DMEA Form 9

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE

DMEA NO. 4715

11 SEP 1957 1131

Application (Denied
(Withdrawn
(After disposition, delete items not applicable)

Contract (Terminated - not Certified
(Cancelled
(Terminated - Certified
(Royalty Agreement

This is the official contract file containing all official records of the project. The records contained in the files are checked and are arranged in this order:

Left Side

Interim Royalty Audits
Reports of Royalty Review
Certification of Discovery
Certificate of Audit (Final)
Interim Audit(s)
Report of Review
Termination Notice or Agreement
Recision Notice
Assignment of Contract
✓ Contract Amendments (latest on top)
✓ Contract with all exhibits and annexes
Owner's Consent to Lien
Subordination Agreement
Leases and assignments of leases
✓ Application and attachments
(3) ✓ Envelope for maps
✓ ASSIGNMENT OF MONIES

Right Side

Project summary
Work completed analysis
All other material is filed in chronological order with correspondence including the following reports as checked:

✓ Final Field Team Report (Tab)
✓ Operator's Final Report
(2R) Interim Reports
(2R) Operator's monthly reports and all attachments (latest on top)
✓ On-site Exam Report(s) (Tab)
(4) Settlement Sheets

When the volume of records is expected to warrant additional folders, or when convenience of reference warrants separate folders for certain records, they should be set up in this order:

Left Side

Folder No. 2: (In chron. order) Interim Summary Reports by W. O. Engineers

Right Side

Operator's Semi-Annual Report for Certified Project, Field Team Interim Reports, Operator's Monthly Report with transmittal, narrative, maps, and Field Team review.

Folder No. 3: Maps (Use pocket folder or envelope. Fold maps with title block out and show reference to related document or correspondence.)

Folder No. 4: Settlement Sheets

Folder No. 5: Drill Logs

Government's copy

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EXPLORATION PROJECT CONTRACT
WALTER L. LOW AND DOROTHY LOW
DOCKET NO. DMEA-4715

AMENDMENT NO. 1

It is agreed this 17th day of February, 1958, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Walter L. Low and Dorothy Low, partners, that Exploration Project Contract No. Idm-E 1131 (Docket No. DMEA-4715), dated September 11, 1957, is amended as follows:

A. Under Exhibit "A", Description of the Work:

Paragraph 2, page 1, line 3, is changed to read: "access roads and 29 drill sites, followed by rotary drilling."

Stage I

Item 1, page 1, is changed to read: "Bulldoze access roads and 12 drill sites at locations approved by the Government."

Item 2, page 1, first sentence is changed to read: "Rotary drill 12 holes an aggregate length not to exceed 1020 feet, at sites selected by the Government."

Stage II

Item 1, page 1, first sentence is changed to read: "Bulldoze for preparation of branch access roads and 17 drill sites."

Item 2, page 2, is changed to read: "Rotary drill 17 holes an aggregate length not to exceed 1480 feet (Fig. 2), under the same procedure specified under Stage I."

B. Under Exhibit "A", Estimated Cost of the Project:

Stage I

Actual costs, page 2, Category (1), Independent Contracts, item 3 is changed to read:
"Rotary drilling, 1020 feet at $3.00/ft. $3,060.00

Fixed Unit Costs, page 2, item 1 is changed to read:
"Incidental allowance 1/ for each foot of drilling completed, 1020 feet at $0.90/ft. 918.00

Stage II

Actual costs, page 3, Category (1) Independent Contracts, item 3 is changed to read:
"Rotary drilling, 1480 feet at $3.00/ft. $4,440.00

Fixed Unit Costs, page 3, item 1 is changed to read:
"Incidental allowance 1/ for each foot of drilling completed but not exceeding 1470 feet at $0.60/ft. $ 882.00

This amendment shall not be construed to increase the estimated cost of the project nor the aggregate total amount which the Government may be required to contribute.

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

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

Walter L. Low
Walter L. Low

Dorothy Low
Dorothy Low

AMENDMENT NO. 1

Docket No. DMEA-4715 Mineral Mercury

Exploration Project Contract Idm-E 1131

Date of Contract Sept. 11, 1957

Date of Amendment Febr. 17, 1958

Operator Walter L. Low and Dorothy Low

JUSTIFICATION

Changes clarified the contract to allow payment on twelve drill holes totalling 1,020 feet in lieu of eight drill holes totalling 1,000 feet under Stage I. Stage II was changed to allow drilling of seventeen holes in lieu of nineteen holes as specified under the contract.

These changes in work were essential to more thoroughly and efficiently explore the area involved.

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

SRicker:ft
cc: Opr. Com., DMEA, Wash., D.C. (2)
Finance Office, Region II
RMSmith
File

Pls ter
to include
1- ~~to~~ 7 JK

GCS

Please note that
Note 11 ~~on~~ page 3
says Categories 1-7.

TLC asked Rubin
why this should not
be 2-7, ~~but~~ Legal
seems to like it the
way it is

WSM

Government's copy

RECEIVED
OCT 4 1957
D.M.E.A.

MF-200
(Revised June 1954)

Docket No. DMEA 4715

Commodity Mercury

Contract No. Idm-E 1131

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

EXPLORATION PROJECT CONTRACT[1]

It is agreed this 11 SEP 1957 day of ....., 195..., between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] Mount Tobin Mine, a partnership comprised of Walter L. Low and Dorothy Low, whose mailing address is Box 373, Winnemucca, 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-200), the attached Exhibit "A," Annex I, ~~and~~ Annex II, and maps (Fig. 1 and Figure 2).

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 Pershing, and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] Owner of [5] the entire interest in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of x[6] location notices, [7] ..... recorded in Book See Annex, page I, 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

[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."

of the land (lessor, seller, optionor, etc.), are attached, as follows: .....

.....

.....

(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 8, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 8(b)(1).

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of Mercury. The work to be performed is described in Exhibit "A." The Operator on or before 60 days from date of contract shall commence the work, and on or before Dec. 31, 1958 (unless the Operator's obligation to prosecute the work is terminated—see Article 10) shall ~~either~~ have completed the work ~~or shall have expended and allowable costs (see Article 6) in an amount not less than the estimated total allowable cost set forth in Exhibit "A"~~ except as otherwise provided in Exhibit "A" with respect to stages of work. See Annex II.

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) *Independent contracts.*—To the extent that the allowable costs are estimated in Exhibit "A" with express reference to performance by independent contractors on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations), the work may be so performed; but if the reference in Exhibit "A" to any such independent contract requires the Government's approval thereof, payments under such contract will not be allowable costs unless the Government gives its written approval of the contract. Any such independent contract shall refer to some specific and identifiable part of the work, and shall be subject to all of the pertinent terms and conditions of this exploration contract; but the Government shall not be considered a party thereto, and its rights under this contract, including the right to terminate its contributions, shall not be affected thereby. Regardless of the provisions of any such independent contract and regardless of the Government's approval thereof, the Government will participate in payments to the independent contractor only on account of work performed in accordance with the provisions of this exploration project contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable.

(c) *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.*—The estimated total allowable cost of the project, set forth in Exhibit "A," is the sum of $10,544.00. The Government shall contribute 75 percent of the allowable costs as they are incurred in a total sum not in excess of $7,908.00: *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 or not in excess of the amount of the Government's contribution to the cost of property which is or may become subject to disposal as provided in Article 9(c), whichever is greater. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 7(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. "Costs incurred" mean costs that have been paid or have become due and payable, or that in the opinion of the Government have become an obligation. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *Estimated costs.*—(a) *Categories of costs.*—The allowable costs of the work to which the Government shall contribute are limited to those that are direct, reasonable, necessary, and that are estimated in Exhibit "A" by categories as specified in this article. If any category or subcategory is omitted from the estimate of costs, or if the word "none" is annexed to the listing thereof, costs under such category or subcategory are not allowable. Any excess over any estimate which is indicated as the maximum of any category, subcategory, or item, either as to requirement or related cost, and any excess over the estimated total allowable cost of the work, shall not be allowable. Any excess over the estimate of any category, subcategory, or item, either as to requirement or related cost, not indicated as a maximum shall be allowable within the limit of the estimated total allowable cost of the work. To the extent that excesses over maximums other than the estimated total allowable cost of the work may be necessary for the performance of the work, the Operator shall incur such excesses for his own account without contribution by the Government; ~~but except for any such excess in a category or subcategory or item, the Operator is not obligated to bear more than his aggregate percentage of the estimated total allowable cost of the work~~ See Annex II.

To the extent specified in this article or in Exhibit "A" the following categories, subcategories, and elements thereof are maximums; but if not so specified either here or in Exhibit "A" they are not maximums, and may be exceeded within the limit of the estimated total allowable cost of the work:

CATEGORY (1)—INDEPENDENT CONTRACTS.—Work to be performed under independent contracts (see Article 4(b)). The estimated total amount of this category and the estimated cost of each unit of work for performance under an independent contract are maximums. See Annex II.

CATEGORY (2)—PERSONAL SERVICES.

Subcategory (a)—Supervision.—All elements of this subcategory (number of supervisors, periods of employment, rates of pay, and total) are maximums.

Subcategory (b)—Technical services.—All elements of this subcategory (number of technicians, periods of employment, rates of pay, and total) are maximums.

Subcategory (c)—Labor.

CATEGORY (3)—OPERATING MATERIALS AND SUPPLIES.—Includes such items as drill bits and steel, explosives, fuel, pipe, power, small tools costing less than $50 each, timber, track.

CATEGORY (4)—OPERATING EQUIPMENT.

Subcategory (a)—Rental.—The number of each object to be rented [6 mine cars, 1 truck], the rate of rental [$100 per month, $5 per hour], and the total of this subcategory are maximums.

Subcategory (b)—Purchases.—The estimated total of this subcategory is a maximum.

Subcategory (c)—Depreciation.—All elements of this subcategory (time periods, rate of depreciation, and subcategory total) are maximums.

CATEGORY (5)—INITIAL REHABILITATION AND REPAIRS.—Estimates under this category include all requirements and related costs, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The estimated total of this category is a maximum.

Subcategory (a)—Initial rehabilitation and repairs of existing buildings, fixtures, and installations (exclusive of mine workings).—The estimated total of this subcategory is a maximum.

Subcategory (b)—Initial rehabilitation and repairs of operating equipment.—The estimated total of this subcategory is a maximum.

CATEGORY (6)—NEW BUILDINGS, FIXTURES, AND INSTALLATIONS (EXCLUSIVE OF MINE WORKINGS).—Estimates under this category include all requirements and related costs, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The estimated total of this category is a maximum.

CATEGORY (7)—MISCELLANEOUS.—Repairs and maintenance (other than initial) of operating equipment, analytical work, prints and other reproductions, accounting, Operator's share of payroll taxes, liability insurance covering employment, travel, communications, and any other items of requirement or cost that do not fall within any of the first 6 categories.

THE ESTIMATED TOTAL ALLOWABLE COST of the work is a maximum.

(b) *Nonallowable costs.*—The following costs are not allowable for contribution by the Government:

(1) *Costs of the land,* such as rental, depreciation, depletion, or other cost of acquiring, owning, or holding possession;

(2) *Indirect costs,* such as general overhead, corporate management, interest, taxes (other than payroll and sales taxes), insurance (other than liability insurance covering employment), damages to persons, damages to property (other than necessary repairs or replacements of equipment or other property used in the work);

(3) *Previous work* performed or costs incurred before the date of this contract; and

(4) *Deferred payments.*—Any costs incurred by the Operator under any rental-purchase agreement, installment-purchase agreement, or any agreement for the purchase of goods under the provisions of which payment of the full purchase price is deferred more than 90 days from the delivery of the goods; unless the purchase agreement is approved by the Government in writing.

(c) *Reductions in costs.*—The Operator shall account for and give the Government credit for any incidental benefits, credits, or money received in the ordinary course of business in prosecuting the work (as by salvage or sale of materials or equipment, furnishing of room or board, furnishing of power or services to third persons, rebates or discounts on purchases, etc.), in the same ratio in which the Government contributes to costs; and such amounts shall be treated as a reduction in costs incurred so that they are available for use within the limit of the original estimated total cost. This provision does not apply to receipts from production which are subject to the Government's percentage royalty under the provisions of Article 18. See Annex II.

ARTICLE 7. *Reports, accounts, audits.*—(a) *Operator's records.*—The Operator shall keep suitable records and accounts of the 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. If the Government elects to audit said records and accounts relating to the exploration work by certified public accountant, it may do so as a cost of the work to which the Operator shall contribute. 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. If work under this contract is carried on in conjunction with any other operations, or if labor, supervision, services, materials, supplies, equipment, facilities, or other requirements for carrying on the work are also used in connection with other operations, the costs shall be segregated and accounted for on a basis and by methods and accounts that are satisfactory to and approved 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 detailed costs incurred during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and 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 related costs incurred.

(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 8. *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 7) 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 therof 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 9. *Interests in purchased property.*—(a) *Title and ownership.*—All costs under this contract shall be incurred by the Operator in the Operator's own name and for the Operator's own account; but any property acquired to the cost of which the Government contributes shall belong to the Operator and the Government jointly in proportion to their respective contributions, although title thereto shall be taken in the name of the Operator.

(b) *Preservation of property.*—Until the final disposal of any property in which the Government has an interest the Operator shall preserve and protect same for the best interest of the Government, any reasonable and necessary costs thereof to be treated as an allowable cost of the project. After the completion of the work or termination of the Government's obligation to contribute, or when such property is not in use for or needed for the work, the Operator shall neither use it without the written consent of the Government nor without paying a reasonable rental to be fixed by the Government for its interest.

(c) *Disposal of property.*—Upon the completion of the work or termination of the Government's obligation to contribute to costs, or when the property is no longer needed for the work, the Operator shall promptly dispose of salable or salvageable property in which the Government has an interest for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator or the Government at a price at least as high as could be obtained from others, unless the Government in writing waives its interest in any such property. Without advance approval of the sales price by the Government the Operator shall not sell at any price any item of property the cost of which was more than $500, and shall not sell at less than 25 percent of the purchase price any item of property which cost $500 or less. The Government, in lieu of approving the sales price for any such item, may itself purchase the item at the best price which the Operator is able to obtain or himself cares to give. Property remaining upon any termination of the work shall be considered in groups or categories (such as drill steel, or explosives, or pipe, or rails), and if the original cost of the remaining unexpended portion of any such group or category is less than $50, the Government waives its interest therein. If necessary to accomplish the disposal of any item the Operator shall dismantle and sever it from the land, the cost thereof to be treated as a cost of the project.

(d) *Default of the Operator re disposal.*—If within 90 days after the completion of the work or termination of the Government's obligation to contribute to costs, or after the property is no longer needed for the work, or after such further time as the Government may in writing allow, the Operator has failed to sell or otherwise liquidate or dispose of any property in which the Government has an interest, the Government, at any time prior to final settlement under the contract, may pursue one of the following two courses: (1) the Government, by written notice to the Operator, may place upon such property what in its opinion is a fair valuation thereof, not in excess of the cost less 1.66 percent per month from the

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By Frank E. Johnson
ACTING Administrator, Defense Minerals
Exploration Administration

MOUNT TOBIN MINE
(Operator)

By Walter L. Low
Walter L. Low, Partner

By Dorothy Low
Dorothy Low, Partner

I, ..., certify that I am the ..... secretary of the corporation named as Operator herein; that ..... who signed this contract on behalf of the Operator, was then ..... of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

.....

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—70617-1

date such property was purchased under this contract to the termination of said 90-day period; and such property shall thereupon be considered and accounted for as having been purchased by the Operator at the valuation so fixed by the Government; or (2) the Government may enter and take possession of such property wherever it may be found, and remove and dispose of it for the joint account of the parties.

ARTICLE 10. *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: (1) the Government shall be free of all obligation to contribute to costs not then incurred other than such as may be allowable under the provisions of the contract as necessary and incidental to winding up, reporting, and accounting; and (2) 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.

(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: (1) the Government shall be relieved of all obligation to contribute to costs not incurred when the notice was given, other than such as may be allowable by the provisions of the contract as necessary and incidental to winding up, reporting, and accounting; and (2) 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 10 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 11. *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 12. *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 13. *Changes and added provisions.*—

See Annex II

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DATE | CODE

EXPLORATION PROJECT CONTRACT
WALTER L. LOW AND DOROTHY LOW
DOCKET NO. DMEA-4715

ANNEX I

The land referred to in Article 2 of the Contract consists of 8 unpatented lode mining claims (Fig. 2), situated in sec. 1, T. 28 N., R. 39 E., M. D. B. & M., Pershing County, Nevada, and recorded in the official records of said county at Lovelock, Nevada, as follows:

	Recorded	
Claim Name	Book	Page
Miner's Dream	4	129
Miner's Dream No. 1	9	223
Miner's Dream No. 2	9	224
Miner's Dream No. 3	9	224
Miner's Dream No. 4	9	224
Miner's Dream No. 5	16	323
Miner's Dream No. 6	16	324
Miner's Dream No. 7	16	325

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RECEIVED 4 1957
CODE

EXPLORATION PROJECT CONTRACT
WALTER L. LOW AND DOROTHY LOW
DOCKET NO. DMEA-4715

ANNEX II

Article 13. Changes and added provisions.--

(a) That part of the last sentence of Article 3 beginning with the word "either" is deleted and replaced by the words "have completed the work, except as otherwise provided in Exhibit 'A' with respect to stages of work."

(b) That part of the last sentence in the first paragraph of Article 6(a) commencing after the semicolon is deleted.

(c) Categories (2) through (7) of Article 6(a) are deleted.

(d) In addition to the costs of work estimated in Exhibit "A" by categories of actual costs, the costs of work requirements specified in Exhibit "A" as "Fixed Unit Costs" are allowable costs of the project. The Government will contribute to the fixed unit costs as work units are performed. A "Fixed Unit Cost" is an agreed price for each unit of work to be performed regardless of costs incurred by the Operator. Costs set forth in Exhibit "A" include all allowable costs of the work to be performed under the Contract.

(e) In the last sentence of Article 6(c), the words "Article 8" are substituted for the words "Article 9."

(f) Notwithstanding any other provision of the Contract, the allowable unit cost per foot of a drilling item is the average unit cost per foot computed on the basis of all the actual unit costs of said drilling item incurred by the Operator: Provided, That the Government will not contribute to any portion of an average unit cost of a drilling item that exceeds the estimated unit cost of said item set forth in the Contract.

EXPLORATION PROJECT CONTRACT
WALTER L. LOW AND DOROTHY LOW
DOCKET NO. DMEA-4715

EXHIBIT "A"

Description of the Work

The maps attached to and made part of the Contract are as follows:

Figure 1. Mount Tobin Mine, Pershing County, Nevada.

Figure 2. Geologic and Topographic Map of the Mt. Tobin Quicksilver Mine Area, Pershing County, Nevada.

The project consists of bulldozing with a D-8 caterpillar dozer or equivalent unit of another make to prepare access roads and 27 drill sites, followed by rotary drilling not to exceed a total aggregate length of 2,500 feet of hole in two stages as set forth below. The Operator shall complete Stage I, and shall perform only such Stage II work as is approved in advance by the Government.

The location, direction, and extent of each item of work are subject to the approval of the Government.

STAGE I

1. Bulldoze access roads and 8 drill sites at locations approved by the Government.

2. Rotary drill 8 holes an aggregate length not to exceed 1,000 feet, at sites selected by the Government. Tentative drill hole locations are shown on Figure 2. Each hole shall be between 50 and 150 feet deep. Each hole shall be drilled dry, using a standard bit not less than $4\frac{1}{4}$ inch size and a Duclone type separator for collecting samples, unless wet drilling is approved by the Government. All cuttings from the holes shall be saved and sampled at intervals of not more than 5 feet of hole. Each sample shall be labelled and split into two equal parts, one of which shall be stored for Government use. The Operator's portion of samples containing cinnabar in significant quantities shall be assayed for mercury.

STAGE II

1. Bulldoze for preparation of branch access roads and 19 drill sites. Bulldozing requirements and costs not used in Stage I may, if needed, be transferred to Stage II with the prior approval of the Government.

2. Rotary drill 19 holes an aggregate length not to exceed 1,500 feet (Fig. 2), under the same procedure specified under Stage I.

Estimated Cost of the Project

Stage I

Actual Costs		
Category (1) Independent Contracts		
Bulldozing drill sites, 20 hours @ $15.00/hr. (includes the cost of access roads)	$ 300.00	
Mobilization of bulldozer and equipment	100.00	
Rotary drilling, 1,000 feet @ $3.00/ft.	3,000.00	$3,400.00
Categories (2) through (7)		
None	- - - -	
Fixed Unit Costs (See Annex II)		
Incidental Allowance 1/ for each foot of drilling completed, 1,000 feet @ $0.90/ft.	900.00	
Assaying 40 samples for mercury @ $3.00/each sample	120.00	$1,020.00
Estimated Total Cost of Stage I		$4,420.00

Stage II

Actual Costs		
Category (1) Independent Contracts		
Bulldozing drill sites, 30 hours @ $15.00/hr. (includes the cost of branch access roads)	$ 450.00	
Demobilization of bulldozer and equipment 2/.	100.00	

Rotary drilling, 1,500 feet @ $3.00/ft.	$4,500.00	$5,050.00

Categories 2 through 7

None

Fixed unit Costs (See Annex II)

Incidental allowance1/ for each foot of drilling completed, 1,500 feet @ $0.60/ft.	900.00	
Assaying, 58 samples for mercury @ $3.00/each	174.00	1,074.00
Estimated Total cost of Stage II		$6,124.00

S U M M A R Y

Estimated Total Cost of Stage I	$4,420.00	
Estimated Total Cost of Stage II	$6,124.00	
Estimated Total Cost of Project		$10,544.00
Government participation @ 75%		$7,908.00

1/ Includes all costs whatsoever that are otherwise allowable costs under Categories 1 through 7 of the Contract, except as scheduled in Exhibit "A".

2/ If work under Stage II is not authorized by the Government, this sum is nevertheless allowable for the cost of demobilizing the bulldozer and its equipment.

MONT TOBIN MINE
PERSHING COUNTY, NEVADA

WALTER L. LOW AND DOROTHY LOW
P.O. Box 373, Winnemucca, Nevada

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DMEA
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DATE | INITIALS | CODE

In Section 1, T.28 N., R.39 E., M.D.B.&M.

