UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE

Terminated (or cancelled) without certification. DMEA No. 76X

This is the official contract file containing all official records of the project. Duplicate material has been removed. The records contained in the files are checked and are arranged in this manner:

Left Side

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.

No. Application and attachments.

Schedule of Collections.

✓ Operator's monthly reports and all attachments (latest on top).

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.

✓ Interim Reports.

✓ On-site Exam Report(s). (Tab)

Settlement Sheets.

If additional folders are required because of volume of records, show folder numbers and contents below:

Maps in folder number _____

Operator's Monthly Reports in folder number _____

Reviewer's Initials

7973

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Report of:

Paul W. Wise
P. O. Box 267
Boise, Idaho

pertaining to Exploration Project Contract No. Idm-E213, Docket No. DMA 76X (dated November 20, 1951 between E. E. Stauffer and the Government and which was duly assigned to Paul W. Wise as amended and superseded as set forth in Annex 1) for the period of August 29, 1952 to January 1, 1953, covering a project for the exploration of antimony ore.

My review included an examination of the Monthly Report (one Form MF-104 covering the months of September, October, November, and December 1952) and supporting documents attached thereto, comparison of the costs claimed with the contract and pertinent schedules, consultation with the Government representative who visited and examined the project, and a determination of the reasonableness and propriety of the costs.

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

1. The administrative cost to the Government of an audit would be excessive in relation to the estimated amount of possible disallowances thereunder;

2. The monthly report was supported by documentary proof of the costs incurred under the contract;

3. The cost ($377.20) covered hand trenching at rates specified in the contract (94.3 cubic yards @ $4.00 per cubic yard).

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

Total cost as billed by contractor	$377.20
Exceptions	none
Total accepted cost	$377.20

The contract calls for a 75 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Two hundred eighty two and 90/100 Dollars

$282.90

is considered valid and proper.

March 10, 1953

C. A. Turner, Auditor

MF-206
(June 1951)
(Revised Feb. 1952)

DOCKET NO. DM[redacted] 76X

COMMODITY Antimony
Idm-E213

GOVERNMENT'S COPY

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

EXPLORATION PROJECT CONTRACT [1]

IT IS AGREED this 29th day of August, 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] Paul W. Wise, hereinafter called the "Operator", that Contract Idm-E213 dated November 20, 1951, between E. E. Stauffer and the Government and which was duly assigned to the Operator, is amended and superseded as set forth in Annex I, and as follows:

~~hereinafter called the "Operator," as follows:~~

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

ARTICLE 2. *Operator's property rights.*—With respect to that certain land situated in the State of Oregon, County of Malheur, described as follows: [3]
Sec. 36, T14S., R40E., and Sec. 31, T14S., R41E. of the Willamette Meridian. Approximate location shown on Fig. 1 map attached.

the Operator represents and undertakes: [4]

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

(*b*) That the Operator is a lessee, in possession and entitled to possession, and the Owner's Consent to Lien is attached.

The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof.

ARTICLE 3. *Exploration project.*—The Operator, ~~within~~ prior to / November 1, 1952, ~~days from the date of this contract~~ shall commence work on a project of exploration for [5] Antimony ore in or upon the described land; and shall bring the project to completion ~~within a period of~~ prior to / January 1, 1953 from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 8. *Payments by the Government.*—(*a*) The Government will pay 75 percent of the allowable costs incurred, as they accrue, in an aggregate total amount not in excess of $26,045.00, which is 75 percent of $34,727.00, the agreed, estimated total cost of the project in which the Government will participate; *Provided,* that until the Operator's final report and final accounting have been rendered to the Government, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract.

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

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

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

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

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

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

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

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

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

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

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

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

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By O. Mitterdorf
Acting Administrator
Defense Minerals Exploration
Administration

Paul W. Wise
(Operator)

By Paul W. Wise

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

_____

[CORPORATE SEAL]

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

EXPLORATION PROJECT CONTRACT
PAUL W. WISE
DOCKET NO. DMEA-76X
CONTRACT Idm-E213

EXHIBIT "A"

Description of the Work

The exploration program shall consist of hand trenching to crosscut the vein structure, bulldozing an access road and driving drifts and crosscuts to determine the occurrence of antimony along the main vein of the Cayote Group, as indicated on the map attached hereto and made a part hereof and entitled "Figure 2 - Map of Veins on part of the Cayote Group." The work will be divided into two stages as follows:

Stage I

The first stage of the exploration project consists of 270 cubic yards of hand trenching to crosscut the vein structure. Individual trenches shall be of a size sufficient to expose the full width of the vein for examination and sampling, and the location of the hand trenches shall be determined by mutual agreement of the Operator and Government Field Engineer.

If, in the opinion of the Government Field Engineer, the work performed under Stage I has favorably indicated the possibility of a commercial ore discovery, 1-1/2 miles of bulldozer road shall be constructed and Stage II will be undertaken as follows:

Stage II

The Government Field Engineer shall approve one of the following alternative plans for underground exploration:

(a) Drive 700 feet of drift on the footwall vein from a portal near Station 14 and drive crosscuts to the hanging wall vein at distances of 150, 300, 450, 600 and 700 feet from the portal. The maximum aggregate footage of crosscut to be 300. 1/

(b) Drive 700 feet of drift on the footwall vein from a portal near Station 14 and drive crosscuts to the hanging wall vein at distances of 150 and 400 feet from the portal with the maximum aggregate footage of crosscut to be 100. 1/ Drive 200 feet of drift on the hanging wall vein at location to be determined by crosscuts. 1/

1/ Minimum cross-section to be 7'x5' in the clear, and timbered where necessary.

Estimated Costs of the Project
(* indicates allowable maximum)

Agreed Estimated Unit Costs
(in lieu of actual costs)

Stage I

Hand trenching, 270 cu. yds. @ $4.00 per cubic yard	$1,080.00

Stage II

Constructing a 1-1/2 mile bulldozer road	557.00*
Crosscutting and drifting 1,000 feet @ $30.89 per foot	30,890.00

The Government will contribute to the costs of the hand trenching, the bulldozer road, the crosscutting and drifting on the basis of the above agreed unit costs per cubic yard, complete road, or per foot as they accrue for the units of work actually performed. These agreed unit costs cover all costs of the work except those listed below to which the Government will contribute on the basis of actual costs.

Estimated Actual Costs

Labor, Supervision, and Consultants

Stage I

Consultants 2/	$200.00*

Stage II

Consultants 2/	2,000.00*

Summary

Total Estimated Cost, Stage I	$ 1,280.00
Total Estimated Cost, Stage II	33,447.00
Total estimated cost of project	$34,727.00*
Government participation @ 75%	$26,045.25*

2/ The consultants shall do the necessary engineering, geological work, sampling, and assaying.

ANNEX I

WHEREAS E. E. Stauffer and the Government were the parties to Contract Idm-E213, Docket No. DMEA-76X dated November 20, 1951, executed on contract form MF-200 (June 1951), and

WHEREAS by an instrument dated June 7, 1952, the said E. E.Stauffer duly assigned to Paul W. Wise all his right, title and interest in and to the said contract, subject to the approval of the Government, and under date of June 20, 1952, the said Paul W. Wise duly agreed to assume and perform all of the reservations, terms, conditions, agreements and covenants contained in the said contract, and

WHEREAS no work has yet been done under the said contract, and

WHEREAS the present parties to this contract desire to restate the agreement in a new contract form,

NOW THEREFORE, it is mutually agreed that effective November 20, 1951, Contract IdmE-213, dated November 20, 1951, executed on contract form MF-200 (June 1951) is amended and superseded by this contract executed on form MF-200 (February 1952), and

The Operator hereby releases and agrees to save harmless the Government from any and all claims and demands under or arising out of Contract IdmE-213 dated November 20, 1951, executed on contract form MF-200 (June 1951).

ASSIGNMENT OF PROSPECTING PERMIT AND RIGHTS TO MINING LEASE
(E. E. Stauffer to Paul W. Wise)

KNOW ALL MEN BY THESE PRESENTS, That I, E. E. STAUFFER, for and in consideration of ONE and no/100 ($1.00) Dollars, now paid, and other valuable considerations, do hereby give and grant, bargain, sell and assign, subject to approval of Eastern Oregon Land Company, to PAUL W. WISE, all of my right, title, interest and claim in and to that certain prospecting permit or exploration agreement entered into in 1947 between the Eastern Oregon Land Company, a California corporation, as party of the First Part and one H. D. Ramsey, and myself as parties of the second part, which prospecting permit or exploration contract covered the right to prospect for antimony, gold and other mineral deposits in and on Sec. 31, of Twp. 14, S. R. 41, East, and Sec. 36, Twp. 14, S. R. 40, East, W.M. in Malheur County, Oregon, and the right to apply for an secure a mining lease to mine and operate any mineral deposits discovered and developped thereon.

And I, the said Assignor, do hereby covenant to and with the said Assignee that said prospecting permit has been extended by various amendments thereto or endorsements thereon to December 1st, 1953, and is now in good standing and in full force and effect, and that I have acquired all of the interest of the said H. D. Ramsey therein, and am now the sole and exclusive owner thereof, and have good right to assign and transfer the same as aforesaid.

IN WITNESS WHEREOF, I have hereunto set my hand this 7th day of June, 1952.

E. E. Stauffer
Grantor and Assignor

In consideration of the foregoing assignment the undersigned hereby accepts the same and agrees to assume and perform all of the reservations, terms, conditions, agreements and covenants contained in the said prospecting agreement above described.

Dated this 20 day of June, 1952.

Paul W. Wise
Assignee

The undersigned party of the first part in the prospecting permit above mentioned and proposed lessor in the lease to be executed pursuant thereto, hereby consents to and approves the foregoing assignment.

Dated this_____day of June, 1952.

EASTERN OREGON LAND COMPANY

By_____

ASSIGNMENT OF EXPLORATION PROJECT CONTRACT
(E. E. Stauffer to Paul W. Wise)

KNOW ALL MEN BY THESE PRESENTS, That I, E. E. STAUFFER, for an in consideration of ONE and no/100 ($1.00) Dollar now paid, and other good and valuable considerations, do hereby grant and assign, transfer and set over, subject to government approval, to PAUL W. WISE, all of my interest and claim in and to a certain exploration project contract #IDM-E-213 dated November 20th, 1951, between the UnitedStates of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the Government, and myself as operator.

By acceptance of this assignment, the Assignee agrees to assume and perform allof the reservations, terms, conditions, agreements and covenants in said contract contained. The post office address of the Grantee and Assignee herein is as follows: P. O. Box 267, 222 Broadway, Boise, Idaho.

IN WITNESS WHEREOF, I have hereunto set my hand this 7th day of June, 1952.

E. E. Stauffer
Grantor and Assignor

In consideration of the foregoing assignment the undersigned hereby accepts the same and agrees to assume and perform all of the reservations, terms, conditions, agreements and covenants contained in the contract above described.

Dated this 20 day of June, 1952.

Paul W. Wise
Assignee

JUL 31 1952

The Government hereby consents to the assignment by E. E. Stauffer to Paul W. Wise of all his right, title and interest in and to Exploration Project Contract Idm-E213, dated November 20, 1951, and releases the said E. E.Stauffer from all obligations thereunder.

Dated August 29th, 1952.

UNITED STATES OF AMERICA

By C B Mattendorf
Acting Administrator
Defense Minerals Exploration
Administration

CONSENT TO ASSIGNMENT

(Eastern Oregon Land Company to Paul W. Wise
re Stauffer prospecting permit)

This is to certify that the Eastern Oregon Land Company, a corporation, Party of the First Part in that certain prospecting permit or exploration agreement entered into in 1947 between the said Eastern Oregon Land Company and one H. D. Ramsay and E. E. Stauffer as Parties of the Second Part, and which prospecting or exploration contract covered the right to prospect for antimony, gold and other mineral deposits in and on T 14 S., R 41, E.W.M. and Section 36, Section 31, Township 14 South, Range 40, E.W.M. in Malheur County, Oregon, and the right to apply for and secure a mining lease tomine and operate any mineral deposits discovered and developed thereon, does hereby formally consent to and approve the assignment of said prospecting permit as extended and all rights accruing thereunder to Paul W. Wise of Boise, Idaho (the said E. E. Stauffer being now the sole owner of said prospecting permit and the sole beneficiary of the extensions granted thereunder).

By acceptance of this assignment, the assignee assumes, and agrees to observe and perform, from and after the date hereof, all obligations of the said prospecting permit incumbent upon the permittees.

IN WITNESS WHEREOF, the said Eastern Oregon Land Company has caused this consent to be executed by a duly authorized officer this 27 day of June, 1952.

EASTERN OREGON LAND COMPANY

By Walter S. Martin
President

MF-203

OWNER'S CONSENT TO LIEN

WHEREAS, THE UNDERSIGNED, AS OWNER, CO-OWNER, LESSOR, OR SELLER HAS AN INTEREST IN CERTAIN PROPERTY IN THE STATE OF Oregon, COUNTY OF Malheur, DESCRIBED AS FOLLOWS: 1/

The mineral rights reserved in and on Section 31, Township 14 South, Range 41 East and Section 36, Township 14 South, Range 40 East of the Willamette Meridian

WHICH IS THE SUBJECT OF A PROPOSED amended EXPLORATION PROJECT CONTRACT, HEREINAFTER CALLED THE "CONTRACT", BETWEEN THE UNITED STATES OF AMERICA, HEREINAFTER CALLED THE "GOVERNMENT", AND

2/ Paul W. Wise of Boise, Idaho (The original exploration contract dated November 20, 1951 having been entered into with one E. E. Stauffer and thereafter assigned to the said Wise)

HEREINAFTER CALLED THE "OPERATOR"; AND

WHEREAS, UNDER CERTAIN PROVISIONS OF SAID CONTRACT WHICH ARE SET FORTH ON THE REVERSE SIDE HEREOF THE GOVERNMENT IS ENTITLED TO A PERCENTAGE ROYALTY ON PRODUCTION AND TO CERTAIN OTHER RIGHTS AND EQUITIES WHICH DO OR MAY CONFLICT WITH OR BE ADVERSE TO THE INTEREST OF THE UNDERSIGNED IN SAID PROPERTY;

NOW THEREFORE, THE UNDERSIGNED, IN CONSIDERATION OF SAID CONTRACT AND AS AN INDUCEMENT TO THE GOVERNMENT TO ENTER INTO SAME, UNDERTAKES AND AGREES AS FOLLOWS:

1. THE GOVERNMENT'S EQUITY IN AND RIGHT TO DISMANTLE, SEVER, TAKE POSSESSION OF, AND REMOVE AND DISPOSE OF FACILITIES, BUILDINGS, FIXTURES, EQUIPMENT, OR OTHER ITEMS AS PROVIDED IN THE CONTRACT, OR ANY AMENDMENT THEREOF, SHALL PREVAIL OVER AND BE PRIOR AND SUPERIOR TO ANY CONFLICTING OR ADVERSE RIGHTS OF THE UNDERSIGNED, AND THE GOVERNMENT IS AUTHORIZED TO ENTER UPON THE LAND FOR SUCH PURPOSES.

2. TO SECURE THE PAYMENT TO THE GOVERNMENT OF THE PERCENTAGE ROYALTY ON PRODUCTION 3/ PROVIDED FOR UNDER THE TERMS OF SAID EXPLORATION PROJECT CONTRACT, OR ANY AMENDMENT THEREOF WHICH DOES NOT INCREASE THE MAXIMUM AMOUNT OF THE GOVERNMENT'S CLAIM HERE STATED OR ALTER THE PROVISIONS FOR REPAYMENT, THERE IS HEREBY GRANTED TO THE GOVERNMENT A LIEN UPON the mineral rights in THE LAND HEREIN DESCRIBED AND UPON ANY PRODUCTION OF MINERALS THEREFROM, UNTIL THE ROYALTY CLAIM IS FULLY PAID IN THE AMOUNT OF THE GOVERNMENT'S CONTRIBUTION, NOT IN EXCESS OF 4/$ 26,045.25, OR TEN YEARS HAVE ELAPSED FROM THE DATE OF THE CONTRACT.

3. THE UNDERSIGNED SHALL COMMIT NO ACT NOR ASSERT ANY CLAIM THAT MAY CONTRAVENE OR CONFLICT WITH THE LIEN, CLAIM, OR RIGHTS OF THE GOVERNMENT UNDER THE PROVISIONS OF SAID CONTRACT. THIS AGREEMENT SHALL BE BINDING UPON THE HEIRS, EXECUTORS, ADMINISTRATORS, SUCCESSORS, AND ASSIGNS OF THE UNDERSIGNED.

DATED THIS 13th DAY OF August, 1952

EASTERN OREGON LAND CO. [SEAL]

Walter S. Martin [SEAL] PRESIDENT

[illegible] [SEAL] SECRETARY

1/ EITHER (A) INSERT THE LEGAL DESCRIPTION OF THE LAND, OR (B) STRIKE OUT THE WORDS "AS FOLLOWS" AND INSERT "IN A LEASE [OR CONTRACT, DEED, OR OTHER DOCUMENT] DATED _____, AND RECORDED IN BOOK _____ PAGE _____ OFFICIAL RECORDS OF SAID COUNTY." IF (B) IS USED, THE BOOK AND PAGE OF RECORDATION CANNOT BE DISPENSED WITH. IF THE SPACE PROVIDED IS INSUFFICIENT, USE AN ANNEX, AND REFER TO THE ANNEX IN THE SPACE.

2/ INSERT THE NAME OF THE OPERATOR AS IT WILL APPEAR IN THE EXPLORATION PROJECT CONTRACT.

3/ MINING OR PRODUCTION FROM THE LAND IS NOT REQUIRED, AND IN THE ABSENCE OF PRODUCTION THERE IS NO OBLIGATION TO REPAY THE GOVERNMENT.

4/ INSERT THE MAXIMUM AMOUNT OF THE GOVERNMENT'S CONTRIBUTION.

RELEVANT CONTRACT PROVISIONS

REPAYMENT BY OPERATOR. (A) IF, AT ANY TIME, THE GOVERNMENT CONSIDERS THAT A DISCOVERY OR A DEVELOPMENT FROM WHICH PRODUCTION MAY BE MADE HAS RESULTED FROM THE EXPLORATION WORK, THE GOVERNMENT, AT ANY TIME NOT LATER THAN SIX MONTHS AFTER THE OPERATOR HAS RENDERED THE REQUIRED FINAL REPORT AND FINAL ACCOUNT, MAY SO CERTIFY IN WRITING TO THE OPERATOR. THE CERTIFICATION SHALL DESCRIBE BROADLY OR INDICATE THE NATURE OF THE DISCOVERY OR DEVELOPMENT. IN THE EVENT OF SUCH CERTIFICATION, ANY MINERALS MINED OR PRODUCED FROM THE LAND DESCRIBED IN ARTICLE 2 WITHIN 10 YEARS FROM THE DATE OF THIS CONTRACT, INCLUDING ANY MINED OR PRODUCED BEFORE THE CERTIFICATION, SHALL BE SUBJECT TO A PERCENTAGE ROYALTY WHICH THE OPERATOR OR HIS SUCCESSOR IN INTEREST SHALL PAY TO THE GOVERNMENT, UPON THE NET SMELTER RETURNS, THE NET CONCENTRATOR RETURNS, OR OTHER NET AMOUNTS REALIZED FROM THE SALE OR OTHER DISPOSITION OF ANY SUCH PRODUCTION, IN WHATEVER FORM DISPOSED OF, INCLUDING ORE, CONCENTRATES, OR METAL, UNTIL THE TOTAL AMOUNT CONTRIBUTED BY THE GOVERNMENT, WITHOUT INTEREST, IS FULLY REPAID, OR SAID 10 YEARS HAVE ELAPSED, WHICHEVER OCCURS FIRST, AS FOLLOWS:

(1) ONE AND ONE-HALF ($1\frac{1}{2}$) PER CENT OF ANY SUCH NET AMOUNTS NOT IN EXCESS OF EIGHT DOLLARS ($8.00) PER TON.

(2) ONE AND ONE-HALF ($1\frac{1}{2}$) PER CENT OF ANY SUCH NET AMOUNTS, PLUS ONE-HALF ($\frac{1}{2}$) PER CENT SUCH NET AMOUNTS FOR EACH ADDITIONAL FULL FIFTY CENTS ($0.50) BY WHICH SUCH NET AMOUNTS EXCEED EIGHT DOLLARS ($8.00) PER TON, BUT NOT IN EXCESS OF FIVE (5) PER CENT OF SUCH NET AMOUNTS.

(FOR INSTANCE: THE PERCENTAGE ROYALTY ON A NET AMOUNT OF FIVE DOLLARS ($5.00) PER TON, WOULD BE ONE AND ONE-HALF ($1\frac{1}{2}$) PER CENT; ON A NET AMOUNT OF TEN DOLLARS ($10.00) PER TON, THREE AND ONE-HALF ($3\frac{1}{2}$) PER CENT.)

(B) AS HERE USED, "NET SMELTER RETURNS", "NET CONCENTRATOR RETURNS", AND "OTHER NET AMOUNTS REALIZED FROM THE SALE OR OTHER DISPOSITION", MEAN GROSS REVENUE FROM SALES; OR IF NOT SOLD, THE MARKET VALUE, THE MARKET VALUE OF THE MATERIAL AFTER IT IS MINED IN THE FORM IN WHICH AND THE PLACE WHERE IT IS HELD. IN THE CASE OF INTEGRATED OPERATIONS IN WHICH THE MATERIAL IS NOT DISPOSED OF AS SUCH, THESE TERMS MEAN WHAT IS OR WOULD BE GROSS INCOME FROM MINING OPERATIONS FOR PERCENTAGE DEPLETION PURPOSES IN INCOME TAX DETERMINATION.

(C) TO SECURE THE PAYMENT OF ITS PERCENTAGE ROYALTY, THE GOVERNMENT SHALL HAVE AND IS HEREBY GRANTED A LIEN UPON THE LAND DESCRIBED IN ARTICLE 2 AND UPON ANY PRODUCTION OF MINERALS THEREFROM, UNTIL THE ROYALTY CLAIM IS EXTINGUISHED BY LAPSE OF TIME OR IS FULLY PAID.

(D) THIS ARTICLE IS NOT TO BE CONSTRUED AS IMPOSING ANY OBLIGATION ON THE OPERATOR OR THE OPERATOR'S SUCCESSOR IN INTEREST TO ENGAGE IN ANY MINING OR PRODUCTION OPERATIONS.

TITLE TO AND DISPOSITION OF PROPERTY. ALL FACILITIES, BUILDINGS, FIXTURES, EQUIPMENT, OR OTHER ITEMS COSTING MORE THAN $50.00 EACH, PAID FOR OR PURCHASED WITH FUNDS CONTRIBUTED JOINTLY BY THE OPERATOR AND THE GOVERNMENT, ALTHOUGH TITLE MAY BE TAKEN IN THE NAME OF THE OPERATOR, SHALL BELONG TO THE OPERATOR AND THE GOVERNMENT JOINTLY, IN PROPORTION TO THEIR RESPECTIVE CONTRIBUTIONS, AND UPON THE COMPLETION OF THE WORK OR THE TERMINATION OF THE CONTRACT SHALL BE DISPOSED OF PROMPTLY BY THE OPERATOR FOR THE JOINT ACCOUNT OF THE GOVERNMENT AND THE OPERATOR, EITHER BY RETURN TO THE VENDOR, BY SALE TO OTHERS, OR PURCHASE BY THE OPERATOR AT A PRICE AT LEAST AS HIGH AS COULD OTHERWISE BE OBTAINED, AS MAY APPEAR TO BE FOR THE BEST INTEREST OF THE GOVERNMENT, UNLESS THE GOVERNMENT, IN WRITING, WAIVES ITS INTEREST IN ANY SUCH ITEM. IF NECESSARY TO ACCOMPLISH SUCH DISPOSITION, THE OPERATOR SHALL DISMANTLE, SEVER FROM THE LAND, AND REMOVE ANY SUCH ITEM, THE COST THEREOF TO BE FOR THE JOINT ACCOUNT OF THE PARTIES IN PROPORTION TO THEIR RESPECTIVE INTERESTS. IF THE OPERATOR, WITHIN 90 DAYS AFTER THE RECEIPT OF WRITTEN NOTICE FROM THE GOVERNMENT, FAILS, NEGLECTS, OR REFUSES TO DISPOSE OF SUCH PROPERTY, THE GOVERNMENT MAY ITSELF ENTER UPON THE LAND, TAKE POSSESSION OF, AND REMOVE AND DISPOSE OF ANY SUCH PROPERTY AS ABOVE PROVIDED.

