. Mittendorf

Administrator

JWAltier 7/16/54

Copy to: Docket
Admr. M. File
Op. Committee
Base Metals
Mr. Gildersleeve
Mr. Bishop
Region III (2)

JUL 23 1954

Mr. H. C. Miller, Executive Officer
DMEA Field Team, Region III
420 Custom House
555 Battery Street
San Francisco 11, California

Re: Docket No. DMEA-3396 (Lead-Zinc)
Yuba Dike Mines, Incorporated
Yuba Dike Mining Claims
Lincoln County, Nevada

Dear Mr. Miller:

A review of the cited application, of which you have retained a copy, indicates that an examination of the property is necessary. Will you please have such an examination made and submit your report and recommendations to us.

The costs of the proposed work by the Applicant are excessively high and could not possibly be considered.

It appears to be a poorly planned exploration program and from the information obtained from the application, it seems that the Applicant is seeking assistance to develop his property. Very little of the proposed work is for exploration purposes.

We have only attempted to point out some of the items that we consider essential and realize that the usual Field Team examination is necessary.

Enclosed are copies of memoranda from the commodity members, L. L. Newcomb, USGS, dated July 12, 1954, and O. L. Bishop, USBM, dated July 13, 1954, giving their recommendations and comments regarding the application.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Enclosure 2

JWALT/er 7/16/54

APPROVED:

J. H. Hedges

Member, Bureau of Mines

T. P. Thayer

Member, Geological Survey

Copy to: Docket
Admr. R. File
Op. Committee
Base Metals
Mr. Gildersleeve
Mr. Bishop
Chron.

IN REPLY REFER TO:

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

July 12, 1954

Re: [illegible]A-3396
Tuba Dike Mines, Inc.
Ely District
Lincoln County, Nevada
$127,586
Lead-zinc

Memorandum

To: Mr. W. R. Griswold, [illegible]A

From: [illegible]. L. Newcomb, [illegible]

Subject: Recommendation for field referral

The applicant's proposal, involving extensive rehabilitation in preparation for 250 feet of drifting and winzing on the 1400 level, cannot be considered a feasible project for [illegible]A assistance.

Though the proposed project should be denied, the property appears to have some merit and may justify some other type of exploration assistance. Instead of requesting a revised application or a more suitable project from the applicant, I recommend this application be referred to the field team with instructions to contact the applicant and to make an examination if they deem it advisable after discussing the application with the applicant.