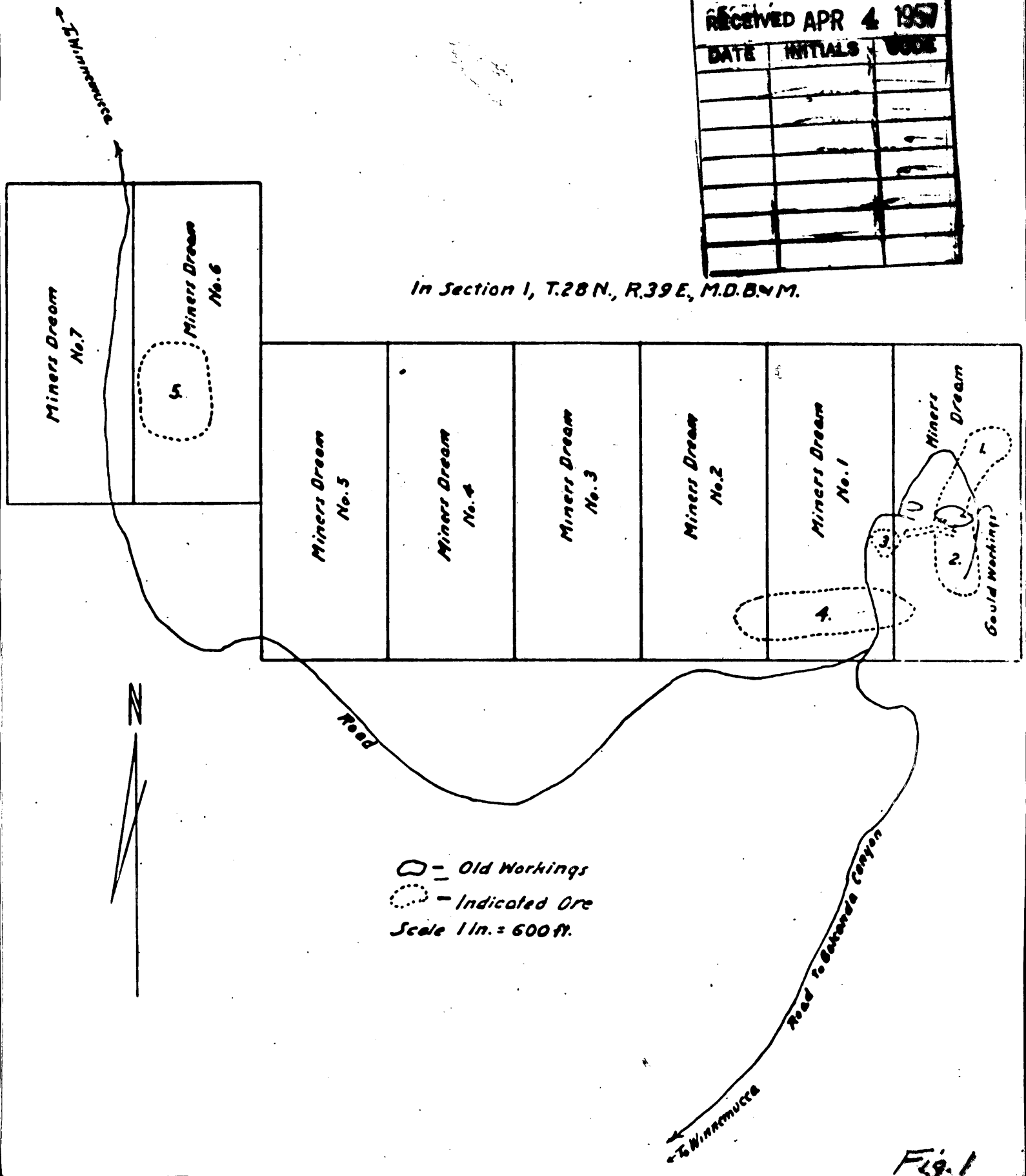

Fig. 1

COPY
DNEA
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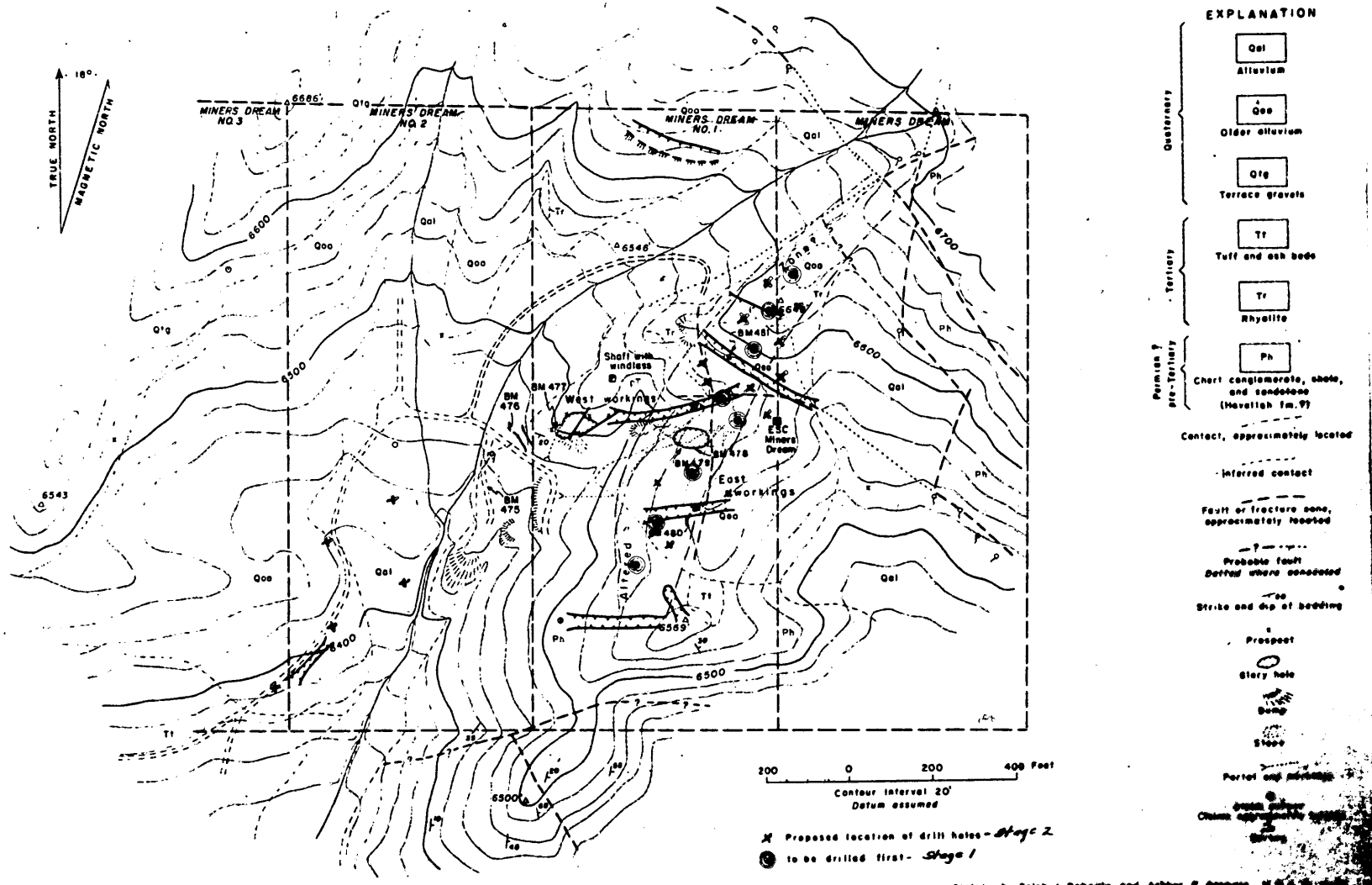
UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DMEA 4715
(MERCURY)



Geology by Ralph J. Roberts and Arthur E. [illegible]

Figure 2. GEOLOGIC AND TOPOGRAPHIC MAP OF THE MT. TOBIN QUICKSILVER MINE AREA
PERSHING COUNTY, NEVADA

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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DMEA
RECEIVED APR 4 1957

DATE	INITIALS	CODE
4/8	WSM	400

1605 Evans Avenue
Reno, Nevada

April 2, 1957

Memorandum

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

From: Executive Officer, DMEA Field Team, Region II

Subject: Loan Application (Mercury)
Walter L. Low
Mount Tobin Mine Group
Pershing County, Nevada

Enclosed are three sets of MF-103, Application for Aid forms relative to above subject. The fourth set has been retained in our files.

S. Ricker

Encl.

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Form Approved.
Budget Bureau No. 42-R1035.2.

APPLICATION FOR AID IN AN EXPLORATION PROJECT, PURSUANT TO DMEA ORDER 1, UNDER THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

Not to be filled in by applicant

Docket No. 4715
Metal or Mineral Mercury
Date Received APR 4 1957
Estimated Cost $15,750
Participation (Government %)

RECEIVED APR 4 1957 D.M.E.A.

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address:

Mount Tobin Mine
Walter L. Low Box 373 Winnemucca, Nevada
Dorothy Low

(*b*) If other than an individual, add to your name above whether a corporation, partnership, etc., and the name of the State in which incorporated or otherwise organized.

(*c*) If a corporation, add to above statement, titles, names and addresses of officers.

(*d*) If a partnership, add to the above statement the names and addresses of all partners.

2. *General.*—Read DMEA Order 1, "Government Aid in Defense Exploration Projects," before completing this application. Submit this application and all accompanying papers in quadruplicate (four copies), with your name and address on each sheet of the application and on all accompanying papers. Where sufficient space is not provided on the form for all required information, state it on an accompanying paper, with a reference in each case to the instruction to which it refers by number. Comply with all applicable instructions; or, if not applicable, so state. File the application with Defense Minerals Exploration Administration, Department of the Interior, Washington 25, D. C., or with the nearest field executive officer thereof.

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract

Mount Tobin Mine Group Claims are in
Section 1, T28 N R 39 E M.D.B.&M.

(*b*) State any mine name by which the property is known. Mt. Tobin Mine

(*c*) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise Owner

(*d*) If you are not the owner, submit with this application a copy of the lease, contract, or other document under which you control the property.

(*e*) If you own the land, describe any liens or encumbrances on it None

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice.

4. *Physical description.*—(*a*) Describe in detail any mining or exploration operations which have been or now are being conducted upon the land, including existing mine workings and production facilities. State your interest, if any, in such operations. Also describe accessibility of mine workings for examination purposes.

(*b*) State past and current production, and ore reserves, if any, giving quantities and grades.

(*c*) Describe the geologic features of the property, including mineralization, type of deposit (vein, bedded, etc.), and your reasons for wishing to explore. Illustrate with maps or sketches. Send with your application (but not necessarily as a part of it) any geologic or engineering report, assay maps, or other technologic information you may have, indicating on each whether you require its return to you.

(*d*) State the facts with respect to the accessibility of the project: Access roads, distances to shipping, supply and residence points.

(*e*) State the availability of manpower, materials, supplies, equipment, water, and power.

5. *The exploration project.*—(*a*) State the mineral or minerals for which you wish to explore Quicksilver

(*b*) Describe fully the proposed work, including a map or sketch of the property showing a plan (and cross sections if needed) of any present mine workings, and the location of the proposed exploration work as related to such features as contacts, veins, ore-bearing beds, etc.

(*c*) The work will start within 60 days and be completed within 24 months from the date of an exploration project contract.

(*d*) State the operating experience and background of the applicant with relation to the ability to carry out such exploration project, and also that of the person or persons who will supervise the operations.

6. *Estimate of costs.*—Furnish a detailed estimate of the costs of the proposed work (you will have to use a separate sheet), under the following headings. Add the totals under all headings to give the estimated total cost of the project:

(*a*) *Independent contracts.*—(Note.—If the applicant does not intend to let any of the work to contractors, write "none" after this item. To the extent that the work is to be contracted, do not repeat the cost of the contract-work in subsequent items.) State the cost of any proposed independent contracts for the performance of all or any part of the work, expressed in terms of units of work (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved, etc.).

(*b*) *Labor, supervision, consultants.*—Include an itemized schedule of numbers, classes and rates of wages, salaries or fees for necessary labor, supervision and engineering and geological consultants.

(*c*) *Operating materials and supplies.*—Furnish an itemized list, including items of equipment costing less than $50 each, and power, water and fuel.

(*d*) *Operating equipment.*—Furnish an itemized list of any operating equipment to be rented, purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or suggested use-allowance based on present value, as the case may be.

(*e*) *Rehabilitation and repairs.*—Furnish a detailed list showing the cost of any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and which will be devoted to the exploration project.

(*f*) *New buildings, improvements, installations.*—Furnish a detailed list showing the cost of any necessary buildings, fixed improvements, or installations to be purchased, installed or constructed for the benefit of the exploration project.

(*g*) *Miscellaneous.*—Furnish a detailed list showing the cost of repairs to and maintenance of operating equipment (not including initial rehabilitation or repairs of the Operator's equipment), analytical work, accounting, workmen's compensation and employers' liability insurance, and payroll taxes.

(*h*) *Contingencies.*—Give an estimate of any necessary allowances for contingencies not included in the costs stated above.

NOTE.—No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes), or any other indirect costs, or work performed or costs incurred before the date of the contract, should be included in the estimate of costs.

7. (*a*) Are you prepared to furnish your share of the cost of the proposed project in accordance with the regulations on Government participation (Sec. 7, DMEA No. 1)? Yes

(*b*) How do you propose to furnish your share of the costs?

☒ Money ☐ Use of equipment owned by you ☐ Other

Explain in detail on acompanying paper.

CERTIFICATION

The undersigned, whether as an individual, corporate officer, partner, or otherwise, both in his own behalf and acting for the applicant, certifies that the information set forth in this form and accompanying papers is correct and complete, to the best of his knowledge and belief.

Dated April 1, 1957

Mt. Tobin Mine
(Applicant)

By Walter L. Low
Dorothy Low

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

U. S. GOVERNMENT PRINTING OFFICE 16—66551-1

[illegible] Dorothy Low

P.O. Box 313, Winnemucca, Nevada

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DMEA
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DATE	INITIALS	CODE

In Section 1, T.[illegible] N. R.33 E. M.D.B.&M.

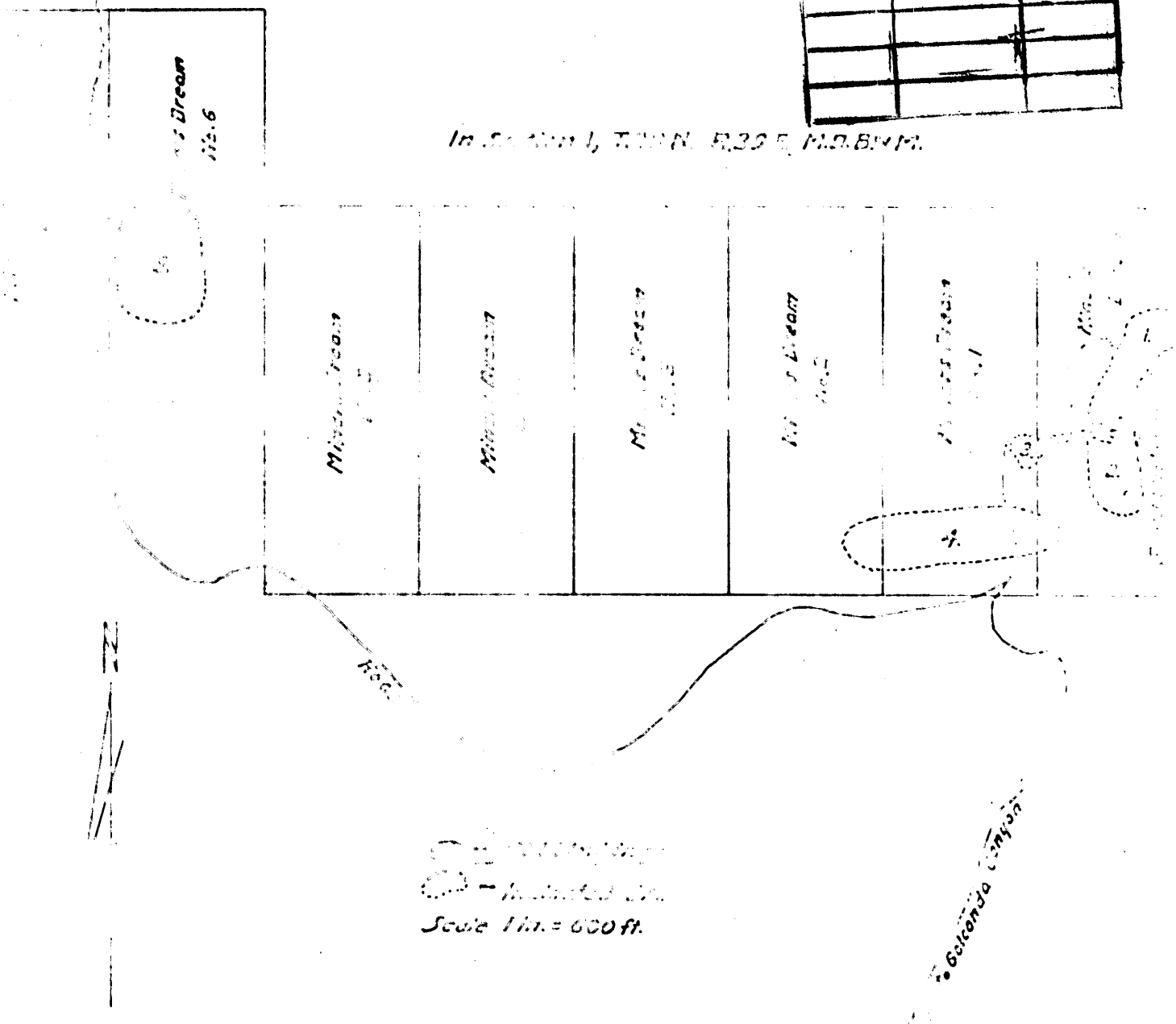

Fig. 1

Mount Tobin Mine
Walter L. Low Box 373, Winnemucca, Nevada
Dorothy Low

3. (f)

Miners Dream	No. 7625	Book 4	Page 129
Miners Dream #1	No. 21099	" 9	" 223
" " #2	" 21100	" 9	" 224
" " #3	" 21101	" 9	" 224
" " #4	" 21102	" 9	" 224
" " #5	" 42959	" 16	" 323
" " #6	# 42960	" 16	" 324
" " #7	" 42961	" 16	" 325

Records of Pershing County, Nevada

4. (a) Mt. Tobin Mine was worked in 1940 and 1941 by Mt. Tobin Quicksilver Co. (Bruce A. Gould and Gordon I. Gould). Prior to that the property was worked by Joe Thornton who used a retort. Production came from one small open pit and the balance from underground workings in one area. There are no production facilities now. Mine workings are accessible.

(b) Past production exceeded 1500 flasks. No ore blocked out.

(c) Geologic studies were made of the Mt. Tobin Mine by Ralph J. Roberts, and also by E. H. Bailey and D. A. Phoenix for the U. S. Geological Survey. Adjacent and nearby areas show very favorable indications of ore deposits.

(d) Project is accessible by two roads. Located about fifty-five miles from Winnemucca.

(e) All available except power.

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DATE | INITIALS | CODE

5. (b) The proposed work is to be core drilling as follows

Area 1 Six holes 100 ft. deep
Area 2 Eight holes 100 ft. deep
Area 3 Two holes 150 ft. deep
Area 4 Eight holes 75 ft. deep
Area 5 Eight holes 50 ft. deep

(d) I, Walter L. Low, have been in mining business for twenty-five years mostly mining and producing quicksilver. I intend to supervise all operations myself.

6. (a) Work to be done by contract.

2500 ft of drilling @ $6.00 per foot	$15,000.00
50 hrs. of bulldozing @ $15.00 per hr.	750.00
	15,750.00

MME Form 7
(2/63)

4/28/70

OFFICIAL FILE COPY

Date	Surname	Code
		120
		220

Mr. Ralph Scott
General Manager
Run Around Exploration Company
P. O. Box 277
Carlin, Nevada 89822

APR 28 1970

Re: DMEA-4715 (Mercury)
Mount Tobin Mine
Pershing County, Nevada
Contract Idm-E1131

Dear Mr. Scott:

In reply to your recent request for drilling information obtained under the subject contract, enclosed is a copy of the Operator's final report, two pages, and a map showing the location of holes drilled. Sample and assay data are shown on page 2 of the report.

Enclosed also are the copies of the Purchase Agreement and the Lease Agreement sent with your letter.

Sincerely yours,

Harold Kirkemo (gla)

Harold Kirkemo
Chief, Office of
Minerals Exploration

Enclosures

cc: Director's Reading File
Mineral Resources
OME docket
OME Reading File
OME Region II w/incoming letter
Mr. Kirkemo

HKirkemo/gla 4-28-70

Run Around Exploration Company

~~HENDERSON BANK BUILDING~~
~~ELKO, NEVADA 89801~~
~~PHONE (702) 738-7510~~
P. O. Box 277
Carlin, Nev. 89822
phone 754 6737

RECEIVED
APR 24 1970
INITIALS CODE
120
224

Mr. Harold Kirkemo, Chief
Office of Minerals Exploration
4460 Interior Bldg.
Washington, D. C. 20242

Dear Mr. Kirkemo,

For thepast several months, the Run Around Exploration Co., has had a cinnabar property located in Pershing County, Nevada under lease which was originally owned by Mike Gould and is now owned by Keith Meador of Reno, Nev.

We discovered from a report that the property had been drilled in 1957 and in corresponding with Mr. J. Fred Smith of the Geological Survey in Denver, Colo., I was informed that the results may be obtained through your office by furnishing copies of lease agreements which are in good standing and have been recorded.

According to the information I have the property was drilled under DMEA contract # 4715 to W. L. and D. Low. The area is in Section 1, T. 28 N., R. 39 E. Pershing County, Nevada.

May we please have a copy of the results of the drilling.

Respectfully yours,
Ralph Scott Gen. Man.
Run Around Expl. Co.
Ralph Scott
Box 277
Carlin, Nev.

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
3/8		110
		220

Mr. Richard Streeter
2795 Coppa Way
Sparks, Nevada 89431

MAR 8 1968

Re: DMEA-4715 (Mercury)
Mount Tobin Mine
Pershing County, Nevada
Contract No. Idm-E1131

Dear Mr. Streeter:

Your letter of February 29, 1968, to Mr. Harold K. Stager, U. S. Geological Survey, Menlo Park, California, requesting available information on the results of the exploration performed under the subject contract and enclosing a letter to you dated February 27, 1968, from Mr. Keith M. Meador, owner of the property under the contract, authorizing release of such information to you, have been referred to this office.

Enclosed is a copy of available factual information on the drilling performed under the contract and a copy of a geologic and topographic map of the area showing drill hole locations.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

Enclosures

cc: Director's reading file
Division file
Economic Geology file
OME file
OME reading file
OME Region II w/cy enc.

FEJohnson/bih 3/8/68

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Memorandum

March 4, 1968

MAR 6 19
INITIALS	CODE
gla	130
	110
	220

To: Chief, Office of Minerals Exploration
Washington, D. C.

From: Field Officer
Region II

Subject: DMEA-4715 (Mercury)
Walter L. and Dorothy Low
Mount Tobin Mine
Pershing County, Nevada
Contract No. Idm-E1131

Enclosed is a request from Mr. Richard Streeter, 2795 Coppa Way, Sparks, Nevada 89431, for any available information on the subject project. Also enclosed is a letter from the present owner of the property authorizing the release of any information we may have. Mr. Streeter is particularly interested in the logs of the drill holes, maps, and assays.

H. K. Stager

H. K. Stager

Enclosures-2

February 29,1968

Mr. Harold Stager
U.S. Geological Survey
345 Middlefield Road
Menlo Park, Calif. 94205

Dear Mr. Stager:

As per our telephone conversation of this morning, you will find enclosed the authorization for transmittal of information from the present owner of the MT. Tobin Mining Claims.

These claims were formerly owned by the late Mr. Walter Lowe and his wife Dorothy of Winnemmucca, Nevada.

About 10 years ago, I had leased some ajoining claims at the time Mr. Lowe pursued some exploratory drilling under a D.M.E.A. Federal Loan. Although the loan was not certified, Mr. Lowe did say at the time that one of the drill holes did produce some good results.

My company has taken a lease on the subject property and we are in the process of doing considerable exploration work on the same.

Any information you have at your disposall, such as mapping, drill hole logs, assays on the same connected with the work done by your department would no doubt be of tremendous value to us in our program.

We certainly appreciate your cooperation on this matter.

Yours Sincerely,
Richard Streeter
Richard Streeter
2795 Coppa Way
Sparks, Nevada. 89431

RECEIVED
MAR 4 1968
OFFICE OF MINERALS EXPLORATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

POST OFFICE BOX 50 CARSON CITY, NEVADA 8970 TELEPHONE (702) 882-0145

KEITH N. MEADOR ENGINEERING

GEOLOGY • GEOPHYSICS • HYDROLOGY • AERIAL PHOTOGRAPHY • MAPPING

February 27, 1968

Mr. Richard Streeter,
Washoe County Commissioner
2795 Coppa Way
Sparks, Nevada

Dear Mr. Streeter:

This letter is to inform you that I am the owner of the 'Friday' group of lode claims, four in number, covering the old Mt. Tobin mine formerly covered by lode claims owned by Mr. and Mrs. Walter Lowe of Winnemucca, Nevada. Since these 'Friday' claims are leased to the Midas Company, of which you an officer, you have my permission to apply for and use any information U S Geological Survey or Bereau of Mines may have on this property. It is my understanding, in this regard, that you should contact Mr. Harold "Hal" Stager of the Geological Survey, 345 Middlefield Road, Menlo Park, California.