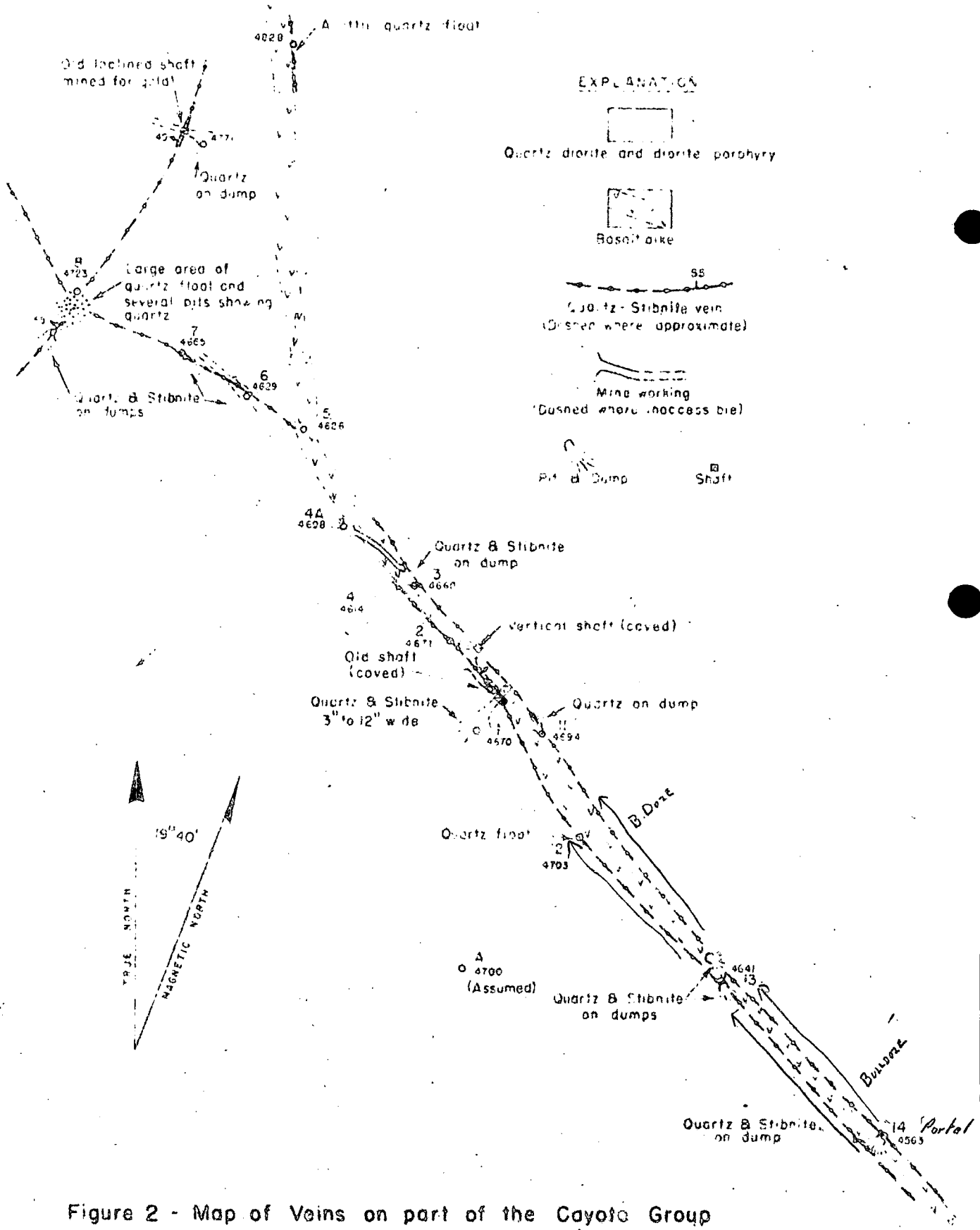


Figure 2 - Map of Veins on part of the Coyote Group

0 100 200 300 400 500 FEET

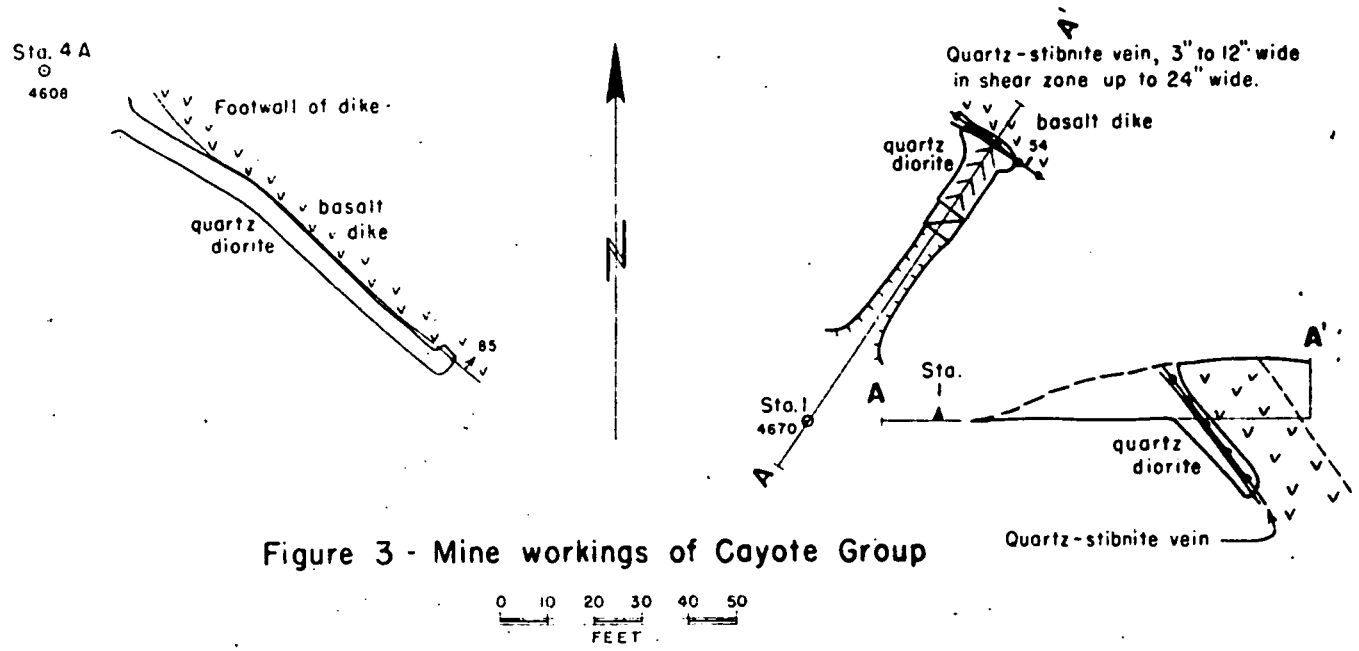
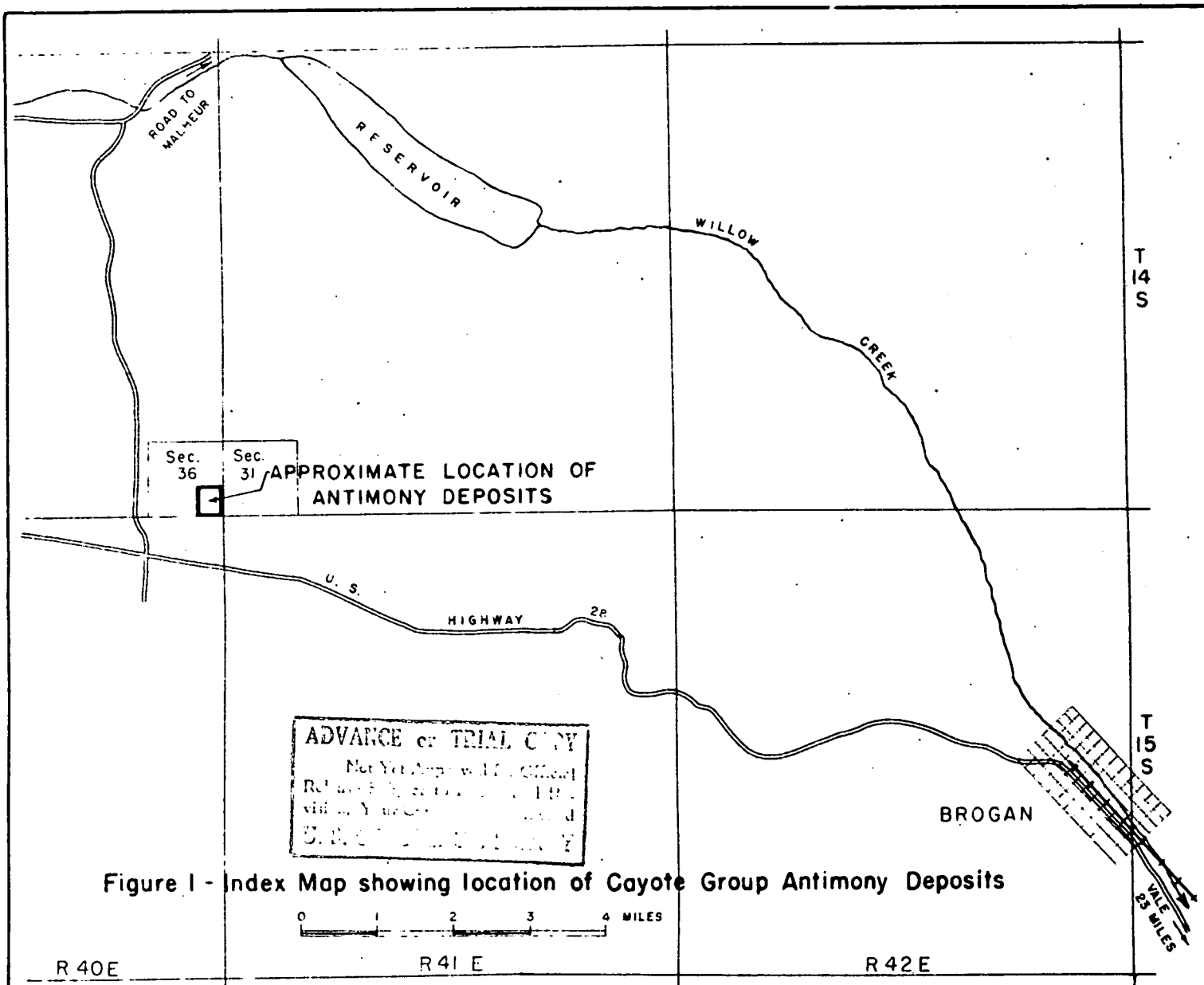


Figure 3 - Mine workings of Cayote Group



ADVANCE or TRIAL COPY

Figure 1 - Index Map showing location of Cayote Group Antimony Deposits

MF-200
(April 1951)

Docket No. DMA 76X
Commodity ANTIMONY

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Only signed copy
Revised
9/9.

EXPLORATION PROJECT CONTRACT [1]

It is agreed this _____ day of _____, 195__, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the "Government," and [2] Mr. E. E. Stauffer, Box 72, Brogan, Oregon An Individual

hereinafter called the "Operator," as follows:

1. *Authority for contract.* This agreement is entered into under the authority of the Defense Production Act of 1950, pursuant to Mineral Order 5, entitled "Regulations Governing Government Aid in Defense Exploration Projects."

2. *Operator's property rights.* The exploration project shall be conducted on that certain property situated in the State of Oregon, County of Malheur described as follows: [3] Cayote Group lying in Sec. 36, T. 14 S., R. 40 E. and section 31T 14S R 41 E of Willamette Meridian

with respect to which the Operator represents and undertakes: [4]

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

(*b*) That he is a lessee, in possession and entitled to possession, and the subordination agreement of the lessor is attached.

3. *Exploration project.* The Operator, within 5 days from the date of this contract shall commence work on a project of exploration for [5] Antimony; shall prosecute the work efficiently, expertly, in a workmanlike manner, in accordance with good mining standards, with suitable and adequate equipment, materials, and labor; all properly designed to bring the project to completion within a period of [6] 16 months from the date of this contract. The exploration project and the work to be performed are more fully described on Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, is made a part of this contract.

4. *Performance of the work.* The work shall be performed by the Operator, under his sole direction and control: *Provided,* That with the consent of the Government and its written approval of the contract or contracts, all or any part of the work may be performed by the Operator through contract or contracts with independent contractors. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

5. *Fixtures and improvements.* The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof. Attached hereto, marked "Exhibit 'B'," is a detailed list of additional facilities, buildings, and fixtures, to be purchased, installed, or erected by the Operator, with the estimated cost of each, to which the Government will contribute its agreed pro-rata share of the cost. The difference between the cost of such additional facilities, buildings, or fixtures, and the salvage value thereof at the conclusion of the work, shall be charged as a cost of the project to which the Government has contributed its pro-rata share.

6. *Operating equipment.* Attached hereto, marked "Exhibit 'C'," is a detailed list of operating equipment divided into categories of items to be rented, purchased, or furnished by the Operator, with the allowable rental, purchase price, or rental value, as the case may be, annexed to each. As to equipment purchased for the project, the Government will contribute its agreed pro-rata share of the cost thereof, and the difference between the cost and the salvage value at the conclusion of the work shall be charged as a cost of the project to which the Government has contributed its pro-rata share.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] State name, address, and nature of organization if any.
[3] Give legal description or enough to identify the property.
[4] Strike out the provision not applicable.
[5] Name of mineral.
[6] Not in excess of 2 years.

7. *Title to and disposition of property.* [illegible] facilities, buildings, fixtures, equipment, or [illegible]er items costing more than $50 each, paid for or purchased with funds contr[illegible]ted jointly by the Operator and the Governme[illegible] shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the termination of the contract, if they have any salvage value, shall be disposed of for their joint account unless the Government, in writing, waives its interest in any such items. The Government may require the dismantling, severance from land, and removal of any such items in order to realize its interest in the salvage value thereof, and the cost of any such removal and of the disposal of the items shall be for the joint account of the parties in proportion to their respective interests.

8. *Labor and supervision.* Attached hereto, marked "Exhibit 'D'," is an itemized schedule of labor, by numbers and classes (miners, muckers, millmen, etc.), and of supervisors, by numbers and positions, with the maximum wages or salaries that may be paid to each as an allowable cost of the project.

9. *Rehabilitation and repairs.* Attached hereto, marked "Exhibit 'E'," is a detailed schedule of existing facilities, buildings, installations, and fixtures, with a statement of the cost of any necessary rehabilitation or repairs to put into useful and operable condition, which cost shall be allowed as a cost of the project.

10. *Allowable costs of the project.* The allowable costs of the project in which the Government will participate are limited to the necessary, reasonable, direct costs of performing the exploration work, including the costs of materials, supplies, engineering, power, water, and utilities, including items of equipment costing less than $50 each; and the costs referred to in Articles 5, 6, 8, and 9, and the exhibits annexed to and referred to in the contract. Although the Government may pay part of the cost of new or additional facilities, structures, buildings, and equipment, only the depreciation on such items, computed as indicated in Articles 5 and 6, will be charged as a cost of the project. No items of general overhead, corporate management, interest, or any other indirect costs not expressly allowed by these regulations, or work performed or costs incurred before the date of this contract, shall be allowed as costs of the project in which the Government will participate.

11. *Participation by the Government.* At the end of the first full calendar month after the Operator has commenced work under the project, and at the end of each succeeding calendar month, the Operator shall submit to the Government a voucher for payment with a detailed statement of work done and allowable costs (as defined in Article 10 of this agreement) incurred, in a form and with supporting data acceptable to the Government. After approving the voucher, the Government shall pay to the Operator 75 percent of the sum of such costs incurred; *Provided,* That the aggregate total of all sums paid by the Government under this agreement shall not exceed $25,409.40, which is 75 percent of the agreed estimated total cost of this project, $33,879.20.

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

13. *Progress reports.* The Operator shall provide the Government with monthly reports of progress in form and content satisfactory to the Government, and upon the completion of the project or termination of the contract shall provide the Government with a comprehensive geologic and engineering report, including an estimate of ore reserves, to the best of his ability. Four copies of all reports shall be furnished to the Government.

14. *Repayment by Operator.* If, upon the completion of the exploration project or termination of the contract, the Government considers that a discovery or development has resulted from the work from which commercial production of ore may be made, the Government, within 6 months thereafter shall so certify to the Operator, particularly describing and delimiting its estimate of the discovery or the development. Thereafter, if and as ore is produced as a result of such discovery or development, the Operator and his successor in interest shall be and become obligated to pay to the Government a percentage royalty on the net smelter returns or other net proceeds realized from such ore, concentrates, or metal produced within ten (10) years from the date of this contract, until the total amount contributed by the Government, without interest, is fully repaid or said 10 years have elapsed, whichever occurs first, as follows:

Of net smelter returns or other net proceeds not in excess of eight dollars ($8.00) per ton of ore: One and one-half (1½) percent.

Of net smelter returns or other net proceeds in excess of eight dollars ($8.00) per ton of ore: One and one-half (1½) percent, plus one-half (½) percent additional for each full fifty cents ($0.50) in excess of eight dollars ($8.00) per ton of ore, but not in excess of a maximum of five (5) percent.

This obligation to repay from net returns or proceeds shall be and remain a claim and lien upon the property which is the subject of the exploration project and upon any production resulting from such discovery or development, in favor of the Government, until fully paid, or until said 10-year period has elapsed; and this claim and lien and the Government's right to repayment shall survive any termination of the contract, whether by completion of the exploration project or otherwise. This article is not to be construed as imposing any obligation on the Operator or his successor in interest to produce ore from any such discovery or development.

15. *No assignment of contract.* Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder.

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

Executed in triplicate the day and year first above written.

E. C. Stauffer

(Operator)

By

THE UNITED STATES OF AMERICA

By

U. S. GOVERNMENT PRINTING OFFICE 16—64066-1

Docket No. DMA 76X

E. E. Stauffer
Box 72, Brogan, Oregon

EXHIBIT A

Description of property to be explored:

Sec. 31 T14S, R41E, and Sec. 36, T14S, R40E, of the Willamette meridian, known as Cayote Group; Malheur County, Oregon.

Exploration Project:

The work shall consist of dozing a short road, stripping with bulldozer and driving drifts and crosscuts.

Description of Work:

The purpose of this project is to determine whether antimony ore occurs along the main vein of the Cayote Group. This is to be done in two steps:

(1) Bulldozing approximately 1½ miles of road, stripping the outcrop with bulldozer and sampling the surface exposures.

(2) If step one is successful, either (a) or (b) alternative plans may be followed at the discretion of the Government Field Team.

(a) Drive 700 feet of drift on the footwall vein from a portal near station 14; crosscutting to the hanging wall vein at distances of 150, 300, 400, 500, 600, and 700 feet from the portal. The crosscuts to be in order from the portal, 48, 48, 69, 75, 75 and 75 feet in length. This will total 1090 feet of drifting and crosscutting.

(b) Do not drive the three 75 foot crosscuts at the 500, 600, and 700 foot intervals and substitute for this a 225 foot drift in the hanging wall vein. This alternate would yield more information on the hanging wall vein.

All vein exposures are to be sampled and assays recorded.

Estimated Cost of Project:

Construction of 1½ miles of bulldozer road @ $0.07 per foot	$ 550.00
600 feet of bulldozer stripping, 40 hours @ $12.00 per foot	480.00
Drive 1,090 feet of drift and crosscuts @$25.00 per foot (this includes all costs including labor and supplies not listed elsewhere in exhibit)	27,250.00
Supervision and general overhead	100.00
Facilities	1,000.00
Supplies to be purchased	600.00
Equipment to be purchased	1,471.20
Equipment to be rented	1,280.00
	1,148.00
Total	$ 33,879.20

Facilities to be constructed:	Estimated	
One building 20' x 20'		$600.00

Supplies to be purchased:	Estimated	
1600 feet of new 16 lb. rail		$ 946.20
Rail spikes, plates, bolts and nuts		125.00
800' new black, 2" pipe with couplings		400.00
	Sub-total	$1,471.20

Equipment to be purchased:	Estimated	
One drifter, handfed with column		$ 750.00
One mine car, 12½ cu. ft. (used)		100.00
One 200 gal. metal pressure tank		30.00
100 ft. - 1" rubber air hose		75.00
50 ft. - 1" drill steel @ $1.50		75.00
Hand tools		250.00
	Sub-total	$1,280.00

Equipment to be rented:	Estimated	
1 Compressor, 105 cu.ft., 7 months @ $164.00 per month		$1,148.00

The compressor rental item represents only 7 months although the project is set up for 14 months of drilling. It is assumed that the $1,148.00 is purchase price of compressor or that the remaining rental is included in the overall cost of $25.00 per foot of drift and crosscuts, as applicant states that this latter includes all costs not otherwise listed.

Time Schedule

1.	Build dozer road, complete surface stripping of 300 feet each on hanging wall and footwall veins, construct the building and bring in equipment.	2 Months
2.	Drive 1090 feet in drifts and crosscuts	14 Months

Schedule of Labor

2 Miners @ $12.50 per shift	$25.00
1 Supervisor @ $15.00 per shift	15.00

Government Copy
RECEIVED DMEA 76 X
JUN 19 1952
U. S. G. S.
SPOKANE, WASH.

AMENDMENT NO. 4

It is agreed this 30 day of May 1952, between the the United States of America, acting through the Department of the Interior, Defense Minerals Administration and E. E. Stauffer, Box 72, Brogan, Oregon

each acting in consideration of the agreement of the other to the terms hereinafter set forth, that the Exploration Project Contract Idm-E213 of Nov. 20 1951 between the parties hereto be modified and amended as described in Exhibit "G", attached hereto, which, with any maps or drawings attached thereto, is made a part of this agreement. The effective date of this amendment shall be May 30, 1952.

This amendment is made by authority granted the Executive Office, DMA Field Team, Region II in Order No. 2684 by the Acting Secretary of the Interior.

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

Executed in sextuplicate the day and year first above written.

E. E. Stauffer
(Operator)

By

The United States of America

By A. E. Weissenborn
A. E. Weissenborn, Exec. Officer
DMEA Field Team, Region II

Defense Minerals Administration
JUN 27 1952

E. E. STAUFFER
Malheur County, Oregon
Docket 76X
Exploration Project Contract Idm-E213
Amendment No. 4

EXHIBIT "G"

Changes and modifications

Change Exhibit "F", Amendment No. 3, which alters the starting date of the contract, to read: "The starting date of the contract, Idm-E213, is deferred to not later than July 1, 1952.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
So. 157 Howard Street
Spokane 4, Washington

June 24, 1952

Chairman, Operating Committee
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.