[illegible]. L. Newcomb
Geologist

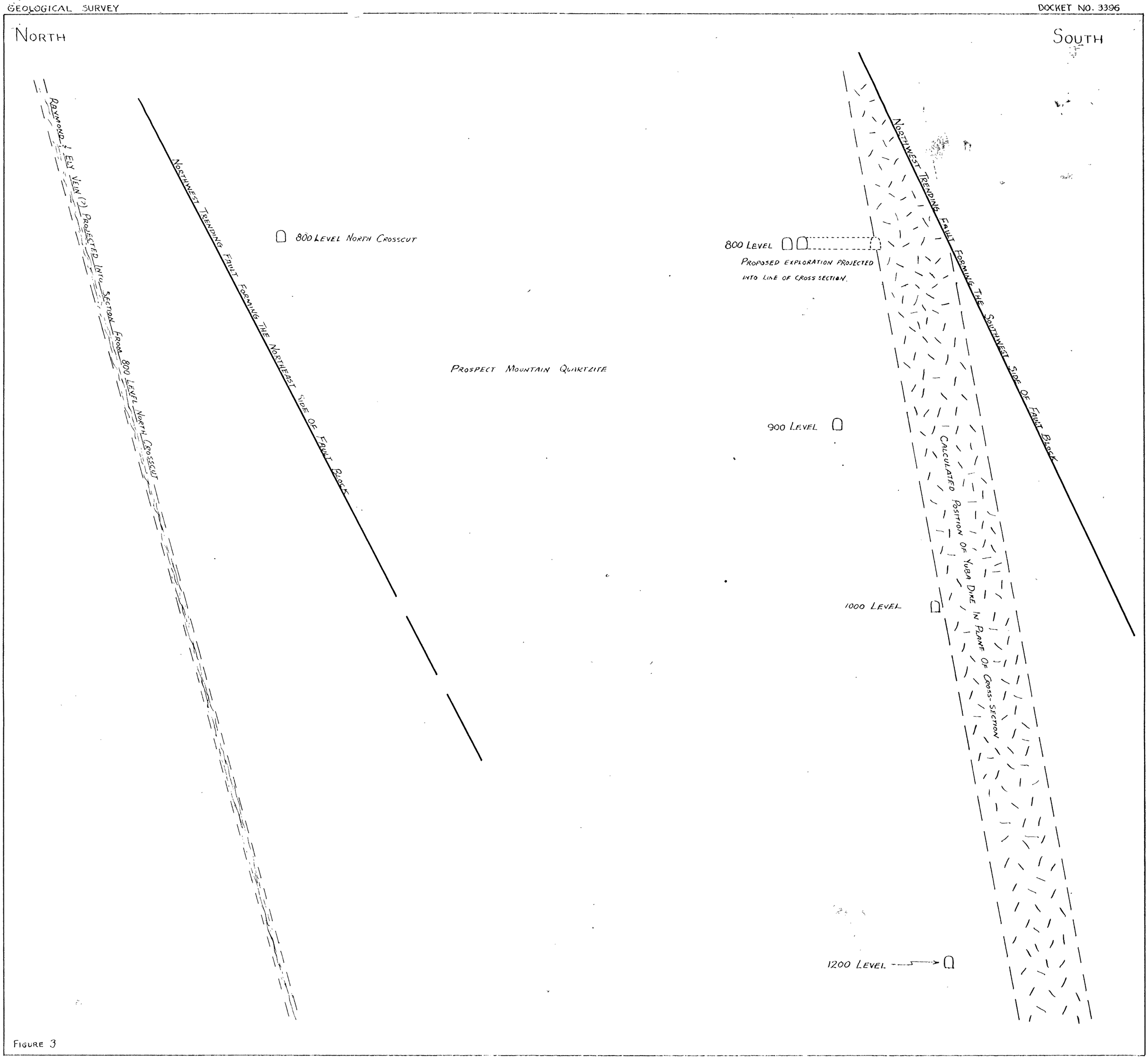
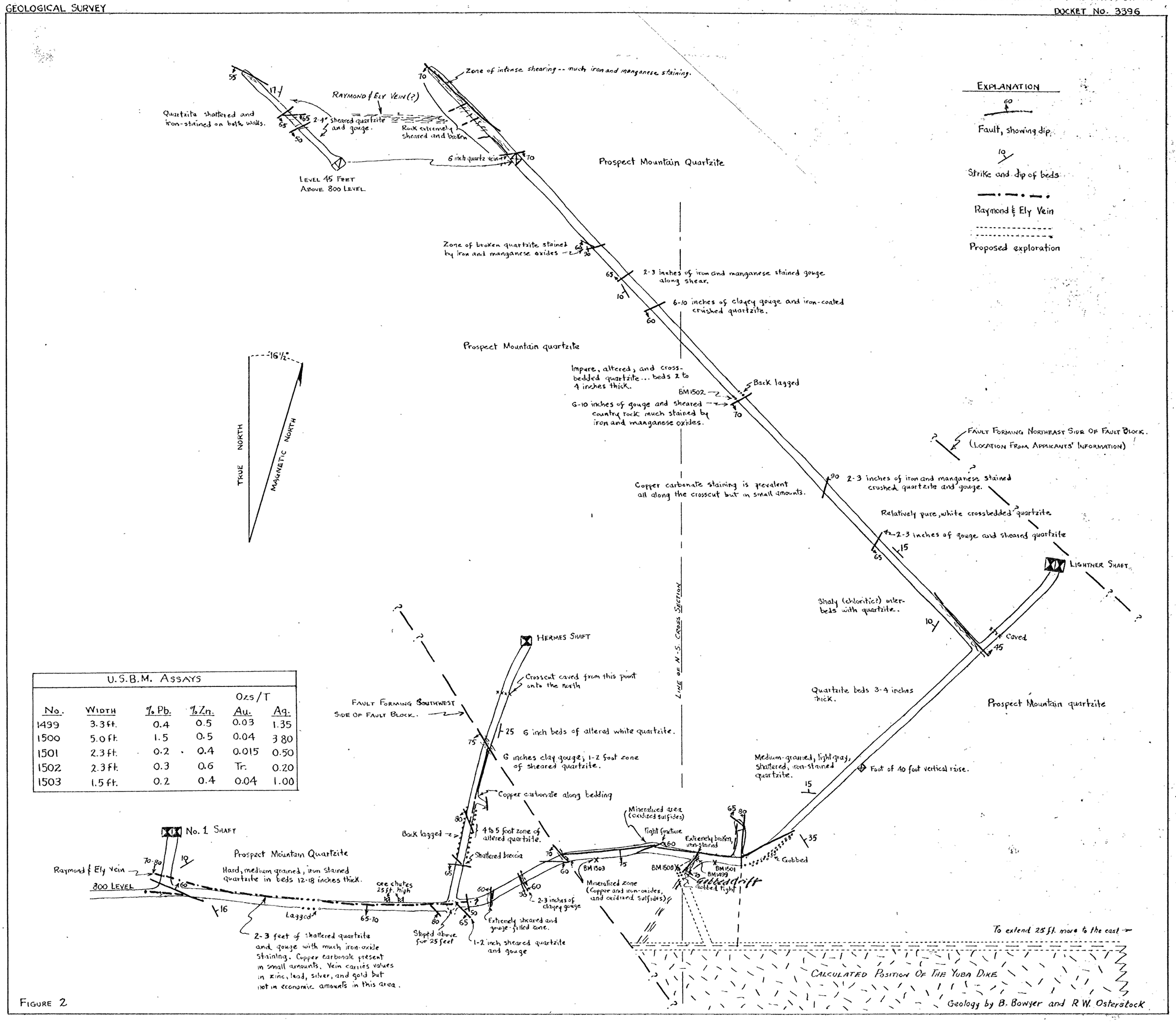