Sincerely yours,

Keith N. Meador

Keith N. Meador

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MAR 1 1968
OFFICE OF MINERAL RESOURCES INFORMATION
U.S. GEOLOGICAL SURVEY
MENLO PARK, CALIF.

DMEA-Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
7-23	Chapman	400
7-23	Martin	400
7-25	Chambers	800
		400
7/25	Johnson	110
"	Mittendorf	100
7/25	C	220
		800

SOLICITOR

JUL 25 1958

INTERIOR DEPT.

JUL 25 1958

Mrs. Dorothy Low
Box 373
Winnemucca, Nevada

Re: Docket No. DMEA 4715 - Mercury
Mount Tobin Mine
Pershing County, Nevada
Contract No. Idm-E1131

Dear Mrs. Low:

This is with reference to the subject exploration contract which you and your late husband entered into with the Government.

It is not our intention to issue a certification of discovery or development which would create a lien against the property. We are, therefore, closing our books and records with respect to this project. At the same time your attention is called to the provisions of the contract requiring the Operator to keep and preserve certain records for the period indicated.

We regret the exploration work performed did not result in a discovery or development. Your participation in the exploration program, however, is sincerely appreciated.

Sincerely yours,

C. O. Mittendorf

Administrator

TLCHAPMAN/dlm 7-23-58
cc to: Code 400
Admr. R. File
Oper. Comm.
FT. REG. II
Messrs. J. W. Pennington, USBM
T. H. Kiilsgaard, USGS

RECEIVED
JUL 25 1958
ASSOC. SOLICITOR
MINERAL RESOURCES

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
7-23	Chapman	400
7-24	Martin	400
		110
		100

July 25, 1958

MEMORANDUM

To: Administrator, DMEA

From: Division of Iron and Ferro-Alloys, DMEA

Subject: Closing of project without certification of discovery or development.
Docket No. DMEA 4715- Mercury
Walter L. Low and Dorothy Low
Mt. Tobin Mine
Pershing County, Nevada
Contract No. Idm-E1131

SOLICITOR

JUL 25 1958

INTERIOR DEPT.

The project was substantially completed in Stages I and II as described in the contract.

An application for exploration assistance was made by Walter L. and Dorothy Low, dated April 1, 1957, in the amount of $15,750.00 for preparing access roads and diamond drilling 32 holes from 50 to 100 feet deep for testing for mercury ores. A field examination was made by Henry W. Jones, Bureau of Mines, and R. G. Reeves, Geological Survey, on May 21 and 22, 1957. A contract was recommended eliminating some of the proposed area and substituting rotary drilling for diamond drilling at an estimated cost of $10,550.00.

Applicant: Walter L. Low
Dorothy Low
Box 373
Winnemucca, Nevada

Property Ownership: The property consists of 8 unpatented lode mining claims located in section 1, T. 28 N., R. 39 E., M.D. B. & M. Pershing County, Nevada and recorded as follows:

Claim Name	Book No.	Page No.
Miners Dream	4	129
Miners Dream No. 1	9	223
Miners Dream No. 2	9	224
Miners Dream No. 3	9	224

8623

Miners Dream No. 4	9	224
Miners Dream No. 5	16	323
Miners Dream No. 6	16	324
Miners Dream No. 7	16	325

All the above named claims are included in the application and are owned by the Applicant.

Geology: The rocks of the area consist of interlayered beds of chert conglomerate, shale and sandstone of pre-Tertiary age, and rhyolite and tuff of Tertiary age. In the vicinity of the mineralization, the rocks are highly altered; the chert conglomerate is leached and the rhyolite and shale are highly argillized. These zones are controlled by northerly trending faults of small displacement.

The only ore mineral is cinnabar, which in the conglomerate fills fractures and cavities formed by leaching, and to a lesser extent replaces both pebbles and matrix. In the old alluvium above the better ore bodies, cinnabar occurs as angular fragments or botryoidal coatings. Chalcedony and some pyrite locally accompany the cinnabar.

The altered and faulted zones continue northerly and southerly from areas from which ore has been mined.

Past History
and Production:

The first claims were located in 1929, and intermittent mining occurred until 1938, when a four-pipe retort was installed. In 1940 the property was purchased by H. W. Gould and Company and a 20 ton rotary furnace was installed and operations were carried on until 1942. The furnace and buildings were removed and the property was sold to Mr. Low, the Applicant, now deceased.

About 1,500 flasks of mercury have been produced from the property through shallow adits below two glory holes. The ore averaged about ten pounds of mercury per ton.

Panning and testing indicated possible ore bodies similar to the above-mentioned glory holes, over an area about 1,200 feet long and 200 feet wide.

Ore Values
and Tonnage:

Eight samples were taken during the application examination from surface cuts and glory holes:

Sample No.	Width Ft.	Lbs. Hg/ton	Remarks
474	10.0	0.1	Cut, Miners Dream No. 6
475	3.0	3.9	Cut SW of West Glory Hole
476	5.0	3.7	Bulldozer cut below West Glory Hole
477	17.00	4.2	West edge West Glory Hole
478	10.0	2.7	South wall of East Glory Hole (1 of 2 parts)
479	8.0	14.0	South wall East Glory Hole (2 of 2 parts)
480	9.0	0.1	South wall of trench 200' south of East Glory Hole
481	15.0	0.1	North wall of trench north of East Glory Hole

Eight samples were taken from hole No. 8 from 75 to 86 feet in depth. The best sample showed 0.2 pounds of Hg.
One sample from hole 11, 55' to 60' showed 0.8 pounds Hg.
Three samples from hole No. 20, 60' to 75' showed 0.1, 0.7 and 0.1 pounds of Hg.
Samples from holes 23, 15 and 16 showed 0.1 pounds of Hg.

There are no measurable ore reserves, only a few tons of indicated reserves. It is inferred that there may be 2,000 to 6,000 tons of ore averaging 7 to 13 pounds of Hg, as it is still possible that there may be other ore bodies in the area similar to those already mined. Additional exploration by drilling in the areas of holes 11 and 20 is warranted and stripping in the area around glory holes in the area of holes 15 and 16 might disclose additional ore.

Contract:

The contract provided for a two-stage program. The first stage consisted of bulldozing to prepare access roads and drill sites, to be followed by rotary drilling of eight vertical holes with an aggregate length of 1,000 feet. Stage II

consisted of preparing an additional 19 drill sites with bulldozer and drilling 19 vertical holes with an aggregate length of 1,500 feet.

Amendment No. 1 authorized an increase of the holes in Stage I to 12 holes, and an increase of the total number of holes to 29 for a total of 2,500 feet. Total estimated cost of the project was to be $10,544.00.

Work Completed:

The completed work consisted of 43 hours of bulldozing, 29 rotary drill holes with a total of 2,390 feet for a total cost of $9,605.00; Government participation 75 percent $7,203.75. Government share unexpended was $704.25.

Conclusions and Recommendations:

The examining team concludes that favorable areas for future exploration were indicated by the work, but no ore was discovered and therefore a certification of discovery or development is not justified. The Field Team concurs in the above conclusions.

The Commodity Divisions of the Geological Survey and the Bureau of Mines concur in the recommendations of the Field Team.

W S Martin
W. S. Martin, Director
Division of Iron and Ferro-Alloys

TLCHAPMAN/dlm 7-24-58
cc to: Code 400
Admr. R. File
Oper. Comm.
CODE 110

OFFICIAL FILE COPY
DMEA
RECEIVED JUL 21 1958
DATE | INITIALS | CODE
7/21 | C | 220
| WSM | 400

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

July 18, 1958

Memorandum

To: W. S. Martin, Defense Minerals Exploration Administration

From: Assistant Chief, Branch of Base Metals

Subject: Review of Field Team final report, Docket No. DMEA 4715 (mercury), Walter L. and Dorothy Low, Mount Tobin Mine, Pershing County, Nevada, Contract No. Idm-E1131. $10,544

Exploration of the property consisted of 31 rotary drill holes totaling 2,550 feet at a total cost of $9,605.00.

Although minor quantities of cinnabar were found, no ore-grade material was discovered and no mercury was produced during the period of the contract.

The Field Team concludes that the work indicates favorable areas for future exploration but no ore was discovered.

I concur with the recommendation of the Field Team that a Certification of Discovery is not justified.

J. W. Pennington

Copy to: Division of Minerals
Branch of Base Metals (2)
Thor Kiilsgaard, U.S.G.S.
F. D. Lamb
Files

DMEA

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
1605 Evans Avenue
Reno, Nevada

June 3, 1958

Memorandum

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

From: Executive Officer, DMEA Field Team, Region II

Subject: Docket No. DMEA-4715 (Mercury)
Walter L. and Dorothy Low
Mount Tobin Mine
Pershing County, Nevada
Contract No. Idm-E 1131

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DMEA
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	WSR	400

Humboldt Man Taken by Death

WINNEMUCCA (Special)—Funeral services were held Wednesday in the Eddy and Son Mortuary for Walter Lawson Low, 65, with the Rev. Frank Norris officiating. Graveside services followed at the Winnemucca cemetery. Vernon Robins post No 5 of the American Legion was in charge under the direction of Harry Odle, sergeant at arms.

Mr. Low, a well know Humboldt county mining man, died at his home in Winnemucca Monday following a heart attack.

A native of Los Angeles, Calif., Mr. Low was born Feb. 27, 1893. He first came to Nevada in 1932 and in 1939 he married the former Miss Dorothy Margaret Green. He was engaged in mining in the Tonopah area from 1932 to 1939 prior to coming to Winnemucca.

Survivors in addition to his widow are two daughters, Mrs. George G. Anderson and Mrs. Larry Knight, both of Los Angeles; a brother, Donald C. Low and two sisters, Mrs. Patrick Shea and Miss Edna Low.

S. Ricker

BUREAU OF MINES
WASHINGTON, D. C.

JUN 5 9 13 AM '58

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
3/31	Talbert	800
3/31	Chambers	800
3/31	Martin	400
"	Johnson	110
4/1	Selfridge	100
"	Whitenberg	100
	Dent	
		320

408

APR 1 1958

Hon. George W. Malone
United States Senate
Washington 25, D. C.

Re: Docket No. DMEA-4715 (Mercury)
Walter L. and Dorothy Low
Mount Tobin Mine
Pershing County, Nevada
Contract No. Idm-E1131

Dear Senator Malone:

In my letter of February 28 acknowledging the enclosed February 17 letter to you from Mr. Walter L. Low I stated that his allegations relative to the administration of the referenced exploration contract would be investigated. This investigation has disclosed that payments to Mr. Low of the Government's share of the project costs were in fact delayed, but that the delays were primarily due to Mr. Low's failure to abide by the provisions of the contract.

This contract, as originally executed, provided for Government participation in the costs of rotary drilling 27 holes at sites selected by the Government. All 27 drill sites were located by our Field Team representative in company with Mr. Low prior to the start of the drilling. Mr. Low expressed no objection to the layout of the holes and started the work shortly thereafter.

Final examination of the project, prior to acceptance of the work by the Government, disclosed that the drill site layout had not been followed by Mr. Low. A total of 31 holes had been drilled, only 6 of which were at the designated sites. Two holes were so far from the exploration area that no consideration could be given to acceptance under the contract. Five holes were a considerable distance from the intended exploration area, but were accepted after determination that they were in an area of intense alteration and as likely to encounter mineralization as those originally spotted. The other holes, although not drilled at the selected sites, were acceptably close.

This failure of Mr. Low to drill at the approved sites, or to obtain prior approval of the changed sites, resulted in delays in the acceptance of the work. Furthermore, the execution of

8623

a confirming amendment to the contract was necessary before final payment could be made.

Several other matters contributed to the delays in payment of Mr. Low's vouchers, as follows:

(a) His first voucher was improperly prepared and was returned for correction;

(b) Mr. Low requested an assignment of a portion of the monies payable under this contract; however, as the assignment did not conform with the statutory requirements of the Assignment of Claims Act of 1940, as amended (Title 31, U.S.C.A., sec. 203), Mr. Low subsequently decided to withdraw the request;

(c) Mr. Low delayed in submitting a final geological and engineering report, as required by the contract, until a Field Team representative visited him and assisted in its preparation solely to expedite final payment;

(d) The only auditor we have stationed in the region was stricken with influenza after making an audit of the project costs but before rendering a report of his findings.

Under date of February 18 Mr. Low submitted a supplemental voucher correcting the previously submitted November claim. This voucher was received in the San Francisco regional finance office on February 24 and the entire balance of $4,224.75 due Mr. Low was scheduled for payment on March 3, 1958.

Sincerely yours,

C. O. [illegible]

(sgd)

Administrator

PRS 6698

Enclosure

EDTalbert/ama
March 31, 1958

CC; Secretary's Reading File
ADI
MR
Mr. Martin
DL
DCCO

Mails and Files
Admr. Read File
Mr. Mittendorf
Mr. Chambers
FT Reg. II (2)
Mr. Dwyer

Box 373
Winnemucca, Nevada
February 17, 1958

Senator George W. Malone
Senate Office Building
Washington, D. C.

My dear Senator,

We want to thank you for expediting that DMEA deal last September. It came through in just one week after you contacted them. However, our experience with the DMEA has been entirely unsatisfactory. Of all the damned incompetent loafers we ever had dealings with, this no-account outfit takes the grand prize.

A brief history of this deal follows:

April 1, 1957 - Application submitted to Reno office of DMEA for 2500 feet of drilling and 50 hours of bulldozing.

April 4, 1957 - Receipt of above acknowledged by Allen A. Dakan.

April 26, 1957 - Frank E. Johnson advised us by letter that DMEA field team at Reno instructed to examine property.

May 21, 1957 - Henry W. Jones and Robert G. Reeves from Reno DMEA office examined property.

October 1, 1957 - DMEA contract No. 1131 signed at Reno office of DMEA.

October 22 - Drilling started on drill sites staked by Henry Jones.

November 7, 1957 - Drilling and dozing completed.

November 13, 1957 - Report and voucher mailed to DMEA at Reno for month of October.

December 9, 1957 - Report and voucher mailed for month of November.

January 9, 1958 - Check received for DMEAcontribution for October $2379.00.

January 15, 1958 - Henry W. Jones and DMEA auditor came to make audit of accounts connected with contract. At this time they advised us check for November would be mailed to us in two weeks.

February 17, 1958 - Henry W. Jones phoned from Reno stating he was coming to Winnemucca tomorrow, February 18, with some papers to sign so he could complete his report, so we will be in line to get a check.

Fast work for a bunch of drones on government relief with nothing to do but kill time. They are in the same class with foreign aid - it is time to abolish both of them.

As to the drilling program at the Mt. Tobin Mine done under this DMEA contract, it accomplished nothing, due to the way

Mr. Mitterdorfer will have further correspondence on these letters.

United States Senate

Washington, D. C., February 21, *1958*

Respectfully referred to

Mr. C. O. Mittendorf
Administrator, DNEA

(please return enclosure)

PRS
FEB 25 1958 6698

TO: MDM	
REPLY TO BE PREPARED BY:	MDM
FOR SIGNATURE OF:	MDM
COPY OF LETTER FURNISHED	
ADI	
MR DL	
SEND REPLY COPY TO ABOVE	

RECEIVED FEB 26

2/26	C	220
2/26		100
	WSM	400

Gerald Malone
U. S. S.

U. S. GOVERNMENT PRINTING OFFICE 16—45102-2

these supposed-to-be mining engineers and geologists designated where the holes should be drilled. We objected to the location of the holes, but were told we could waste a few more months if we asked to have them changed. So we went ahead and drilled the holes in the wrong places designated by these "experts".

We believe, from our experience with this DMEA outfit, that a thorough investigation of their activities is in order.

Thanking you, Senator, for any assistance you may give us, we remain

Sincerely yours,

Walter L. Low

and

Dorothy Low

wl:bg

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
1605 Evans Avenue
Reno, Nevada

March 25, 1958

RECEIVED MAR 28 1958
DATE | INITIALS | CODE
3/28 | C | 220
" | COM | 100
" | Feg | 110
| | 120
| WSM | 400
1 Copy mail to CO

Memorandum

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

From: Executive Officer, DMEA Field Team, Region II

Subject: Docket No. DMEA-4715 (Mercury)
Walter L. Low and Dorothy Low
Mt. Tobin Mine
Pershing County, Nevada
Contract No. Idm-E 1131

Enclosed are two copies each of memoranda from Roscoe Smith and H. W. Jones on the specific questions brought out in your letter of March 12, 1958.

I have investigated the payment on October MF-104 vouchers and find that our San Francisco office received them on December 23, 1957 and that they were sent to Treasury on January 3, 1958 for payment. December 23 to January 3, inclusive, totals twelve days. Deducting the day of receipt, holidays, Saturday and Sunday, and the day sent to Treasury leaves 5 extra days. Considering that this was during the Holiday season, I can see no reason for criticism on this payment.

The November MF-104 was received in this office on December 12 but we did not have official word about Low's withdrawal of assignment to the bank until December 20, so the MF-104's were held in this office in the meantime. They were forwarded to Finance December 20 with Roscoe Smith's notation to withhold payment until receipt of Operator's final report. A portion of this payment could have been paid and I discussed it with Mr. Mavor upon my return to the office the first of January. The work was finished and in order to avoid setting

Further correspondence with Sen. Malone re this must be cleared through Director of Inspection.

up an account for a small balance on our Finance Office books we decided to conclude the contract by making an audit and helping the Operator with his final report at the same time. Unfortunately, the procedure backfired due to illness of the Auditor and non-acceptance of his audit.

S. Ricker

Attachments

Mineral Deposits Branch

March 20, 1958

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

Re: Docket DMEA-4715 (Mercury)
Walter L. Low and Dorothy Low
Mt. Tobin mine
Pershing County, Nevada
Contract Idm-E1131

Dear Mr. Ricker:

Mr. Selfridge has asked for detailed answers to questions about the referenced project in a letter to you dated March 12, 1958.

In paragraph 1 of that letter, he requests the specific date when variations from the contract were informally authorized. That date was October 30, 1957 at the time of my visit to the property with Henry Jones (not October 29 as reported in Mr. Low's October narrative). At that time 10 holes had been completed, eight of which (holes 1-8) were in accordance with the contract and two of which (9 and 10) had been spotted by Mr. Low completely outside the favorable zone. Hole No. 8 was the last hole authorized in Stage I. Cuttings from this hole panned in my presence contained small amounts of cinnabar and pyrite in silicified shale and chert in the intervals between 75 and 86 feet. The amount of cinnabar was not enough to warrant assaying or to justify all of Stage II, but it was enough to justify some additional drilling. Accordingly, Mr. Low was given oral permission to continue with one hole in Stage II. He then started Hole No. 11 at 2:00 p.m., and at 3:00 p.m. the hole had reached a depth of 60 feet. The interval from 50 to 55 feet yielded cuttings of gray chert which panned a trace of cinnabar, and the interval 55 to 60 feet contained gray chert which panned a significant

Not according to interim report and Amend. No. 1

quantity of cinnabar. Henry and I concluded from visual inspection that this was a sufficient showing to warrant all of Stage II. As it turned out later the interval 55 to 60 feet yielded the highest assay of the project. A request for an amendment to the contract was not requested at that time because the authorization was strictly in conformance with the first paragraph of Exhibit A. This verbal authorization was an official approval of Stage II, not an informal one as the contract does not state that the approval must be in writing, although it was later confirmed in writing. I saw no need for an amendment at that time and I have no data that suggests the need for an amendment, but I have been told that one is required for fiscal reasons. As we have none of the fiscal data in our office I cannot comment further.

I cannot agree with the last sentence in paragraph 2 which states that the intent of the contract was to drill "not in excess of 19 holes". The contract authorizes the preparation of 19 drill sites and states that 19 holes shall be drilled. The only restriction is that the aggregate length shall not exceed 1,500 feet. If the operator chose to prepare additional drill sites at his own expense and drill 29 holes, this is within the intent of the contract so long as the aggregate length is not over 1,500 feet.

I have no data to answer the questions asked in the third paragraph of the letter. Paragraph 4 requests the date that the operator was given informal approval for drilling Stage II holes. This date was October 30. All of the Stage I holes had been completed at that time and official approval was given to drill all of the Stage II holes as detailed above.

Paragraph 5 concerns holes 9 and 10. These were completed just before my arrival on October 30 and at such a great distance from the exploration area that we saw no way to reconcile them with the contract. We therefore informed Mr. Low that they would be disallowed. Mr. Jones did not spot these holes, the sites were chosen by Mr. Low.

They were [illegible] holes and Amend No. 1

In paragraph 6 the second sentence is not correct. Holes 12, 13, and 14 were not accepted as Stage I holes. The third sentence is also incorrect as drilling in excess of eight holes in Stage I was never informally authorized by the Field Team. At that time,

October 30, eight holes were considered to be all of Stage I, holes 9 and 10 were disallowed, and all subsequent holes were considered to be Stage II. No amendment was necessary and therefore none was requested.

Paragraphs 7 and 8 concern the delay in payment of the operator's vouchers. This delay was occasioned almost entirely by Mr. Low's request for an assignment of his first voucher. Washington's authorization to make the assignment was requested. The reply that the assignment would have to be filled out on a different set of forms was received in your office while I was Acting Executive Officer. I visualized excessive delay if new forms had to be submitted, and therefore I called Mr. Low on the telephone and explained the situation to him. He told me to forget about the assignment and I assured him that I would do so and requested written confirmation of his telephone instructions. I held this first voucher until written confirmation was received and then forwarded the voucher to San Francisco for payment. By that time his second and last voucher had been received, and this I forwarded to San Francisco with a note attached to "hold until operator's final report is received". I was remiss in not specifying the amount to be withheld. As the operator's final report had still not been received by January 16, 1958, Henry Jones stopped in Winnemucca and assisted Mr. Low in its preparation, for no other reason than to expedite payment of the second voucher.

A comparison of the maps in the final report and in the contract reveals that in Stage I, holes 1, 4, 5, 6, and 7, and in Stage II, hole 31 were the only ones drilled at spots designated in the contract. Sites for the other holes were selected by Mr. Low. Holes 9 and 10 were so far from the contract area that they were disallowed. Five other holes--15, 16, 28, 29, and 30--were drilled at a considerable distance from the project area at Mr. Low's request and were approved because they are in an area of intense alteration and were as likely to discover ore as any of the others.

Sincerely yours,

Roscoe M. Smith, member
DMEA Field Team, Region II

DMEA
RECEIVED MAR 28 1958
DATE | INITIAL | CODE

1605 Evans Avenue
Reno, Nevada
March 24, 1958

Memorandum

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

From: H. W. Jones, Mining Engineer

Subject: Docket No. DMEA-4715 (Mercury)
Walter L. and Dorothy Low
Mount Tobin Mine
Pershing County, Nevada
Contract No. Idm-E 1131
(Letter from Mr. Selfridge dated March 12, 1958)

Paragraphs 1 and 3:

The 27 drill sites were located October 14, 1957 by Brunton and tape survey in company with Mr. Low. Verbal authority was given the Operator to start Stage II on October 30 and during discussion on return to Reno, we concluded that a formal amendment to the contract was unnecessary.

Paragraph 2:

We were guided, but evidently in error, by the maximum units on footage. If holes had averaged 75 feet (50-150), 13 holes under maximum footage of 1,000 feet could have been drilled under Stage I but an amendment would have been required in accordance with the strict interpretation of the contract but not with the reasonable intent thereof -- a rather difficult contract to administer with a drill and crew on the job and a delay for possibly two or more weeks.