Re: Docket DMEA 76, Antimony
Contract Idm-E213
E. E. Stauffer

Dear Sir:

Enclosed are three copies of Amendment No. 4 to the subject contract. This amendment was prepared to defer the starting date to not later than July 1, 1952.

Sincerely yours,

Kathryn Gray

Kathryn Gray
For: A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Enclosures

cc: USBM

JUN 27 1952

SES 6-30-52

Wash
Dmea - 76

AMENDMENT NO. 3

It is agreed this 24th day of April 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration and E. E. Stauffer, Box 72, Brogan, Oregon

each acting in consideration of the agreement of the other to the terms hereinafter set forth, that the Exploration Project Contract Idm-E213 of November 20 1951 between the parties hereto be modified and amended as described in Exhibit "F", attached hereto, which, with any maps or drawings attached therto, is made a part of this aggrement. The effective date of this amendment shall be May 1 1952.

This amendment is made by authority granted the Executive Office, DMA Field Team, Region II in Order No. 2653 by the Acting Secretary of the Interior.

This amendment shall not be constued to increase the estimated total cost of the project, the aggregate total amount which the Government may be obligated to pay, or the percentage of costs which the Government may be obligated to pay, under the provisions of Article 13 of the contract form.

Executed in sextuplicate the day and year first above written.

E. E. Stauffer
(Operator)

The United States of America

By _____

By A. E. Weissenborn
A. E. Weissenborn, Exec. Officer
DMEA Field Team, Region II

E. E. STAUFFER
Malheur County, Oregon
Docket 76X
Exploration Project Contract Idm-E213

Amendment No. 3
EXHIBIT "F"

Changes and modifications

Change Exhibit "C", Amendment No. 2, which alters the starting date of the contract, to read: "The beginning date of the contract, Idm-E213, is to be deferred from November 20, 1951, to not later than June 1, 1952."

Wash

DEPARTMENT OF Defense Minerals

Dma. 76-X

Antimony

AMENDMENT NO. 2

It is agreed this 17 day of March, 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration and E. E. Stauffer, Box 72, Brogan, Oregon

each acting in consideration of the agreement of the other to the terms hereinafter set forth, that the Exploration Project Contract IDM-E 213 of November 20, 1951 between the parties hereto be modified and amended as described in Exhibit "E", attached hereto, which, with any maps or drawings attached thereto, is made a part of this agreement. The effective date of this amendment shall be April 1, 1952.

This amendment is made by authority granted the Executive Officer, DMA Field Team, Region II in Order No. 2653 by the Acting Secretary of the Interior.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be obligated to pay, or the percentage of costs which the Government may be obligated to pay, under the provisions of Article 13 of the contract form.

Executed in sextuplicate the day and year first above written.

E. E. Stauffer
(Operator)

The United States of America

By _____

By A. E. Weissenborn
A. E. Weissenborn, Exec. Officer
DMEA Field Team, Region II

E. E. Stauffer
Malheur County, Oregon
Exploration Project Contract IDM-E213

Exhibit "C" - Attached to Amendment No. 2

Changes and Modifications:

Change Exhibit "B", Amendment No. 1, which alters the starting date of the contract to read: "The beginning date of the contract IDM-E213 is to be deferred from November 20, 1951, to not later than May 1, 1952."

Contracts + Audit Copy
Dma 76

AMENDMENT NO. 1

It is agreed this 20th day of January 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration and E. E. Stauffer, Box 72, Brogan, Oregon.

each acting in consideration of the agreement of the other to the terms hereinafter set forth, that the Exploration Project Contract Idm-E213 of November 20, 1951 between the parties hereto be modified and amended as described in Exhibit "B", attached hereto, which, with any maps or drawings attached thereto, is made a part of this agreement. The effective date of this amendment shall be January 10, 1952.

This amendment is made by authority granted the Executive Officer, DMA Field Team, Region II in Order No. 2653 by the Acting Secretary of the Interior.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be obligated to pay, or the percentage of costs which the Government may be obligated to pay, under the provisions of Article 13 of the contract form.

Executed in sextuplicate the day and year first above written.

(Operator)

By E. E. Stauffer

The United States of America

By A. E. Weissenborn
A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Defense Minerals Administration
RECEIVED
FEB 11 1952

Reviewed by Mr Eelis
2/19/52.

E. L. Stauffer
Calhoun County, Oregon

Exploration Project Contract Idx-213

Exhibit "B" - Attach to Amendment No. 1

Changes and Modifications

The beginning date on contract Idx-213 is to be deferred from November 20, 1951, to not later than April 1, 1952.

Idaho State Historical Society

FEB 1 6 1984

MF-200
(June 1951)

Docket No. DMA 76X
Commodity Antimony
Idm-E213

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

DEPARTMENT OF
Defense Minerals
RECEIVE
JAN 28 1952

EXPLORATION PROJECT CONTRACT [1]

It is agreed this 20th day of November, 1951, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the "Government," and [2] E. E. Stauffer
Box 72
Brogan, Oregon

hereinafter called the "Operator," as follows:

1. *Authority for contract.* This agreement is entered into under the authority of the Defense Production Act of 1950, pursuant to Mineral Order 5, entitled "Regulations Governing Government Aid in Defense Exploration Projects."

2. *Operator's property rights.* The exploration project shall be conducted on that certain property situated in the State of Oregon, County of Malheur described as follows: [3] Sec. 36, T14S., R40E., and Sec. 31, T14S., R41E. of the Willamette Meridian. Approximate location shown on Fig. 1 map attached.

with respect to which the Operator represents and undertakes: [4]

(*a*) [illegible]

(*b*) That he is a lessee, in possession and entitled to possession, and the subordination agreement of the lessor is attached.

3. *Exploration project.* The Operator, within 60 days from the date of this contract shall commence work on a project of exploration for [5] antimony ore; shall prosecute the work efficiently, expertly, in a workmanlike manner, in accordance with good mining standards, with suitable and adequate equipment, materials, and labor, all properly designed to bring the project to completion within a period of [6] 16 months from the date of this contract. The exploration project and the work to be performed are more fully described on Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, is made a part of this contract.

4. *Performance of the work.* The work shall be performed by the Operator, under his sole direction and control: *Provided,* That with the consent of the Government and its written approval of the contract or contracts, all or any part of the work may be performed by the Operator through contract or contracts with independent contractors. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

5. *Fixtures and improvements.* The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof. Any additional facilities, buildings, and fixtures, to be purchased, installed, or erected by the Operator, with the estimated cost of each, to which the Government will contribute currently its agreed pro rata share, are listed in Exhibit "A" attached hereto. The difference between the cost of such additional facilities, buildings, or fixtures, and the salvage value thereof at the conclusion of the work, shall be charged as a cost of the project to which the Government has contributed its pro rata share.

6. *Operating equipment.* Any operating equipment to be rented, purchased, or furnished by the Operator, with the allowable rental, purchase price, or depreciation, as the case may be, is listed under appropriate headings in Exhibit "A" attached hereto. As to equipment purchased for the project, the Government will contribute its agreed pro rata share of the cost thereof, and the difference between the cost and the salvage value at the conclusion of the work shall be charged as a cost of the project to which the Government has contributed its pro rata share.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] State name, address, and nature of organization if any.
[3] Give legal description or enough to identify the property.
[4] Strike out the provision not applicable.
[5] Name of mineral.
[6] Not in excess of 2 years.

7. *Title to and disposition of property.* All facilities, buildings, fixtures, equipment, or other items costing more than $50 each, paid for or purchased with funds contributed jointly by the Operator and the Government, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the termination of the contract, if they have any salvage value, shall be disposed of for their joint account unless the Government, in writing, waives its interest in any such items. The Government may require the dismantling, severance from land, and removal of any such items in order to realize its interest in the salvage value thereof, and the cost of any such removal and of the disposal of the items shall be for the joint account of the parties in proportion to their respective interests.

8. *Labor and supervision.* An itemized schedule of labor, by numbers and classes (miners, muckers, millmen, etc.), and of supervisors, by numbers and positions, with the maximum wages or salaries that may be paid to each as an allowable cost of the project is set forth in Exhibit "A" attached hereto.

9. *Rehabilitation and repairs.* A statement of the cost of any necessary rehabilitation or repairs to put existing facilities, buildings, installations, and fixtures into useful and operable condition and which are to be allowed as costs of the project is included in Exhibit "A."

10. *Allowable costs of the project.* The costs of the project in which the Government will participate are limited to the necessary, reasonable, direct costs of performing the exploration work, including the costs of materials, supplies, engineering, power, water, analytical work, accounting, and utilities, including items of equipment costing less than $50 each; and the costs referred to in Articles 5, 6, 8, and 9, and the exhibits annexed to and referred to in this contract. Although the Government may pay part of the cost of new or additional facilities, structures, buildings, and equipment, only the depreciation on such items, computed as indicated in Articles 5 and 6, will be charged as a cost of the project. No items of general overhead, corporate management, interest, taxes, or any other indirect costs not expressly allowed by these provisions, or work performed or costs incurred before the date of this contract, shall be allowed as costs of the project in which the Government will participate.

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

12. *Progress reports.* The Operator shall provide the Government with monthly reports of work performed under the contract upon forms to be provided by the Government. Each monthly progress report shall bear the certification of the Operator and shall constitute the Operator's invoice of costs incurred on the project during the period covered by the report.

13. *Payment to the Operator.* The monthly progress report (invoice), to the extent approved by the Government, shall be processed for payment by the Government. Payment shall be made in the amount of 75 percent of the approved costs incurred; *Provided,* That the aggregate total of all sums paid by the Government under this agreement shall not exceed $26,045.25, which is 75 percent of the agreed estimated total cost of this project, $34,727.00.

14. *Final reports by Operator.* Upon completion of the project or termination of this contract, the Operator shall provide the Government with a comprehensive geologic and engineering report, including an estimate of ore reserves, to the best of his ability. Four copies of all reports shall be furnished to the Government.

15. *Repayment by Operator.* If, upon the completion of the exploration project or termination of the contract, the Government considers that a discovery or development has resulted from the work from which commercial production of ore may be made, the Government, within 6 months thereafter, shall so certify to the Operator, particularly describing and delimiting its estimate of the discovery or the development. Thereafter, if and as ore is produced as a result of such discovery or development, the Operator and his successor in interest shall be and become obligated to pay to the Government a percentage royalty on the net smelter returns or other net proceeds realized from such ore, concentrates, or metal produced within ten (10) years from the date of this contract, until the total amount contributed by the Government, without interest, is fully repaid or said 10 years have elapsed, whichever occurs first, as follows:

Of net smelter returns or other net proceeds not in excess of eight dollars ($8.00) per ton of ore: One and one-half (1½) percent.

Of net smelter returns or other net proceeds in excess of eight dollars ($8.00) per ton of ore: One and one-half (1½) percent, plus one-half (½) percent for each additional full fifty cents ($0.50) in excess of eight dollars ($8.00) per ton of ore, but not in excess of a maximum of five (5) percent.

This obligation to repay from net returns or proceeds shall be and remain a claim and lien upon the mineral deposit which is the subject of the exploration project and upon any production resulting from such discovery or development, in favor of the Government, until fully paid, or until said 10-year period has elapsed; and this claim and lien and the Government's right to repayment shall survive any termination of the contract, whether by completion of the exploration project or otherwise. This article is not to be construed as imposing any obligation on the Operator or his successor in interest to produce ore from any such discovery or development.

16. *No assignment of contract.* Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder.

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

Executed in sextuplicate the day and year first above written.

E. E. Stauffer
(Operator)

By E. E. Stauffer

THE UNITED STATES OF AMERICA

By C. O. Mitteudorf
ACTING Administrator
Defense Minerals Exploration Administration

U. S. GOVERNMENT PRINTING OFFICE 16-

EXHIBIT "A"

Exploration Project:

The exploration program shall consist of bulldozing an access road, stripping with a bulldozer and driving drifts and crosscuts to determine the occurrence of antimony along the main vein of the Cayote Group. The work will be divided into two stages as follows:

Stage I. The first stage of the exploration project consists of bulldozer construction of approximately 1½ mile of road, stripping the vein outcrop with a bulldozer and sampling all surface exposures of mineralization.

If in the opinion of the Government, the work performed under Stage I has favorably indicated the possibility of a commercial ore discovery, Stage 2 will be undertaken as follows:

Stage 2. The Government shall approve one of the following alternative plans for underground exploration:

(a) Drive 700 feet of drift on the footwall vein from a portal near Station 14 and drive crosscuts to the hanging-wall vein at distances of 150, 300, 400, 500, 600 and 700 feet from the portal. The maximum aggregate footage of crosscut to be 390.

(b) Drive 700 feet of drift on the footwall vein from a portal near Station 14. Drive crosscuts to the hanging-wall vein at distances of 150, 300 and 400 feet from the portal with the maximum aggregate footage of crosscut to be 165. Drive 225 feet of drift on the hanging-wall vein at location to be determined by crosscuts.

Fixtures and Improvements:

Following is a statement of the estimated costs, including all labor, supplies, and equipment, of fixtures and improvements:

Step I.	Construct 1½ mile of bulldozer road to exploration site	$550.00
Step 2.	Construct one 20' x 20' general-utility building	600.00

Operating Equipment:

Following is the list of operating equipment for Step 2 with the estimated purchase price or rental for each item:

To be purchased:

1 Drifter with column	$ 750.00
1 Mine car 12½ cu. ft. (used)	100.00
1600 feet 16# rail with fittings	1,071.00
800 feet 2-inch pipe with couplings	400.00
1 - 200 gallon pressure tank	30.00
100 feet 1-inch air hose	75.00
50 feet 1-inch drill steel	75.00
Miscellaneous small tools	250.00
	$2,751.00

To be rented:

1 Compressor 105cfm. 14 months @ $164 per month $2,296.00

To be furnished:

None

Labor and Supervision:

The following schedule sets forth the material called for in Article 8 of the contract form:

2 Miners @ $12.50 per shift
1 Supervisor @ $15.00 per shift

Rehabilitation and Repairs:

No rehabilitation or repair of existing facilities is required or allowable under this contract.

Estimated Total Cost of the Project:

The costs of the project in which the Government will participate are limited to those stated in Article 10 of the contract form. The following estimate of costs is for the purpose of determining the maximum liability of the Government under Article 13 of the contract form.

Step I.		
1.	Construction of 1½ mile of road	$ 550.00
2.	Bulldozer stripping, 40 hours @ $12.00	480.00
3.	Supervision and sampling expense	800.00
	Total Step I	$1,830.00
Step 2.		
4.	Construction of utility building	$ 600.00
5.	1090 feet of drifting and crosscutting @ $25 per foot including supervisory, engineering, office expense and all operating costs	27,250.00
6.	Equipment to be purchased	2,751.00
7.	Equipment to be rented	2,296.00
	Total Step 2	$32,897.00
	Total for Project	$34,727.00

The estimated total costs set forth above include all labor, supervision, engineering, office expense, material, supplies, rentals and incidentals.

The bulldozer work of Step I and drifting and crosscutting of Step 2 may be done on contract subject to Article 4 of the contract form and at not to exceed the standard rates in the area for like services.

Mr. E. E. Stauffer
Brogan,
Oregon

Dear Sir:

The undersigned being the holder of the surface rights of land known as the Cayote Group located on Section 31, T 14 S, R 41 E, and Section 36, T 14 S, R 40 E of the Willamette Meridian, Malheur County, Oregon, and, in recognition of the extension of your lease of mineral rights on this property by the Eastern Oregon Land Company under date of October 24, 1951, do hereby grant permission to you to build a road to the Antimony Mine on Cow Butte and to carry on mineral prospecting operations on this property for the duration of your lease and any extension thereof.

January 8th, 1952,
Date

Ernest Locey
Signature

Dictated to Mr. A. E. Weissenborn by phone 11/9/51, who will present to Operator for obtaining signature and hold until contracts arrive.

MF-202

LANDLORD'S SUBORDINATION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the undersigned is the owner of the mineral rights in that certain parcel of ground in the county of Malheur, State of Oregon, described in a certain Exploration Project Contract dated November 20, 1951, between E. E. Stauffer, the Lessee of said property, and the United States of America;

NOW, THEREFORE, the undersigned, as Lessor of said property under lease dated December 1, 1947, does by these presents subordinate all of his right, title, and interest under the provisions of said lease to the right, title, and interest of the United States of America under the provisions of said Exploration Project Contract, and agrees that the lien and claim of the United States of America under the provisions of said contract shall be prior to the undersigned's rights to rentals or royalties under the terms of said lease; and

The undersigned further agrees that if said leasehold interest should be surrendered or if said lease should terminate at any time prior to the expiration of the rights of the United States of America under said Exploration Project Contract, the undersigned shall assume and does hereby assume all of the obligations of the Lessee under said Exploration Project Contract to make repayment to the United States of America according to the terms of said contract; and

The undersigned agrees to commit no act, nor assert any claim under judicial process or otherwise that may contravene or conflict with the prior lien and claim of the United States of America under the provisions of said Exploration Project Contract.

This undertaking and covenant shall be binding upon the heirs, successors, and assigns of the undersigned.

Dated this 11 day of October, 1951

EASTERN OREGON LAND COMPANY

By [illegible]
President

U. S. GOVERNMENT PRINTING OFFICE 16—64582-1

MF-202

LANDLORD'S SUBORDINATION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the undersigned is the owner of the mineral rights in ~~in fee simple of~~ that certain parcel of ground in the county of Malheur, State of Oregon, described in a certain Exploration Project Contract dated _____, 195__, between E. E. Stauffer, the Lessee of said property, and the United States of America;

NOW, THEREFORE, the undersigned, as Lessor of said property under lease dated December 1, 1947, does by these presents subordinate all of his right, title, and interest under the provisions of said lease to the right, title, and interest of the United States of America under the provisions of said Exploration Project Contract, and agrees that the lien and claim of the United States of America under the provisions of said contract shall be prior to the undersigned's rights to rentals or royalties under the terms of said lease; and

The undersigned further agrees that if said leasehold interest should be surrendered or if said lease should terminate at any time prior to the expiration of the rights of the United States of America under said Exploration Project Contract, the undersigned shall assume and does hereby assume all of the obligations of the Lessee under said Exploration Project Contract to make repayment to the United States of America according to the terms of said contract; and

The undersigned agrees to commit no act, nor assert any claim under judicial process or otherwise that may contravene or conflict with the prior lien and claim of the United States of America under the provisions of said Exploration Project Contract.

This undertaking and covenant shall be binding upon the heirs, successors, and assigns of the undersigned.

Dated this 10th day of July, 1951

EASTERN OREGON LAND COMPANY

By Walter Wearin

President

U. S. GOVERNMENT PRINTING OFFICE 940768

NO APPLICATION: MEMO. OF 8/20/56
REFERS TO MO 5 THAT IS NOT IN DOCKET

Bragan, Oregon
July 30th 1951

Weston Bourret
Chief Minerals and Rare Metal Branch
Supply Division Defense Minerals
Administration
Washington D.C.

Dear Sir:

I was requested by
Verne C. Fryklund for A.E. Wissenborn
Defense Minerals Adm.
to send you Additional Claim
Copies of My Mining Claim.
I dont understand what he meant
by additional. Anyway I am
sending you my claim,
and please return it to me.
Hoping every thing meets with
your approval.

Very Respectfully
E.C. Stauffer
Bragan
Oregon,

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 1 1951
LANDON F. STROBEL
Executive Secretary

EASTERN OREGON LAND COMPANY
SUITE 523
564 MARKET STREET
SAN FRANCISCO

March 26, 1951

Mr. E. E. Stauffer
Sumpter, Oregon

Dear Sir:

By its terms, the written prospecting permit which we gave to you and Mr. H. D. Ramsay, dated December 1, 1947, and relating to prospecting for antimony, gold and other valuable minerals on Section 31, Township 14 South, Range 41 East, and Section 36, Township 14 South, Range 40 East of the Willamette Meridian, expired October 1, 1949 and subsequently extended for a period of 12 months; and you have requested another extension of the permit. It appearing that you have complied with the terms of this permit to the best of your ability, but for reasons beyond your control are not yet in a position to request a mining lease, we are willing to, and do hereby, extend said permit for a period of 12 months from and after October 1, 1950, for your sole benefit, it being understood that Mr. Ramsay is not to benefit in any way by this extension, or to have any rights thereunder. Except for such extension, all terms and provisions of said written permit shall remain in full

copy

force and effect and be applicable to the extended period.

If this meets your approval, please signify that fact by signing at the proper place and returning to us the enclosed duplicate of this letter.

Yours very truly,

EASTERN OREGON LAND COMPANY

By Walter S. McCarter
President

Approved this 2nd day of April 1951

E. E. Stauffer

Sumpter, Oregon. January 7th, 1949.

I the undersigned, H. D. Ramsey, of Sumpter, Oregon, in consideration of $1.00 to me in hand paid by E. E. Stauffer, of Brogan, Oregon, convey to the said E. E. Stauffer my 47 Percent interests in that certain Lease on the Coyate Antimony Mining Claims, situated on cow valley butte, Malhuer County, Oregon. THIS RELEASES AND CLEARS RAMSAY OF ANY DEBTS OR CHARGES OR OBLIGATIONS OF ANY NATURE PERTAINING TO THIS PROPERTY OR ED STAUFFER

Signed at Sumpter, Baker County, Oregon, this 7th day of January 1949.

Witness Wm Leish

" _____

H. D. Ramsey

E. E. Stauffer

Cpy.

THIS AGREEMENT, made the 1ST day of DECEMBER 1947, between EASTERN OREGON LAND COMPANY, hereinafter called Party of the First Part, and H. D. RAMSAY and E. E. STAUFFER, of Sumpter, Oregon, hereinafter called the Parties of the SECOND PART, WITNESSETH that:

1. This agreement shall not be effective until or unless the Parties of the Second Part shall first obtain the consent of the surface right holders to the conduct by the Second Parties of the operations proposed to be conducted by them, both under this agreement and under the lease hereinafter provided for, such consent to be in writing and to provide that such surface right owners release the Eastern Oregon Land Company from any and all liability for damages by reason of such operations, and that the surface right holders will look wholly to the Second Parties for such damages.

2. Subject to the securing by the Parties of the Second Part of the consent of the surface right holders, the Party of the First Part hereby grants to the Parties of the Second Part the right and privilege, so far as the Party of the First Part is entitled to grant the same under its mineral right reservations as reserved and set forth in the deeds heretofore executed by the Party of the First part to the present surface right holders or their predecessors in title, to enter upon the lands hereinafter described and to prospect for antimony and gold and other valuable mineral deposits in and on Section Thirty-one (31), Township Fourteen (14) South, Range Forty-one (41) East, and Section Thirty-six (36), Township Fourteen (14) South, Range Forty (40) East of the Willamette Meridian, on the terms and conditions hereinafter set forth:

3. This permit shall be effective from this date and

in any event shall terminate not later than the 1st day of October, 1949.

4. It is understood and agreed that the principal minerals to be prospected for and sought hereunder are antimony and gold in lodes or veins.

5. In consideration of the granting of this permit, the Parties of the Second Part agree immediately to enter upon both and each of said tracts and to begin thereon prospecting operations for the purpose of discovering, uncovering and developing any lodes, veins or ledges of rock in place thereon, bearing either antimony or gold, or both, that may exist thereon, and to prospect, work and mine each of said premises steadily and continuously, beginning within thirty (30) days from the date of this permit; and that failure to work either one of said premises with at least two (2) men employed for the space of fifteen (15) consecutive days may by the Party of the First Part be considered a violation of this covenant; and to continue said prospecting operations for at least the period of six (6) months from the date hereof. If the Second Parties shall make default in the full and prompt performance and observance of their agreements contained in this paragraph, and such default shall continue for fifteen (15) days after written notice thereof from the First Party to the Second Parties, then the First Party may, at its option, either forthwith or at any time while such default continues, terminate this agreement by further written notice to the Second Parties; and thereupon this agreement and all rights of the Second Parties under the same shall forthwith terminate.