FIGURE 3

NORTH-SOUTH CROSS SECTION THROUGH LOWER LEVELS OF YUBA DIKE MINES, INC., 280 FEET EAST OF NO. 1 SHAFT

LINCOLN COUNTY, NEVADA

0 20 40 FEET



U.S.B.M. Assays

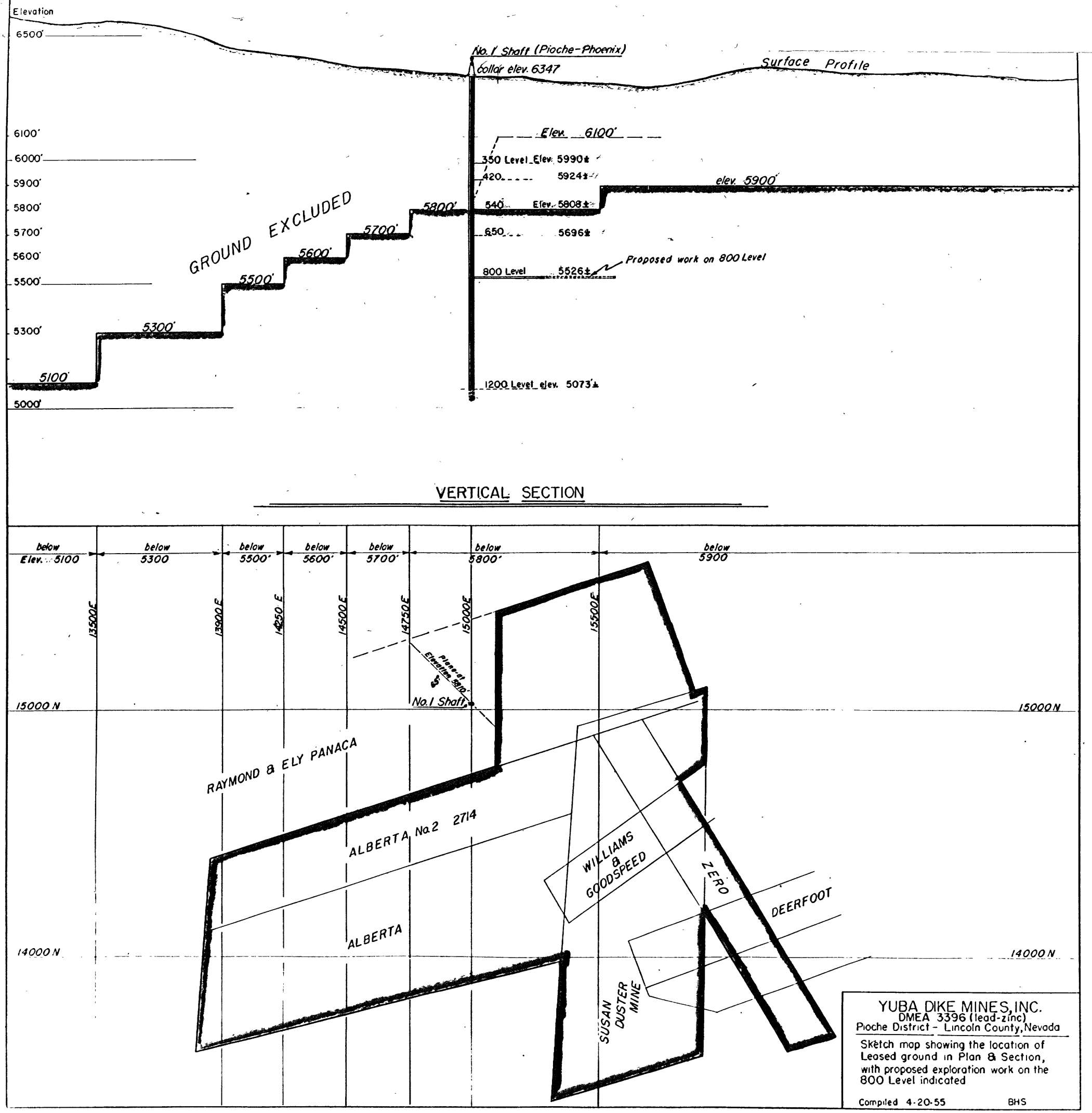
No.	Width	% Pb.	% Zn.	Ozs/T Au.	Ozs/T Ag.
1499	3.3 ft.	0.4	0.5	0.03	1.35
1500	5.0 ft.	1.5	0.5	0.04	3.80
1501	2.3 ft.	0.2	0.4	0.015	0.50
1502	2.3 ft.	0.3	0.6	Tr.	0.20
1503	1.5 ft.	0.2	0.4	0.04	1.00