Paragraph 4:

Eight holes of Stage I had been completed. Nos. 9 and 10 were disallowed. Hole 11 was started on October 30 during an inspection visit by Roscoe Smith and myself, and additional holes authorized on same date.

Paragraph 5:

Hole No. 9 and No. 10 were both out of order and outside our recommended exploration area. Drill sites were selected by Mr. Low.

Paragraph 6:

Cuttings from No. 8 showed some cinnabar mineralization. Additional drilling was verbally authorized October 30. We did not consider an amendment to meet the intent of the contract was required and informal permission to continue was given by you on November 4. Roscoe Smith and I believed that it was in the interest of both the Government and the Operator to more fully explore the area.

Paragraphs 7 and 8:

No comment.

H. W. Jones

H. W. Jones.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
3/11	Talbert	800
3/11	Chambers	800
	Martin	400
3/12	GLS	130
"	Johnson	110
"	Rittendorf	100
3/13	C	220
		400

MAR 12 1958

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

Re: Docket No. DMEA-4715 (~~Mercury~~)
Walter L. Low and Dorothy Low
Mount Tobin Mine
Pershing County, Nevada
Contract No. Idm-E1131

Dear Mr. Ricker:

Your letter of March 4 explains some of the difficulties and delays in the administration and settlement of the referenced project; even so, a number of questions remain unanswered. We have neither the specific date when variations from the contract were informally authorized nor an explanation of the failure at that time to request a confirming amendment to the contract.

This contract was patterned on the Field Team's recommendation for the drilling of 8 primary holes, followed by secondary holes "if satisfactory results are achieved from the primary holes". Thus, the contract provided for the Operator to complete 8 holes at sites approved by the Government, each hole to be between 50 and 150 feet deep, but not exceeding 1,000 feet in the aggregate. Then, the intent of the contract was that to the extent approved in advance by the Government, the Operator would drill not in excess of 19 holes aggregating not over 1,500 feet in depth.

H. W. Jones' interim report and your letter state that the project was visited on October 14 and 23, when both first and second stage holes were located. On which date were the holes actually spotted? How many of the following were spotted: the 27 authorized by the contract, the 29 under your February 17 amendment, or the 31 actually drilled by the Operator?

A second interim report and your letter state that the project was visited again on October 30 and November 4. On which of these dates was the Operator given the informal approval, as confirmed by your November 4 letter, for drilling of Stage II holes? How many Stage I holes had been completed at that time?

8623

Mr. Reifinge

"approved" would be better

F.J.

Your letter states that holes 9 and 10 were much out of order. H. W. Jones' interim report specifies that these holes were outside of the exploration area. Are we correct in assuming that the Operator did not drill at the sites approved by Mr. Jones?

H. W. Jones' interim report, as well as the Operator's final report, indicates that Stage II was authorized after mineralization was encountered in Stage I hole no. 11. Furthermore, subsequent holes nos. 12, 13, and 14 were accepted (with holes nos. 9 and 10 being disallowed) as Stage I holes. Please give reason and date Stage I drilling in excess of the contract maximum of 8 holes for Stage I was informally authorized by the Field Team. Why was not a request for amendment made at that time?

The delay in payment of the Operator's vouchers also raises some questions. Mr. Low's advice to ignore his request for assignment was received by you on December 20. Could not steps then have been taken to expedite payment of the much past due October MF-104?

The November MF-104 was received by you on December 12 but payment of the entire balance of $4,224.75 was withheld pending receipt of the Operator's final report and an audit of the project account. Why was it necessary to withhold the entire amount rather than a nominal sum to cover the estimated cost of the Operator's final report plus the amount of possible disallowances by audit? That part of contract Article 5 following the word "provided", as well as the Special Notices in Operating Committee Minutes Nos. 219 and 782 and Question and Answer No. 21 of Operating Committee Memorandum No. 8, is pertinent to this question.

So that our files will contain complete and specific information, detailed answers to the above questions would be appreciated.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GCS)

APPROVED:

Frank D. Lamb (GCS)

Member, Bureau of Mines

Thor H. Kiilsgaard (GCS)

Member, Geological Survey

EDTalbert/ama
March 11, 1958

Copy to: Docket
Admr. Reading File
Operating Committee
Mr. Kiilsgaard, USGS
Mr. Pennington, USBM
Mr. Chambers

IN REPLY REFER TO:

DMEA
RECEIVED MAR 11 1958

DATE	INITIALS	CODE
3/11	C	220
	WSM	400

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

March 10, 1958
Re: DMEA 4715 Idm-E1131
Walter L. and Dorothy Low
Mount Tobin Mine
Pershing County, Nevada
Mercury

Memorandum

To: W. S. Martin, Defense Minerals Exploration Administration

From: N. E. Nelson, U. S. Geological Survey

Subject: Review of Field Team Final Report

The contract, awarded September 11, 1957, authorized the expenditure of $10,544.00 on the exploration, by rotary drilling, of the extension of a mercury-bearing zone credited with a recorded production of 1500 flasks of mercury.

Small quantities of mercury, as determined by panning, occur in the outcrops of the extensions of the zone and the examiners inferred 6,500 tons of 7 to 10-pound rock might underlie the outcrops.

The zone was drilled east of north and west of south from old stopes and a glory hole. Drilling totaled 2390 feet in 29 holes. Mineralization by mercury was noted in 17 holes. The highest grade section, 0.8 pounds per ton, is in Hole No. 11 between 55 and 60 feet. Expenditure totaled $9,605.00, of which the Government contributed $7,203.75. No ore was found by the drilling, but in the opinion of the examiners, the low grade mineralization suggests there may be orebodies in the area drilled and the examiners infer one or more orebodies of 2,000 to 6,000 tons of 7 to 13 pound rock may be present. They consider additional drilling, stripping and test pits are warranted in specific areas.

As no ore was 'discovered', the examiners and the Field Team recommend that certification is not justified.

I concur with the recommendation.

N. E. Nelson

N. E. Nelson

I don't like to put a [illegible] [illegible] I [illegible] [illegible] 7 [illegible] report [illegible] 11 58

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
1605 Evans Avenue
Reno, Nevada

March 12, 1958

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 14 1958

DATE	INITIALS	CODE
3-14	C	220
	WSM	400

Memorandum

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

From: Executive Officer, DMEA Field Team, Region II

Subject: Docket No. DMEA-4715 (Mercury)
Walter L. Low and Dorothy Low
Mount Tobin Mine
Pershing County, Nevada
Contract No. Idm-E 1131

Please substitute the enclosed three copies of Figure 2 in our final report for those attached. Hole No. 17 was omitted from the original set.

S. Ricker

Attachments

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
1605 Evans Avenue
Reno, Nevada

March 4, 1958

ORIGINAL FILE COPY
DMEA
RECEIVED MAR 6 1958

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3/6	C	220
3/6	Com	100
3/6	[illegible]	130
3/6	[illegible]	110
3/10	[illegible]	130
3/11	C	220
3/12	WSM	400

Memorandum

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

From: Executive Officer, DMEA Field Team, Region II

Subject: Docket No. DMEA-4715 (Mercury)
Walter L. Low and Dorothy Low
Mount Tobin Mine
Pershing County, Nevada
Contract No. Idm-E 1131

Enclosed are three copies of our final report on subject contract by R. M. Smith, Geological Survey, and H. W. Jones, Bureau of Mines.

FINAL FT REPORT

I concur in the recommendation that the project should not be certified.

S. Ricker

Attachments

Reviewed by
DMEA OPERATING COMMITTEE
3-10-58
(date)

DMEA FORM 6 REFERENCE SLIP
REV. 12-56 DEFENSE MINERALS EXPL TION ADMINISTRATION

TO:	INITIALS	DATE
1. 100		
2. 110		
3. ~~800~~		
4. 400		
5.		

FROM:

FOR: Check items for action desired

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

REMARKS:

Note —
Field Team interpretation of contract (on bottom of page 4 and top of page 5) is correct, but yet they belatedly executed Amend. No. 1. Map shows 8 holes in stage I, whereas confirming Amend. No. 1 provides for 12. Also hole no. 12 not shown on map. No depths of individual holes given in report.
Talbot 2/20/58

INT-DUP. SEC. WASH., D.C. M8278

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UNITED STATES
DEPARTMENT OF THE INTERIOR
FRED A. SEATON, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION II

FINAL REPORT

DMEA-4715, Contract Idm-E1131 (Mercury)
Walter L. and Dorothy Low
Mt. Tobin mine
Pershing County, Nevada

by

H. W. Jones
U. S. Bureau of Mines

R. M. Smith
U. S. Geological Survey

February 27, 1958

Reviewed by
DMEA OPERATING COMMITTEE
3-10-58
(date)

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ILLUSTRATIONS

Figure 1 . . . . . Index map

2 . . . . . Geologic and topographic map of Mt. Tobin quicksilver mine area

INTRODUCTION

The Mt. Tobin mine, Pershing County, Nevada, was explored by Walter L. and Dorothy Low, owners, P. O. Box 373, Winnemucca, Nevada, in cooperation with the Defense Minerals Exploration Administration, docket DMEA-4715, contract Idm-E1131 dated September 11, 1957. Work was started October 22, 1957 and was completed November 7, 1957. An examination of the property to evaluate the completed program was made November 8, 1957 by Henry W. Jones, U. S. Bureau of Mines.

SUMMARY

The purpose of the project was to explore for inferred cinnabar ore bodies in an alteration zone 1,000 feet long and 200 feet wide.

The project was justified by the production of 1,500 flasks of mercury from two ore bodies that averaged 10 pounds of mercury per ton which were mined from this zone, by the occurrence of small quantities of cinnabar in outcrops in the zone, and by inferred reserves of 6,500 tons estimated to contain seven to 10 pounds of mercury per ton.

Thirty-one shallow rotary drill holes totalling 2,550 feet were drilled along the projected extensions of the ore zone at a total cost of $9,605.00, of which the Government's participation was $7,203.75. Minor amounts of cinnabar were found by several of the holes, and although no ore grade material was discovered the results imply the possibility of ore bodies near these holes.

There was no ore produced during the period of the contract and no royalty is due.

CONCLUSIONS AND RECOMMENDATIONS

Favorable areas for future exploration were indicated by the DMEA work, thereby increasing the value of the property, but no ore was discovered and no "development" was made. We conclude therefore that a certification of discovery is not justified.

Note of S.P.R.

LOCATION, ACCESSIBILITY, AND LOCAL FACILITIES

The Mt. Tobin mine is in sec. 1, T. 28 N., R. 39 E., M.D.B.&M., Pershing County, Nevada (fig. 1) on the west slope of the Mt. Tobin Range at an altitude of about 6,500 feet.

The mine is reached by travelling southeast on Bridge Street in Winnemucca, across the Southern Pacific railroad tracks, then south on a graveled county road 45.3 miles. Turn east and continue

up Golconda Canyon 7.0 miles to the mine. The last few miles are passable by car or pick-up truck only during periods of dry weather.

Housing or transmitted power is not available in the vicinity. Operating equipment, supplies, and personnel may be obtained in Winnemucca which is the nearest shipping point and railhead. Water is available from springs on and near the property.

PROPERTY

Cinnabar was first discovered in the area in 1929 by J. D. and V. A. Thorton who located the five original Miner's Dream lode claims. Intermittent exploration followed until 1938 when a four-pipe retort was installed and mining started. In 1940 H. W. Gould and Company purchased the property and installed a 20-ton rotary furnace which was operated until the summer of 1942. The furnace and buildings were later removed. Mr. Low, the present owner, purchased the property in 1942 and did a small amount of development at that time. Except for the DMEA project, no work other than exploration by bulldozer trenching has been done since 1943.

The property consists of eight claims, recorded in the Pershing County courthouse at Lovelock, as follows:

Claim name	Recording No.	Book	Page
Miner's Dream	7625	4	129
Miner's Dream No. 1	21099	9	223
Miner's Dream No. 2	21100	9	224
Miner's Dream No. 3	21101	9	224
Miner's Dream No. 4	21102	9	224
Miner's Dream No. 5	42959	16	323
Miner's Dream No. 6	42960	16	324
Miner's Dream No. 7	42961	16	325

All of the claims were included in the project.

The mine is developed by two glory holes and the connecting haulage drifts. The West workings consist of a shallow glory hole 110 feet long and 60 feet wide, and a haulage level about 20 feet below. The East workings consist of a glory hole and connecting stope about 150 feet long, 40 feet wide, and 40 feet deep, and a 600-foot haulage level about 40 feet below the base of the glory hole.

The haulage tunnels are inaccessible but the glory holes are both open. All surface buildings and facilities have been removed from the property or destroyed.

The total recorded production is 1,491 flasks of mercury.

THE DMEA PROJECT

The contract provided for a two-stage program. The first stage consisted of bulldozing to prepare access roads and eight drill sites, to be followed by rotary drilling of eight vertical holes

an aggregate length of 1,000 feet. Dependent upon the results of the first stage, Stage II consisted of bulldozing to prepare an additional 19 drill sites and the access roads to them, followed by rotary drilling an aggregate of 1,500 feet of holes.

Bulldozing started October 17, 1957 and rotary drilling started October 22, 1957. Cinnabar panned from cuttings in drill holes 2, 5, and 8 justified Stage II and written permission was given to continue with the project. Additional cinnabar was panned from holes No. 11, 15, 16, 20, 22, and 23. A total of 31 holes was drilled in and near the exploration area for a combined length of 2,550 feet. The operator drilled two holes, Nos. 9 and 10 totalling 160 feet, outside the exploration area without approval of the Government and this drilling was done at the operator's expense. The total allowed paid footage under the contract was 2,390 feet in 29 holes. The contract was completed November 7, 1957.

Drilling was carried out at an exceptionally fast rate; three 60-foot holes completed in a day was not uncommon. Sampling was done by panning and subsequently by sampling the cuttings where cinnabar was indicated.

Amendment No. 1 dated February 17, 1958 authorized an increase in the number of holes in Stage I to 12, and an increase in the total number of holes to 29. The authorized aggregate length of all holes remained 2,500 feet. Some of the holes were shorter than anticipated, and the increase permitted a larger area to be explored.

Expenditures

Total approved cost		$10,544.00
Stage I		
Bulldozing 12 drill sites and access roads, 20 hrs. @ $15.00/hr.	$300.00	
Rotary drilling, 1,020 ft. @ $3.00/ft. (12 holes)	3,060.00	
Incidental allowance, 1,020 ft. @ $0.90/ft.	918.00	
Total cost of Stage I	$4,278.00	
Stage II		
Bulldozing 17 drill sites and access roads, 23 hrs. @ $15.00/hr.	$345.00	
Demobilization of bulldozer	50.00	
Rotary drilling, 1,370 ft. @ $3.00/ft. (17 holes)	4,110.00	
Incidental allowance, 1,370 ft. @ $0.60/ft.	822.00	
Total cost of Stage II	$5,327.00	
Total cost of the project		$ 9,605.00
Government's share of cost at 75 percent		$ 7,203.75
Government's share unexpended		$ 704.25

All of the work was done by an independent contractor and no equipment was purchased.

GEOLOGY

Geologic Setting

The oldest formation in the mine area consists of interbedded chert, shale, and limestone, which is overlain by interbedded chert conglomerate, sandstone, and shale. Overlying the sedimentary rocks is a volcanic unit of rhyolite, basalt, and interbedded tuff and ash. These formations are cut by faults and by fractures between the faults. Large zones between faults have been argillized and bleached, and in these zones cinnabar and chalcedony have been deposited along some of the faults and along some of the fractures, more extensively in the chert conglomerate and rhyolite than elsewhere. These formations are partly covered by Older alluvium containing detrital fragments of cinnabar veinlets, and are partly covered also by terrace gravels and by recent alluvium. The area is eroded to one of moderate relief in which there are few outcrops.

The chert, shale, and limestone are part of the Havallah formation of Permian(?) age and the chert conglomerate is considered to be of Triassic age. The conglomerate, which is

the principal host rock of the ore, is in thick beds composed of sub-angular chert, quartzite, and quartz pebbles as much as four inches in diameter cemented by siliceous and argillaceous material. In the mine workings the beds strike west to northwest and dip 10 to 30 degrees southward. In mineralized areas the conglomerate has been bleached from dark gray to white. It grades into sandstone and the sandstone in turn grades into shale which is locally carbonaceous.

The pyroclastic and volcanic rocks are probably of Tertiary age. They are poorly exposed and are highly altered and leached.

All of the alluvial deposits are Quaternary in age. The Older alluvium rests unconformably on mineralized conglomerate, the terrace gravels cap ridges and terraces, and the younger alluvium covers valley bottoms.

Three sets of faults are prominent in the mine area; one set strikes north and dips about 45° E., a second set strikes northeast and dips steeply northwest, and the third set strikes northwest and dips steeply southwest. Displacement along them is normal and is generally small, although along one of the north-striking faults (East glory hole) a tuff layer has been faulted into contact with conglomerate. Along faults the rocks have been

crumpled and fractures between faults are common. Two sets of fractures are most prominent; one set strikes east and dips steeply north, the other set strikes north and dips 60° W. The largest ore body was locallized along north-striking fractures.

Ore Deposits

The ore bodies are concentrations of cinnabar and chalcedony with lesser amounts of pyrite in the leached conglomerate and rhyolite along short segments of some of each set of faults, and also between the faults in fractures most of which strike north and dip west.

Argillaceous alteration of the sedimentary and volcanic rocks is extensive in a zone about 1,000 feet long and 400 feet wide and is most intense along and near fractures between faults. The ore bodies are localized in this zone of alteration.

Cinnabar, locally accompanied by chalcedony and some pyrite, fills cavities in the conglomerate and to a lesser extent replaces the cement and the pebbles. It also occurs as botryoidal encrustations on the pebbles and as veinlets along fractures. In the rhyolite it occurs as painty films and disseminated grains, and in the Older alluvium it occurs as detrital fragments.

Two ore bodies have been mined, one in the West workings and the other in the East workings.

In the West workings an ore body was mined from a glory hole 110 feet long, 60 feet wide, and 20 feet deep. The ore body was evidently narrow and discontinuous, for it yielded 2,300 tons averaging 12.78 pounds of mercury per ton and was locallized in conglomerate, apparently parallel with the bedding between two northeast-trending fault zones about 60 feet apart. In the haulageway below the glory hole there is sparse cinnabar in other fault zones.

The East ore body was mined from a glory hole 150 feet long, 40 feet wide, and 40 feet deep and yielded 6,600 tons from a body about 20 feet wide averaging 7.12 pounds of mercury per ton. The ore was locallized in conglomerate along north-trending fractures that are bounded on the north by a steep east-striking fracture and on the east by a north-striking fault that dips 50° E. In other directions the ore appears to diminish in tenor, although it is inferred to continue to the south. The overlying Older alluvium at the west end of the glory hole locally contains enough detrital cinnabar to constitute ore. In the haulage level below the glory hole cinnabar occurs in nonpersistent fractures in the conglomerate.

About 1,000 feet south of the West workings--at the Snake Pit adit outside the Miner's Dream claims--an ore body as much as 6 inches wide is being explored along a fault that strikes northwest and dips 75° SW. in chert conglomerate. The adit is 20 feet long and a few tons of ore containing 50 to 80 pounds of mercury per ton has been discovered.

DMEA drilling explored the zone of alteration from 500 feet northeast to 600 feet southwest of the East workings with 24 holes ranging in depth from 60 to 120 feet. The highest grade material was recovered from hole 11 near the south end of the explored zone where the interval 55 to 60 feet assayed 0.8 pound of mercury per ton. The longest interval containing significant indications of ore was found in hole 20, also near the south end of the explored zone where the interval from 65 to 75 feet averaged 0.5 pound of mercury per ton. In two other holes (8 and 23) intervals of 11 and 5 feet averaged 0.1 pound or less mercury per ton. Although no ore was cut in any of the holes the intervals containing cinnabar are of the same order of magnitude as the ore bodies, and may well be in the fringes of ore bodies.

A smaller alteration zone 600 to 1100 feet southwest of the West workings was also explored with DMEA drill holes. Five holes were drilled to depths of 60 to 80 feet. In two of these (15 and 16) the intervals from 10 to 20 feet in depth averaged 0.1 pound or less mercury per ton.

SAMPLING

Seventeen samples were taken of rotary drill cuttings where pannings indicated that cinnabar was present in sufficient quantities to warrant sampling.

Sample No.	Lbs. Hg/ton	Interval, feet	Description
527	0.1	75-78	Drill hole No. 8.
528	<0.1	78-80	Drill hole No. 8.
529	<0.1	80-81	Drill hole No. 8.
530	0.1	81-82	Drill hole No. 8.
531	0.2	82-83	Drill hole No. 8.
532	<0.1	83-84	Drill hole No. 8.
533	<0.1	84-85	Drill hole No. 8.
534	<0.1	85-86	Drill hole No. 8.
535	0.8	55-60	Drill hole No. 11.
536	<0.1	60-65	Drill hole No. 20.
537	0.7	65-70	Drill hole No. 20.
538	0.3	70-75	Drill hole No. 20.
539	<0.1	70-75	Drill hole No. 23.
540	<0.1	10-15	Drill hole No. 15.
541	0.1	15-20	Drill hole No. 15.
542	<0.1	10-15	Drill hole No. 16.
543	<0.1	15-20	Drill hole No. 16.

Eight samples taken during the application examination from surface cuts and glory holes assayed as follows:

Sample No.	Lbs. Hg/ton	Width, feet	Description
474	0.1	10.0	Cut Miner's Dream No. 6.
475	3.9	3.0	Cut southwest of West glory hole.
476	3.7	5.0	Bulldozer cut just below West glory hole.
477	4.2	17.0	West edge West glory hole.
478	2.7	10.0	South wall East glory hole (1 of 2 parts).
479	14.0	8.0	South wall East glory hole (2 of 2 parts).
480	0.1	9.0	South wall of trench 200 ft. south of East glory hole.
481	<0.1	15.0	North wall of trench north of East glory hole.

ORE RESERVES

There are no measured reserves, and except for a few tons immediately south of the East workings and at the Snake Pit adit there are no indicated reserves. From the distribution of mineralized fractures near the ore bodies that have been mined it is inferred that one or more ore bodies may be discovered in the areas where DMEA holes cut mineralized rock. It is expected that their size and grade would be about the same as the ore bodies mined--2,000 to 6,000 tons averaging 7 to 13 pounds of mercury per ton.

EXPLORATION

Additional exploration by drilling in the area of holes 11 and 20, and additional exploration by stripping or test pits in the area of holes 15 and 16 is warranted.

As only a few holes were drilled north of the workings a few more holes to explore the full width of the alteration zone are also warranted.