6. The Parties of the Second Part agree, as fast as any lodes or veins are uncovered bearing either antimony or gold, to cause samples thereof to be taken, of such quantities and sizes

as are usually taken for the purpose of tests in connection with mining operations and to be submitted for testing and analysis by competent and skilled assayers, in order to determine the amount of gold, also of antimony, per cubic yard or ton; and a written report shall be furnished by the Parties of the Second Part to the Party of the First Part as to the result of any and all such tests, covering all of the tests which shall be made from the ores found on said premises; such reports to be duplicate original reports directly from said assayers, with a designation of the localities tested.

7. Attached hereto and marked "Exhibit A" is a form of mining lease which may be given by the Party of the First Part to the Parties of the Second Part as provided in paragraph No. 8 hereof. In connection with all of their operations of prospecting and mining hereunder, the Parties of the Second Part shall be bound by, and shall and will observe and comply with all provisions of paragraphs numbered 2, 3, 5, 6, 7 and 8 of said form of mining lease, which are hereby adopted as a part of this instrument, as fully and effectually as if said provisions were set forth at length herein; and paragraphs numbered 9 and 10 of said form of lease shall also be applicable to, and are hereby adopted by reference as part of this instrument, as fully and effectually as if set out at length herein. For purposes of application of the above mentioned provisions of said form of lease to this instrument, the word "Lessor" shall be taken as referring to the Party of the First Part, the word "Lessees" shall be taken as referring to the Parties of the Second Part, and the word "lease", wherever used, shall be taken as referring to this permit.

8. If as a result of such prospecting and mining operations any veins or lodes of ore are found bearing either antimony or gold, or both, or other valuable minerals in place sufficient

in quantity in the opinion of the Parties of the Second Part to justify the institution and carrying on of actual mining operations on said premises and properties, or either of them, and the Parties of the Second Part shall in writing request the same, the Party of the First Part will grant to the Parties of the Second Part a lease to enter upon said premises and conduct and carry on mining operations thereon, in the form set forth in saidExhibit A.

9. This permit terminates and supersedes all former permits given by the Party of the First Part to the Parties of the Second Part.

EASTERN OREGON LAND COMPANY

By Walter Allen

Signed and accepted this 10th day of January, 1948.

_____

_____

EXHIBIT A

THIS AGREEMENT, Made and entered into this ____ day of _____, 1947, by and between EASTERN OREGON LAND COMPANY, a California corporation, hereinafter designated as the Lessor, and H. D. RAMSAY and E. E. STAUFFER of Sumpter, Oregon, hereinafter called the Lessees, WITNESSETH that:

For and in consideration of the promises and covenants herein contained on the part of the Lessees to be by them kept and performed, the Lessor has demised and let, and does by these presents demise and let unto the said Lessees, subject to the securing by the Lessees of the consent of the surface right holders as provided in agreement between the parties hereto dated 1ST DAY OF DECEMBER 1947, the right and privilege, so far as the Lessor is entitled to grant the same under its mineral reservations as reserved and set forth in the deeds heretofore executed by the Lessee to the present surface right holders or their predecessors in title, to enter upon Section thirty-one (31), Township fourteen (14) South, Range forty-one (41) East, and Section thirty-six (36), Township fourteen (14) South, Range forty (40) East of the Willamette Meridian, on and subject to the terms and conditions hereinafter set forth, for the purpose of mining and extracting therefrom and selling minerals or ores containing minerals, together with the right, for said purposes, to use the surface of said land insofar as the Lessor may lawfully grant such right of use pursuant to said reservations.

This lease is granted and accepted upon the covenants, conditions and agreements hereinafter set forth.

1. The Lessees shall begin the work of mining on the said premises within _____ days from the date hereof, with men, materials and equipment adequate for the work in hand, and thereafter continue the same diligently. If the Lessees shall fail so to commence said work, or, having commenced the same, shall fail to prosecute said

work diligently for any period of six (6) consecutive months, the Lessor may, at any time while such default continues, terminate this lease as provided in paragraph 10 hereof.

2. The Lessees shall and will conduct all operations of or in connection with said mining in a good and minerlike manner, and so as to interfere as little as possible with the surface of the land. They shall and will at all times keep all shafts, drifts, galleries or other openings made by them in the process of mining the above described land, well and securely timbered; and they shall not untimber or close up any shafts, drifts, galleries or other openings made by them in the process of mining the above described land, without the written consent of the Lessor: Provided, however, that the Lessees may, after twenty (20) days' notice in writing to the Lessor of their intention of so doing, close up any of said shafts, drifts, galleries or other openings which it shall be necessary to close for the proper development of said mining claims and ventilating the work in the same.

3. The Lessees shall and will pay promptly when due all charges for material or labor used in or about the above described property, and shall and will, on demand of the Lessor, furnish to the Lessor a bond in the amount of Two Thousand Five Hundred Dollars ($2,500.00), having as surety thereon a surety company duly authorized to do business in the State of Oregon, indemnifying and protecting the Lessor and its property against liens on account of such materials and labor. The Lessor shall have the right to post and keep posted on said premises, at such times and in such places as it may deem proper, notices required by Section 67-104 OCLA, for the protection of its property against such liens.

4. Unless sooner terminated as provided in this in-

strument, this lease shall remain in effect for a period of five (5) years from the date hereof.

5. Lessees shall and will pay to Lessor as rent and royalty, and for the use and privilege of mining the said lands herein described, twelve and one-half per cent. (12½%) of the gross proceeds from the sale by Lessees of all antimony, gold, and other valuable minerals or metals, said royalty payments to be made on the 10th day of each calendar month covering and in respect to sales made during the preceding calendar month. The term "gross proceeds" is hereby defined, for the purposes of this lease, to mean the net amount received by Lessees from the smelter, mint, or other purchaser of such antimony, gold, or other valuable minerals or metals as shown by the return or liquidation sheet of purchaser, which may include railroad freight paid by purchaser as a charge against Lessees.

Lessees will sell said antimony, gold, or other valuable minerals or metals only to the United States Mint, or other reputable or responsible purchasers, and to such of said purchasers only upon contracts which will return the best net profit to Lessees, the said contracts to provide, among other things, that the price to be paid for antimony will be the price at the date of delivery to the smelter or other purchaser as shown by the publication known as "American Metal Market", of New York.

The price to be paid for minerals and metals other than antimony will be theprices of such minerals and metals at the date of delivery to the smelter or other purchaser as shown by the publication known as "Engineering and Mining Journal", of New York.

The said royalty to be paid to Lessor will be caused by Lessees to be paid direct to Lessor by any purchaser of any of said minerals, metals or ores, each payment to be accompanied

with a copy of the return or liquidation sheet of the purchaser upon which the payment is based.

Lessees shall provide for and have a representative of Lessees present at the plant of purchaser (except the United States Mint) to check weights and the sampling of the various minerals, metals and ores shipped to the purchaser by Lessees.

Lessees will also furnish promptly to Lessor copies of all assays made by Lessees from samples taken at the mine or mines, and a description of the location from which samples of assays are taken, and also copies of assays made from samples taken at the plant of purchaser.

6. The Lessees shall and will pay all taxes levied upon or assessed against the above described land due to its mineral character while said Lessees shall remain in possession thereof under the terms of this agreement.

7. The Lessees shall and will at all times keep the Lessor advised of the amount of ores produced from said property, of the result of their milling, and of the cyaniding or other treatment of the concentrates; and a representative or representatives of the Lessor, presenting the written authorization of the Lessor so to do, may at all times enter any part of the demised premises and may have at all times access to any and all of the operations connected with the mining and milling or other treatment of said ores.

And the Lessees covenant and agree that they will at all times keep a full and true record of their operations on said property, and will disclose the same to the Lessor whenever so requested.

It is expressly understood and agreed by and between the parties hereto that the Lessor may at any time, by and through such agent or agents as it may from time to time appoint, visit

any shafts, stopes, raises, or other openings; but such agent or agents shall not interfere with the work, or unnecessarily delay operations in change of shifts or the firing of blasts, starting of pumps, lowering of timbers, steel, powder, or the handling of men in a good and mininglike manner, and will at all times obey the Rules of the Mine Bell Signals, according to the laws of the State of Oregon regulating same; a signal code shall be posted at shaft stations and at mouths of tunnels, by the Lessees.

8. Throughout the duration of this lease the Lessees shall and will keep themselves and their employees covered by the Workmen's Compensation Law of the State of Oregon, and make all reports and payments necessary therefor, and shall and will observe and comply with all requirements of the Unemployment Compensation Law and the Social Security laws and all other requirements of the laws of the State of Oregon and of the laws of the United States and lawful orders and regulations pertaining to the operations and business of the Lessees conducted on the said premises. The Lessees shall and will protect the Lessor and save it harmless from and against all claims and demands of whatsoever kind resulting from or in any manner arising out of its operations on said lands, and shall and will, if and when required in writing by the Lessor, keep themselves protected by liability insurance in a reputable company against liability for injuries to persons or property resulting from or arising out of said operations, in amounts satisfactory to the Lessor.

9. The Lessees shall not sublet said premises or any part thereof, or assign this lease or any interest in or under it without the written consent of the Lessor being first had. If any such sublease or assignment be made without such written consent, such act shall be deemed a default within the meaning of paragraph 10 hereof.

10. It is expressly agreed and understood by and between the parties hereto that time and exact and punctual performance shall be of the essence of this lease; and if the Lessees shall at any time make default in the full and prompt observance of and compliance with any promise, covenant or agreement contained in this instrument and on their part to be kept and performed, and such default shall continue for fifteen (15) days after written notice thereof from the Lessor to the Lessees, then the Lessor may, either forthwith upon the expiration of such fifteen (15) days, or at any time thereafter while the default continues, terminate this agreement by further written notice to the Lessees, and thereupon this lease and all of the rights and interests of the Lessees in, to and under the same shall forthwith terminate. In case of such termination, the Lessees shall and will, quietly and peaceably, leave said premises and surrender them unto the Lessor in their then condition, including fixtures of every kind, but not including machinery, equipment or supplies not attached to the realty and which can be removed without injury thereto: Provided, that if good and minerlike prospecting and mining shows that said land cannot be mined profitably, then the Lessees may, while still lawfully in possession of said land under the terms of this agreement, remove and keep such fixtures, excepting timbering. Notices provided for in this lease, to be given to the Lessees, may be served upon the Lessees by mailing the same to the Lessees at Sumpter, Oregon, or by delivering the same to the Lessees or either of them. Notices given by mail shall be deemed served when the same would reach Sumpter in the ordinary course of the mail.

IN WITNESS WHEREOF, the Lessor has caused these presents to be executed in its name by its officer thereunto duly authorized and its corporate seal to be affixed, and the Lessees have hereunto set their hands, the day and year first above written.

EASTERN OREGON LAND COMPANY

By_____
Lessor

_____
Lessees

Docket No. DMA-76
Commodity: Antimony

EXHIBIT "A"

Description of the project and the work to be performed on the Cayote Group, Malheur County, Oregon.

Item	Description of Work	Amount

The purpose of this project is to determine whether antimony ore occurs along the main vein of the Cayote group. This will be done in two parts, first by stripping and sampling the surface. Second, if part one is successful, driving a 700 foot drift along the footwall vein in order to determine the continuity of the vein and the presence of ore at depth. This work will be accompanied by 390 feet of crosscutting to explore the hanging wall vein.

1.	Construct $1\frac{1}{2}$ miles of bulldozer road at $0.07/ft.	$ 550.00
2.	600 feet of bulldozer stripping, 40 hours at $12/hr	480.00
3.	Drive 1,090 feet of drift and crosscuts at $25/ft. (this will include all costs including labor and supplies not listed elsewhere in the exhibits)	27,250.00
4.	Sampling of surface and underground workings	100.00
5.	Supervision and general overhead	1,000.00
6.	Cost of mining equipment to be purchased or rented	2,628.00
7.	Facilities, buildings, and fixtures to be purchased, installed, or erected	1,871.20
		$33,879.20

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 23 1951
LAWSON R. [illegible]
Executive Secretary

Proposal

1. The proposal involves two steps. These are:

   A. Bulldoze approximately $1\frac{1}{2}$ miles of road to bring in equipment and supplies.

   B. a. Bulldoze a strip 300 feet long on both hanging and footwall veins northwest from station 14 (see figure 1) and sample.

      b. Bulldoze a strip 300 feet long on both hanging and footwall veins from station 13 (see Figure 1) and sample.

2. If the surface samples and vein thicknesses are favorable, the second part of the proposed plan will be started.

   A. Drive 700 feet of drift along the footwall vein from a portal near Station 14 with appropriate sampling.

   B. Drive the following cross-cuts from the footwall vein to cut the hanging wall vein:

      1. At 150 feet from portal about 30 feet.

      2. At 300 feet from portal about 30 feet.

      3. At 400 feet from portal about 50 feet.

      4. At 500 feet from portal about 75 feet.

      5. At 600 feet from portal about 75 feet.

      6. At 700 feet from portal about 75 feet.

This will total 390 feet of crosscuts. Samples will be cut of hanging wall vein.

Time Schedule to Attain Objectives

A.	1.	Build dozer road, complete surface stripping and sampling.	
B.		Build building and bring in mining equipment.	2 months
		Drive first 300 feet of tunnel	4 months
	2.	Drive last 400 feet of tunnel and complete crosscutting and sampling	10 months
		TOTAL	16 months

EXHIBIT "B"

Detailed list of additional facilities, buildings, and fixtures to be purchased, installed or erected by operator.

1.	One building 20' x 20'	$ 600.00
2.	1600 feet of new 16 lb rail @ $175/ton	946.20 ~~746.20~~
3.	Rail spikes, plates, bolts and nuts	125.00
4.	800 feet of new black pipe, 2", and couplings	400.00
		$1,871.20
		2071.20

Supplies

7

DMA No. DMA-76
Commodity: Antimony

EXHIBIT "C"

Detailed list of operating equipment to be rented, purchased, or furnished by the operator with the allowable rental, purchase price, or rental value.

Item	Description	Age Condition	Cost	Rental Value
	To be rented			
1.	Compressor, 105 cu. ft. $164/month 7 months ?			$1,148.00
	To be purchased			
2.	One drifter, handfeed with column			750.00
3.	One mine car, 12½ cu. ft. (used)			100.00
4.	One 200 gal. metal water tank			30.00
5.	Rubber hose, 1" inner diameter, 100'			75.00
6.	Drill Steel, 1", 50' @ $1.50 ?			75.00
7.	Miscellaneous hand tools			250.00
8.	Contingencies			~~300.00~~
				$2,628.00
				1280.00

Equip.

Docket No. DMA-76

Commodity: Antimony

EXHIBIT "D"

Schedule of Labor

Quantity	Name of Position	Wage Vote
2	Miners	$12.50 per shift
1	Supervisor	15.00 per day

Docket No. DMA-76

Commodity: Antimony

EXHIBIT "E"

Detailed schedule of existing facilities, buildings, installations and fixtures on Cayote Group property, Malheur County, Oregon

Item	Description	Quantity
	NONE	

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 1 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of Sept., Oct., Nov., Dec., 1952 Docket No. DMEA DME 376x Contract No. IDM-E213

Operator's Name Paul W. Wise Minerals Antimony

Address P. O. Box 267, Boise, Idaho

Contract Amount, $ 34,727 Government Participation: 75% Amount, $ 26,045

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						
Bulldozing						
Crosscutting						
Drifting						
Test Pits	377.20	None	377.20			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS				377.20		377.20

Paid

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

Date Jan. 30, 1953 Payee

Per Paul W. Wise Title Owner

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

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

(Instructions on reverse)

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

$ 282.90

Signature (Authorized Certifying Officer)

Date 3/11/53 Vou. No. 693

(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. E-213 in accordance with the terms of the contract.

Signature /s/ Stephen A. Zoldok Title Mining Engr. Date 7/9/53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /s/ Thomas E. Howard Title Mining Engr. Date 7/9/53

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 16 1953

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of ~~Nov., Dec.~~ Sept., Oct., 1952 Docket No. DMEA _____ Contract No. ~~IDM-E213~~ DMEA 76X

Operator's Name Paul W. Wise Minerals ~~Antimony~~

Address P. O. Box 267, Boise, Idaho

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	Cu. Yd.	377.20	94.3	377.20	94.3	4.00	270	4.00/C.Y.
Roads and Trails								
TOTAL DISTRIBUTED COSTS		377.20	94.3	377.20				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS								

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 Jan. 30, 1953 Operator _____

Per Paul W. Wise Title Owner

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

COPY

Mr. Paul W. Wise
222 Broadway
Boise, Idaho
February 2, 1953

United States Department of Interior
Defense Minerals Exploration Administration
So. 147 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA-76x (antimony)
Cayote Antimony
Malheur County, Oregon

Attention: Mr. A. E. Weissenborn
Executive Officer DMEA

Dear Sir:

Your field representatives and I personally examined the above project recently to determine advisability of proceeding further with the exploration contract for antimony on the Cayote group.

We had prwviously hand trenched a number of spots along the hanging and foot wall of the Basalt vein as suggested by your Mr. K ilsgaard which were examined earlier by Mr. Puffett and further work suggested. It was this further work that we examined our last trip.

The additional trenching, especially at station 14, failed to bring to light any additional mineralization. There was evidence of small stringers of quartz and stibnite but they did not persist on the strike as being continuous.

After a lengthy discussion of the advisability of further work on the project it was mutually agreed that the vein had been explored sufficiently enough to show what might exist at the surface, therefore, further work was not advisable.

I am enclosing herewith forms MF 104A and Form MF 104 for reimbursement in accordance with our contract.

Sincerely yours,

/s/ Paul W. Wise

cc: John D. Bardill
PWW/bb
2 encl.
forms MF 104 & MF 104A

SUMMARY

RARE & MISC. METALS DIVISION

Contract No. Idm-E213
Docket No. DMA-76X
Contract date: November 20, 1951 (E. E. Stauffer) assigned to:
Amended : August 29, 1952 (Paul W. Wise)
Commodity: Antimony
Location: Malheur County, Oregon
Contract Amount: $34,727.00 (Amended Contract: $34,727.00)
Government Participation: $26,045.25 - 75%
Audit Certificate: Total accepted cost - $377.20
Government share - $282.90

A DMEA exploration contract in the amount of $34,727.00, was entered into on November 20, 1951, with Mr. E. E. Stauffer. The contract was amended four times to allow the Operator more time to begin work. Mr. Stauffer assigned his mining rights and the DMEA contract to Mr. Paul W. Wise, who requested and was granted a new contract which was dated August 28, 1952. The contract total amount and the Government's participation amount were the same as in the original contract.

The contract specified a stage-type exploration project: Stage I consisted of 270 cubic yards of hand trenching and bulldozing 1½ miles of road. Stage II consisted of two alternative plans, both of which consisted of a maximum of 1000 feet of underground workings variously divided into crosscutting and drifting. During the course of the contract work, no modifications were made of the original contract work.

Exploration work began in late October 1952, and was completed before the first of December 1952. A total of 14 pits and trenches were excavated from which an aggregate of 94.3 cubic yards of material was removed. Most of the excavation was with hand tools, although blasting powder was used in some of the pits.

The pits and trenches are aligned along both margins of a basalt dike in quartz diorite. Narrow quartz veins were exposed in some of the excavations but none of the veins showed promise of containing sufficient amounts of antimony minerals to justify further exploration. Although the total specified 270 cubic yards were not excavated, it is believed enough work was completed to justify the decision to stop exploration.

On March 3, 1953, the Field Team forwarded the Mr. Wise's letter dated February 2, 1953, which was accepted by the Field Team as the Operator's final report, and the report of the examining field engineer and geologist was forwarded on April 3, 1953. It was recommended that no certification of discovery be made, in which the Field Team concurred.

Accordingly, on May 1, 1953, a "completion" letter was sent to the Operator by the Washington Office.

☑ Audited

☐ Certified

WORK ANALYSIS SHEET -- DMEA PROJECT

Analysis as of Dec. 31, 1954
Incl. Voucher for Dec. 1952

☑ Actual Cost

☐ Agreed Unit Costs

Name Paul W. Wise (formerly E.E. Stauffer)

Docket No. DMA 76X

State Oregon

Commodity Antimony

Idm-E No. 213

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting	1000	$ 33,015.64			
Raising					
Shafts					
Winzes					
Drilling (Specify)					
Surface Excavation		1,154.36		377.20	377.20
Underground Excavation					
Roads and Trails		557.00			
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.					
Other (Specify) Consulting		(*) 2,200.00		—	—
Totals		$ 34,727.00		377.20	377.20

30 890 = 96.62 %
1 080 = 3.38 %
31,970 100.00

96.62 x 2200 = 2125.64
3.38 x 2200 = 74.36
$ 2200.00

30 890.00
2 125.64
33,015.64

1080
74.36
1154.36

Prepared by [signature]

(*) Prorated above

FILE COPY
SURNAME:

Ellis
Chamberlin

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

Mr. Neal L. Wise
222 Broadway
Boise, Idaho

MAY 1 1953

Re: Docket No. [illegible]-76X (Antimony)
Contract No. Idm-6213
Malheur County, Oregon

Dear Mr. Wise:

J. C. 5/1/53

This is with reference to the subject Exploration Contract between you and the Government, dated August 29, 1952, which was entered into following the assignment to you of the original contract between R. E. Stauffer and the Government, dated November 20, 1951, as amended.

The final audit of the contract expenditures and the final reports of the Operator and of the Field Team have been received and accepted by this Administration. Of the total amount of $4,727.30 approved under the contract, the sum of $377.20 was expended, 75 percent of which, or $282.90, represented the Government's share. Since this was a unit cost contract, there were no unused materials, supplies or equipment to be disposed of for the joint account of the Operator and the Government. The exploration work was completed in a satisfactory manner.

Because the results of the exploration were unfavorable, it is not our intention to make a certification of discovery or development which would create a lien against the subject property. We are, therefore, closing our books and records with respect to this project. Your attention is called, however, to Article 7 (d) of the Contract which requires the Operator to "keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract".

Your interest in the Exploration Program of the Defense Minerals Exploration Administration and your willingness to participate therein are appreciated.

Sincerely yours,

C. O. Mittenderf (fw)

Administrator

CHAult/EMEllis/ocf 4/29/53

cc to: Oper. Committee
Adm. Reading File
Docket
Messrs. Abeniek
AFKinkel Jr. Room 2-242A
Ellis

DMEA Field Team, Region XI (2)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

April 3, 1953

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 9 1953

Re: Docket No. DMEA-76X (Antimony)
Paul W. Wise
Malheur County, Oregon
Contract Idm-E213

Dear Mr. Selfridge:

Enclosed are four copies of a final report on the Coyote Antimony project prepared by Willard P. Puffett, U. S. Geological Survey, and Stephen W. Zoldok, U. S. Bureau of Mines.

Project work consisted of hand trenching a series of stibnite-bearing quartz veins. If results obtained in this work were to prove satisfactory, subsequent underground exploration was to be done. Hand trenching results, however, were discouraging and as the expiration date for the contract had been reached, the Operator and field examiners decided that no more work was warranted and, therefore, no attempt was made to extend the contract.