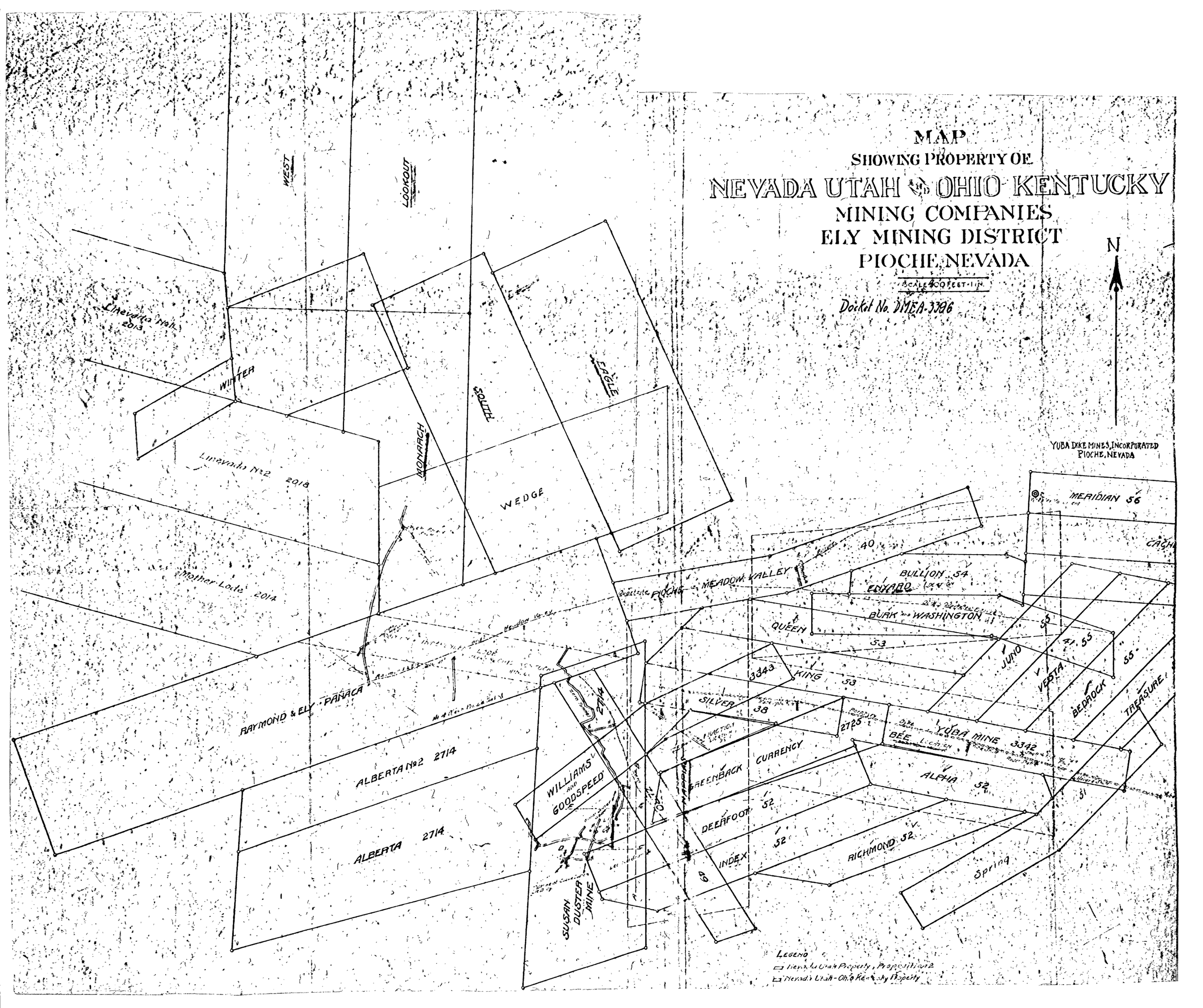
Figure 2

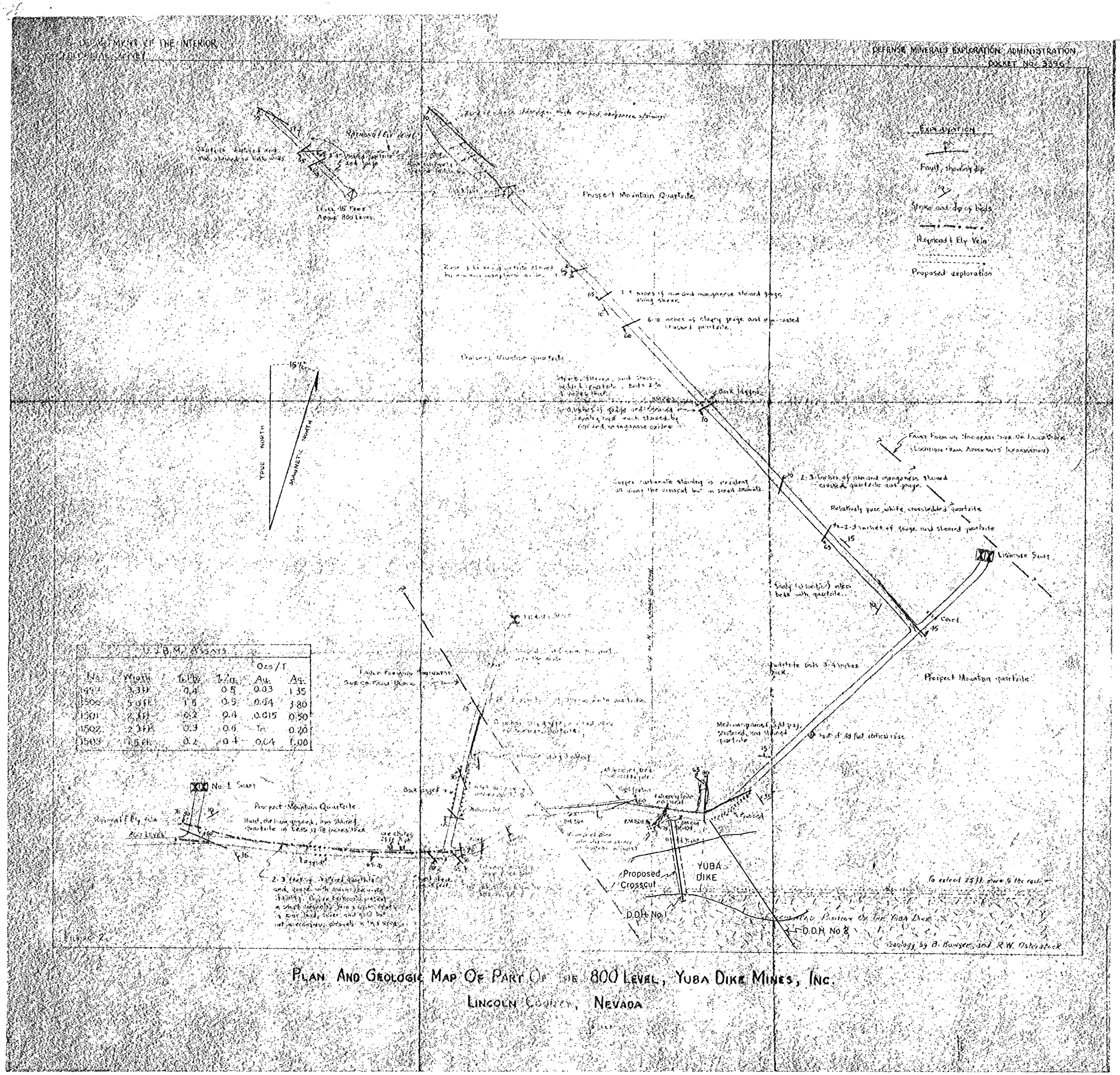
Plan And Geologic Map Of Part Of The 800 Level, Yuba Dike Mines, Inc.