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SUR

DMEA-4715, Idm-E1131
(Mercury)

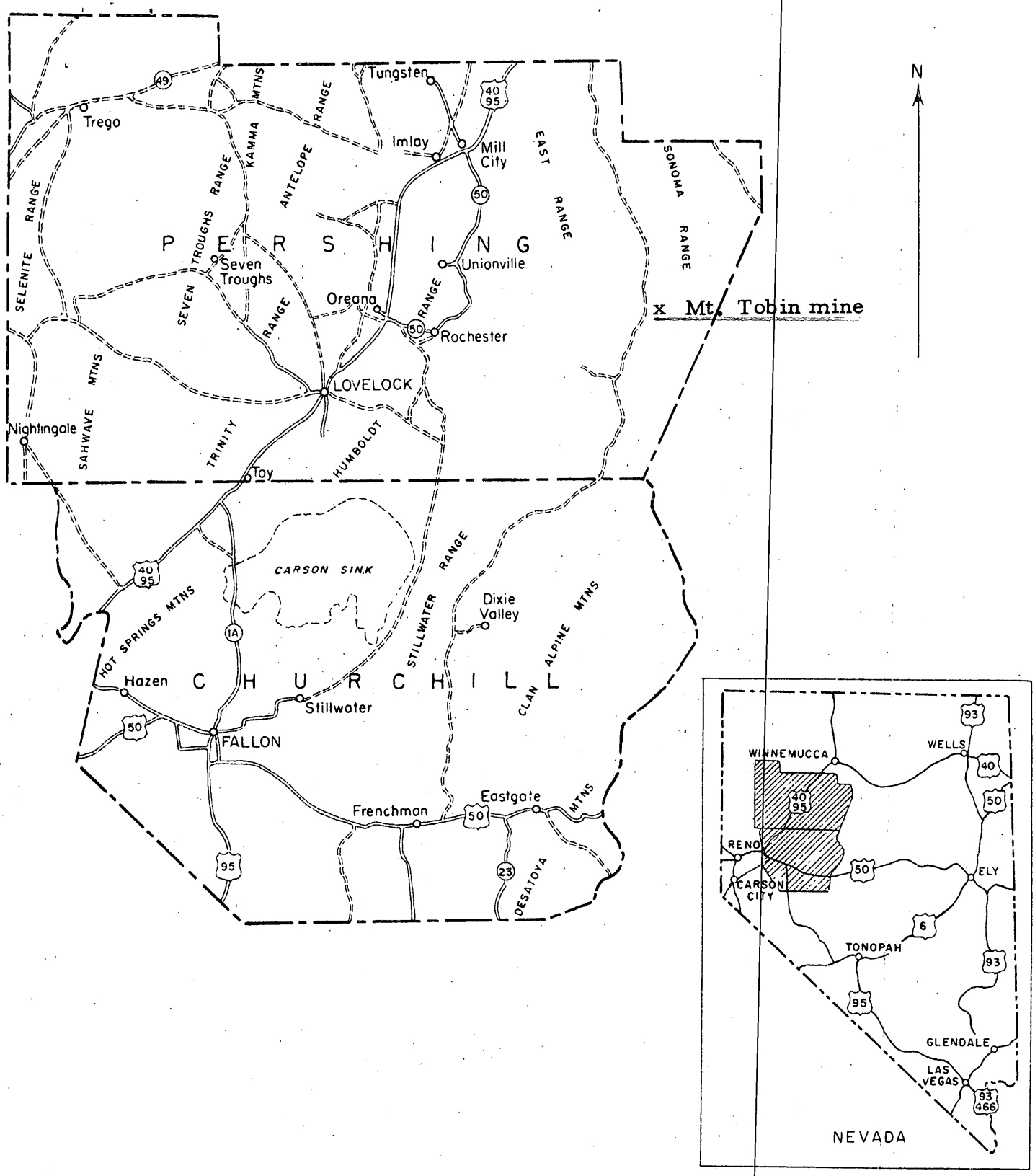

Figure 1. INDEX MAP OF CHURCHILL AND PERSHING COUNTIES, NEVADA

0 20 40 60 Miles

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Re: DMBA-4715

Richards ltr. 3/4/58 doesn't explain the questionable administration, for example:

1. Granting Stage II work after hole 11 (9th accepted hole) when contract provides only 8 holes in Stage I, then allowing 3 more holes in Stage II.

2. Allowing total of 29 holes whereas contract provides maximum of 27.

3. Delay between 12/20/57 and 1/3/58 in scheduling for paymt. the much past due Oct. voucher.

4. Withholding complete paymt on Nov. voucher pending audit, whereas normal procedure is to withhold a protective amount (usually $200 to $500, not $4000+)

Talbert

Copy sent of [illegible] 3/7/58

This Division should wait for further instructions WSM 3/20/58

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
1605 Evans Avenue
Reno, Nevada

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March 4, 1958

Memorandum

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

From: Executive Officer, DMEA Field Team, Region II

Subject: Docket No. DMEA-4715 (Mercury)
Walter L. Low and Dorothy Low
Mount Tobin Mine
Pershing County, Nevada
Contract No. Idm-E 1131

Reference is made to your letter of February 28, 1958 and copy of Walter Low's letter of February 17, 1958 to Senator Malone relative to subject contract.

I am not surprised at such a letter from Mr. Low as a review of our correspondence with him relative to Dockets Nos. 2283 and 2848, during the years 1952 through 1954, is indicative of his character. His opinion of DMEA and our engineers and geologists hasn't changed since our experience with him during those years. As Mr. Low, upon his visit to Reno on October, 1957 to sign the contract seemed exceptionally cordial and pleased with the DMEA functions and personnel, we will give you our comments from that date.

H. W. Jones visited the property on October 14 and 23 and located proposed drill sites in cooperation with Mr. Low, at which time he expressed no objection to the layout of the holes. Drilling started with Hole No. 5 on October 22 and project was completed November 7. As drilling was progressing so rapidly, Jones again visited the project on October 30, November 4, and November 8. Owing to the fact that the Operator seemed determined

to take the project in his own hands and drill without our control, Roscoe Smith accompanied Jones on one of the trips and B. H. Sheahan on another. Two holes, Nos. 9 and 10, were so much out of order that payment could not be reconciled with the contract and was disallowed. Some of the other holes, while not drilled as originally planned, served the general purpose of sound exploration and were accepted. In the meantime, on November 4, 1957, the Operator was advised by mail (copy of letter enclosed) that he could proceed with Stage II of contract in confirmation of verbal permission.

Corrected vouchers MF-104 and MF-104A for October were received in this office November 15, after having been returned to the Operator for correction. In the meantime, on November 9, 1957, an assignment of monies owing to Low was made to the First National Bank of Nevada and forwarded to Washington on November 13, 1957. A letter informing us that the assignment did not conform to Government policy was received from Washington on December 13, 1957. Roscoe Smith informed Mr. Low on December 17, 1957 that the assignment was not in order and was advised by Mr. Low to ignore the assignment and to proceed in the normal manner. A confirmation by mail was received on December 20 of Low's decision and the Finance office in San Francisco was advised to pay the October vouchers. Vouchers were sent to Treasury January 3, 1958 and Low evidently received payment January 9, 1958.

Vouchers for the month of November were received in this office December 12, 1958. Operator's final report had not been received nor had the account been audited. For both reasons, it was necessary to hold payment in abeyance.

On January 16, our Auditor, George Mavor, in company with H. W. Jones audited the account and Jones helped with the Operator's final report so that the account could be closed. Unfortunately, Mr. Mavor had an attack of influenza and upon his return to San Francisco was confined to his home the last two weeks in January. The audit, which was prepared during the first week in February, was returned from Washington for revision on February 10 and payment could not be made until Amendment No. 1 was consummated. This required another delay in payment.

I discussed the amendment with both Roscoe Smith and Mr. Mavor and it was the consensus that it was within the authority of the Executive Officer to prepare and execute it. In addition, it would have probably taken at least two weeks more to have received one from Washington which would have aggravated the situation. To expedite execution of the amendment, Mr. Jones made a special trip to Winnemucca on February 18 to obtain Mr. Low's signature. He fully explained that his last MF-104 and MF-104A vouchers could not be paid as they could not be reconciled with the contract.

In the meantime, the drilling contractor was becoming annoyed because he had not been fully paid and Mr. Low blew his top at the last delay as he had been planning a fishing trip to the Colorado River.

The type of drilling was adaptable to this type of formation. Core drilling would have been impracticable and churn drilling, much more costly, slower, and would not have given any more pertinent information. The drilling was similar to that carried on at project DMEA-4342, which was highly successful in finding a commercial ore body of significant size. Here, however, drilling was done dry and good results obtained. If significant ore bodies had been intersected they would have been indicated in the cuttings. Where possible, every effort was used to give serious consideration to all of Mr. Low's suggestions as to hole locations.

In summary, it may be said that the delay on payment of first voucher was due to Low's assignment to the bank which did not conform to the Government's policy. Delay in payment of the final voucher was due to the fact that the Operator's vouchers did not conform to contract; delay in receiving Operator's final report; illness of Auditor; and necessity of consummating Amendment No. 1.

I am sure Senator Malone will realize that during this period we had other responsibilities in addition to subject contract.

We hope this will give you the data requested.

S. Ricker

Attachment

DMEA

7 1958

1605 Evans Avenue
Reno, Nevada

November 4, 1957

Mr. Walter L. Low
Walter and Dorothy Low
Box 373
Winnemucca, Nevada

Re: Docket No. 4715 (Mercury)
Walter L. and Dorothy Low
Mount Tobin Mine
Pershing County, Nevada
Contract No. Idm-E 1131

Dear Mr. Low:

This will grant the Government's permission to proceed with Stage II of referenced contract. Location of additional drilling should be in accordance with the instructions of the Government's Field Team.

Very truly yours,

S. Ricker
Executive Officer
DMEA Field Team, Region II

SRicker:tt
cc: File
Chron

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
1605 Evans Avenue
Reno, Nevada

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	WSM	400

January 23, 1958

Memorandum

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

From: Executive Officer, DMEA Field Team, Region II

Subject: Docket No. DMEA-4715 (Mercury)
Walter L. and Dorothy Low
Mount Tobin Mine
Pershing County, Nevada
Contract No. Idm-E 1131

Enclosed are three copies of the Operator's final report. Roscoe Smith and I recommend that it be accepted as the Operator would not be able to furnish any more pertinent data.

Mr. Mavor audited the account in cooperation with our engineer and the Operator.

OPER FINAL REPORT

S. Ricker

Attachments

Operator's Final

FINAL [redacted] REPORT

Jan. 16, 1958.

Docket No. DMEA - 4715
Contract No. idm - E 1131
Walter L. and Dorothy Low
Box 373, Winnemucca, Nevada

The contract with the DMEA was signed and returned to Mr. S. Ricker, Executive Officer at Reno, Nevada. Starting date was set on or before November 11, 1957.

Mr. Les Ferrel, Sparks, Nevada, had a D-8 bulldozer on a nearby mining property, and he was contracted to do the preliminary dozing for drill sites. Bulldozing started October 17 for drill site access and leveling at drill stations. Intermittent dozing continued as the occasion necessitated, as drilling progressed for a total of 43 hours. A verbal agreement was made with the nearby mine operator whereby they would pay the moving in charges and we would pay the moving out charges.

Rotary drilling was started October 22, 1957, by Sierra Drilling and Bit Company of Reno, Nevada, at and near the locations shown on the contract. Cinnibar mineralization was discovered in Hole No. 11 in sufficient quantity to warrant additional drilling. Accordingly the visiting engineer gave verbal permission to continue on stage II, and a confirming letter was received dated November 4, 1957. Holes No. 9 and 10, totalling 160 feet, were disallowed by the visiting engineer and geologist as being too far from the exploration area.

A total of 31 holes were drilled with a total footage of 2550 feet, of which 2390 feet was allowed under the contract. Drilling was completed November 8, 1957.

Cinnibar mineralization was noted in several of the holes in small quantities, none of which was considered to be of ore grade.

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Respectfully submitted,

Walter L. Low

and

Dorothy Low

Walter L Low

MOUNT TOBIN MINE
DMEA-4715

31 shallow rotary drill holes totalling 2,550 feet were drilled under the DMEA contract. (2, 5, 8, 11, 15, 16, 20, 22, and 23)

Cinnabar was panned from cuttings in holes.

SAMPLING

Seventeen samples were taken of rotary drill cuttings where pannings indicated that cinnabar was present in sufficient quantities to warrant sampling.

Sample No.	Lbs. Hg/ton	Interval, feet	Description
527	0.1	75-78	Drill hole No. 8
528	0.1	78-80	" " " 8
529	0.1	80-81	" " " 8
530	0.1	81-82	" " " 8
531	0.2	82-83	" " " 8
532	0.1	83-84	" " " 8
533	0.1	84-85	" " " 8
534	0.1	85-86	" " " 8
535	0.8	55-60	" " " 11
536	0.1	60-65	" " " 20
537	0.7	65-70	" " " 20
538	0.3	70-75	" " " 20
539	0.1	70-75	" " " 23
540	0.1	10-15	" " " 15
541	0.1	15-20	" " " 15
542	0.1	10-15	" " " 16
543	0.1	15-20	" " " 16

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

Budget Bureau No. 42-R1036.5

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

Month of November, 1957 Docket No. DMEA 4715 Contract No. 1131
Operator's Name Walter L. & Dorothy Low Minerals Mercury
Address Box 373, Winnemucca, Nevada
Contract Amount, $ 10,544.00 Government Participation: 75 % Amount, $ 7,908.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling Rotary	4,110.00	3,060.00	7,170.00			
Bulldozing	64.50	---	645.00			
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Demobilization	50.00		50.00			
Incidental Allowance	822.00	912.00	1,734.00	*828.00		1740.00
(8) Contingencies (specify):						
TOTALS	5,627.00	3,972.00	9,599.00	5633.00	3972.00	9605.00

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

Date 12/9/57 *Payee Walter L. & Dorothy Low

Per Walter L Low Title Partner

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

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

(Instructions on reverse)

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

$ 4224 75 (Final)

Charles L. Moore
Authorized Certifying Officer

Signature
(Authorized Certifying Officer)

Date MAR 3 1958 Vou. No. SF-DMEA-17

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E1131 in accordance with the terms of the contract.

Signature Henry W. Jones Henry W. Jones Title Mining Engineer Date December 16, 1957

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Roscoe M. Smith Roscoe M. Smith Title Acting Executive Officer Date Dec. 16, 1957

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

FORM MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of November 1957 Docket No. DMEA 4715 Contract No. 1131
Operator's Name Walter L. and Dorothy Low Minerals Mercury
Address Box 373, Winnemucca, Nevada

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core Rotary	Ft.	4,110.00	1370	7170.00	2390	3.00	2500	7500.00
Churn								
Auger								
Stripping Bulldozing	Hr.	645.00	43	645.00		15.00		750.00
Trenching Mobilization	Job	---		---				100.00
Test Pits Demobilization	Job	50.00		50.00		50.00		100.00
Roads and Trails Assaying Samples		---		---		3.00	98	---
Incidental	Ft	822.00	1370	1734.00	2390	.70+.60	2500	1000.00
* adjustment of Incidental Exp. see Cert. MF-104.		6.00		6.00				
TOTAL DISTRIBUTED COSTS		~~5633.00~~ 5633.00		~~9608.00~~ 9605.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		~~5633.00~~ 5633.00		~~9608.00~~ 9605.00				10,[illegible]

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

Date 12/9/57 Operator Walter L. Low Dorothy Low

Per Walter L. Low Title Partner

REMARKS:

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

(Instructions on reverse)

(For Government use only)

Henry W. Jones

INSTRUCTIONS

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

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

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

GPO 872894

LES FERREL CONST.

P.O.BOX 253

SPARKS,NEVADA

In Acct. With: November I, 1957

WAlter Low,

I365 Bridge St.,

Winnemucca, Nevada.

October 1957

43 hours caterpillar D-8 and Dozer Rental for drill sites and drill site road const. in Mt. Tobin area

@ $I5.00 per hour	$645.00
Moving charge	$ 50.00
Total	$695.00

LES FERREL CONST.

P.O.BOX 453

SPARKS,NEVADA.

In Acct. With: November I, 1957

Walter Low,

1365 Bridge St.,

Winnemucca, Nevada.

October 1957

43 hours caterpillar D-6 and dozer rental for drill sites and drill site road const. in Mt. Tobin area

@ $15.00 per hour	$645.00
Moving charge	$ 50.00
Total	$695.00

Form MF-1[illegible] (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.5

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

RECEIVED FEB 18 1958 D.M.E.A.

Supplement

Month of **November**, 195**7** Docket No. DMEA **4715** Contract No. **Idm-E 1131**

Operator's Name **Walter L. & Dorothy Low** Minerals **Mercury**

Address **Box 373, Winnemucca, Nevada**

Contract Amount, $**10,544.00** Government Participation **75%** Amount, $**7,908.00**

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent / Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Incidental Allowance	6.00		6.00			
(8) Contingencies (specify):						
TOTALS	$5,633.00		9,605.00			

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

Date Feb 18, 1958 *Payee Walter L Low

Per _____ Title Operator

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

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

(Instructions on reverse)

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

$_____

Signature _____
(Authorized Certifying Officer)

Date _____ Vou. No. _____

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract N dm-E1131 in accordance with the terms of the contract.

Signature Henry W. Jones Title Mining Engineer Date Febr. 20, 1958

Henry W. Jones

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature S. Ricker Title Executive Officer Date Febr. 20, 1958

S. Ricker

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-124A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED MAR 7 1958 D.M.E.A.

FEB 24 1958

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S UNIT COST AND PROGRESS REPORT

Supplement

Month of November 195 7 Docket No. DMEA 4715 Contract No. Idm-E 1131

Operator's Name Walter L. & Dorothy Low Minerals Mercury

Address Box 373, Winnemucca, Nevada

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Incidentals		6.00		6.00	2,390	.90+.60	2500	$1800.00
Additional								
TOTAL DISTRIBUTED COSTS		5633.00		9605.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		5633.00		9605.00				

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

Date Feb 18, 1958 Operator Walter L. Low

Per Title Operator

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

REMARKS:

(Instructions on reverse)

(For Government use only)

Adjustment in accordance with Amendment No. 1 to Contract. Work done October, 1957, 20 units at $0.90 instead of 20 units at $0.60

H. W. Jones

H. W. Jones

INSTRUCTIONS

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

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

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

DEPARTMENT OF INTERIOR
BUREAU OF MINES
REGION II
RECEIVED
1950 FEB 24 AM 10:14
SAN FRANCISCO, CALIFORNIA

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
7/25	Mittendorf	100
2/3	C	225
		400

FEB 28 1958

Hon. George W. Malone
United States Senate
Washington 25, D. C.

Re: Docket No. MMA-4715 (Mercury)
Walter L. and Dorothy Low
Mount Tobin Mine
Pershing County, Nevada
Contract No. Idm-31131

Dear Senator Malone:

Thank you for sending me the letter from Mr. Walter L. Low, of Winnemucca, Nevada, citing his difficulties with DMEA in the administration of the referenced contract.

I have been aware of the delays in reimbursing Mr. Low for the Government's share of the cost of the work performed under the contract, and a considerable exchange of correspondence has occurred recently to correct the situation. As late as February 24, 1958, documents were received from our Field Team at Reno, Nevada, which will now permit the Government's final payment to be made in a very few days.

Mr. Low makes other comments which cause me deep concern. I will immediately investigate his allegations, after which you will be informed of my findings.

Sincerely yours,

C. O. Mittendorf (fw)

Administrator

COMittendorf/fw-2/28/58

cc: Secretary's Reading File
ADI
MR
DL
DCCO
Mr. Dwyer
Mails & Files
Admr. Read. File
Mr. Mittendorf
Mr. Martin
FT Reg. II (2)

PRS 6698

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
2/28	Martin	400
Robins	[illegible]	140
2/28	[illegible]	130
3/18	Talbot	800
"	Tyson	110
"	Wittendorf	100
3/3	[illegible]	220
		400

FEB 20 1958

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

Re: Docket No. DMEA 4715 - Mercury
Walter L. Low and Dorothy Low
Mount Tobin Mine
Pershing County, Nevada
Contract No. Idm-81131

Dear Mr. Ricker:

It appears from your memorandum of February 20, 1958, enclosing Amendment No. 1 to the subject contract, that you misunderstood Mr. Jay L. Chambers' letter of February 10, 1958, to Mr. George Mayer.

The intention was that you should send us a detailed justification for preparation of an amendment here, because the changes are within the restrictions of sub-section (ii) of Sec. 2(a) (1) of delegation Order No. 2808 of January 4, 1956.

Nevertheless, we conclude from the record that the work changes formalized by your amendment were approved in advance and, therefore, the amendment is accepted. However, since the information in the justification attached to the amendment is incomplete, additional detailed justification, including information on any authorization given to the operator such as is set out in Sec. 2(c) of Order No. 2808, should be submitted promptly. Copies of this letter are enclosed for attachment to your copies of the Amendment.

Also enclosed are copies of a letter of February 17, 1958, to Senator George W. Malone from Walter L. Low and Dorothy Low, the operator under this same contract. So that we can prepare a suitable reply to the Senator, it will be appreciated if you will let us have your comments, particularly on the drilling program.

Under separate cover we shall send you copies of an acknowledgement now being prepared for Senator Malone.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GCS)

APPROVED:

Frank D. Lamb (GCS)

Member, Bureau of Mines

Thor H. Kiilsgaard (GCS)

Member, Geological Survey

Enclosure

WSMARTIN/foc 2-28-58
cc to: Code 400
Admr. R. File
Oper. Comm.
FT. REG. II
J. W. Pennington, USBM
T. H. Kiilsgaard, USGS

8623

WSMARTIN/foc
2-27-58

Clear with Legal
Mr. Talbert
Mr. Mittendorf

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

Re: Docket No. DMEA 4715 - Mercury
Walter L. Low and Dorothy Low
Mount Tobin Mine
Pershing County, Nevada
Contract No. Idm-E1131

Dear Mr. Ricker:

~~We conclude~~ It appears from your memorandum of February 20, 1958, enclosing Amendment No. 1 to the subject contract, that you misunderstood ~~the copy sent to you of~~ Mr. Jay L. Chambers' letter of February 10, 1958 to Mr. George Mavor.

~~It was our~~ The intention was that you should send us a detailed justification for ~~that~~ preparation of an amendment ~~but that the amendment itself should could have been prepared~~ here, because the changes are within the restrictions of sub-section (ii) of Sec. 2(a)(1) of delegation Order No. 2808 of January 4, 1956, ~~you delegation of authority. (The letter, not being signed by the Administrator, does not give you authority to act under Sec. 2(g) of that same order.~~ [P] Nevertheless, we conclude from the record that the work changes performed by your amendment were approved in advance and, therefore, the amendment is acceptable. ~~It is too bad, However, since the info contained in your request for approval of the amend. is very incomplete, please submit a~~ additional ~~more~~ detailed justification, including information on any authorization given to the operator in accordance with Sec. 2(c) of Order No. 2808 such as is set forth ~~and omitting the statement that the amendment is made "to allow payment."~~ Should be submitted promptly.

Copies of this letter are enclosed for attachment ~~attached~~ to your copies of the Amendment.

Also enclosed are copies of a letter of February 17, 1958, to Senator George W. Malone from Walter L. Low and Dorothy Low, the Operator under this same contract. So that we can prepare a suitable reply to the Senator, it will be appreciated if you will let us have your comments, particularly on the drilling program. D

Under separate cover we shall send you copies of an acknowledgement now being prepared for Senator Malone.

Sincerely yours,

APPROVED:

Enclosure

Chairman, Oper. Comm.

RECEIVED
FEB 27 1958
ASSOC. SOLICITOR
MINERAL RESOURCES

Please
[illegible]
the draft
with Legal

Summers

Mitt -

The contract does not provide that Stage I is dependent on results of Stage II. It only requires that Stage I be completed and as much of Stage II done as is approved in advance by the Govenment. Therefore, the two stages could be done concurrently, if Field Team approved in advance.

FEJohnson

FEJ

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
2/28	Talbot	800
		220

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

FEB 28 1958

Re: DMEA-4715, Idm-F1131
Walter L. Low and Dorothy Low

Dear Mr. Mavor:

By telegram yesterday I advised you of the acceptance of your revised Audit Report and Certificate covering the referenced project. Normal distribution of all copies therefore is authorized.

Amendment No. 1, upon which your revision was based, increased maximum requirements (the number of holes in Stage I and in total, as well as the footage in Stage I). The Executive Officer does not have the authority to execute such an amendment. See Section 2(a)(1)(ii) of the Secretary's Order No. 2808. However, I have been assured that the amendment will be approved after more detailed justification by Mr. Ricker.

The intent of the second paragraph of my letter of February 10 was to point out that excesses over maximums could be accepted only upon execution <u>by the Administrator</u> of an amendment upon the request and justification of the Field Team. The underscored words were not included in my advice, so I may have unintentionally contributed to Mr. Ricker's unauthorized action.