It is recommended in the report that no certification of discovery be declared for DMEA project work and the Field Team concurs.

By DMEA Field Team, Region II

A. E. Weissenborn

A. E. Weissenborn, Executive Officer
(U. S. Geological Survey)

M. E. Volin

M. E. Volin, Member
(U. S. Bureau of Mines)

Approved by
DMEA Operating Committee
4-17-53
(Date)

Enclosure
cc: USBM (2)
Puffett

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FIELD TEAM, REGION II

FINAL REPORT

Contract Idm-E213

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 9 1953

FINAL
F.T. REP

by

Willard P. Puffett
Geologist
U. S. Geological Survey

Stephen W. Zoldok
Engineer
U. S. Bureau of Mines

PAUL W. WISE
222 Broadway
Boise, Idaho

Docket No.:	DMEA-76X
Commodity:	Antimony
Contract date:	August 29, 1952
Expiration date:	January 1, 1953

COYOTE ANTIMONY GROUP
Sec. 36, T. 14 S., R. 40 E., and
Sec. 31, T. 14 S., R. 41 E., W. M.
Malheur County, Oregon

Spokane, Washington

March 1953

Reviewed by
DMEA OPERATING COMMITTEE

4-17-53
(date)

FINAL REPORT

PAUL W. WISE
Coyote Antimony Group
Malheur County, Oregon

Contract Idm-E213

* * * *

INTRODUCTION

This report describes a project conducted by the Defense Minerals Exploration Administration for the exploration of an antimony occurrence on the Coyote Antimony Group 12 miles northwest of Brogan, Malheur County, Oregon.

Authorship

The sections on PROPERTY, Exploitation Possibilities, and Summary of Factual Data were written by Stephen W. Zoldok, Mining Engineer, Bureau of Mines. The section on Geology was written by Willard P. Puffett, Geologist, U. S. Geological Survey. The sections comprising the INTRODUCTION, Summary, Recommendations, LOCATION AND ACCESSIBILITY, THE PROJECT and Discussion of Conclusions have a joint authorship.

Summary

The purpose of this project was to explore by hand trenching and underground workings for antimony ore in quartz veins in the vicinity of a basalt dike which transects a quartz diorite stock.

A total of 94.3 cubic yards of hand trenching was done. Only very narrow quartz stringers were exposed by the trenching. Stibnite was found in a few quartz stringers that were narrow and variously oriented. The work did not indicate a continuous stibnite-bearing quartz vein worthy of further exploration.

Recommendations

It is recommended that no certification of discovery be declared for work completed under the DMEA contract. Due to the weak character of the quartz veins which are only sporadically mineralized with stibnite, no further exploration appears to be warranted.

LOCATION AND ACCESSIBILITY

The Coyote Group lies in Sec. 36, T. 14 S., R. 40 E., and Sec. 31, T. 14 S., R. 41 E., W.M., Malheur County, Oregon. This property covers the slopes and a moderately flat ridge on the south side of Cow Mountain, one to two miles north of U. S. Highway 28 and approximately 14 miles west on the Highway from Brogan, Oregon. A very poor dirt road traversible by automobile in dry weather, leads from Highway 28 northward to the foot of Cow Mountain, from the end of which a trail leads to the exploration workings. This road is exactly one mile east of the intersection of a dirt road leading north from the main highway to Malheur and Bridgeport. The topography is of moderate relief with rounded treeless hills rising steeply from the floor of a broad valley.

The exploration workings are between 4500 and 4800 feet above sea level, and are approximately 500 to 800 feet above the valley floor. Semi-arid climate prevails in the region.

PROPERTY

The property on which exploration was conducted consists of two sections (sec. 36, T. 14 S., R. 40 E., and sec. 31, T. 14 S., R. 41 E., W.M.) owned by grant deed. The Eastern Oregon Land Company owns the mineral rights which were leased to E. E. Stauffer who in turn assigned his interests to Paul W. Wise, the Operator. A Mr. Lacey owns the surface rights.

Old workings consist of three shallow shafts, two short tunnels and a number of shallow cuts or trenches. Only one of the old shafts is accessible.

There is no mine plant or buildings on the property.

THE PROJECT

Quartz veins, some of which contain small amounts of stibnite, crop out at a number of places approximately paralleling both borders of a northwest-trending basalt dike intruding quartz diorite. Former development work consists of three inclined shafts only one of which is now accessible. Exposed in the walls of the accessible inclined shaft is a narrow stibnite-bearing quartz vein closely paralleling the footwall of the basalt dike. Stockpiled on the dump near the shaft is approximately one ton of antimony ore. Some antimony ore is reported to have been shipped from this shaft during World War I.

It was formerly believed the exposed quartz veins and stringers represented continuous quartz veins on both sides of the basalt dike. Preliminary exploration in the form of trenching was considered to be justified to determine the degree of persistence of the veins along their strike. If this preliminary work were considered successful, subsequent crosscutting and drifting was outlined to explore the veins underground.

A DMEA exploration contract in the amount of $34,727.00 was entered into on November 20, 1951, with Mr. E. E. Stauffer. The contract was amended four times to allow the Operator more time to begin work. Mr. E. E. Stauffer assigned his mining rights and the DMEA contract to Mr. Paul W. Wise, who requested and was granted a new contract which was dated August 29, 1952. The total contract amount and the Government's percentage of participation remained the same as in the contract with Mr. Stauffer.

The contract specified a stage-type exploration project: Stage I consisted of 270 cubic yards of hand trenching and bulldozing 1½ miles of road. Stage II consisted of two alternative plans both of which consisted of a maximum of 1000 feet of underground workings variously divided into crosscutting and drifting. During the course of the contract work, no modifications were made of the original contract work.

Exploration work began in late October 1952, and was completed before the first of December 1952. A total of 14 pits and trenches were excavated from which an aggregate of 94.3 cubic yards of material was removed. Most of the excavation was with hand tools, although blasting powder was used in some of the pits.

The pits and trenches are aligned along both margins of a basalt dike in quartz diorite. Narrow quartz veins were exposed in some of the excavations but none of the veins showed promise of containing sufficient amounts of antimony minerals to justify further exploration. Although the total specified 270 cubic yards were not excavated, it is believed enough work was completed to justify the decision to stop exploration.

Geology

The exploration site is on the south side of a relatively isolated mountain in northern Malheur County, Oregon. The rocks are mainly quartz diorite in which a number of basalt dikes have been intruded. It is believed that diorite forms a small stock intruded into sediments, and although most of the surrounding country rock is obscured by valley-fill, there are a few remnants of quartzite and hornfels on the lower south slope of the mountain. No geologic reports on the area have been published and nothing is known concerning geologic age of the rock units.

Previous prospecting exposed relatively narrow stibnite-bearing quartz veins in the diorite approximately paralleling both walls of a northwest-trending basalt dike. Generally the stibnite is found in the central parts of the vein but constitutes only a small percentage of the vein material. No other sulfide minerals are in evidence. Very sparse wall rock alteration occurs along the veins.

Exploration work done under terms of the contract exposed a few narrow quartz veins, some of which contain either stibnite or other yellowish and whitish material that is probably an oxidation product of stibnite. These veins range in thickness from less than one inch to a maximum of 12 inches. Most of the veins are not more than two or three inches thick. The veins strike northwest to west and dip steeply to the north and northeast. It is impossible to make any reliable projection of the veins between exposures because of the varied orientation of those exposed. The most promising showing of stibnite yielded an assay of 10.17 percent antimony over a width of five inches. This vein is exposed in the pit near Survey Station 14, as indicated on the accompanying map. Assay results from samples taken across two other veins were 0.28 and 0.48 percent antimony respectively. No other exposures appeared worthy of sampling.

Exploitation Possibilities

No recoverable reserves of antimony ore are developed on the property. The sporadic occurrences of stibnite in the weak quartz veins cannot be mined economically.

Summary of Factual Data

A total of 94.3 cubic yards of hand trenching and test pitting was done at a unit cost of $4.00 per cubic yard. No other exploration work was done on the project. No production resulted from the exploration work and no operating supplies or equipment was purchased.

Total contract amount	$34,727.00
Government's share	26,045.25
Total expenditures	377.20
Government's share of cost	282.90
Total unexpended	34,449.80
Government's share unexpended	25,762.35

Discussion of Conclusions

No difficulties were encountered in performance of the work. The Operator has no mining experience and relied heavily on the advice of the men working for him.

Exploration work indicates that instead of there being one or two persistent and continuous veins, many relatively short, narrow stibnite-bearing quartz stringers occur along both sides of the basalt dike. The dike appears to be post mineral and these veins may represent filled tension cracks and shear fractures formed previous to the intrusion of the dike. The veins persist in width for only very short distances both on the dip and along the strike. Consequently, it is extremely doubtful if any of the veins are large enough to contain a

minable ore shoot, and thus the immediate area is not believed to possess a potential source of antimony ore worthy of further exploration.

Enclosure 1
Distribution:
DMEA (4)
USBM (5)
USGS (SRO)
Docket
Puffett

MAP

BELONGS

HERE

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

March 3, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 6 1953

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-76X (Antimony)
Coyote Antimony
Malheur County, Oregon
Contract No. Idm-E213

Dear Mr. Selfridge:

Enclosed are four copies of a letter from Mr. Paul Wise concerning DMEA contract work on the Coyote Antimony property. This letter, although brief, has been accepted by the Executive Officer as a final report.

Contract work consisted of a few hand-dug trenches which did not disclose sufficient mineralization to warrant further exploration; therefore, no attempt was made to extend the life of the contract. The Operator has now submitted his final invoice and field examiners have prepared a final report which will be submitted in the near future. Final audit of the contract will be done as soon as possible.

Sincerely yours,

Thor H. Kiilsgaard
Thor H. Kiilsgaard
Acting Executive Officer
DMEA Field Team, Region II

cc: USBM (2)
Puffett

Enclosure

Reviewed by
DMEA OPERATING COMMITTEE
Not for Committee
(date)

Contract [illegible]-215

C O P Y

Mr. Paul W. Wise
222 Broadway
Boise, Idaho
February 2, 1953

United States Department of Interior
Defense Minerals Exploration Administration
So. 147 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA-76R (antimony)
Cayote Antimony
Malheur County, Oregon

Attention: Mr. A. N. Weissenborn
Executive Officer DMEA

Dear Sir:

Your field representatives and I personally examined the above project recently to determine advisability of proceeding further with the exploration contract for antimony on the Cayote group.

We had previously hand trenched a number of spots along the hanging and foot wall of the Basalt vein as suggested by your Mr. H Ilsgaard which were examined earlier by Mr. Puffett and further work suggested. It was this further work that we examined our last trip.

The additional trenching, especially at station 14, failed to bring to light any additional mineralization. There was evidence of small stringers of quartz and stibnite but they did not persist on the strike as being continuous.

After a lengthy discussion of the advisability of further work on the project it was mutually agreed that the vein had been explored sufficiently enough to show what might exist at the surface, therefore further work was not advisable.

I am enclosing herewith forms MF 104A and Form MF 104 for reimbursement in accordance with our contract.

Sincerely yours,

/s/ Paul W. Wise

Operator's final report accepted by Field Team

cc: John D. Bardill
PWW/bb
2 encl.
forms MF 104 & MF 104A

Reviewed by
DMEA OPERATING COMMITTEE
Not for Committee
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D.C.
So. 157 Howard Street
Spokane 4, Washington

February 11, 1953

Mr. Paul W. Wise
222 Broadway
Boise, Idaho

Re: Docket DMEA 76X (Antimony)
Coyote Antimony property
Malheur County, Oregon
Contract Idm-E213

Dear Mr. Wise:

We wish to inform you that your contract on the Coyote Antimony property has exceeded its time limit and, consequently, is considered as expired. You, of course, are undoubtedly aware of this for we note in your recent report in which you submitted invoices for payment that you had agreed with DMEA examiners that further work on the property was not justified and that you were consequently submitting your invoices for final payment. I am informed that these invoices have been processed and that payment should reach you in the near future.

The Executive Officer has agreed to accept your report as a final report and has recommended that final payment be made to you. It should therefore be unnecessary for you to submit any additional information concerning the contract. However, if you have incurred contract expenses, for which you have not billed the Government for payment, you should immediately submit those invoices so that we can proceed with the final audit.

Unless otherwise notified, we will conclude that you do not intend to submit additional invoices and will proceed with closing out of the contract.

Sincerely yours,

Thor H. Killsgaard
For: A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

cc: DMEA (2)
USBM (2)
Puffett

2/16/53 gla

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
~~xxxxxxxxxxxxxxxxxxxx~~
So. 157 Howard Street
Spokane 4, Washington

DEPARTMENT OF THE INTERIOR
U.S. Mines Administration
RECEIVED
FEB 13 1953

February 10, 1953

Mr. R. J. Hindman
Certifying Officer, DMEA Region II
1201 N. Division
Spokane, Washington

Re: Docket No. 76X
Contract Idm-8213
Paul W. Wise
Antimony

Dear Mr. Hindman:

This is to inform you that work under the subject contract has been completed to the satisfaction of the Government and that the final accounting of operations as presented by the Operator is considered acceptable by this office. A report, submitted with the invoices for the months of November and December, has been presented which adequately describes the work completed and which will be accepted as a final report by the Operator.

Inasmuch as all requirements have been met, it is requested that the Operator's final invoice be accepted for voucharing and payment.

Sincerely yours,

A. E. Weissenborn

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

cc: DMEA (3)
Cont. Adm. and Aud. Div., Wash.
USBM (2)
R. Hull

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

1201 North Division St.
Spokane 2, Washington

January 28, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration
FEB 13 1953

MEMORANDUM

To: DMEA Field Team, Region II

From: Stephen W. Zoldok, Mining Engineer, Bureau of Mines

Subject: Interim inspection report, Coyote Antimony property, Malheur County, Oregon, Contract Idm-E213, Docket No. DMEA 76X (Antimony)

An interim inspection was made of the work at the Coyote antimony property on January 22, 1953 accompanied by Willard P. Puffett, U. S. Geological Survey and Paul W. Wise, Operator.

Six pits were excavated since the last inspection. The pits were mapped and surveyed in with known points. The project was brought to completion before the contract expiration date on January 1, 1953. A total of 94.3 cu. yds. of material was excavated under the project.

The Operator was instructed in invoicing procedure and will also turn in a final report.

A final report on the project is in preparation.

Stephen W. Zoldok

Stephen W. Zoldok

Orig. & 3 - Wash.
USGS - 2
DMEA
M/D
SWZ/vf

1/13/52 jem

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

No. 157 Howard Street
Spokane 4, Washington

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 12 1953

December 30, 1952

DMEA(2)

Mr. Jack H. Hice
222 Broadway
Boise, Idaho

Re: Contract No. [illegible]-76[illegible] (a[illegible])
Coyote [illegible]
[illegible] Oregon
[illegible]

Dear Mr. Hice:

Unfortunately, Coyote's [illegible] in police the other day, and we didn't get to see [illegible]. We did [illegible] while in the office for you as we didn't know how long it would be before you returned, and we wanted to make it to Jordan Valley before too late as heavy fog slow; the highway was multiplied.

We wished to discuss with you your plans for future work on the Coyote Antimony property. It occurs to Mr. Parkill and myself that no more work can be done until winter is over. Your contract specifies work is to be completed by January 1, 1953. Without a doubt the work outlined in the contract will not be finished by that date. If you wish to extend the contract to allow for more work in the spring, we will require a written request for this extension which must be quite specific as to what future work you want to do.

It is unfortunate that only a small amount of the planned work has been completed to date. Equally discouraging is that the latest work has not been completed, first, as I recall all on one planned bulldozed, and second, snow covered the surface on the next planned excavation. As this new work consists of shallow trenches, in all probability the trenches will be sloughed by spring and will have to be re-excavated. According to Mr. Chastain, narrow veins were exposed in some of these new trenches, but we have no information as to whether these veins contained stibnite.

Completed work finished under terms of the contract is to be paid for on a unit-cost basis. I understand that it was your desire that this be the case; especially, you requested that the trenching be paid for per cubic yard of material removed. You I

suggest that you submit a voucher, form SF-1034, for that work which has been done. When I made an examination of the trenches on November 7, 1952, I attempted insofar as possible to measure the volume of the excavations. It was apparent to me that some of the trenches were simply cleaned-out pre-existing prospect pits. Nevertheless, according to my calculations, on November 7, the total volume of the excavations Mr. Cheatham pointed out to me as having been done under terms of the contract amounted to 40.6 cubic yards. I don't see how more than 40.0 cubic yards of this could be honestly charged to the contract.

We will appreciate hearing from you as early as possible concerning your plans for the Coyote Antimony property. I am also requesting that these plans be presented in a letter as it is necessary that we have written evidence on which to base future action.

Yours very truly,

Willard P. Puffett
For: A. H. Meissenborn
Executive Officer, DMEA
Field Team, Region II

cc: DMEA (2)
USBM (2)
Puffett

OFFICE OF THE ADMINISTRATOR

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS ADMINISTRATION

~~WASHINGTON 25, D.C.~~

So. 157 Howard Street
Spokane 4, Washington

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
Spokane

NOV 24 1952

November 14, 1952

Memorandum

To: DMEA Field Team, Region II

From: Willard P. Puffett, Geologist, U. S. Geological Survey
Yard of Wise DMEA - 76

Subject: Docket No. DMEA 76X (Antimony) Routine inspection of progress at Coyote Antimony property, Malheur County, Oregon, under DMEA contract Idm-E213.

A routine inspection was made of the subject property on Friday, November 7, 1952. I was accompanied on this inspection by Art Cheatam and George Bailey. Mr. Cheatam is reportedly in charge of operations for Mr. Paul Wise, to whom the contract has been assigned by E. E. Stauffer. No work was in progress at the time of the examination. Mr. Cheatam assisted me in making a tape and compass traverse of the area including the completed hand-excavated trenches. He also advised me concerning the length of time spent working at each of the trench locations.

A total of 6 trenches had been excavated. Only one of these explored the footwall area of the basalt dike, the remaining five trenches being aligned near the hanging-wall contact of the dike. Inasmuch as the contract states work on Stage I is to be paid for on a unit cost basis, the unit being cubic yard of excavation, all trenches were carefully measured in an effort to determine total yards removed. No map of these trenches is being forwarded with this report as it is planned that when more work is completed a more complete map will be assembled and forwarded. Consequently references to pit locations are in relation to station 14 on the map accompanying the contract.

A pit had been excavated at station 14, the deepest portion of which is 9.5 feet deep. The floor area of this pit is approximately 5 by 5 feet. Computed total yardage removed from this pit is 10.0; sixteen man hours reportedly have been spent. This pit is on a steep southwest-facing slope which contains a great number of sizable boulders of quartz diorite, which created difficulties during the excavation. Exposed in the north and south walls of this pit is a vein approximately one foot wide. The hanging wall portion of the vein consists of 4 inches solid

quartz, the rest of the vein being composed of fragments of quartz admixed with much bleached and slightly iron-stained quartz diorite. In the south wall the solid quartz portion of the vein contains nearly one and one-half inches of solid stibnite. The vein at this location strikes N. 27° W. and dips 30°-40° N. This pit is in the hanging wall area of the basalt dike, no dike material having been observed in the excavation.

Another pit, 220 feet on a bearing 40 degrees North from pit No. 14, has been excavated. This pit is 3.5 feet wide, 4.5 feet long, and is a maximum of 5.5 feet deep. One man spent four hours working in this pit the total calculated yardage removed being 3.2. A very narrow vein, not more than three inches wide has been exposed. No stibnite was observed in the vein but specimens on the dump which reportedly came from the vein contained stibnite. No dike material was observed in the pit, the pit being in the hanging wall area of the dike.

The only pit exploring the footwall area of the dike is 340 feet N. 48° W. from pit No. 14. The upper margins of this pit is roughly circular with a 10-foot deep trench in the central portion. Two men spent 24 hours excavating this pit and used approximately 25 pounds of blasting powder. Calculated yardage removed from this pit is 26.4. The footwall contact of the dike is well exposed in this pit. A quartz vein, one-foot wide in the upper part of the pit and narrowing to two to three inches near the bottom, has been uncovered. This vein appears to be pinching out against the dike. No stibnite was seen in the vein and Mr. Cheatam stated none was found during the excavating.

Two small, shallow trenches have been made along the hanging wall of the dike at 335 and 375 feet N. 43° W. from pit No. 14. The hanging wall of the dike is exposed in these pits and what might be considered to be a much-weathered narrow vein has been uncovered. These pits are a maximum of 2.5 feet deep and thus it is difficult to determine if a vein has actually been exposed. Mr. Cheatam stated the "vein" in one pit had some contained stibnite but none was observable at the time of the examination. These two pits were the result of 2½ hours of work and it is calculated one yard of material was removed.

Another pit on the hanging wall of the dike has been excavated 1020 feet N. 43° W. from pit No. 14. Two men spent 2½ hours working in this pit and exposed a 4-to-5-inch wide quartz vein in which it is reported some stibnite occurs. None was seen during the examination. It is calculated that 9 yards have been removed from this cut.

In all, a reported 75.5 man hours were spent on the completed work. Total calculated material removed is 49.6 cubic yards. Inasmuch as some of the pits appear to have been cleaned-out pre-existing pits,

it is difficult to measure volume of material removed as a direct result of work performed under the contract.

Locations for pits to be excavated to more thoroughly explore the footwall contact of the dike and to explore for southeastward extensions of the hanging wall vein were given Mr. Cheatam. It is estimated that this new work will take two men nearly two weeks. Samples were taken of the vein exposed in some of the pits but assay results are not yet available.

Willard P. Puffett

Dist.:
Orig. & 3 - DMEA
USBM (2)
Puffett
Docket

10/29/52 glg

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 27 1952

October 16, 1952

MEMORANDUM

To: DMEA Field Team, Region II

From: Thor H. Kiilsgaard, Geologist, U. S. Geological Survey

Subject: Routine inspection, Docket DMEA-76X (Antimony) Cayote Antimony mine, Malheur County, Oregon, Contract Idm-E213.

I examined the Cayote Antimony property on September 20, 1952, in company with Mr. Paul W. Wise, mine operator. Purpose of the examination was to select sites for hand trenching of the vein as outlined in Stage I of the contract.

The Cayote structure crosses a high ridge of quartz diorite in a northwestward direction following on either side of a basalt dike. Near the top of the ridge, and also to the northwest, the structure has been tested in several localities by open cuts, short adits, and short shafts. Some stibnite in a quartz gangue is to be seen on several dumps and some ore is reported to have been shipped from one shaft. To the southeast, the outcrop descends to a lower elevation and to an area where it has not been as thoroughly tested. The Operator was desirous of hand-trenching this area, pointing out that it would be more accessible to a road and also would be a better portal site for an adit to further test the structure. This area was agreeable to the DMEA examiner, although it does not show too much quartz-stibnite float and there is reason to believe it will yield inconclusive exploration results. The Operator agreed to hand-trench the structure on either side of station 14, as shown on the contract map. Further trenching would be to the northwest or southeast, pending on results of preceding trenches.

The Operator stated his intentions of commencing hand-trenching immediately. He planned to move a mine crew from a manganese mine near Baker to the Cayote property for the work. He was advised that if hand-trenching did not show favorable results he would be wise to terminate the contract as there was a good chance of his spending considerable money in exploration before there would be opportunity for financial remuneration.

Thor H. Kiilsgaard
Geologist

cc: DMEA (4)
USBM (2)

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS ADMINISTRATION
xxxxxxxxxxxxxxxxxxxx
WASHINGTON 25, D. C.