Lincoln County, Nevada

0 20 40 Feet


Elevation
6500'
6100'
6000'
5900'
5800'
5700'
5600'
5500'
5300'
5100'
5000'
No. 1 Shaft (Pioche-Phoenix)
Collar elev. 6347
Surface Profile
Elev. 6100'
350 Level Elev. 5990±
420 5924±
540 Elev. 5808±
650 5696±
800 Level 5526±
Proposed work on 800 Level
1200 Level elev. 5073'±
elev. 5900'
5800'
5700'
5600'
5500'
5300'
5100'
GROUND EXCLUDED
VERTICAL SECTION
below Elev. 5100
below 5300
below 5500'
below 5600'
below 5700'
below 5800'
below 5900
13500E
13900E
14250 E
14500E
14750E
15000E
15500E
Planed Elevation 5810'
No. 1 Shaft
15000 N
14000 N
RAYMOND & ELY PANACA
ALBERTA No. 2 2714
ALBERTA
WILLIAMS & GOODSPEED
ZERO
DEERFOOT
SUSAN DUSTER MINE
YUBA DIKE MINES, INC.
DMEA 3396 (lead-zinc)
Pioche District - Lincoln County, Nevada
Sketch map showing the location of Leased ground in Plan & Section, with proposed exploration work on the 800 Level indicated
Compiled 4-20-55
BHS