In your future interpretation of contracts consideration should be given to the intent when stages of work are provided. In this case the Operator was to complete 8 holes, each between 50 and 150 feet deep, but the aggregate depth was not to exceed 1,000 feet. Based upon the results of these 8 holes, the Operator was to drill as many of the 19 holes of Stage II as were approved in advance by the Field Team. and

Our files do not give a very concise story of what actually took place, but indicate that the decision to proceed with Stage II was based on the results of hole no. 11 (the 9th, not 8th accepted

8623

hole). If this is so, properly the Field Team should have requested and justified an amendment to revise the drilling program at the time oral authorization was given for hole no. 9.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Director
Contract Administration
and Audit Division

EDTalbert/ama
February 28, 1958

Copy to: Docket
Admr. Reading File
Mr. Ricker
Mr. Chambers

Contract Adm. & Audit Div.

Defense Minerals Exploration Adm.
14X4401(01) Revolving Fund, Defense
Production Act, Interior, (Transfer
to Office of Secretary)

Talbert
WSM

TELEGRAM

FEB 27 1958

MR. GEORGE MAYOR
DMEA AUDITOR
420 CUSTOM HOUSE
555 BATTERY STREET
SAN FRANCISCO 11, CALIFORNIA

AUDIT REPORT ON DMEA-4715, IDM-E1131, MOUNT TOBIN MINE IS ACCEPTABLE.

PLEASE REQUEST CERTIFYING OFFICER TO EXPEDITE PAYMENT OF BALANCE DUE OPERATOR.

(Signed) J. L. Chambers

JAY L. CHAMBERS, DIRECTOR
CONTRACT ADMINISTRATION
AND AUDIT DIVISION

EDTalbert/wb
February 27, 1958

Copy to: Docket
Admr. Reading File
Confirmation
Mr. Chambers

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
1605 Evans Avenue
Reno, Nevada

February 20, 1958

OFFICIAL FILE COPY
DMEA
RECEIVED FEB 24 1958

DATE	INITIALS	CODE
2/24	C	220
		130
	WSM	400

Memorandum

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

From: Executive Officer, DMEA Field Team, Region II

Subject: Docket No. DMEA-4715 (Mercury)
Walter L. Low and Dorothy Low
Mount Tobin Mine
Pershing County, Nevada
Contract Idm-E 1131

Enclosed are the Government's and Audit copies of Amendment No. 1 to subject contract, executed by the Operator and the Executive Officer of DMEA Field Team, Region II, for the Government. Copies of justification are attached.

The remaining copies have been distributed in the usual manner.

S. Ricker

Attachments

Box 373
Winnemucca, Nevada
February 17, 1958

Senator George W. Malone
Senate Office Building
Washington, D. C.

My dear Senator,

We want to thank you for expediting that DMEA deal last September. It came through in just one week after you contacted them. However, our experience with the DMEA has been entirely unsatisfactory. Of all the damned incompetent loafers we ever had dealings with, this no-account outfit takes the grand prize.

A brief history of this deal follows:

April 1, 1957 - Application submitted to Reno office of DMEA for 2500 feet of drilling and 50 hours of bulldozing.

April 4, 1957 - Receipt of above acknowledged by Allen A. Dakan.

April 26, 1957 - Frank E. Johnson advised us by letter that DMEA field team at Reno instructed to examine property.

May 21, 1957 - Henry W. Jones and Robert G. Reeves from Reno DMEA office examined property.

October 1, 1957 - DMEA contract No. 1131 signed at Reno office of DMEA.

October 22 - Drilling started on drill sites staked by Henry Jones.

November 7, 1957 - Drilling and dozing completed.

November 13, 1957 - Report and voucher mailed to DMEA at Reno for month of October.

December 9, 1957 - Report and voucher mailed for month of November.

January 9, 1958 - Check received for DMEAcontribution for October $2379.00.

January 15, 1958 - Henry W. Jones and DMEA auditor came to make audit of accounts connected with contract. At this time they advised us check for November would be mailed to us in two weeks.

February 17, 1958 - Henry W. Jones phoned from Reno stating he was coming to Winnemucca tomorrow, February 18, with some papers to sign so he could complete his report, so we will be in line to get a check.

Fast work for a bunch of drones on government relief with nothing to do but kill time. They are in the same class with foreign aid - it is time to abolish both of them.

As to the drilling program at the Mt. Tobin Mine done under this DMEA contract, it accomplished nothing, due to the way

these supposed-to-be mining engineers and geologists designated where the holes should be drilled. We objected to the location of the holes, but were told we could waste a few more months if we asked to have them changed. So we went ahead and drilled the holes in the wrong places designated by these "experts".

We believe, from our experience with this DMEA outfit, that a thorough investigation of their activities is in order.

Thanking you, Senator, for any assistance you may give us, we remain

Sincerely yours,

Walter L. Low

and

Dorothy Low

wl:bg

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
2/10	Talbert	800
2/11	C	220
	WSM	400

FEB 10 1958

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

Re: Docket No. DMEA-4715
Contract No. Idm-E1131
Walter L. Low and Dorothy Low

Dear Mr. Mavor:

The recently submitted copies of your final Audit Report and Certificate covering the referenced project are returned for revision as may be necessary after consideration of the following points:

(1) You have allowed the costs of 11 full holes and part of a 12th hole in Stage I, whereas the contract provides for 8 holes in Stage I. As this figure is not modified by terms such as "approximately" or "about", it must be considered a maximum. Furthermore, a hole is never split between stages. Stage II could be authorized only after the completion of the Stage I holes. not correct

(2) You have allowed the costs of a total of 29 holes. As explained above, the contract specifies a maximum of 8 holes in Stage I and 19 in Stage II, a total of 27.

(3) On page 3 of your report, Incidental Allowances are listed under Category (7) Miscellaneous. Such costs are Fixed Unit Costs and should be stated under that title.

(4) Also on page 3, allowable maximums are indicated for the three items under Independent Contracts. The estimated total costs of each of these items (bulldozing, mobilization, and drilling) are not maximums; only the unit rates and the total cost of the category are maximums per Article 6 (a) of the contract.

As costs in excess of the maximums of 8 holes in Stage I and 19 holes in Stage II, or a total of 27 holes, can be allowed only after appropriate amendment of the contract based upon justified recommendations of the Field Team, a copy of this letter is being sent to Mr. Ricker.

8623

In connection with these holes, it is to be noted that the contract specifies that each hole shall be between 50 and 150 feet deep. Any hole not meeting this specification, likewise cannot be allowed without appropriate amendment.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Director
Contract Administration
and Audit Division

Enclosure

EDTalbert/wb
February 10, 1958

Copy to: Docket
Admr. Reading File
Mr. Ricker, Region II
Mr. Chambers

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

Budget Bureau No. 42-R1036.5

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

RECEIVED JAN 1 1958 D.M.E.A.

Month of October, 1957 Docket No. DMEA 4715 Contract No. 1131
Operator's Name Walter L. and Dorothy Low Minerals Mercury
Address Box 373, Winnemucca, Nevada
Contract Amount, $ 10,544.00 Government Participation: 75% Amount, $ 7,908.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY W&4: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling Rotary	$3060.00	0	$3060.00			
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Incidental Allowance	912.00	0	912.00			
(8) Contingencies (specify):						
TOTALS	$3972.00		$3972.00			

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

Date Nov. 13, 57 *Payee Walter L. Low and Dorothy Low

Per Walter L. Low Title Partner

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

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

(Instructions on reverse)

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

$ 2979.00

Signature Lloyd H. Sjolander
Authorized Certifying Officer
(Authorized Certifying Officer)

Date JAN 8 1958 Vou. No. SF-07m 6a-13

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E1131 in accordance with the terms of the contract.

Signature Henry W. Jones Henry W. Jones Title Mining Engineer Date 11/15/57

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Roscoe M. Smith for R. Dicker Title Executive Officer Date 11/15/57

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Budget Bureau No. 42-R1151.2

RECEIVED JAN 10 DMEA

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of October 1957 Docket No. DMEA 4715 Contract No. 1131

Operator's Name Walter L. and Dorothy Low Minerals mercury

Address Box 373, Winnemucca, Nevada

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core Rotary	Ft	$3060.00	1020	$3060.00	1020	3.00	2500	$7500.00
Churn								
Auger								
~~Stripping~~ Bulldozing	Hr					15.00	50	750.00
~~Trenching~~ Mobilization	Job					100.00	Job	100.00
~~Test Pits~~ Demobilization	Job					100.00	Job	100.00
~~Roads and Trails~~ Assaying	Sample					3.00	98	294.00
Incidental		912.00	1020	912.00		904.60	2500	1000.00
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$3972.00		$3972.00				$10,544.00

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

Date November 1957 Operator Walter L. Low Dorothy Low

Per Walter L Low Title Partner

REMARKS:

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

(Instructions on reverse)

(For Government use only)

Henry W. Jones

INSTRUCTIONS

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

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

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

GPO 872894

NARRATIVE REPORT

Month of October, 1957 - Docket No. 4715 - Contract No. 1131

Walter L. and Dorothy Low, Box 373, Winnemucca, Nevada

Rotary drilling was started October 22, 1957 by Sierra Drilling and Bit Company of Reno, Nevada, on stage I which called for 1,000 feet of drilling.

Fourteen holes No.s 1 through 14 were drilled in October with a total of 1180 feet. We are informed that hole No. 9 with a depth of 100 feet and hole No. 10 with a depth of 60 feet were disallowed.

Showings of cinnabar (HgS) were found in holes No.s 8, 11, and 13.

Authorization to continue with stage II was verbally granted on October 29, and a letter confirming this, dated November 4, was delivered to us later.

Respectfully submitted,

Walter L. and Dorothy Low

by: Walter L Low

C O P Y

Box 373
Winnemucca, Nevada

Dec. 18, 1957

Mr. S. Ricker
D.M.E.A. Field Team
Reno, Nevada

Dear Mr. Ricker:

This will confirm my instructions, by telephone conversation with Mr. Roscoe Smith, to recall and disregard the assignment made by Mrs. Low and me to the First National Bank of Nevada, Winnemucca Branch.

Thanking you, we remain

Sincerely yours,

Walter L. and Dorothy Low
/s/ by Walter L. Low

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Office of
Executive Officer
DMEA Field Team
Region II

1605 Evans Avenue
Reno, Nevada

Date Dec. 6, 1957

Memorandum

To: Operating Committee, DMEA, Interior Bldg., Wash., D.C.

From: Executive Officer, DMEA Field Team, Region II

Subject: Interim Inspection Report

Attached are four copies of Interim Report on

Docket No. DMEA-4715

Contract No. Idm-E 1131

Commodity Mercury

Operator Walter L. and Dorothy Low

Property Mt. Tobin Mine

By Henry W. Jones

Dated November 12, 1957

S Ricker

S. Ricker
Executive Officer
DMEA Field Team, Region II

OFFICIAL FILE COPY
DMEA
RECEIVED DEC 11 1957

DATE	INITIALS	CODE
12/11	Com	220
		100

Attachments

Copy to: R. M. Smith, USGS (w/copy of report)
Finance Officer, Region II (w/copy of report)
File 12/13 WSM 900

BUREAU OF MINES
WASHINGTON, D. C.
DEC 11 10 15 AM '57

FINAL INTERIM REPORT

Nov. 12, 1957

Docket No. DMEA-4715 (Mercury)
Walter L. and Dorothy Low
Mt. Tobin Mine
Pershing County, Nevada
Contract No. Idm-E 1131

The mine was visited October 30, November 4, and November 8, 1957 to check results of rotary drilling being carried out on the property. Drilling started October 22, 1957 and was completed November 7, 1957.

Favorable cinnabar showings in the first 1,000 feet of drilling justified the second stage should be entered into. Written permission was therefore granted to proceed with Stage II.

A total of 31 holes were drilled in and near the exploration area for a combined length of 2,550 feet. The Operator drilled two holes, Nos. 9 and 10, totalling 160 feet outside the exploration area without approval of the Government and this footage was disallowed. Total allowed footage under the contract was 2,390 feet.

Drill holes Nos. 2, 5, 8, 11, 15, 16, 20, 22, and 23 panned minor amounts of cinnabar. However, except for Hole No. 11 the amount was so small it was not worthy of further consideration.

Seventeen samples were taken of mineralized sections.

Additional bulldozing were necessary to restablish drill sites after mineralization was encountered in Holes 8 and 11.

A total estimated 45 hours of bulldozing was completed during both stages of the contract. Mobilization of bulldozer will not be charged inasmuch as it was available from a nearby job and only demobilization charges will be made.

Estimated Costs to date:

Bulldozing 45 hours (approx.) at $15.00/hr.	$675.00
Rotary drilling 2,390 ft. at $3.00/ft.	7,170.00
Incidental allowance Stage I - 1,000 ft. at .90¢/ft.	900.00
Incidental allowance Stage II - 1,390 ft. at .60¢/ft.	834.00

Henry W. Jones

Henry W. Jones,
Mining Engineer

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
12/5	[illegible]	140
12/5	[illegible]	140
12/5	Martin	400
12/6	[illegible]	130
"	Johnson	110
	[illegible]	100
12/6	[illegible]	800
12/9	[illegible]	230
		400

DEC 6 1957

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

Re: Docket No. DMEA 4715 - Mercury
Walter L. and Dorothy Low
Mount Tobin Mine
Pershing County, Nevada
Contract No. Idm-E1131

Dear Mr. Ricker:

Your memorandum dated November 13, 1957, to the Operating Committee, transmitted an "Assignment of Monies" form executed by the Operator in favor of the First National Bank of Nevada under the subject contract, informed us that no payment has been made under the contract to date, and stated that the Government's total participation in the contract will amount to approximately $7,200.00. You asked us how to proceed in the matter.

Assignments to banks of money due under Government contracts are permissible under the Assignment of Claims Act of 1940, as amended (Title 31, U.S.C.A., sec. 203). However, the assignment must cover all amounts payable under such contract. In addition, an assignment of any rights under the subject contract is subject to the approval of the Government.

The assignment form submitted by the bank would transfer the amount of $5,135.50 which amount is less than $7,908.00, the total allowable amount that the Government may contribute to the Operator's costs, or $7,200.00, the estimated final participation by the Government. In this respect, therefore, the assignment does not conform with the statutory requirement.

You should inform the bank of the foregoing, and also advise it that if an assignment is submitted which clearly indicates that it is for the full sum of money due the Operator under the contract, we will give the matter our prompt consideration. The assignment (six copies) should be submitted with a "notice of assignment" prepared in accordance with the attachment to the enclosed Budget and Finance Letter No. 54, dated January 21, 1952.

8623

As an alternative suggestion, the Operator might give the bank an appropriate power of attorney and, at the same time, instruct you by letter to send all payment checks, payable to the order of the Operator, directly to the bank. Such an arrangement would require no assignment, and would not need Government approval.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GCS)

APPROVED:

P. F. Yopes (GCS)

Member, Bureau of Mines

N. E. Nelson (GCS)

Member, Geological Survey

Enclosure

HCRUBIN/emd 11/25/57
WSMARTIN/foc 12/5/57
cc to: Code 400
Admr. R. File
Oper. Comm.
FT. REG. II
Messrs. Rubin
Pennington, USBM
Kiilsgaard, USGS
Chambers, Audit Div.

DMEA RECEIVED NOV 21		
11/21	gb	220
11/22	[illegible]	800
11/25	WSM	400

1605 Evans Avenue
Reno, Nevada

November 19, 1957

Fitzgerald, Abbott & Beardsley
First Western Bank Building
Oakland 12, California

Re: Peterson Tractor & Equipment Co.
- Les Ferrel
Docket No. DMEA-4715
Walter L. and Dorothy Low
Mt. Tobin Mine
Pershing County, Nevada
Contract No. Idm-E 1131

Gentlemen:

The Defense Minerals Exploration Administration had an exploration contract, Docket No. DMEA-4715, Contract No. Idm-E 1131, with Walter L. Low and Dorothy Low for certain units of work at fixed costs. Walter L. Low and Dorothy Low are responsible for payment of any costs incurred by other parties working for them under the contract.

The Lows have requested that a portion of the monies due them from the Government be assigned to The First National Bank of Nevada, Winnemucca Branch, Winnemucca, Nevada. This request has been forwarded to our Washington office for their consideration and instructions to us.

While the Government would regret if any parties lost money working for Mr. Low, we cannot under the contract be responsible for Mr. Low's obligation to his employees. We feel certain, however, that Mr. Low's intensions are honorable and that he will fulfill his obligation to his employees. We would suggest that you take up the question of monies due Mr. Ferrel direct with Mr. Low. We are under the impression that the bulldozer operator had not yet billed Mr. Low for his services and rental of the bulldozer.

Very truly yours,

S. Ricker
Executive Officer, DMEA Field Team
Region II

SRicker:ft
cc: Opr. Com., DMEA, Wash., D.C.
File
Chron

RECEIVED NOV 18 1957		
DATE	INITIALS	CODE
11/18	C	220
11/18	WSM	400

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
1605 Evans Avenue
Reno, Nevada

November 13, 1957

Memorandum

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

From: Executive Officer, DMEA Field Team, Region II

Subject: Docket No. 4715 (Mercury)
Walter L. and Dorothy Low
Mount Tobin Mine
Pershing County, Nevada
Contract No. Idm-E 1131

Enclosed are the original and one copy of Assignment of Monies to the First National Bank of Nevada from Walter L. and Dorothy Low, received in this office November 8, 1957.

Contract is completed but MF-104 and MF-104A forms have not yet been received from the Operator and no payments made to him. The forms we received for the month of October were incorrectly made out and have been returned to the Operator for revision. The final participation by Government will amount to around $7200.00

Please advise how we should proceed.

S. Ricker

Attachments

RECEIVED
NOV 19 1957
ASSOC. SOLICITOR
MINERAL RESOURCES

RECEIVED
NOV 18 1957
D.M.E.A.

ASSIGNMENT OF MONIES
(Specific)

FOR VALUE RECEIVED, the undersigned WALTER L. and DOROTHY LOW, hereinafter called Assignor, hereby assigns, transfers and sets over to FIRST NATIONAL BANK OF NEVADA, a National Banking Association, hereinafter called Bank, all monies now due or which may hereafter become due from: U.S. Department of Interior - Defense Minerals Exploration Admin., Reno, Nevada under the following described contracts and/or purchase orders:

NUMBER	DATE	AMOUNT
1131	November 6, 1957	$5,135.50

Assignor hereby constitutes and appoints Bank its true, lawful and irrevocable attorney to demand, receive and enforce payments and to give receipts, releases, satisfactions for and to sue for all monies payable to the Assignor and this may be done either in the name of the Assignor or in the name of the Bank with the same force and effect as the Assignor could do if this assignment had not been made. Any and all monies or payments which may be received by the Assignor to which the Bank is entitled under and by reason of this assignment will be received by Assignor as trustee for the Bank, and will be immediately delivered in kind to Bank without commingling. Assignor hereby represents and warrants to the Bank that the monies above assigned have not heretofore been alienated or assigned.

This assignment is irrevocable and shall remain in full force and effect until its release in writing by Bank. Notice of this assignment may be given at the option of the Bank. That the general nature of the business out of which such accounts arise or are to arise is Exploration for Mercury, and such business is or will be carried on at Mount Tobin Mine ~~Stxxxx~~, Winnemucca, Nevada.

IN WITNESS WHEREOF, the Assignor has caused its name to be subscribed hereto this 6th day of November, 19 57.

Walter L. Low

By Dorothy Low

Defense Minerals Exploration Admin.
Reno, Nevada
Name and address of payer under contract or purchase order)

Please take notice that monies due or to become due under the above referred to contract or purchase order have been assigned to the undersigned and payments thereunder should be made to the Bank at the branch and address indicated below.

Please return to the undersigned the enclosed copy of this notice showing the date of receipt and duly signed by the person acknowledging receipt on behalf of the addressee.

Yours very truly,

FIRST NATIONAL BANK OF NEVADA

Winnemucca
(Branch)

Winnemucca, Nevada
(Address)

By [illegible]
(Title) Manager

RECEIPT IS HEREBY ACKNOWLEDGED of the above notice and a copy of the above-mentioned instrument of assignment. These were received on _____, 19____.

By _____
(Title)

N-469X 3-55

1605 Evans Avenue
Reno, Nevada

November 13, 1957

First National Bank of Nevada
Winnemucca Branch
Winnemucca, Nevada

Re: Docket No. 4715
Walter L. and Dorothy Low
Mt. Tobin Mine
Pershing County, Nevada
Contract No. Idm-E 1131

Gentlemen:

Notice and copy of Assignment of Monies relative to referenced contract has been forwarded to our Washington office for their attention. No one in this office has authority to interpret financial problems of the kind brought up under this Assignment.

Very truly yours,

S. Ricker
Executive Officer
DMEA Field Team, Region II

SRicker:ft
cc: Opr. Com., DMEA, Wash., D.C.
Finance Office, Region II
GeoMavor
RMSmith
File
Chron

DMEA

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Office of
Executive Officer
DMEA Field Team
Region II

1605 Evans Avenue
Reno, Nevada

Date Nov. 7, 1957

Memorandum

To: Operating Committee, DMEA, Interior Bldg., Wash., D.C.

From: Executive Officer, DMEA Field Team, Region II

Subject: Interim Inspection Report

Attached are four copies of Interim Report on

Docket No. DMEA-4715

Contract No. Idm-E 1131

Commodity Mercury

Operator Walter L. and Dorothy Low

Property Mt. Tobin Mine

OFFICIAL FILE COPY
DMEA
RECEIVED NOV 13 1957

DATE	INITIALS	CODE
11/13	C	220
/13	Com	100
	WSM	400

By Henry W. Jones

Dated October 28, 1957

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

Attachments

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

BUREAU OF MINES
WASHINGTON, D. C.
Nov 12 1 17 PM '57

INTERIM REPORT

October 28, 1957

Docket No. DMEA-4715 (Mercury)
Walter L. and Dorothy Low
Mt. Tobin Mine
Pershing County, Nevada
Contract No. Idm-E 1131

The Contract for exploratory drilling at the Mr. Tobin Mine, dated September 11, 1957, was signed by the Operator and returned. The starting date of the contract was set at November 11, 1957.

The property was visited October 14 and again on October 23, 1957. Both the first and second stage holes were laid out and marked.

Bulldozing with a D-8 for all drill sites and access roads was done October 17 and 18, 1957. Rotary drilling, contracted to the Sierra Drilling and Bit Company, Reno, Nevada started October 22, 1957. Holes Nos. 3, 4, and 5 were drilled to 100 feet, 80 feet, and 100 feet, respectively, by October 23. Slight cinnabar indications were panned from the 70-85-foot interval of Hole No. 5.

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DMEA
RECEIVED NOV 13 1957
DATE | INITIALS | CODE

Samples of cuttings are taken at 5.0-foot intervals. At the end of each interval, the drill is stopped and the hole flushed by compressed air. Cuttings are collected and piled in chronological order, the interval marked, and pannings made of each run.

In view of the long distance from the nearest town and the ease of dozing operations, it was expedient to excavate all the drill sites rather than have the added expense of moving in equipment for each stage.

Henry W. Jones

Henry W. Jones
Mining Engineer

DMEA

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
1605 Evans Avenue
Reno, Nevada

October 2, 1957

Memorandum

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

From: Executive Officer, DMEA Field Team, Region II

Subject: Docket No. DMEA-4715 (Mercury)
Walter L. and Dorothy Low
Mount Tobin Mine
Pershing County, Nevada
Contract No. Idm-E 1131

Enclosed are the Government's and Audit copies of subject contract executed by the Operator. The remaining copies have been distributed in the usual manner.