1201 North Division St.
Spokane 2, Washington

October 2, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 6 0 1952

Mr. Paul W. Wise, President
J. H. Wise & Son, Inc.
222 Broadway
Boise, Idaho

RE: Paul W. Wise, Docket No. DMEA 76X, Contract Idm-E213, Malheur County, Oregon (Antimony)

Dear Mr. Wise:

Please advise me of the work progress and status of the antimony prospect to be explored under the captioned contract.

Very truly yours,

John D. Bardill, Chief
DMPA Section, Bureau of Mines
Region II

JDB/vf

cc: Wash. (2)
USGS (2)
DMEA
D/F
JDB

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

So. 157 Howard Street
Spokane 4, Washington

September 19, 1952

Mr. Frank E. Johnson
Chairman, Operating Committee
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.

Re: Contract Idm-E213
Docket DMEA 76X, Antimony
Paul W. Wise
Malheur County, Oregon

Dear Mr. Johnson:

Enclosed herewith are the original and two signed copies of the above captioned contract. One copy has been retained by the Operator and one copy for our files.

By copy of this letter, the Regional Fiscal Officer's copy is being distributed.

Sincerely,

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

cc: USBM (2)
W. Rulon Lee, Albany, w/encl.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
SEP 2 1952

FILE COPY
SURNAME:

140

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

Mr. M. E. Volin, Member
DMEA Field Team, Region II
1201 N. Division Street
Spokane 2, Washington

SEP 5 1952

Subject: Docket No. DMA-76X (antimony)
Contract No. Idm-E213
E. E. Stauffer (former operator)
Paul W. Wise (assignee)

Dear Mr. Volin:

Reference is made to your letter ~~to me~~ of September 2, 1952, asking whether the Owner's Consent to Lien dated August 13, 1952, and signed by the Eastern Oregon Land Company, is acceptable.

You are advised that this Owner's Consent to Lien is acceptable.

Sincerely yours,

Ernest Wm. Ellis (JHB) P.N. 9-5-52

ACTING Chairman, Operating Committee

Approved:

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

D. M. Lemmon (JHB)
Member, Geological Survey

9/5/52
EAKane/em
Copy to: Mails and Files
Operating Committee
E. W. Ellis
L. P. Thayer
J. H. Hedges
J. L. Hofflund
E. A. Kane
chron

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

1201 N. Division St.
Spokane 2, Wash.
September 2, 1952

DMEA 76

Mr. Harold Banta
Hallock, Banta, Silven & Horton
2nd Floor, Sommer Bldg.
Baker, Oregon

Subject: Contract Idm-E213, Stauffer Antimony; "Consent to Assignment"

Dear Mr. Banta:

The captioned document is returned herewith for correction.

The description of the land upon which the work is to be done as shown on the amended contract does not conform with that shown on the Consent to Assignment. The work to be done under the amended contract is described as being in sec. 36, T. 14 S., R. 40 E., and sec. 31, T. 14 S., R. 41 E., whereas the said Consent to Assignment describes the property as sec. 31, T. 14 S., R. 40 E. This land description must be correct before we can proceed with the contract.

Sincerely yours,

M. E. Volin
Member, DMEA Field Team
Region II

Enclosure

cc: DMEA, Wash. (2)
USGS, Spokane

7/4/52 gla

OFFICE OF THE ADMINISTRA

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

1201 N. Division St.
Spokane 2, Wash.
September 2, 1952

VIA AIR MAIL

Mr. Ernest Wm. Ellis, Chief
Rare and Misc. Metals Division
Defense Minerals Exploration Admin.
Department of the Interior
Washington 25, D. C.

Subject: Docket No. DMA 76X (antimony)
Contract No. Idm-E213 (amended)
E. E. Stauffer (former operator)
Paul W. Wise (assignee)
Malheur County, Oregon

Dear Mr. Ellis:

Enclosed please find one copy of an Owner's Consent to Lien, executed for the Eastern Oregon Land Company, together with a copy of an explanatory letter from Harold Banta, attorney for Mr. Wise, assignee of the subject DMEA contract. These forms were received the same day as the amended contract.

You will note that the Consent to Lien differs from the proposed form prepared by your office. The revised forms were mailed to the operator on August 15, 1952, but for reasons explained in Mr. Banta's letter were not completed.

We have retained the original and four copies of the executed document. If it is legally acceptable please notify this office, preferably by telegram, so that we can forward the contract to Mr. Wise for completion without further delay.

Sincerely yours,

M. E. Volin, Member
DMEA Field Team, Region II

RECEIVED
SEP 4 1952
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

Enclosure

LAW OFFICES
HALLOCK, BANTA, SILVEN & HORTON
2ND FLOOR SOMMER BLDG.
BAKER, OREGON

BLAINE HALLOCK
HAROLD BANTA
DAVID C. SILVEN
JOHN S. HORTON

JAMES T. DONALD
RETIRED 1951

August 27, 1952

Defense Minerals Exploration Administration
Field Division
1201 N. Division Street
Spokane 2, Washington

Re: Amended contract, Your Nos. IDME 213, E. E. Stauffer Antimony project, Malheur County, Oregon, Assigned to Paul W. Wise.

Gentlemen:

Reference is made to your letter of August 15th to Mr. Wise's associate, Roy Mires, and enclosures, and to the writer's telephone conversation with your office this morning. As a preliminary matter, we wish to confirmthat a modification of the normal form of owner's consent to lien is required in this case because of the fact that the Eastern Oregon Land Company, Mr. Stauffer's lessor, no longer owns the land but merely the mineral rights. In order that this situation will be perfectly clear, I should perhaps give you a little of the background.

The Eastern Oregon Land Company was organized many years ago to take over the managem ent and administration of the lands included in The Dalles military road grant which covered a large body of lands situated throughout eastern Oregon. As a matter of policy, the Eastern Oregon Land Company in disposing of these lands, reserved the mineral rights, together with the right to prospect for and extract and remove such minerals. It is by virtue of such a reservation that the land company now asserts ownership of the minerals involved here and has entered into the lease held by Mr. Stauffer and now assigned to Wise. The land itself is now owned by third parties who are in no way interested in or concerned with the antimony project. It is therefore clear that no lien could, under the circumstances, be granted upon the land itself, but only upon the Eastern Oregon Land Company's interest therein, which is the mineral rights.

Some time ago when this matter of executing a new or amended project contract and the necessity of securing an owner's consent to lien in connection therewith, was first discussed, Mr. Mires secured the standard forms and submitted them to us. We in turn passed them on to Veazie & Veazie of Portland, attorneys for the Eastern Oregon Land Company, and after a considerable delay, due to the illness of the elder Mr. Veazie who handled the land company's business and the necessity for him to first consider the matter and then communicate with the company's officers in San Francisco with his recommendations, these forms of consent have now come to hand. They are enclosed herewith and you will note they are properly executed by the officials of the land company. These are enclosed herewith for your consideration. At the time they were submitted, the writer advised that there were certain blanks which he was unable to complete and that certain minor changes might be required due to the writer's lack of familiarity with the exact manner in which the new DMEA contract would be drawn and we have authority to fill in the blanks and make the minor changes, which we have done. We would not, of course, have authority to make any changes in substance and it is noted that in the forms enclosed with Mr. Reed's letter of August 15th, there is considerable typewritten material inserted, including among others a warranty that the 1947 lease or exploration agreement concerning the property was in good standing, etc. and that the company agrees to the assignment of the contract, etc. It is my impression that the substance of these recitals is already confirmed by documents appearing in your file, but nevertheless I would not feel in a position to commit the land company to recitals without first submitting the new forms for their consideration and approval and under the circumstances, I hesitate to do this because I am afraid it will mean a long additional delay.

It was my understanding from my last conversation with Veazie & Veazie that Mr. Veazie, Sr. had been in the hospital and had been released and had been at the office a few days and then had suffered a set back and was confined to his home. Under the circumstances, we are accordingly hopeful that it will not be necessary to hold up the deal until these new documents can be secured. The Land Company is quite willing to subordinate its interest in the property, which is of course the mineral rights as reserved, to the lien in favor of the government and it recognizes Mr. Wise as assignee of Stauffer and has previously executed a formal document to that effect. This, we believe, is all that is required of the land company under the circumstances and of course the enclosed documents accomplish that result. We are

We are enclosing extra copies of this letter for submission to your Washington office if desired.

Yours sincerely,

HALLOCK, BANTA, SILVEN & HORTON

By

HB:m
encl.

COPY

700 FILE COPY
SURNAME:

Ellis
Hoffman
Selfridge

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

Mr. A. . . Weissenborn
Executive Officer
DMEA Field Team, Region II
South 157 Howard Street
Spokane 8, Washington

AIR MAIL

AUG 26 1952

Re: Docket No. DMA-76X (Antimony)
Contract No. Idm-L213 (Amended)
E. E. Stauffer (former Operator)
Paul W. Wise (Assignee)
Malheur County, Oregon

Dear Mr. Weissenborn:

Enclosed are the original and five copies of the captioned amended contract with attachments, signed by the Government.

Under date of August 15, 1952, we forwarded to you an Owner's Consent to Lien which was devised especially for this proposed amended contract.

Before obtaining the Operator's signature to the amended contract, kindly comply with the following procedure:

1. Obtain the special Owner's Consent to Lien, signed and dated, and attach a copy of said instrument to each copy of the amended contract.

2. Date the amended contract, using a date subsequent to the date of the Owner's Consent to Lien.

3. Date the six copies of the signed Government's consent to the assignment, a copy of which is attached to each copy of the amended contract. Date this instrument same as the amended contract.

4. The Owner's Consent to Assignment (Eastern Oregon Land Company, June 27, 1952) does not give the proper land description which is shown in the contract. The work to be done under the amended contract is described as being in Sec. 36, T14S, R40E, and Sec. 31, T14S, R41E, whereas the said Consent to Assignment describes the property as Sec. 31, T14S, R40E, which obviously is not correct. This land description in the Assignment must be corrected before completing the contract.

Upon obtaining the signature to the amended contract, the copies marked "Operator's Copy", "Field Team's Copy" and "Finance Officer's Copy" are to be given to the proper parties. The original and one or two copies are to be returned to Washington.

If any part of this contract does not meet with the approval of the Operator, the original and all copies are to be returned to this office together with the proposed changes for consideration.

Sincerely yours,

cc

S. C. Selfridge (HB) 8/26

ACTING Chairman, Operating Committee

Enclosures

EWEllis/gla 8-21-52

cc to: Adm. Reading File
Operating Committee
Docket

Messrs. Renick, Rm. 3061
McKnight, Rm. 4204 GSA
Ellis
Region II
Legal Division

APPROVED:

C. H. Johnson
Member, Bureau of Mines (HB)

D. M. Lemmon (HB)
Member, Geological Survey

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.
1201 N. Division St.
Spokane 2, Wash.

August 21, 1952

76

Mr. Roy Mires
2116 Sunset Ave.
Boise, Idaho

Subject: Contract Idm-E 213, Stauffer Antimony; "Owners Consent to Lien"

Dear Mr. Mires:

Reference is made to our phone conversation of August 19, 1952, in which the reluctance of the Eastern Oregon Land Co. to sign the required "Consent to Lien" form was discussed.

Actually, if the Eastern Oregon Land Co. owns the mineral rights, it does have an interest in the property; it is only this interest with respect to the mineral rights that would be subordinated. Furthermore, the lien is required only to assure repayment to the Government in the event any mineral production is made from the property. If no production is made there is no obligation for repayment. It would appear, therefore, that the fact that the Eastern Oregon Land Co. owns only the mineral rights would not prevent them from signing the agreement.

It is suggested that you advise the Eastern Oregon Land Co. as indicated in the foregoing in order that the forms may be executed and returned to this office as soon as possible.

Sincerely yours,

Glenn C. Reed
Mining Engineer

CC: 2-Wash, DMEA
USGS

AUG 25 1952

700
FILE COPY
SURNAME:

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

August 21, 1952

Memorandum

To: Operating Committee
Mr. C. O. Mittendorf
Mails and Files

From: Ernest Wm. Ellis, Chief
Rare and Misc. Metals Division

Subject: Docket No. DMA-76X (Antimony)
Contract No. Idm-E213 (Amended)
E. E. Stauffer (former Operator)
Paul W. Wise (Assignee)
Malheur County, Oregon

8/26/52

Kindly note the letter of transmittal of subject amended contract to the Field provides that a contract date and the Government's consent to assignment date are to be added in the Field and said dates will be subsequent to the date of the Owner's Consent to Lien.

Ernest Wm. Ellis

EWEllis/gla

cc to: Adm. Reading File
Docket
Operating Committee
Mr. Ellis

SD

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
1201 Division St.
Spokane 2, Wash.

August 15, 1952

Air Mail - Special Delivery

Mr. Roy Mires
2116 Sunset Ave.
Boise, Idaho

Subject: Amended Contract Idm-E213, Stauffer Antimony, Malheur County, Oregon, Docket 76 X

Dear Mr. Mires:

In accord with our phone conversation of August 14, 1952, I am sending you herewith a revised "Owners Consent" form MF-203 for execution.

The form can be presented for inclusion in the docket at the time Mr. Wise accepts and signs the exploration project contract at Spokane.

You will be notified by telegram regarding receipt of the contract at this office.

Sincerely yours,

Glenn C. Reed
for M. E. Volin, Acting Exec. Off.
Field Team, Region II

Enclosure

CC: 3-Wash ✓
USGS

700
FILE COPY
SURNAME:

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

AUG 15 1952
AIR MAIL

Memorandum

To: A. E. Weissenborn, Executive Officer, Region II
Attention Mr. Glenn Reed

From: Ernest Wm. Ellis, Chief, Rare & Misc. Metals Division

Subject: Docket No. DMA-76X
Contract No. Idm-E213 (Amended)
Assignment of contract from E. E. Stauffer
to Paul E. Wise

Enclosed is a copy of the proposed Owner's Consent to Lien to be used in connection with the subject contract. This form I discussed with Mr. Reed by phone on August 14. It seems desirable to follow the phone call with an actual copy of the proposed form in case there should be any misunderstanding of the wording which was recommended by the Legal Division.

Ernest Wm. Ellis

EWEllis/gla 8-14-52

cc to: Adm. Reading File
Docket
Mr. A. E. Kane
Mr. Ellis

Idm - E213   DMA - 76X

MF-203

OWNER'S CONSENT TO LIEN

and lessor,
WHEREAS, the undersigned, as owner ~~XXXXXXXXXXXXXXXXXXXXXXXX~~ has an interest in certain property in the State of Oregon, County of Malheur, described as follows:1/ Sec. 36, T14S., R40E., and Sec. 31, T14S., R41E., of the Willamette Meridian, which is the subject of an exploration project contract, dated November 20, 1951 (which is proposed to be amended so that the agreement may be restated on a new contract form ~~MF 200 June, 1951, Rev. Feb. 1952~~).

~~XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX~~ hereinafter called the "amended contract", between the United States of America, hereinafter called the "Government", and E. E. Stauffer, and

~~2/~~ WHEREAS, said contract was duly assigned to Paul W. Wise, hereinafter called the "Operator", by an instrument dated June 7, 1952; and

WHEREAS, the undersigned represents and warrants that the 1947 lease or exploration agreement made by the undersigned with H. D. Ramsay and E. E. Stauffer concerning the aforesaid property is in good standing ~~XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX~~ and that there has been no default by the lessees, or the assignee thereof under the terms and provisions, ~~thereof~~ and

WHEREAS, under certain provisions of said amended contract which are set forth on the reverse side hereof, the Government is entitled to a percentage royalty on production and to certain other rights and equities which do or may conflict with or be adverse to the interest of the undersigned in said property;

NOW THEREFORE, the undersigned, in consideration of the Government's consent to ~~XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX~~ the aforesaid assignment and agreeing to the aforesaid amendment of the contract, undertakes and agrees as follows:

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

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said amended exploration project contract, or any amendment thereof which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/$ 26,045.25, or ten years have elapsed from the date of the amended contract.

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

Dated this ________ day of ______________, 195 __.

EASTERN OREGON LAND COMPANY [Seal]

by ______________________ [Seal]

President [Seal]

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

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

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

4/ Insert the maximum amount of the Government's contribution.

RELEVANT CONTRACT PROVISIONS

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

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

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

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

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

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

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

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

FILE COPY
SURNAME:

AEKane

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

August 15, 1952

Memorandum

To: Acting Administrator

Through: E. W. Ellis

From: Chief Counsel

Subject: E. E. Stauffer-Paul W. Wise, Docket No. DMEA-76X, Idm-E213 (Antimony)

There is attached, in satisfactory legal form for execution, a contract covering the above-described project, subject to the attachment of the maps referred to therein.

I also call your attention to the fact that the Owner's Consent to Lien has been sent out for signature and that both the contract and the Administration's Consent to Assignment of the contract should bear a date subsequent to that of the Owner's Consent to Lien.

J. L. Hofflund

J. L. Hofflund
Chief Counsel

Attachment

AEKane/ema
cc: Mails & Files
J. L. Hofflund
A. E. Kane
E. W. Ellis
Chron.

(This contract typed in Mr. Ellis's office)

Docket file

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

Memorandum

To: File

From: Ernest Wm. Ellis, Chief
Rare and Misc. Metals Division

Subject: Docket No. DMA-76X
Contract No. Idm-E213
E. E. Stauffer (assignment of contract to Paul W. Wise)

August 11, 1952

Telephone call from Glenn Reed, RegionII, to the effect that they are unable to get ahold of Wise and, therefore, we should attempt to go ahead with the transfer by amendment to the existing contract.

August 14, 1952

Read to Reed a proposed Owner's Consent to Lien form which they could be procuring while the amended contract is being formulated, said Owner's Consent to Lien to be attached to the contract when it is sent to Spokane for signing.

August 15, 1952

Followed telephone conversation of yesterday by sending a typed copy of the Owner's Consent to Lien to confirm the wording of the form given over the phone.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.
So. 157 Howard Street
Spokane 4, Washington

July 25, 1952

Mr. Paul M. Wise
P. O. Box 267
Boise, Idaho

Dear Mr. Wise:

I have been in telephone conversation with the DMEA Washington, D. C. office with regard to the transfer of the Stauffer Antimony Contract, Idm-E213 to you. I am informed that the simplest way to do this would be to rescind the old contract and to make a new one. Unfortunately, in order to do this, you should prepare a new application, and a new set of "Owner's Consent to Lien" forms will be required. I regret the necessity for this, but I have been advised by the Washington office that they are in complete agreement with the amended contract as it was worked out here between you and the Bureau of Mines and that approval can be obtained in a very short time if you will go through the formality of submitting a new application and enclosing the consent to lien forms.

Therefore, enclosed is form MF-103 in 6 copies and form MF-203 in 8 copies. After completion, retain one each for your files and send the rest to this office; DMEA Order 1 and Question and Answer booklet is also enclosed.

Sincerely yours,

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Enclosures

cc: DMEA (2)
USBM (1)

AEW/beh

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

July 25, 1952

Re: Docket No. DMA-76X (Antimony)
E. E. Stauffer (assignment of contract Idm-E213 to Paul W. Wise)

Memorandum

Mr. Ellis phoned Mr. Weissenborn, Region II Executive Officer this date and asked him regarding the transfer of the Stauffer contract to Wise, especially regarding equipment which would be purchased. He stated there was no equipment to be purchased and that the contract could be drawn up as he proposed.

Mr. Ellis told him that Legal believed it advisable that the old contract be rescinded and that a new application be filed by Wise and a new Owner's Consent to Lien be submitted by Wise. Weissenborn stated that he thought it might be difficult to get in touch with Wise and thus procure a new application, but that he would attempt to do so.

EWEllis/gla

140

FILE COPY
SURNAME:

A. E. Kane

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

July 24, 1952

Memorandum

To: Chairman, Operating Committee

Through: E. W. Ellis

From: Acting Chief Counsel

Subject: Docket No. DMEA 76X, Stauffer Antimony

The subject contract is on the old form, the work has not yet begun, and the Operator wants to assign the contract to Mr. Wise who in turn wants to amend the contract to place it on a unit cost basis except for a few items to remain on an actual cost basis. I suggest that the old contract be rescinded through use of Form 18262-3, and a new contract be drawn up on the new form, based upon a new application by Mr. Wise. If it proves impossible to get an Owner's Consent to Lien or another Subordination Agreement, then we can further consider the advisability of amending the contract and consenting to its assignment.

A. E. Kane
Acting Chief Counsel

AEKane/mcf

Rev. 4539

cc to: Mails and Files Chron.
A. E. Kane E. W. Ellis
I. L. Hoffmann

N. S. in R. v R.

7/22/52 gla

IN REPLY REFER TO:

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 22 1952

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane 4, Washington

July 18, 1952

Note - Amended contract to be sgd by Paul W. Wise incorporates the provisions herein

Mr. Frank E. Johnson
Chairman, Operating Committee
Defense Minerals Exploration Administration
Department of Interior
Washington 25, D. C.

Re: Stauffer Antimony
DMEA Docket 76X
Cintract Idm-E213

Dear Mr. Johnson:

Attached are six copies of Amendment No. 5 concerning Exploration Project Contract Idm-E213. This amendment changes the contract by putting work to be done on a unit basis at unit costs. The overall costs of the contract have not been changed; however, the amount of drifting has been decreased and costs per unit of drifting have been increased.

The former Operator, Mr. E. E. Stauffer, has turned his property and Exploration Project Contract over to Mr. Paul W. Wise; copies of the lease and contract assignments have been transmitted to Washington for approval. Mr. Wise, a contractor, did not favor the old terms of the Contract, but preferred to do the work on a unit cost basis in which he would furnish all equipment and supplies and would receive payment only for those units of work performed.

The unit costs for drifting and crosscutting of $30.89 per foot represents an increase over the estimated costs given in the Contract at $25.00 per foot; however, the increased unit cost is not out of line with other exploration work in the Region II area. Inasmuch as no exploration work has been done to date, although the contract has been in effect since November 20, 1951, it is believed that this amendment will be to the interest of the Government as it will initiate work called for in the Contract. Moreover, it is believed that if Mr. Wise has a Contract acceptable to him, the work will be more vigorously and expeditiously performed, thereby being to the interest of the Government. As Mr. Stauffer has made no attempt to do the work called for in the contract, it is recommended that either this amendment be approved or the Contract rescinded.

It is believed that the present amendment could be enacted under the jurisdiction of the Executive Officer; however, it is being forwarded to Washington for approval as it changes the terms of the Contract and the manner in which payment of the Government's share is to be made.

SES
7-22-52

Mr. Wise has requested that immediate attention be given this amendment and that it either be approved or denied. The working season is quickly passing and he desires to commence work as soon as possible. The Executive Officer would therefore appreciate being immediately informed by telephone whether or not this amendment is acceptable so that he may advise Mr. Wise whether or not to commence work.

Very truly yours

A E Weissenborn

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Enclosures

cc: U.S.B.M.

AMENDMENT NO. 5

It is agreed this 7th day of July 1952, between the the United States of America, acting through the Department of the Interior, Defense Minerals Administration and Paul W. Wise, P. O. Box 267, Boise, Idaho (Docket No. DMA 76X — antimony)

each acting in consideration of the agreement of the other to the terms hereinafter set forth, that the Exploration Project Contract Idm-E213 of Nov. 20 1951 between the parties hereto be modified and amended as described in Exhibit "F", attached hereto, which, with any maps or drawings attached thereto, is made a part of this agreement. The effective date of this amendment shall be July 1 1952.

This amendment is made by authority granted the Executive Office, DMA Field Team, Region II in Order No. 2684 by the Acting Secretary of the Interior.