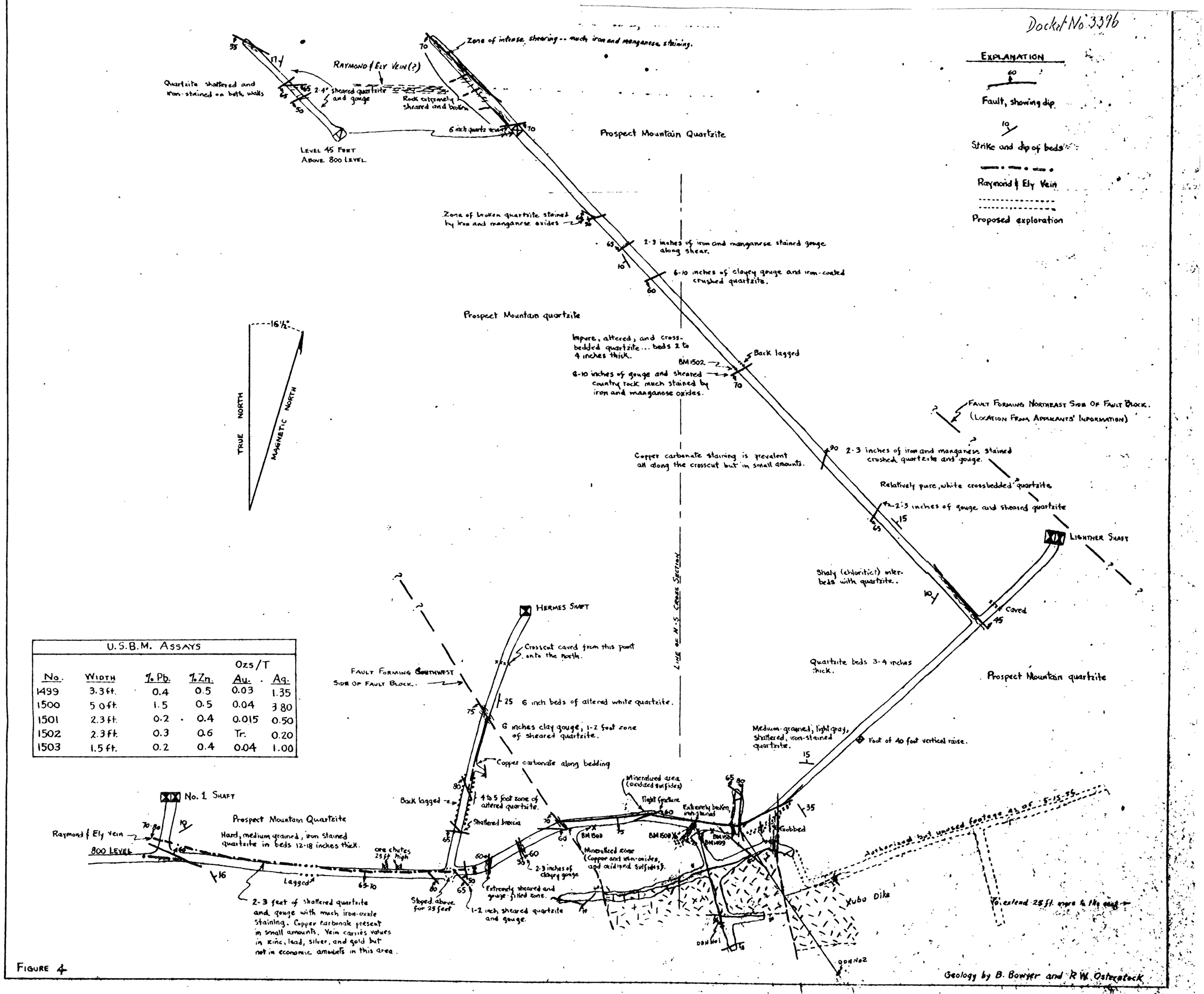

MAP
SHOWING PROPERTY OF
NEVADA UTAH AND OHIO KENTUCKY
MINING COMPANIES
ELY MINING DISTRICT
PIOCHE, NEVADA
SCALE 400 FEET - 1 IN.
Docket No. DMEA-3396
N
YUBA DIKE MINES, INCORPORATED
PIOCHE, NEVADA
WEST
LOOKOUT
WINTER
Linevada High 2013
Linevada No2 2018
Mother Lode 2014
MONARCH
SOUTH
EAGLE
WEDGE
MERIDIAN 56
CACH
BULLION 54
EDWARD
BURK AND WASHINGTON
QUEEN
KING
JUNO
VESTA
BEDROCK
TREASURE
PIOCHE MEADOW VALLEY
RAYMOND & ELY - PANACA
ALBERTA No2 2714
ALBERTA 2714
WILLIAMS AND GOODSPEED
SUSAN DUSTER MINE
SILVER
CURRENCY
GREENBACK
DEERFOOT
INDEX
YUBA MINE 3342
BEE
ALPHA
RICHMOND
Spring
LEGEND
Nevada Utah Property, Proposition 2
Nevada Utah-Ohio Kentucky Property



PLAN AND GEOLOGIC MAP OF PART OF THE 800 LEVEL, YUBA DIKE MINES, INC.
LINCOLN COUNTY, NEVADA

U.S. DEPARTMENT OF THE TERIOR
GEOLOGICAL SURVEY

Docket No. 3396



U.S.B.M. ASSAYS					
				Ozs/T	
No.	WIDTH	% Pb.	% Zn.	Au.	Ag.
1499	3.3 ft.	0.4	0.5	0.03	1.35
1500	5.0 ft.	1.5	0.5	0.04	3.80
1501	2.3 ft.	0.2	0.4	0.015	0.50
1502	2.3 ft.	0.3	0.6	Tr.	0.20
1503	1.5 ft.	0.2	0.4	0.04	1.00

FIGURE 4

PLAN AND GEOLOGIC MAP OF PART OF THE 800 LEVEL, YUBA DIKE MINES, INC.

LINCOLN COUNTY, NEVADA