S. Ricker

Attachments

OFFICIAL FILE COPY
DMEA
RECEIVED OCT 4 1957

DATE	INITIALS	CODE
10/4	C	220
10/7	B	215
		400

RECEI
DATE
OCT 1 3 1 130

DMEA Form 7
(12-56)

P.R.S. 1779

OFFICIAL FILE COPY

Date	Surname	Code
9-26	Martin	400
9/26	[illegible]	120
"	Johnson	110
"	Mittendorf	100
9/26	[illegible]	220
		400

SEP 26 1957

Hon. George W. Malone
United States Senate
Washington 25, D.C.

Dear Senator Malone:

Thank you for your letter of September 19, 1957, requesting information on the status of the application of Mr. Walter L. Low of Winnemucca, Nevada, for exploration assistance at the Mount Tobin Mine, Pershing County, Nevada, our Docket No. DMEA 4715 - Mercury.

We are pleased to inform you that by letter of September 23, 1957, Mr. S. Micker, Executive Officer, DMEA Field Team, Region II, mailed to Mr. Low, for approval and signature, exploration contract No. Idm - E1131, dated September 11, 1957, and signed for DMEA by Mr. Frank E. Johnson, who was then Acting Administrator. The estimated total allowable cost of the project is $10,544.00. The corresponding Government contribution at 75 percent is $7,908.00.

Sincerely yours,

C. O. Mittendorf (fw)

Administrator

WSMartin:dlm
9-26-57
cc to: Code 400
Admr. R. File
FT. REG. II
MR
DL
DCCO

8623

OFFICIAL FILE COPY
DMEA
RECEIVED SEP 25 1957

DATE	INITIALS	CODE
9/25	B	220
9/25	WSM	400

1605 Evans Avenue
Reno, Nevada

September 23, 1957

Mr. Walter L. Low
Box 373
Winnemucca, Nevada

Re: Docket No. DMEA-4715 (Mercury)
Walter L. and Dorothy Low
Mount Tobin Mine
Pershing County, Nevada

Dear Mr. Low:

Enclosed are the original and four copies of a proposed long-form contract for an exploration program at the above-referenced property, signed by the Administrator for the Government, together with Annex I (one page), Annex II (one page), Exhibit "A" (three pages), and two maps.

If the proposed contract meets with your approval, all five copies should be signed by you and Dorothy Low. The copy marked "Operator's copy" should be retained by you and the original and other three copies should be returned to this office.

If any part of the proposed contract does not meet with your approval, the original and all copies should be returned with your suggested changes.

Very truly yours,

S. Ricker
Executive Officer
DMEA Field Team, Region II

Attachments
SRicker:ft
cc: Opr. Com., DMEA, Wash., D.C. ✓
RMSmith
File
Chron

HARRY FLOOD BYRD, VA., CHAIRMAN
ROBERT S. KERR, OKLA.
J. ALLEN FREAR, JR., DEL.
RUSSELL B. LONG, LA.
GEORGE A. SMATHERS, FLA.
CLINTON P. ANDERSON, N. MEX.
PAUL H. DOUGLAS, ILL.
ALBERT GORE, TENN.
EDWARD MARTIN, PA.
JOHN J. WILLIAMS, DEL.
RALPH E. FLANDERS, VT.
GEORGE W. MALONE, NEV.
FRANK CARLSON, KANS.
WALLACE F. BENNETT, UTAH
WILLIAM E. JENNER, IND.

ELIZABETH B. SPRINGER, CHIEF CLERK

United States Senate

COMMITTEE ON FINANCE

September 19, 1957

PRS
SEP 20 1957 1779

TO: MDM	
REPLY TO BE PREPARED BY:	MDM
FOR SIGNATURE OF:	MDM
COPY OF LETTER FURNISHED	
MR	DL
SEND REPLY COPY TO ABOVE	

Mr. C. O. Mittendorf, Administrator
Defense Minerals Exploration Administration
U. S. Department of the Interior
Washington 25, D. C.

Dear Mr. Mittendorf:

I would appreciate obtaining information on the application of Mr. Walter L. Low of Winnemucca, Nevada, Docket number DMEA 4715.

Thank you for anything you can tell me regarding this matter.

Sincerely,

Geo W Malone

George W. Malone, U.S.S.

OFFICIAL FILE COPY
DMEA
RECEIVED SEP 20 1957

DATE	INITIALS	CODE
9.20	C	220
9/20	WSM	400

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
9-3	Holt	400
	Martin	400
9-6	Chambers	800
9/11	[illegible]	130
"	Johnson	110
"		~~100~~ 210
9/12	[illegible]	220
		400

SEP 11 1957

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

Re: Docket No. DMEA 4715 - Mercury
Walter L. and Dorothy Low
Mount Tobin mine
Pershing County, Nevada

Dear Mr. Ricker:

Enclosed are the original and four copies of a proposed long-form contract for an exploration program at the above-referenced property, signed by the Administrator for the Government, together with Annex I, (1 page), Annex II, (1 page), Exhibit "A", (3 pages), and 2 maps. Two extra copies of Exhibit "A" and the annexes are enclosed for the use of the Field Team.

If the terms and conditions of this proposed contract are satisfactory to you and the operator, all five copies should be signed and the usual distribution made.

If any part of this proposed contract does not have either your approval or that of the operator and cannot be amended within your delegated authority, the original and all copies of the proposed contract are to be returned to this office, together with the proposed changes for consideration.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (246)

APPROVED:

Frank D. Lamb (246)
Member, Bureau of Mines

Thor H. Kiilsgaard (246)
Member, Geological Survey

SPHOLT:foc 9-3-57
cc to: Docket
Code 400
Admr. R. File
Oper. Comm.
FT. REG. II
Messrs. J. W. Pennington, USBM
T. H. Kiilsgaard, USGS

Enclosures

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
	Holt	400
	Martin	400

INTERIOR DEPT.
AUG 13 1957
SOLICITOR

August 7, 1957

MEMORANDUM

To: Associate Solicitor, Division of Mineral Resources

From: Division of Iron and Ferro-Alloys, DMEA

Subject: Preparation of Contract
Docket No. DMEA 4715 - Mercury
Walter L. and Dorothy Low
Mount Tobin Mine
Pershing County, Nevada

Attached is a rough draft of a proposed contract for your use in preparing it in final form.

Maps, Fig. 1 and Fig. 2, to accompany the contract are also attached.

W. S. Martin, Director
Division of Iron and Ferro-Alloys

Attachments

SPHolt/esf
cc to: Docket
Code 400
Admr. R. File

RECEIVED
AUG 14 1957
ASSOC. SOLICITOR
MINERAL RESOURCES

8623

Draft - 8/7/57
SFHolt/esf

EXPLORATION PROJECT CONTRACT
WALTER L. LOW AND DOROTHY LOW
DOCKET NO. DMEA 4715

ANNEX I

The land referred to in Article 2 of the contract consists of 8 unpatented lode mining claims (Fig. 2), situated in sec. 1, T. 28 N., R. 39 E., M. D. B. & M., Pershing County, Nevada, and recorded in the Pershing County Court House at Lovelock, Nevada, as follows:

	Recorded		
Claim Name	Number	Book	Page
Miner's Dream	7625	4	129
Miner's Dream No. 1	21099	9	223
Miner's Dream No. 2	21100	9	224
Miner's Dream No. 3	21101	9	224
Miner's Dream No. 4	21102	9	224
Miner's Dream No. 5	42959	16	323
Miner's Dream No. 6	42960	16	324
Miner's Dream No. 7	42961	16	325

EXPLORATION PROJECT CONTRACT
WALTER L. LOW AND DORSEY LOW
DOCKET NO. DMRA 4715

EXHIBIT "A"

Description of the Work

The maps attached to and made part of the contract are as follows:

Fig. 1. Mount Tobin Mine, Pershing County, Nevada.

Fig. 2. Geologic and Topographic Map of the Mt. Tobin Quicksilver Mine Area, Pershing County, Nevada.

Proposed Work

The program consists of bulldozing ~~not to exceed 50 hours,~~ to prepare access roads and 27 drill sites, followed by rotary drilling, not to exceed a total aggregate length of 2,500 feet, in two stages, as follows:

Stage I

1. Bulldozing ~~not to exceed 20 hours,~~ to prepare access roads and 8 drill sites at locations selected by the Government to most effectively explore the mineralized zone.

2. Rotary drilling, 8 holes, aggregate length not to exceed 1,000 feet, at sites selected by the Government (Fig. 2). Each hole to be between 50 and 150 feet deep, the depth to be determined by the project supervisor, subject to the approval of the Government. Holes to be drilled dry, using a standard bit not less than 4½ inch size, and a Duolone type separator for collecting samples. Wet drilling may be substituted if necessary, with the approval of the Government. All cuttings from the holes to be saved for samples, each sample to represent an interval of not more than 5 feet of hole, the sample from each interval to be labelled and split into two equal parts, one of which is to be stored for Government use. The Operator's samples containing

cinnabar in significant quantities to be assayed for mercury.

Stage II

1. Bulldozing ~~not more than 30 hours~~ for preparation of branch access roads and 19 drill sites.

2. Rotary drilling in 19 holes, aggregate length not to exceed 1,500 feet (Fig. 2), using similar equipment and procedure as specified above under Stage I.

The Operator shall perform only such work set forth under Stage II as has the prior approval of the Government.

Bulldozing not used in Stage I may, if needed, be transferred to Stage II with the prior approval of the Government.

Estimated Cost of the Project

Stage I

Actual Costs

Category 1, Independent Contracts

1. Bulldozing access roads and preparing drill sites, using D-8 Caterpillar dozer or equivalent of other make, ~~10 hours~~ 8 sites @ ~~$15.00/hr~~ 37.00/each	$ ~~300.00~~ 296.00
Mobilization of bulldozer and equipment	104.00
2. Rotary drilling, 8 holes, aggregate length 1,000 feet, @ $3.00/ft	1,000.00

Fixed Unit Costs

Incidental Allowance 1/	900.00
Assaying, 40 samples for mercury @ $3.00/each	120.00
Total Estimated cost of Stage I	$4,420.00

Stage II

Actual Costs

Category 1, Independent Contracts

1. Bulldozing branch access roads and preparing drill sites, conditions as in Stage I, ~~90 hours~~ 19 sites @ ~~$15.00/hr~~ 24.00/each	$ 456.00	
De-mobilization of bulldozer and equipment 2/	~~100.00~~ 94.00	
2. Rotary drilling, 19 holes, aggregate length 1,500 feet, @ $3.00/ft	4,500.00	$5,050.00

Fixed Unit Costs

Incidental Allowance 1/	900.00	
Assaying, 58 samples for mercury @ $3.00/each	174.00	1,074.00
Total estimated cost of Stage II		$6,124.00
Total estimated cost of the project		$10,544.00
Government Participation @ 75%		7,908.00

1/ Includes all costs whatsoever that are not included in the estimates for Category 1, Independent Contracts, and is in lieu of all other costs, such as costs for supervision, etc., which would otherwise be allowable under Categories 2 through 7 of the contract.

2/ If work under Stage II is not authorized by the Government, this sum is nevertheless to be made available for the purpose of demobilizing the bulldozer and its equipment.

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

OFFICIAL FILE COPY
DMEA
RECEIVED JUL 25 1957

DATE	INITIALS	CODE
7/25	C	220
7/26	WSM	400
~~July 25, 1957~~		

Memorandum

To: W. S. Martin, Defense Minerals Exploration Administration

From: Commodity Specialist, Branch of Base Metals

Subject: Report of Examination, Docket No. DMEA 4715 (mercury), Walter L. and Dorothy Low, Mt. Tobin mine, Pershing County, Nevada. $10,550.00

The examiners report that previous operations in two ore bodies occurring in an alteration zone 1,000 feet long and 200 feet wide on the subject property accounted for production of 1491 flasks of mercury from ore averaging about 10 lbs. Hg per ton. Panning and sampling in the vicinity of these workings show appreciable cinnabar.

The altered zone trends northeasterly through the East workings. The examiners feel that extensions of the ore body north and south of the East workings have not been adequately explored and recommend a two stage drilling program to test the mineralized shear zone to a depth of from 50 to 150 feet deep.

I concur in that recommendation.

A. D. McMahon

A. D. McMahon

Copy to: Division of Minerals
Branch of Base Metals (2)
Thor Kiilsgaard, U. S. G. S.
F. D. Lamb
F i l e s

IN REPLY REFER TO:

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

OFFICIAL FILE COPY
DMEA
RECEIVED JUL 23 1957

DATE	INITIALS	CODE
7/23	P.K.	220
7/23	WSM	400

July 22, 1957
Re: DMEA 4715
Walter L. & Dorothy Low
Mount Tobin Mine
Pershing County, Nev.
Appl. Est. $15,750.00
Rec'd Est. $10,550.00
Mercury

Memorandum

To: W. S. Martin, Defense Minerals Exploration Administration

From: N. E. Nelson, U. S. Geological Survey

Subject: Review of Field Team Report

The applicants requested assistance in exploring for extensions of orebodies from which some 1500 flasks of mercury have been produced. Panning of material from bulldozer cuts indicate there may be such extensions beneath the older alluvium cover.

The examiners estimate the indicated reserves at 1,000 tons of 7.2-pound rock and inferred reserves at 6,500 tons in the extensions, northeast and southwest of the indicated ore. The examiners recommend that bulldozing and rotary drilling be used to search for the inferred extensions.

The staged drilling program appears to be well adapted to the problem.

I concur with the recommendation.

N. E. Nelson

N. E. Nelson

DMEA

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
1605 Evans Avenue
Reno, Nevada

July 16, 1957

Memorandum

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

From: Executive Officer, DMEA, Field Team, Region III

Subject: Docket No. DMEA-4715 (Mercury)
Walter L. and Dorothy Low
Mount Tobin Mine
Pershing County, Nevada
(Your letter, April 26, 1957)

Enclosed are three copies of a report on subject property by Henry W. Jones, Bureau of Mines, and Robert G. Reeves, Geological Survey.

Roscoe Smith and I concur in the recommendation that a contract be consummated.

S. Ricker

Attachments

OFFICIAL FILE COPY
DMEA
RECEIVED JUL 18 1957

DATE	INITIALS	CODE
7/18	C	220
7/22	JB	130 JB
7/23	C	220
7/23	WSM	400

Reviewed by
DMEA OPERATING COMMITTEE
7-22-57
(date)

BUREAU OF ARCHIVES
WASHINGTON, D. C.
JUL 18 9 13 AM '57

UNITED STATES
DEPARTMENT OF THE INTERIOR
FRED A. SEATON, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION II

OFFICIAL FILE COPY
DMEA
RECEIVED JUL 18 1957

DATE	INITIALS	CODE
7/22	JLB	130
		220
7/23	WSM	400

APPLICATION REPORT

DMEA-4715 (Mercury)
Walter L. and Dorothy Low
Mt. Tobin mine
Pershing County, Nevada

by

Henry W. Jones
U. S. Bureau of Mines

Robert G. Reeves
U. S. Geological Survey

On Site EXAM

June 21, 1957

Reviewed by
DMEA OPERATING COMMITTEE
7-22-57
(date)

CONTENTS

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Location, Accessibility, and Local Resources	3
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Property and Ownership	4
Development	5
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Sampling	8
Ore Reserves	8
Proposed Exploration	9
Exploration Costs	11

ILLUSTRATIONS

Figure 1 ..... Index map

2 ..... Geologic map

3 ..... Mine map

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DMEA
RECEIVED JUL 18 1957
DATE | INITIALS | CODE
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220
7/22

INTRODUCTION

Walter L. and Dorothy Low, Box 373, Winnemucca, Nevada, applied for Government assistance in a $15,750.00 program under the Defense Minerals Exploration Administration, docket DMEA-4715, to explore for mercury at the Mt. Tobin mine, Pershing County, Nevada. Extensive panning and bulldozing by the applicants indicates the existence of ore bodies, similar to those mined, which might be discovered by diamond drilling.

A field examination was requested by the Operating Committee, and was made by Henry W. Jones, U. S. Bureau of Mines, and R. G. Reeves, U. S. Geological Survey, on May 21 and 22, 1957, accompanied by Walter Low.

The recent bulldozer cuts were added to a detailed surface map by R. J. Roberts and A. E. Granger, U. S. Geological Survey, prepared along with maps of the underground, in 1940 during operations of the property. Eight samples were taken of the available surface exposures.

CONCLUSIONS AND RECOMMENDATIONS

Two cinnabar ore bodies which averaged about 10 lbs. Hg per ton and yielded 1,500 flasks of mercury were found in a zone of alteration 1,000 feet long and 200 feet wide.

It is inferred that other ore bodies may be found in other parts of the altered zone which are covered by alluvium.

The applicant proposed to explore five separate areas containing some indications of cinnabar mineralization by 32 diamond drill holes to test the formation at depths of 50 to 100 feet for a combined length of 2,500 feet. Approximately 50 hours of bulldozing was proposed to construct access roads and drill sites.

Following the examination the applicant's exploration program was discussed and two revisions were suggested: (1) substitute rotary drilling for diamond drilling, and (2) concentrate the drilling to the main mine area, eliminating area 5.

The program suggested is acceptable to the applicant, and is the most suitable method of exploring the deposit.

The project site is accessible most of the year, except after infrequent heavy rains and winter snows.

The revised program will require 3 months to complete and the Government's share of the estimated total cost of $10,550.00 will be $7,912.50.

It is recommended that the Government enter into a DMEA contract with Walter L. and Dorothy Low to provide 75 percent of the costs of the revised program. To facilitate administration of the contract, it is recommended that all work be based on unit costs rather than actual costs.

LOCATION, ACCESSIBILITY, AND LOCAL RESOURCES

The Mt. Tobin Mine is in Sec. 1, T. 28 N., R. 39 E., M.D.B.&M., Pershing County, Nevada (Fig. 1) on the west slope of the Mt. Tobin Range at an altitude of about 6,500 feet.

The mine is reached by travelling south on Bridge Street in Winnemucca, across the Southern Pacific Railroad tracks, then west on gravelled county road 45.3 miles. Turn east and continue up Golconda Canyon 7.0 miles to the mine. The last few miles are passable by car or pick-up truck only during periods of dry weather.

Housing or transmitted power is not available in the vicinity. Operating equipment, supplies, and personnel may be obtained at Winnemucca which is the nearest shipping point and railhead. Water is available from several springs on or near the property.

HISTORY AND PRODUCTION

Cinnabar was first discovered in the area in 1929 by J. D. and V. A. Thorton who located the five original Miner's Dream lode claims. Intermittent exploration followed until 1938 when a 4-pipe retort was installed and about 45 flasks of quicksilver recovered. In 1940 H. W. Gould and Company purchased the property and installed a 20-ton rotary furnace which was operated until the summer of 1942, producing 1,410 flasks of quicksilver. The furnace and buildings were then removed.

Mr. Low, the present owner, purchased the property in 1942 and subsequently produced about 36 flasks of quicksilver. No further work, other than exploration by bulldozer trenching, has been completed since 1943.

The total recorded production is 1,491 flasks of mercury.

PROPERTY AND OWNERSHIP

The applicant is well known as a successful mining operator. He recently sold a nearby cinnabar discovery at a considerable profit and is financially responsible for his share of the costs.

The property consists of eight claims, owned by the applicant. The claims are recorded in the Pershing County courthouse at Lovelock, Nevada, as follows:

Claim Name			No.	Book	Page
Miner's Dream			7625	4	129
"	"	No. 1	21099	9	223
"	"	" 2	21100	9	224
"	"	" 3	21101	9	224
"	"	" 4	21102	9	224
"	"	" 5	42959	16	323
"	"	" 6	42960	16	324
"	"	" 7	42961	16	325

All of the claims listed are to be included in the project.

DEVELOPMENT

The mine is developed by two glory holes and the connecting haulage drifts. The West workings consist of a shallow glory hole about 100 feet long and 40 feet wide, and a haulage level about 20 feet below. The East workings consist of a glory hole and connecting stope about 120 feet long, 40 feet wide, and 45 feet deep, and a 600-foot haulage level about 40 feet below the base of the glory hole. Several old bulldozer cuts were deepened and extended during the summer of 1956; however, they were too shallow to effectively prospect the ground.

The haulage tunnels are inaccessible but the glory holes are both open and easily accessible. All surface buildings and facilities have been removed or destroyed.

GEOLOGY AND ORE DEPOSITS

Relief of the west slope of the Mt. Tobin Range in the vicinity of the mine is moderate, and the slopes are mostly covered by thick soil cover of two ages that conceals the underlying formations. The rocks of the area consist of interlayered beds of chert conglomerate, shale, and sandstone of pre-Tertiary age, and rhyolite and tuff of Tertiary age. The property was mapped by R. J. Roberts and A. E. Granger in 1940 (Bailey, 1944), and their maps of the surface and underground and description of the deposit are included as part of this report.

In the vicinity of the ore bodies, the rocks are highly altered; the chert conglomerate is leached and the rhyolite and shale are highly argillized. The ore bodies and highly altered zones are apparently controlled by northerly-trending faults of small displacement (fig. 2).

The only ore mineral observed was cinnabar, which in the conglomerate fills fractures and cavities formed by leaching, and to a lesser extent replaces both pebbles and matrix. In the shale and argillized rhyolite it occurs only as painty films and small disseminated crystals. In the old alluvium, above the richest ore body, cinnabar occurs as angular fragments of

botryoidal coatings as much as one-eighth inch thick. Chalcedony and some pyrite locally accompanies the cinnabar.

The ore body of the East workings (fig. 3) was localized by a northerly-trending fault which dips about 50° E. The hanging wall of the fault is rhyolite, and the foot wall is altered shale and chert conglomerate. Cinnabar occurs along fractures in a shear zone in the rhyolite parallel to the fault. The ore body is about 20 feet wide. The extensions of the ore body and of the fault both north and south have not been adequately explored. Good surface panning can be obtained both north and south of the East workings. The ore mined from the East ore body averaged 7 lbs. Hg/ton. The weighted average of the ore of two samples across 18 feet (aggregate) is 8.3 lbs. Hg/ton.

The ore body of the West workings (fig. 3) was localized by a series of fractures that trend northeast and dip northwest at moderately steep angles. Some rich ore was taken from this area, but it appears to have been of narrow width and discontinuous. The average grade of this ore body is reported to have been about 12.5 lbs. Hg/ton. A sample taken during the examination assayed 4.2 lbs. Hg/ton.

An altered zone trends northeasterly through the East workings and is cut in trench 2 northeast of the glory hole. There a clay capping similar to that above the ore body mined from

the glory hole is exposed. This capping (of the bulldozer cut) contains traces of cinnabar. Pannings from the altered zone, which is mostly concealed by soil and alluvium, contain appreciable cinnabar, indicating the possibility of underlying ore bodies.

SAMPLING

Eight representative samples were taken at locations described and shown on figure 2. Pannings were made, and where the values were considered too low to assay, no samples were cut.

Sample No.	Lbs. Hg/ton	Width, feet	Description
474	0.1	10.0	Bulldozed cut on Miner's Dream No. 6 claim.
475	3.9	3.0	Silicified tuff, brecciated on north wall. Small cut SW of west glory hole.
476	3.7	5.0	Leached tuff, some silicification, bulldozer cut just below west glory hole.
477	4.2	17.0	West edge of West glory hole, low-grade silicified tuff.
478	2.7	10.0	(1 of 2 parts) South wall of East glory hole, clay-like tuff underlying clay and gravel capping.
479	14.0	8.0	(2 of 2 parts) South wall of East glory hole, clay-like tuff underlying clay and gravel capping.
480	0.1	9.0	Black stains on south wall of trench 200 ft. south of East glory hole.
481	<0.1	15.0	Black stain on north wall of trench north of East glory hole.