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

Executed in sextuplicate the day and year first above written.

PAUL W. WISE
(Operator)

By

The United States of America

By
A. E. Weissenborn, Exec. Officer
DMEA Field Team, Region II

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 22 1952

PAUL W. WISE
Exploration Project Contract Idm-E213
Docket No. 76X - antimony

Amendment No. 5

EXHIBIT "F"

Changes and modifications

1. To Article 10 of the contract, entitled "Allowable Costs of the Project," add the following paragraph:

> "The agreed estimated unit costs for performing the hand trenching, road construction, crosscutting, and drifting specified in this contract are set forth below. The Government will pay 75 percent of these agreed estimated costs as they accrue, in lieu of the actual costs, for units of work actually performed that conform with the specifications set forth in this contract, in an aggregate total amount not to exceed $24,395.25, which is 75 percent of $32,527.00, the agreed estimated total cost of this portion of the work. The cost of hiring engineering and geological consultants is not included in these agreed estimated unit costs nor in this total."

The cost of hiring engineering and geological consultants is allowable to the extent specified in Amendment No. 5, paragraph 3, section (2), "Labor, Supervision and Consultants".

2. In Exhibit "A", page 1, under "Exploration Project," change the description of the work to be done to read as follows:

> "The exploration program shall consist of hand trenching to crosscut the vein structure, bulldozing an access road and driving drifts and crosscuts to determine the occurrence of antimony along the main vein of the Cayote Group. The work will be divided into two stages as follows:
>
> Stage I. The first stage of the exploration project consists of 270 cubic yards of hand trenching to crosscut the vein structure. Individual trenches shall be of a size sufficient to expose the full width of the vein for examination and sampling.
>
> "If, in the opinion of the Government, the work performed under Stage I has favorably indicated the possibility of a commercial ore discovery, 1-1/2 miles of bulldozer road shall be constructed and Stage II will be undertaken as follows:

Stage II. The Government shall approve one of the following alternative plans for underground exploration:

(a) Drive 700 feet of drift on the footwall vein from a portal near Station 14 and drive crosscuts to the hanging wall vein at distances of 150, 300, 450, 600 and 700 feet from the portal. The maximum aggregate footage of crosscut to be 300.

(b) Drive 700 feet of drift on the footwall vein from a portal near Station 14 and drive crosscuts to the hanging wall vein at distances of 150 and 400 feet from the portal with the maximum aggregate footage of crosscut to be 100 feet. Drive 200 feet of drift on the hanging wall vein at location to be determined by crosscuts."

3. In Exhibit "A" of the contract delete the entire clauses entitled "Fixtures and Improvements," "Operating Equipment," "Rehabilitation and Repairs," and "Labor and Supervision," and change the clause entitled "Estimated Total Cost of the Project" to read as follows:

(1) "Unit Contracts
Agreed Estimated Unit Costs

Stage I

Item of Work	Unit	Unit cost	Number units authorized	Total cost
Hand trenching	cu. yd.	$4.00	270	$1,080.
Stage II				
1-1/2 mi. bulldozer road	job	$557.00	1	$ 557.
Crosscutting and drifting. Minimum cross-section to be 7'x5' in the clear, timbered where necessary	foot	$ 30.89	1000	$30,890.

(2) Labor, Supervision and Consultants

Stage I

The cost of labor and supervision is included in the agreed, estimated unit costs of the work. The cost of hiring a consultant to perform the necessary engineering, geological work, sampling and assaying shall be allowable as a cost of the project to a maximum of $200.00.

Stage II

The cost of labor and supervision is included in the agreed estimated unit costs of the work. The cost of hiring a consultant to perform the necessary engineering and geological work, sampling, assaying and all other technical services shall be allowable as a cost of the project to a maximum of $2,000.00.

(3) Operating materials and supplies - Included in the agreed estimated unit costs.

(4) Operating equipment - Included in the agreed estimated unit costs.

(5) Rehabilitation and repairs - None.

(6) New buildings, improvements, installations - None.

(7) Miscellaneous - None.

SUMMARY

Stage I

1.	270 cubic yards of hand trenching at agreed unit cost of $4.00 per cubic yard	$1,080.00
2.	Consultants 1/	200.00
	Total	$1,280.00

Stage II

1.	1-1/2 miles of bulldozer road at agreed unit cost of $557 for job	$ 557.00
2.	1000 feet of drifting and crosscutting at agreed unit cost of $30.89 per foot	30,890.00
3.	Consultants	2,000.00
		$33,447.00
	GRAND TOTAL	$34,727.00"

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
So. 157 Howard Street
Spokane 4, Washington

July 15, 1952

Chairman, Operating Committee
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.

Re: DMEA Docket 76X, Stauffer Antimony property, Malheur County, Oregon, Contract Idm-E213, Antimony

Dear Sir:

Enclosed are six copies each of Assignment of Exploration Project Contract, Assignment of Prospecting Permit and Rights to Mining Lease, and Consent to Assignment, all concerning Contract Idm-E213.

Owing to ill health, the Operator, Mr. E. E. Stauffer, has assigned his property to Mr. Paul W. Wise. If the terms represented in these Assignments are agreeable to DMEA, copies of each should be attached to the contract.

Sincerely yours,

Thor H. Kiilsgaard

Thor H. Kiilsgaard
For: A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Enclosures

cc: USBM

M. E. Volin, Member, DMEA Field Team, Reg. II e 18, 1952

John D. Bardill, Metallurgist, Mining Division, Bureau of Mines

Progress report, Contract Idm-E213, E. E. Stauffer, Malheur County, Oregon, Docket 76X (antimony)

On the morning of June 5 I met Mr. E. E. Stauffer and Mr. Roy Miers on the trail to the antimony prospect of Stauffer in the mountains adjacent to Cow Valley.

The two advised me that Miers had about completed negotiations to take over Stauffer's prospect on terms which were not devulged, in spite of the fact that this was Miers first trip to the prospect.

Stauffer, the operator, agreed to start work within 60 days of the date of the contract which was signed November 20, 1951. Between the time of the signing of the contract and June 5, Stauffer informed me that no work had been performed in accordance with the terms of the contract. The contract has been amended four times, extending the time of the beginning date of the work to July 1, 1952. In my opinion, I think that Stauffer is using the contract, with 75 percent Government participation, as promotional bait to sell or otherwise dispose of the antimony prospect.

Unless actual earnest work is started and continues on a sincere basis on or before July 1, I recommend that the contract be terminated.

John D. Bardill

Orig. to files
cc: USGS (2)
Wash. (2)
JDB

A.a.
2-18-52

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

So. 157 Howard Street
Spokane 4, Washington

February 12, 1952

DMEA 76

Chairman, Operating Committee
Defense Minerals Exploration Administration
Department of Interior
Washington 25, D. C.

Re: Exploration Project Contract
Idm-E213, E. E. Stauffer
antimony property, Malheur
County, Oregon.

Dear Sir:

Enclosed are the original and two copies of Amendment No. 1 which are to be appended to the subject contract. The amendment extends the starting date of the contract from November 20, 1951, to not later than April 1, 1952.

Sincerely,

Thor H. Kiilsgaard

Thor H. Kiilsgaard
For: A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Enclosures.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 1[illegible] 1952

OREGON

MALHEUR COUNTY

February 1, 1952

E. E. Stauffer, Idm-E213, Antimony

75-25 of $34,727.00

16 months

The exploration is divided into two stages. Stage one calls for bulldozing and sampling. Stage two calls for 700 feet of drifting and 390 feet of crosscutting or drifting on the vein, provided the results of stage one are sufficiently encouraging.

Work will start in the spring.

UNITED STATES
DEPARTMENT OF THE INTERIOR Dmea-76
GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane 4, Washington

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 28 1952

January 21, 1952

Chairman, Operating Committee
Defense Minerals Exploration Administration
Department of Interior
Washington 25, D. C.

Re: E. E. Stauffer
Exploration Project Contract,
Idm-E213

Dear Sir:

Enclosed are the original and three signed copies of the subject contract.

One copy has been sent to the operator and one retained by the field office.

An amendment to delay the starting date of the contract is in preparation.

Sincerely yours,

A. E. Weissenborn

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Enclosures

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 29 1952

FILE COPY
SURNAME:

Blakemore
Mittendorf

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

2 - 1951

Memorandum

To: Verne C. Fryklund, Jr., Field Team, Region II

From: C. O. Mittendorf, Acting Administrator
Defense Minerals Exploration Administration

Subject: Docket DMA 76X, Contract Idm-E 213
E. E. Stauffer.

Your memo of November 29, 1951 in regard to the surface rights of the property concerned in the subject contract is acknowledged. This feature was thoroughly understood by Mr. Weissenborn and this office, the status being as follows:

On November 9, 1951 the enclosed copy of a proposed letter to Mr. Stauffer from the owner of the surface rights, a Mr. Lacey, was dictated to Mr. Weissenborn over long distance telephone because the letter filed here from Mr. Lacey to Mr. Stauffer, which stated it was "agreeable" to Mr. Lacey for Mr. Stauffer to prospect and build a road, was dated August 10, 1948, but gave no description whatever of the property. The enclosed draft of letter is to correct these defects. It was understood that Mr. Weissenborn would have this letter prepared and signed by Mr. Lacey, but that they would be held at the Spokane Office for attachment to the contracts when the latter were received by your office.

If these letters from Mr. Lacey to Mr. Stauffer have been inadvertently mailed to this office, (they have not yet arrived) they will be returned to you at once for attachment to the contracts you now hold.

If Mr. Lacey has not signed the proposed letter, the original and five copies should be prepared and given to Mr. Stauffer who should present them to Mr. Lacey for signature, together with an explanation of the need of such document.

C. O. Mittendorf (for)

Attachment

PBBlakemore/hmj
12-4-51

cc to: Reports and Records
Adm. Reading File
Region II
Mr. Mittendorf
Mr. Blakemore
Docket

ce 12/7

OFFICE OF THE ADMINISTRATOR

Mr. Blakemore

DEFENSE MINERALS ADMINISTRATION
WASHINGTON, D.C.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.
So. 157 Howard Street
Spokane 4, Washington

DEC 3 10 AM '51

DEPARTMENT OF THE INTERIOR
RECEIVED
DEC 3 1951
Defense Minerals Administration,
Production Expansion Division.

November 29, 1951

MEMORANDUM

To: Operating Committee, DMEA

From: Field Team, Region II

Subject: Subordination Agreement
Coyote Group
Antimony, DMEA -76

Enclosed is a copy of a letter from the Eastern Oregon Land Company to Mr. E. E. Stauffer. This letter makes clear that the Eastern Oregon Land Company does not have the surface rights for the land on which Mr. Stauffer wishes to build a road.

Mr. Stauffer has informed us that Mr. Ernest Locey of Iron Dike, Oregon, is the owner of the surface rights in question, and that papers giving the necessary permission for building the road are now in Washington.

Verne C. Fryklund, Jr.
Verne C. Fryklund, Jr.
For: A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Enclosure

(COPY)

EASTERN OREGON LAND COMPANY
1926 Piedmont Station
Portland 11, Oregon

November 20, 1951

Mr. E.E. Stauffer
Brogan
Oregon

Cow Butte Antimony
- Mine

Dear Mr. Stauffer:

Your letter of the 16th and the papers that had accompanied it were received yesterday morning.

While I had been sure our company should not sign the papers becausedit is not the owner of the surface rights, yet it was a matter that I wished our attorney, Mr. J. C. Veazie to pass upon. And I have deferred making reply to you until I should see a copy of his letter of yesterday to you, which is self-explanatory.

I feels sure that the Governmental Departmental Officials have overlooked the real meaning of our Company's mineral reservations and rights, which do not embrace what is usually considered to be land ownership, or surface rights. Mr. Locey is the owner of the latter rights. I am sure that the officials who have this matter under consideration will see that on second examination. With our Company"s Permit to conduct mineral explorations on the land, and Mr. Locey's permission for you to go upon the land and to construct roads, you are fully equipped to proceed with exploration and development operations on this property.

m Very truly yours,

EASTERN OREGON LAND COMPANY

By James B. Adams Agent

Encls.

CC/Home Office
CC/ Mr. Veazie

P.S. All the letters and papers that had accompanied your letter are handed back to you herewith.

FILE COPY
SURNAME:

Blakemore
Mittendorf (for)

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

Mr. A. E. Weissenborn
Executive Officer, Region II
DMEA Field Team
South 157 Howard Street
Spokane, Washington

NOV 28 1951

Re: Docket DMA 76X, Idm-E213
Antimony
E. E. Stauffer, Brogan, Oregon

Dear Mr. Weissenborn:

Enclosed herein are the original and five copies of the subject Exploration Contract signed by me, which are to be presented to the Operator for his signature. You will note that it will also be necessary for Mr. Stauffer to obtain the signature of Mr. Ernest Lacey to the attached letters, by which Mr. Lacey grants to Mr. Stauffer the right to build a road and other surface rights.

The original and three copies are to be returned to this office for distribution; one copy is to be retained by the Operator and one copy is for your files.

If any provisions of the Contract are unsatisfactory, they may be changed by your office, subject to delegation of authority set forth in Order No. 2653, or sent to this office for re-consideration.

Sincerely yours,

C. O. Mittendorf (for) P.N. 11-28

ACTING Administrator
Defense Minerals Exploration
Administration

Enclosures-6

APPROVED:

Chairman, Operating Committee

Member, Bureau of Mines

Member, Geological Survey

PBBlakemore/meh
11/26/51
cc to: Adm. Reading File
Reports and Records
Mr. Mittendorf
Mr. Moon
Mr. Blakemore
Mr. McKnight
Region II
Docket

BL

FILE COPY
SURNAME:

Gathrie

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

November 19, 1951

Memorandum

To: Director, Production Expansion Division

From: General Counsel

Subject: E. E. Stauffer exploration contract — Docket No. DMA-76X

We are unable to approve the draft of the proposed exploration contract in this case, submitted to us on November 14, 1951, because of the uncertainty in the description of the land upon which the project is to be performed.

The term "Cayote Group" is not explained or further identified anywhere in the contract. If it is a group of claims, the names of the claims or some other means of identifying them, such as recording data, should be given. Moreover, the description does not make plain whether the Cayote Group, whatever that may comprise, is to constitute the entire property devoted to the project or whether in addition to the Group, section 31 is included. The lease and the agreement in the file cover sections 31 and 36 without any mention of the Group, and unless there is some intention to exclude from the project some of the land covered by the lease, we believe that it would be well to describe the land in the contract just as it is described in the lease.

Your file is returned herewith.

N.S
R&R

J. L. Hofflund
J. L. Hofflund
General Counsel

Attachment
RRGuthrie/bjl

Copy to: Repts. & Records
J. L. Hofflund
R. R. Guthrie
Chron.

bl

DM4-26

Bragan, Oregon
Oct. 29th 1951

DEPARTMENT OF THE INTERIOR
RECEIVED
NOV 1 1951
Defense Minerals Administration,
Production Expansion Division.

OCT 31 2 00 PM '51

Mr. Van Bennett, Chief Minerals Analysis
Minerals Branch, Supply Division
Defense Minerals Administration
Washington D.C.

Dear Sir:-

The delay in sending these papers back to you, was due to the Western Oregon Land Co. not holding them as long in San Francisco. They kept the letter you wrote me at regarding Landlords Subordination agreement. I sent 6 Landlords Subordination agreements with my lease to you in July.-

I am also enclosing permit from Ernest Lacy to operate & build roads on their land near Cow Valley Butte.

Hoping this is the papers you want

Very Truly Yours

C. C. Stauffer
Bragan, Oregon

San Francisco California,
October 24 1951

Mr. E. E. Stauffer
Brogan, Oregon

Dear Sir:

You have requested a further extension of the written prospecting permit which we gave to you and Mr. H. D. Ramsay, dated December 1, 1947, and relating to prospecting for antimony, gold and other valuable minerals on Section 31, Township 14 South, Range 41 East, and Section 36, Township 14 South, Range 40 East of the Willamette Meridian.

It appearing that your failure to qualify for a mining lease within the times heretofore granted has been due to causes beyond your control, and that the extension now requested is necessary and desirable, we grant your request, and hereby extend said prospecting permit until the 1st day of December, 1953, but for your sole benefit, it being understood that Mr. Ramsay is not to benefit in any way by this extension or to have any rights under it. Except for such extension, all terms and provisions of said written permit shall remain in full force and effect and be applicable to the extended period.

If it meets with your approval, please signify that fact by signing at the proper place and returning to us the enclosed copy of this letter.

Yours very truly,
EASTERN OREGON LAND COMPANY
By Walter S. Martin

Approved this 29 day
of October, 1951
E. E. Stauffer

copy

FILE COPY
SURNAME:

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

Chron
Hofflund
Mittendorf

September 25, 1951

a.e.c -

Mr. B. E. Stauffer
Box 72
Brogan, Oregon

Re: Docket DMA-76

My dear Mr. Stauffer:

Before we can act finally on your application for an exploration loan, you must obtain and forward to us the following additional documents:

1. The consent of the surface owners of the property in question to the conduct of the proposed exploration operations, as required in your prospecting permit of December 1, 1947, from the owner of the mineral rights.

2. An extension of the prospecting permit of December 1, 1947, for a period of 24 months. This period will cover adequately the 16 month period of the proposed exploration running from the time when the Exploration Contract can be signed, plus the 6 months which the Government has by the terms of the contract to determine whether a worthwhile discovery has been made. This extension will provide you with an additional period within which you may, under the terms of your permit, obtain a 5 year mining lease on the property upon which the exploration is to be conducted.

3. Six copies of the Landlord's Subordination Agreement signed by the owner of the mineral rights in the property. Blank copies of the agreement are enclosed.

Upon receipt of these documents we shall process your application as promptly as possible.

Sincerely yours,

C. O. Mittendorf (x.th.) S.F. 9-27

C. O. Mittendorf, Director
Production Expansion Division

RRGuthrie/ema
Copy to: Reports & Records
R. R. Guthrie
J. L. Hofflund
C. O. Mittendorf - Olund
Chron.
Adm. Reading File
Mr. Burmeister
Enclosure Region II (2)
Mr. Bourret
Mr. Kemp
Mr. McKnight
Docket

FILE COPY
SURNAME:

Gordon
Bauer
Albrecht
McKnight

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

AUG 20 1951

Memorandum

To: Production Expansion Division

From: Director, Supply Division

Subject: E. E. Stauffer
Cayote Group
Malheur County, Oregon
Antimony, DMA-76

Under date of November 16, 1950, E. E. Stauffer, Bregan, Oregon, first requested assistance in developing and producing antimony ore, subsequently requesting an exploration project, DMA docket-76, in the sum of $33,879.20 for a government participation of $25,409.40 (75%). Applicant is prepared to invest his share, $8,469.80.

The following factors have been carefully considered and weighed in reviewing this application.

1. Refer MO-5 as amended, Section 6.

(a) Additional sources of antimony are desired.
(b) Geological conditions are regarded as favorable. The exploration is recommended by the field team following its examination of the property, which opinion is concurred in by E. T. McKnight, USGS and DMA.

(c,d,e,f) Manpower, equipment and supplies are available, with nearby, adequate roads and power line about one mile distant.

(g) Applicant is regarded as competent to direct the project.

2. The ground to be covered in the agreement is the Cayote group, lying in Section 26, T.14s, R.40E., Malheur County, Oregon. Inasmuch as applicant's lease covers the entire section within which the Cayote Group lies and the exact area and location of this group within said section is not given, we suggest that the full section 36 be included in the contract. Landlord's subordination agreement is attached.

3. The project can be completed within sixteen months following approval of the contract. Work will start within five days following approval. Time schedule is as follows:

FILE COPY
SURNAME:

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

Step One -

Build dozer road, complete surface stripping and sampling, first month.

Step Two -

Erect building and bring in equipment, second month. Drive 1090 feet of adit, subsidiary crosscuts and drift at approximate rate of 80 feet monthly; sample vein exposures, third to sixteenth month.

4. The project is to be effected in two steps, the second step to depend on field team approval subsequent to completion of step one. Step one consists of bulldozing a 1½ mile road to the exploration site and bulldozer stripping along the outcrops of hanging wall and footwall veins, each for a distance of three hundred feet, with sampling of exposures. Step two, to be undertaken only if field team regards results of step one as warranting it, is comprised of erection and installation of required minor facilities followed by driving an adit of 700 feet along the footwall vein, from which six crosscuts, of lengths varying from thirty to seventy-five feet approximately, totalling 390 feet, are proposed to be driven to cut the hanging wall vein at intervals of 100 to 150 feet. Unless there is some structure between the foot and hanging wall veins requiring crosscutting at frequent intervals, we believe that more information about the hanging wall vein might be obtained by dropping the three 75 feet crosscuts from the 500,600 and 700 ft. points in the footwall adit, substituting a 225 ft. drift along the hanging wall vein itself, to be driven from the crosscut at the 400 ft. point of the footwall adit. We suggest that this alternative be left to the field team's discretion. All vein exposures are to be sampled following accepted methods.

5. Estimated costs for the project are as follows:

Step one -

1½ miles of bulldozer road at 7¢/ft	$ 550.00
600 feet of bulldozer stripping, 40 hours at $12/hour	480.00
Supervision and Sampling	100.00
	$1,130.00

Step Two -

Cost of equipment to be purchased	$ 1,480.00
Cost of equipment to be rented	1,148.00*
Facilities to be purchased, installed & erected	1,871.20
Overhead, supervision and sampling	1,000.00
1,090 feet of drifts and crosscuts @$25/ft	27,250.00
Cost, step two only	$ 32,749.20
Total cost of project	$ 33,879.20

*Consists of 7 months compressor rental, although project envisages 14 months of drifting and crosscutting. We assume that either this total of $1,148.00

is purchase price of compressor or remaining rental is included in the overall cost of $25 per foot of drift and crosscut, as applicant states that this latter includes all costs not listed elsewhere.

Therefore, it is recommended that the Production Expansion Division negotiate a formal contract (MF-200) with E. E. Stauffer which will permit him to undertake the following, specific exploration along the lines described above:

(a) Make bulldozer road and strip surfacr of both veins a distance of 300 feet each

(b) Complet 1090 feet of drifting and crosscutting

(c) Accurately sample vein exposures and assay samples

(d) Submit maps, assay plans and repertsto DMA promptly upon completion of each step of the project.

Tom Lyon

Tom Lyon, Director
Supply Division

EGordon/mh 8-15-51
cc: Adm. Read. File
Reports and Records
Lyon
Renick
McKnight, USGS
Bourret
Field team, II
DMA docket files

FILE COPY
SURNAME:

Gordon
Bourret

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

AUG 16 1951

A.E.C.

Mr. E. E. Stauffer
Bregan, Oregon

Re: Cayote Group
Antimony, DMA-76

Dear Mr. Stauffer:

This will acknowledge receipt of your letter of July 30, 1951 enclosing copies of your mining lease.

When review of your lease is complete, we will return same to you.

Yours very truly,

BJ

/s/ Weston Bourret 8/16

Weston Bourret, Chief
Minor and Rare Metals

EGordon/mh 8-15-51

cc: Adm. Read. File
Reports and Records
Field team, II
Bourret
DMA docket files

(C O P Y)

Ironside, Oregon
August 10, 1948

Mr. E. E. Stauffer,
Brogan, Oregon

Dear Sir:

Will say that it is agreable with us for you to carry on mineral prospecting operations on our lands near Cow Butte and to build a road to the Antimony Mine on Cow Butte,

Yours very truly,

Ernest Lacey

FILE COPY
SURNAME:

Weston Bourret
Defense Minerals Adm.