ORE RESERVES

The property contains 1,000 tons of indicated ore averaging 7.2 lbs. Hg/ton in a body 20 feet wide, 20 feet high, and 30 feet long, adjacent on the south to the glory hole, and 6,500 tons may be inferred in a body extending 200 feet both northeast and southwest

of the East Glory hole, 20 feet wide and 50 feet deep, assuming one-fourth of the body to be ore. The average grade of the inferred ore is estimated to be between 7 and 10 lbs. Hg/ton.

PROPOSED EXPLORATION

The applicant proposed to explore five areas by diamond drilling for cinnabar ore bodies below the clay capping. The proposed areas contain disseminated cinnabar in surface clays similar to that discovered on the ground surrounding and overlying the East workings. The total cost of the work was estimated to be $15,750.00.

The proposed program has considerable merit inasmuch as cinnabar is found over a wide area and the possibilities of discovering additional ore bodies similar to those mined are favorable.

Following the examination a revised program was suggested. The ground is friable and poorly consolidated, which would make it entirely unsuitable for diamond drilling. Suggestions were made to substitute rotary drilling in its place. The area 5 (applicant's proposal) is located a considerable distance from the main area and should not be included in this project. More emphasis should be placed on exploring the main area by grid drilling in the vicinity of the two glory holes from which production has been made.

Project Recommendations

We recommend:

1. Approximately 50 hours of bulldozing to prepare access roads and drill sites at locations selected by the Field Team to most effectively explore the mineralized zone.

2. Rotary drilling of the eight primary holes for a combined length of 1,000 feet along the mineralized zone northeast and southwest of the existing Glory holes (Fig. 2.) Each hole is to be from 50 to 150 feet deep, the depth to be determined by the project supervisor, subject to the approval of the Field Team.

(The holes shall be drilled using not less than 4-1/4 inch standard bit. The holes are to be drilled dry, using air to return the cuttings to the surface and a Duclone type separator for sample collection. Wet drilling can be substituted if necessary upon approval by the Government.)

3. Drilling an additional 1,500 feet of holes at secondary locations (Fig. 2) if satisfactory results are achieved from the primary holes.

If field examination reveals inadequate sampling due to poor supervision, then the project may be terminated at the discretion of the Government.

4. All of the cuttings from the holes be saved for samples. Each sample is to represent an interval of not more than 5.0 feet of hole, the sample from each interval to be labelled and split into two equal parts, one of which is to be stored for Government use. The Operator's samples containing cinnabar in significant quantities shall be assayed for mercury.

EXPLORATION COSTS

The estimated costs are broken down as follows:

1.	Move bulldozer to and from Winnemucca at $100 each way	$ 200.00
2.	Bulldoze access road and sites with D-8 Caterpillar or equivalent, 50 hrs. at $15.00/hr.	750.00
3.	Rotary drill holes not in excess of 150 feet deep, independent contract, 2,500 ft. at $3.00/ft.	7,500.00
4.	Supervision 3 mos. at $600/mo.	1,800.00
5.	Assay 100 samples at $3.00/ea. for quicksilver	300.00
	Total estimated cost of the project	$10,550.00
	Government's share at 75 percent	$ 7,912.50

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DMEA-4715
(Mercury)

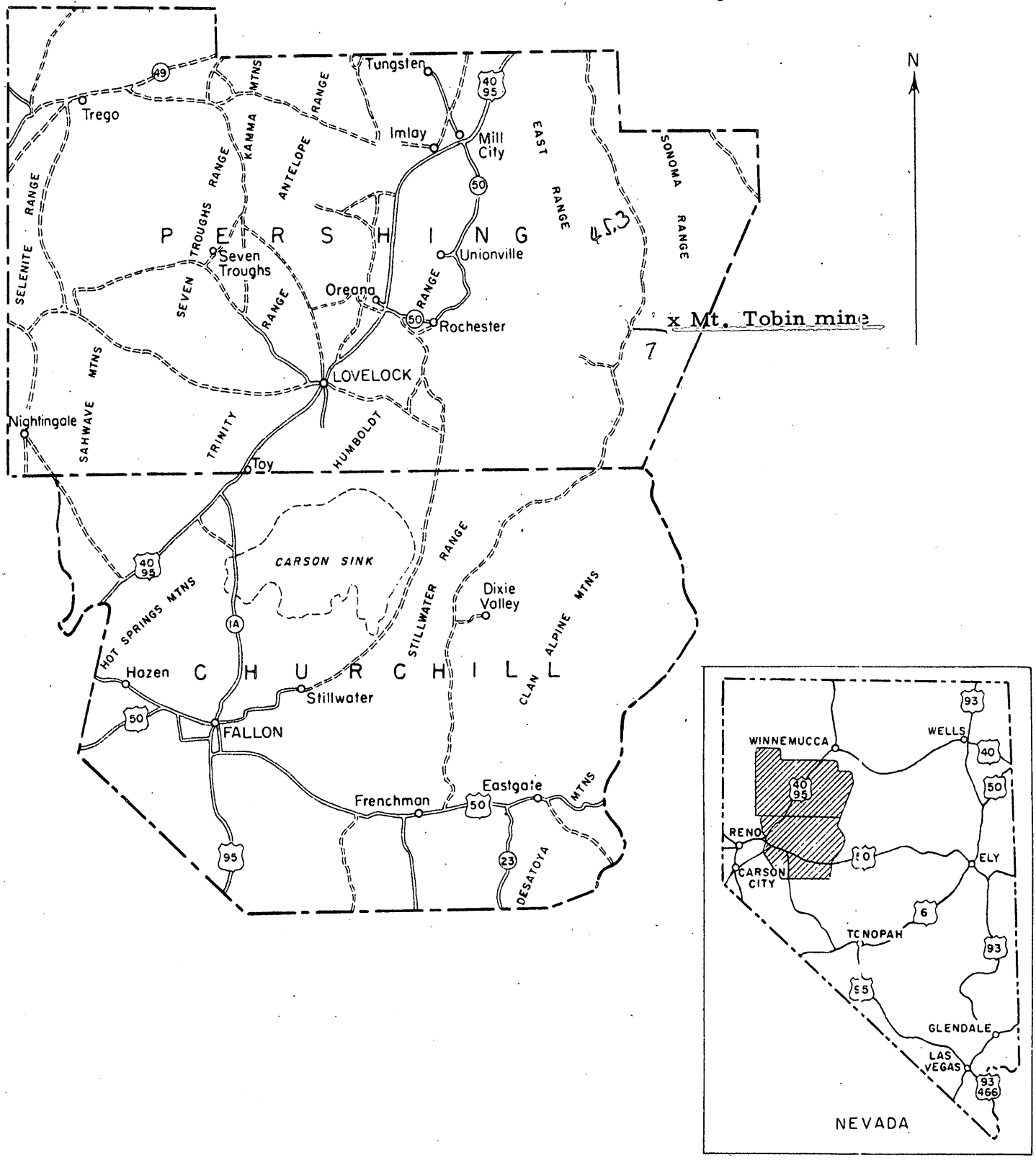


Figure 1. INDEX MAP OF CHURCHILL AND PERSHING COUNTIES, NEVADA

0 20 40 60 Miles

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
4-24	Chapman	400
4-24	Martin	400
4-26	Selfridge	130
		110
		~~100~~
4-29	C	220
		400

APR 26 1957

Walter L. Low
Dorothy Low
Box 373
Winnemucca, Nevada

Re: Docket No. DMEA 4715 - Mercury
Mount Tobin Mine
Pershing County, Nevada

Lamb Williams

Dear Sir and Madam:

The above-docketed application for exploration assistance for mercury ores has been reviewed in the Washington office of the Defense Minerals Exploration Administration, and referred to Mr. Spangler Ricker, Executive Officer, DMEA Field Team, Region II, 1605 Evans Avenue, Reno, Nevada, for a field examination of the property.

Any assistance you can give the members of the Field Team, will be appreciated.

Sincerely yours,

Frank E. Johnson (400)

ACTING Administrator

TLChapman:am 4-24-57
cc to: Docket
Code 400
Admr. Read. File
Oper. Comm.
FT REG II
Messrs. J. Pennington, USBM
T. Kiilsgaard, USGS

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
4-24	Chapman	400
4-24	Martin	400
4/26	Selfridge	130
"	Johnson	110
		~~100~~
		220

APR 26 1957

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

Re: Docket No. DMEA 4715 - Mercury
Walter L. and Dorothy Low
Mount Tobin Mine
Pershing County, Nevada

Dear Mr. Ricker:

The above docketed application for exploration assistance is being referred to your office for a field examination of the property.

Copies of memoranda dated April 8 and 9, 1957, by J. W. Pennington, Bureau of Mines, and N. E. Nelson, Geological Survey, respectively, relating to the project are enclosed. Also enclosed is one extra copy of the application for the use of the Field Team.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

APPROVED:

Frank D. Lamb

Member, Bureau of Mines

W. P. Williams

Member, Geological Survey

TLChapman:am 4-24-57
cc to: Docket
Code 400
Admr. Read. File
Oper. Comm.
FT REG II
Messrs. J. Pennington, USBM
T. Kiilsgaard, USGS

Enclosure

8623

IN REPLY REFER TO:

OFFICIAL FILE COPY
DMEA
RECEIVED APR 10 1957

DATE	INITIALS	CODE
4/10	JCW	220
4/10	WSM	400

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

April 9, 1957
Re: DMEA 4715
Walter L. and Dorothy Low
Mt. Tobin Mine
Pershing County, Nevada
$15,750.00 - mercury

Memorandum

To: W. S. Martin, Defense Minerals Exploration Administration

From: N. E. Nelson, U. S. Geological Survey

Subject: Review of application

The applicants request assistance in exploring a mercury deposit by bulldozing and drilling. The property has produced about 1500 flasks of mercury, largely from workings on the Miners Dream claim. Judging by the small map that is a part of the application, the applicants intend to explore areas adjacent to the mine and areas of 'indicated ore' at some distance from the mine. We are not told how the ore is indicated. Bailey, E. H. and Phoenix, D. A. (Quicksilver Deposits in Nevada, 1944) say "The extension of the ore-controlling fault of the east workings is very inadequately explored, and according to Mr. Low, good surface-pannings can be obtained to the south of the glory hole".

The applicant has owned the property since 1942. Perhaps he has found some new indications in the meantime. Referral of the application to the Field Team is recommended.

N. E. Nelson

N. E. Nelson

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

OFFICIAL FILE COPY
DMEA
RECEIVED APR 9 1957

DATE	INITIALS	CODE
4/9	C	220
4/10	W:FM	400
April 8, 1957		

Memorandum

To: W. S. Martin, Defense Minerals Exploration Administration

From: Assistant Chief, Branch of Base Metals

Subject: Review of application, Docket No. DMEA 4715 (mercury), Walter L. and Dorothy Low, Mount Tobin Mine Pershing County, Nevada. $15,570.00

The applicant proposes to explore for mercury mineralization in five areas by 32 drill holes aggregating 2500 feet and 50 hours of bulldozing at an estimated total cost of $15,750.00.

Bureau of Mines records show that the Mount Tobin mine has produced about 1200 flasks of mercury; also, that the applicant has operated the Mount Tobin and nearby mines.

Referral of the application to the Field Team is recommended.

The application is herewith attached.

J. W. Pennington

Attachment

Copy to: Division of Minerals
Branch of Base Metals (2)
Thor Killsgaard, U.S.G.S.
F. D. Lamb
F i l e s

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration
Washington 25, D. C.

April 4, 1957

Mr. Walter L. Low,
Mount Tobin Mine,
Box 373,
Winnemucca, Nevada.

Subject: DMEA 4715
Re: Exploration Assistance

Dear Mr. Low:

Your application for exploration assistance, dated April 1, 1957, submitted to our office at Reno, Nevada, has been assigned Docket Number DMEA 4715 and referred to the Iron & Ferro-Alloys Division in the Washington office. Kindly identify all future correspondence relating to your application by this Docket Number.

Sincerely yours,

Allen S. Dakan, Chief
Operations Control and
Statistics Division

Copy to: Region II

3571

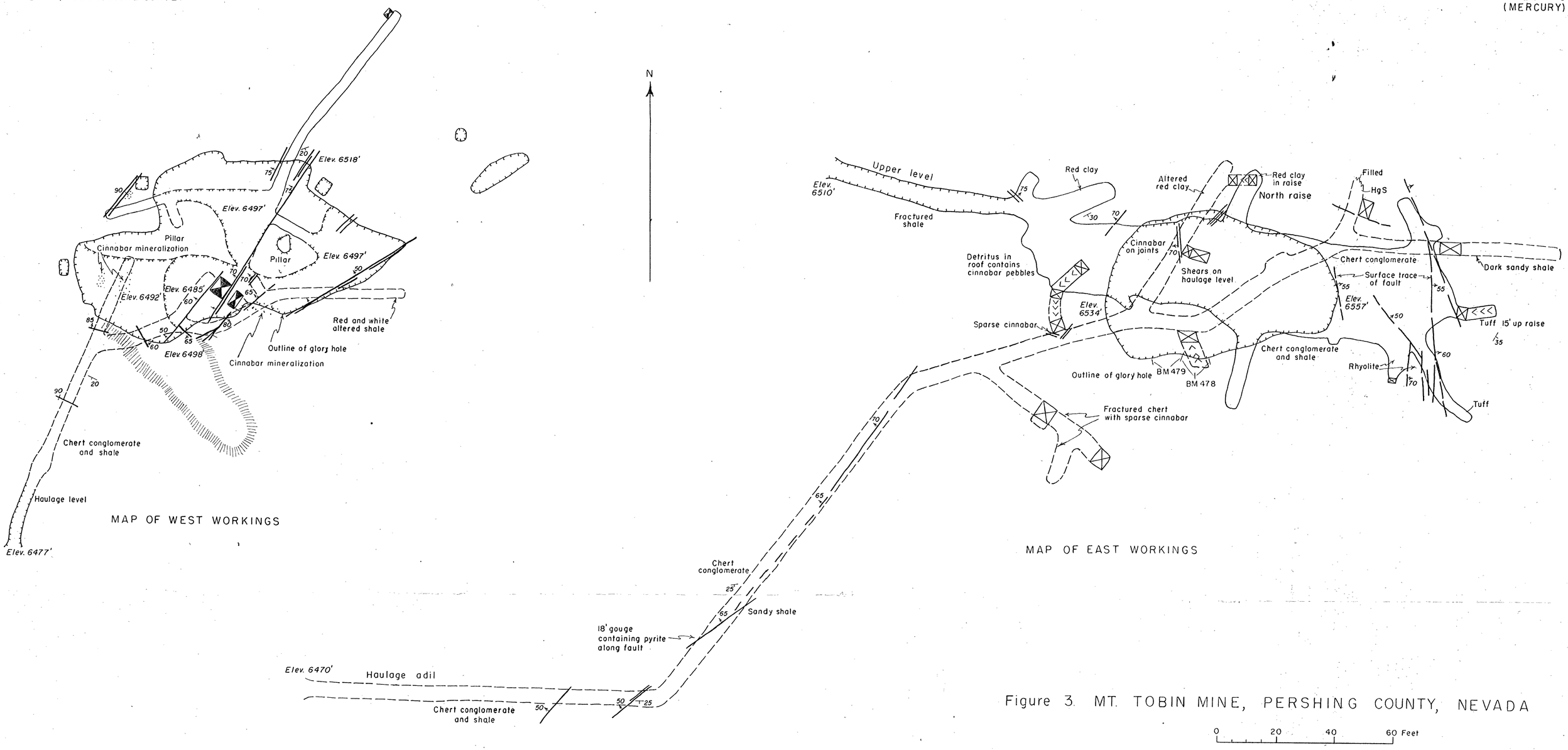
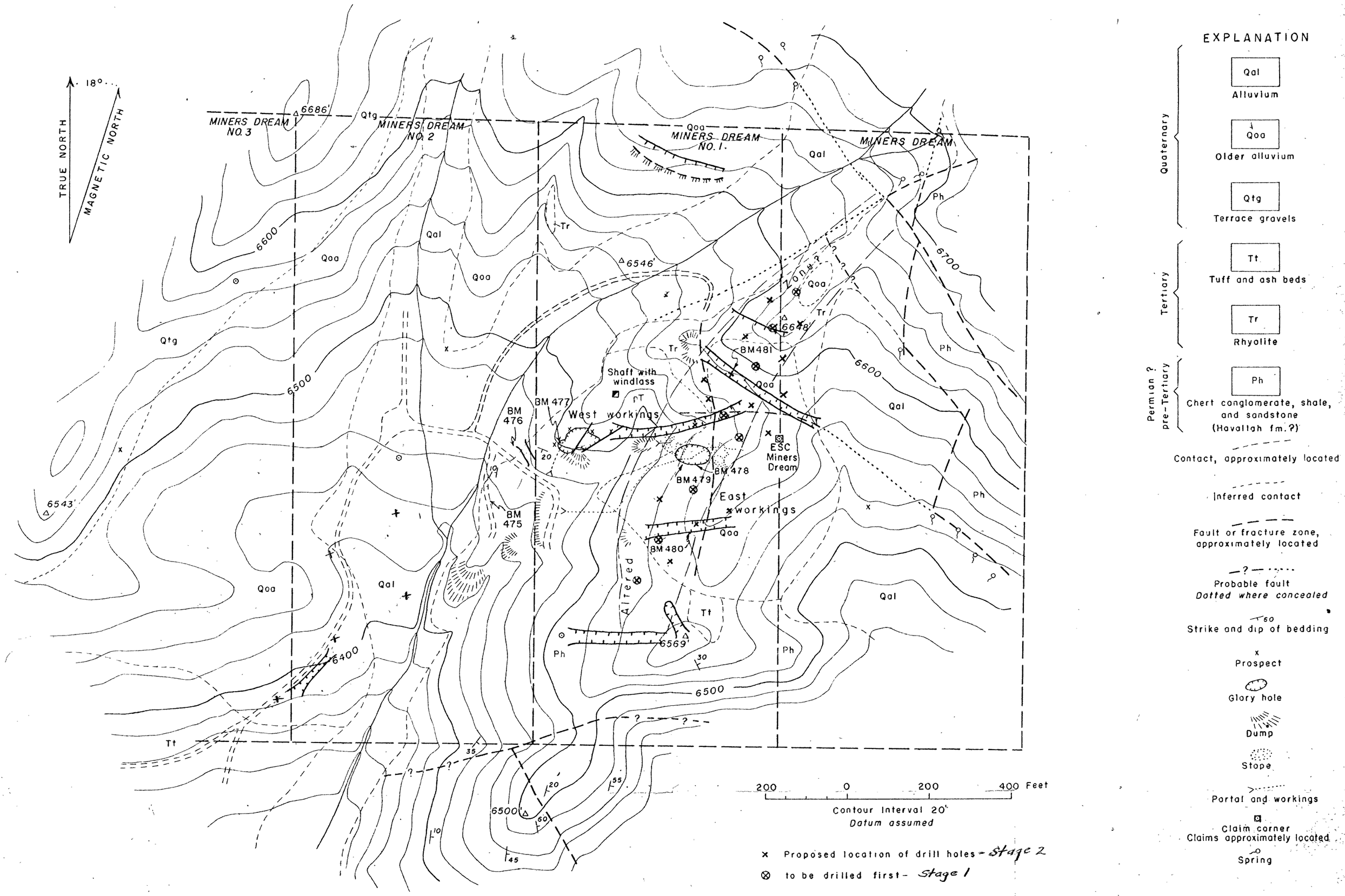


Figure 3. MT. TOBIN MINE, PERSHING COUNTY, NEVADA

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DMEA 4715
(MERCURY)

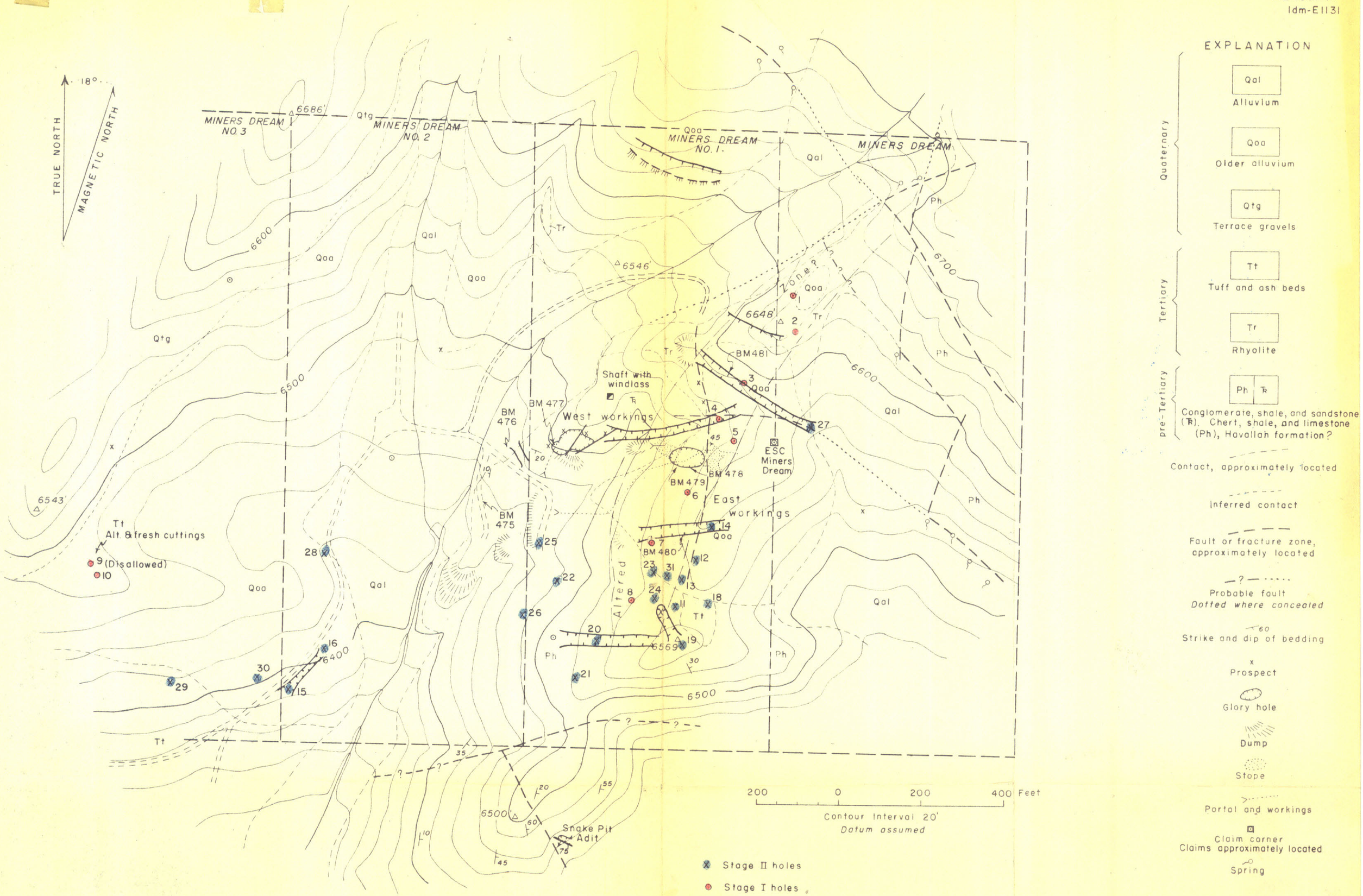


Geology by Ralph J. Roberts and Arthur E. Granger, U.S.G.S. 1940

Figure 2. GEOLOGIC AND TOPOGRAPHIC MAP OF THE MT. TOBIN QUICKSILVER MINE AREA
PERSHING COUNTY, NEVADA

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DMEA 4715
(MERCURY)
Idm-E1131



Geology by Ralph J. Roberts and Arthur E. Granger, U.S.G.S. 1940

Figure 2. GEOLOGIC AND TOPOGRAPHIC MAP OF THE MT. TOBIN QUICKSILVER MINE AREA
PERSHING COUNTY, NEVADA