Minor and Rare Metals - DMA
14097 Salaries and Expenses
Defense Production Activities
Department of the Interior,
1952.

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

July 27, 1951
Washington 25, D.C.

Mr. A. E. Weissenborn
Executive Officer, Region II
South 157 Howard St.
Spokane, Washington

RE DMA 76 ANTIMONY COYOTE GROUP, OREGON PLEASE OBTAIN ADDITIONAL FOUR COPIES STAUFFER MINING LEASE.

cc: confirmation

WESTON BOURRET, CHIEF
MINOR AND RARE METALS Branch, Supply Divis.
Defense Minerals Administration

EGordon/mh
cc: Adm. Read. File
Reports and Records
Lyon
Bourret
Files

DMA 76

856

CLASS OF SERVICE

This is a full-rate Telegram or Cablegram unless its deferred character is indicated by a suitable symbol above or preceding the address.

WESTERN UNION

1201

W. P. MARSHALL, PRESIDENT

SYMBOLS

DL=Day Letter

NL=Night Letter

LT=Int'l Letter Telegram

VLT=Int'l Victory Ltr.

The filing time PRA199 SSH224 day letters is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination

PR SKC149 GOVT PD=SPOKANE WASH 27 1227P=

Rec. 2616

WESTON BOURRET, CIEF=

MINOR AND RARE METALS BRANCH SUPPLY DIVISION DEFENSE MINERALS ADMINISTRATION WASHDC=

RE DMA 76, ANTIMONY COYOTE GROUP, OREGON, HAVE WIRED STAUFFER TO SEND ADDITIONAL 4 COPIES OF MINING LEASE DIRECTLY TO YOU=

VERNE C FRYKLUND FOR A E WEISSENBORN DEFENSE MINERALS ADMINISTRATION=

DMA 76 4=

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 30 1951
LANDON F. STROBEL
Executive Secretary

JUL 27 PM 4

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane 4, Washington

July 18, 1951

Mr. Landon F. Strobel
Executive Secretary
Defense Minerals Administration
Department of Interior
Washington 25, D. C.

Dear Mr. Strobel:

Enclosed herewith are five unsigned copies and one signed copy of a proposed contract on the Cayote Group, Malheur County, Oregon, DMA Docket No. 76.

Also enclosed are six copies of the Landlord's Subordination Agreement and four copies of a report on the property by J. S. Vhay, U.S.G.S.

Yours very truly,

A. E. Weissenborn
A. E. Weissenborn
Executive Officer, DMA
Field Team, Region II

Enclosures

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 23 1951
LANDON F. STROBEL
Executive Secretary

UNITED STATES
DEPARTMENT OF THE INTERIOR
OSCAR L. CHAPMAN, SECRETARY

DEFENSE MINERALS ADMINISTRATION
REGION II

DMA 76, Cayote Group
Malheur County, Oregon

John S. Vhay
U. S. Geological Survey

June 26, 1951

ON-SITE EXAM REP.

Examination Team Preliminary Report

Defense Minerals Administration

Docket #76 Property: Cayote Group

RECOMMENDATIONS

It is recommended that this property receive an exploration contract inasmuch as antimony is found on eight dumps and exposed in two workings over a total horizontal distance of about 1500 feet.

APPLICANT

E. E. Stauffer, Box 72, Brogan, Oregon. He reports that two miners from Baker, Oregon, own a third interest in the few tons of ore piled on the dump of the new inclined shaft. No other incumbrances were reported.

LOCATION

The Cayote group lies in Sec. 36, T. 14 S., R. 40 E., and the lease held by Mr. Stauffer covers also the mineral rights in Sec. 31, T. 14 S., R. 41 E. It is apparently in an unorganized mining district, in the northern part of Malheur County, Oregon. (See Fig. 1).

OWNERSHIP

The land is owned by the Eastern Oregon Land Company from which E. E. Stauffer has a lease on the mineral rights in the two sections described above. This was not checked at the county courthouse.

HISTORY

Some prospecting and a small amount of gold mining was done in the area a long time ago. There is apparently no record of the production here available. In 1917 and 1918 a shaft was put down on the antimony vein and

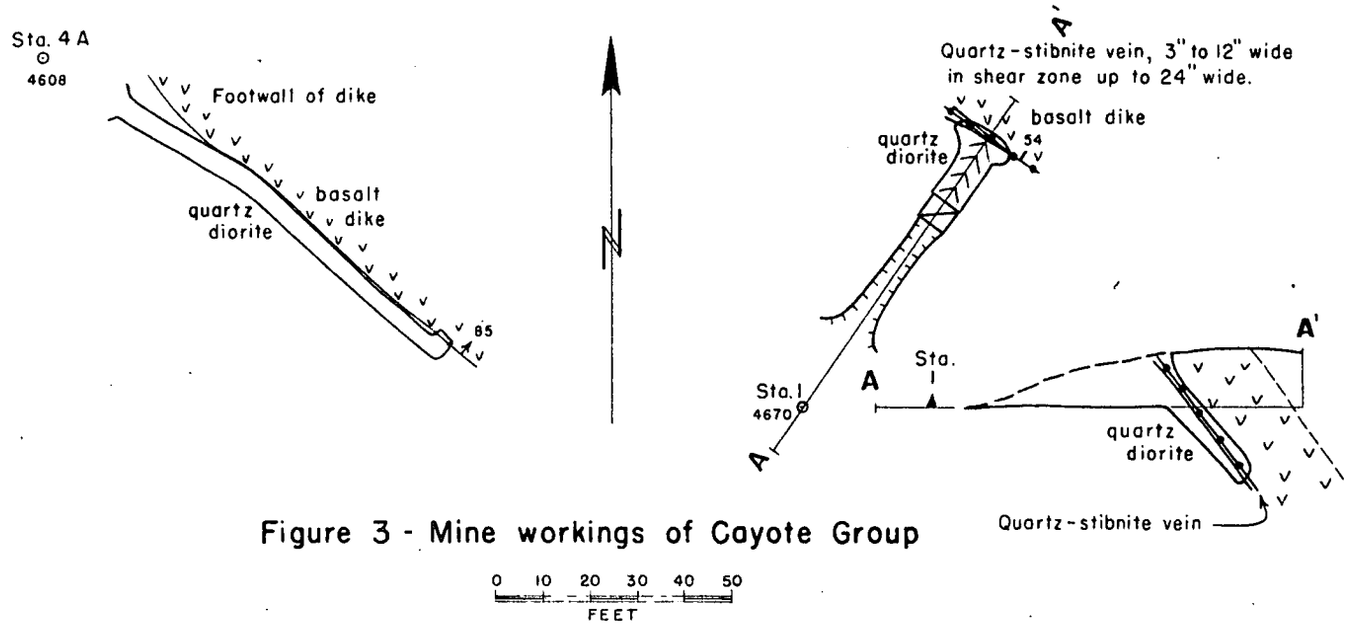


Figure 3 - Mine workings of Cayote Group

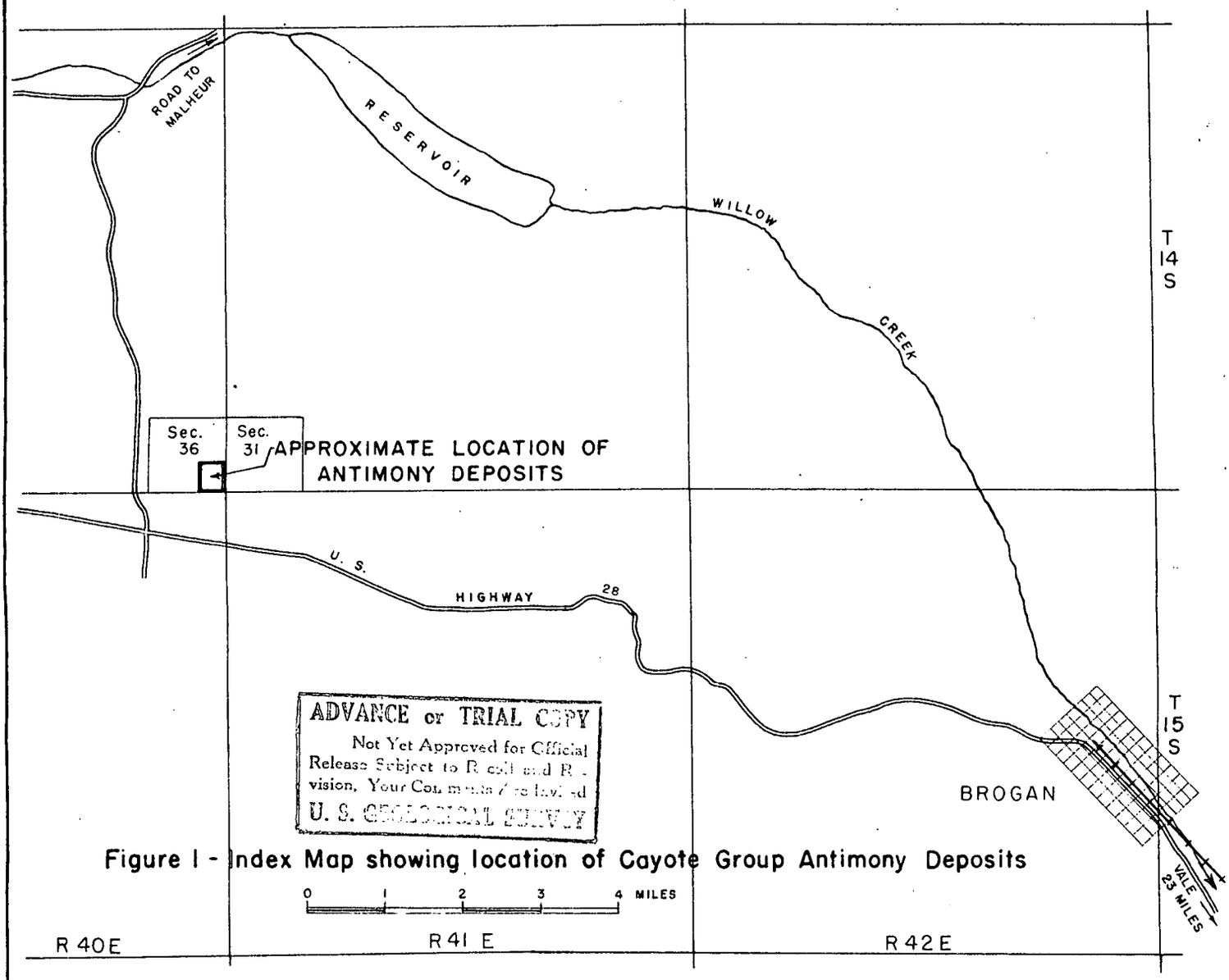


Figure 1 - Index Map showing location of Cayote Group Antimony Deposits

two or three carloads of (presumably high-grade) antimony ore were shipped.

E. E. Stauffer has obtained a lease on the mineral rights in this area probably within the last three or four years and has done some prospecting along the vein and sunk the new inclined shaft about 30 feet.

PROPOSAL

1. The proposal involves two steps. These are:

   A. Bulldoze approximately $1\frac{1}{2}$ miles of road to bring in equipment and supplies.

   B. a. Bulldoze a strip 300 feet long on both hanging and footwall veins northwest from Station 14 (See Fig. ~~3~~ 2) and sample.

      b. Bulldoze a strip 300 feet long on both hanging and footwall veins from Station 13 (See Fig. ~~3~~ 2) and sample.

2. If the surface samples and vein thicknesses are favorable, the second part of the proposed plan will be started.

   A. Drive 700 feet of drift along the footwall vein from a portal near Station 14 with appropriate sampling.

   B. Drive the following crosscuts from the footwall vein to cut the hanging wall vein:

      1. at 150 feet from portal about 30 feet.

      2. at 300 feet from portal about 30 feet.

      3. at 400 feet from portal about 50 feet.

      4. at 500 feet from portal about 75 feet.

      5. at 600 feet from portal about 75 feet.

      6. at 700 feet from portal about 75 feet.

   This will total 390 feet of crosscuts. Samples will be cut of hanging wall vein.

TECHNICAL FEASIBILITY

Geologic Setting

The deposit lies on the south side of a relatively isolated mountain south of Willow Creek and about fifteen miles west of Brogan, Oregon. (See Fig. 1). It is in desert country, and no timber was seen on the mountain. The property is about 500 feet above the valley fill-in the surrounding basin.

The country rock of the deposit is mostly a medium-grained quartz diorite, which apparently makes up most of the mountain, though at its south edge some strongly metamorphosed bedded quartzite and hornfels are exposed. The quartz diorite is cut by dikes and irregular masses of a finer-grained grey porphyritic rock, called diorite prophry in the field. Several vesicular fine-grained basaltic dikes are in the area, one of which lies along the vein structure for much of its distance, apparently younger than the mineralization, and is probably of Tertiary age.

The average strike of the easternmost three-quarters of the vein is N. 37 W., the dip between 50° NE. (See Fig. 2). Along this section the basalt dike has intruded along the vein structure so that now quartz-stibnite veins occur on both sides of the dike for most of the distances. West of a drainage line where the basalt dike leaves the vein and turns north, a single vein strikes N. 58 W. and dips 80° NE; it trends up N. 58 W. 350 feet to a small ridge, then trends N. 30 W. about 200 feet where it apparently dies out, judging by the lack of quartz float. Just west of where the vein crosses the ridge it intersects a quartz vein striking about N. 25 E., and dipping about 45° NW, on which there is an old inclined shaft 300 feet northeast; some gold was produced from this shaft a long time ago. At the intersection of the two veins a large pipe-like body of quartz has been formed, as is indicated by

much quartz float over an area about 80 by 50 feet. Some stibnite presumably occurs in this quartz-pipe as in a pit at the south it is found at the edge of the area covered with quartz-float.

In the new inclined shaft and in a nearby old open cut the vein on the footwall side of the basalt dike (hereafter called the footwall vein) appears as a quartz vein 3 to 12 inches wide in a shear zone about 2 feet wide. It carries either scattered crystals or fairly solid masses of both fine and coarse-grained stibnite; in a few places the quartz carries no stibnite. The milky quartz is either massive or occurs in a crude comb structure. A little coarse-grained sericite and clay-like material are present in places in the vein. A very little limonite in small spots in the quartz suggests the presence of a small amount of pyrite in the vein below the oxidized zone; somewhat more iron stain in the shear zone bordering the vein indicates a higher content of pyrite along the vein at depth. The vein is reported to carry some values in gold.

Stibnite occurs within three feet of the surface. Closer to the surface there is considerable yellow antimony oxide, presumably cervantite. Oxidation of the pyrite on the other hand is complete at least as far down as the bottom of the 30-foot shaft.

Besides the old and new inclined shafts, at which stibnite can be seen in place, four out of five caved pits on the footwall vein show stibnite with the quartz on the dumps. The hanging wall vein was never seen in place, but stibnite occurs on the dumps of four out of five pits along it, and presumably stibnite was found in the old vertical shaft, now caved. West of the drainage line stibnite occurs on the dumps of the caved adit of a pit on the vein, and of a pit at the south edge of the quartz pipe.

A channel sample of the widest part of the vein in the new shaft showed 0.035 oz. gold, and 8.23% antimony across 12 inches, and a grab sample of the ore on the dump showed 0.025 oz. gold and 16.02% antimony.

DESCRIPTION OF MINE WORKINGS

The accessible mine workings are shown on Fig. 3. The adit at Sta. 4A follows in, on or near the footwall of the basalt dike for about 85 feet, and shows no quartz or stibnite. The new inclined shaft at Sta. 1, goes down on the footwall of the basalt dike. It shows a sheared zone up to two feet wide in which there is a quartz-stibnite vein from 3 to 12 inches wide. About 10 feet west of the shaft there is a long northwest trending open cut in which there is another inclined shaft, now caved, on the footwall vein. Across the dike and a little farther west there is a caved vertical shaft on the hanging wall vein. Across the drainage line to the west there is one short caved adit on the vein. Quartz and stibnite are found on the dump. Aside from these few workings there are a number of pits, most of which are shown on Fig. 2, but the sides have caved in on all of them so that the veins could not be observed in place, but quartz and stibnite occur on the dumps of most of them.

RESERVES

With so few exposures of the vein in place, no attempt has been made to arrive at figures for reserve or grade.

MINING METHOD

Only 2-3 carloads of ore have been shipped from an inaccessible shaft. Nothing can be said about future mining methods until the exploration program is completed.

MILLING METHODS

There has been no milling to date. From inspection of ore specimens no unusual difficulties in concentrating are anticipated.

TIME SCHEDULE TO ATTAIN OBJECTIVES

A.	1. Build dozer road, complete surface stripping and sampling.	2 months
B.	Build building and bring in mining equipment. Drive first 300 feet of tunnel.	4 months
	Drive last 400 feet of tunnel and complete crosscutting and sampling.	10 months
	Total	16 months

16/7001 45 month 64 60 26 n' day

MARKETING FACILITIES

The ore or concentrates might be shipped by truck to the Bradley antimony smelter at Yellow Pine, a distance of about 220 miles. Otherpossible buyers are in the Chicago area and at Laredo, Texas.

LABOR SUPPLY

There is probably very little mining labor nearby, but apparently Mr. Stauffer intends to have a relatively small operation here, doing the work himself with the help of a few miners he knows in Baker, Oregon.

POWER

There is electric power in the valley south of the property which would probably be available. The distance to the power line is about one mile.

TRANSPORTATION

A paved highway in the valley is about a mile south of the property. Brogan, a station on the U.P. Railway is about 16 miles southeast. The nearest large town is Vale, Oregon, 40 miles southeast.

An access road about 1.5 miles long is needed to connect the property with the highway. Most of the way it will be in Valley fill material and,

therefore, can be easily built in a few days by one bulldozer.

ADEQUACY OF REQUESTED FUNDS

It is believed that the requested funds, totaling $39,864.00 will prove or disprove the value of the deposit as a possible antimony ore producer. A breakdown of the major costs is as follows:

Bulldozing road and trenches	$1,030.00
Drive 1090 feet of drift and crosscut	32,700.00
Mine equipment (rent, purchase)	4,436.00
Supervision and general overhead	1,000.00
Miscellaneous (Building, sampling)	700.00
	$ 39,864.00

It should be noted that the greatest expense will be incurred after the continuity of the vein along the surface has been proven.

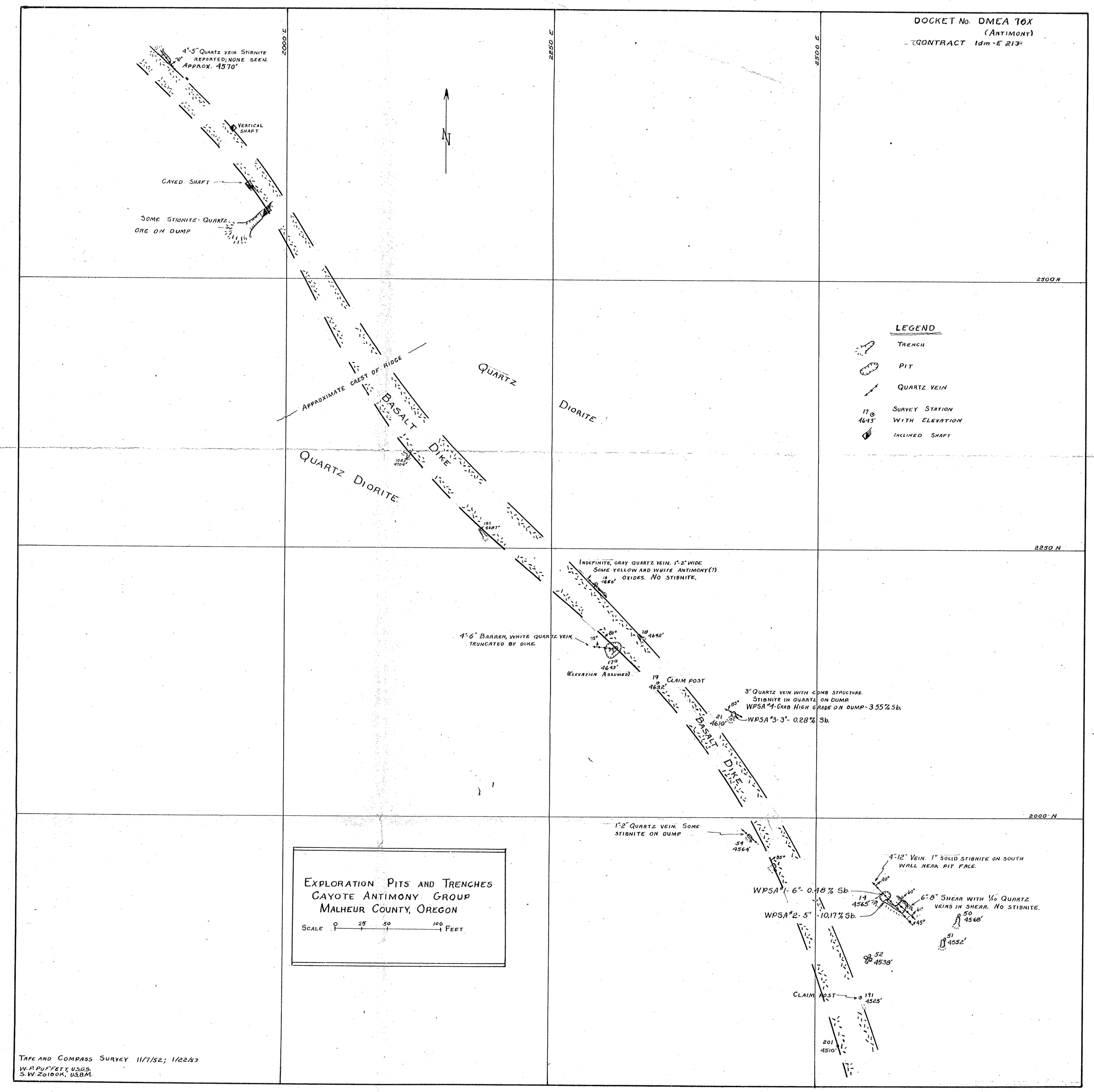
DISCUSSION OF PROPOSAL

Stibnite float can be traced over 1500 feet, although the vein is exposed at only one place. The vein is narrow at this one exposure but there appears to be a good chance that ore shoots of minable width and grade will occur. The stripping operating will permit determination of vein width and grade along the surface, if successful the underground exploration will cut the veins at a maximum depth of 130 feet and will thus permit a tentative calculation of ore reserves of any ore cut.

The proposed drift will not completely undercut the known length of the vein.

COMPETENCE OF APPLICANT

Mr. Stauffer appears to be a competent and reliable individual. He is a retired Forest Service Employee, and although he has not done a great deal of mining, he probably can do a good job with the help of his friends in Baker.


DOCKET No. DMEA 76X
(ANTIMONY)
CONTRACT Idm-E 213
2000 E
2250 E
2500 E
2500 N
2250 N
2000 N
4"-5" QUARTZ VEIN. STIBNITE REPORTED; NONE SEEN. APPROX. 4570'
10'
VERTICAL SHAFT
CAVED SHAFT
SOME STIBNITE-QUARTZ ORE ON DUMP
N
APPROXIMATE CREST OF RIDGE
QUARTZ DIORITE
BASALT DIKE
102 4704'
101 4697'
DIORITE
LEGEND
TRENCH
PIT
QUARTZ VEIN
17 4643' SURVEY STATION WITH ELEVATION
INCLINED SHAFT
INDEFINITE, GRAY QUARTZ VEIN. 1"-2" WIDE. SOME YELLOW AND WHITE ANTIMONY(?) OXIDES. NO STIBNITE.
18 4656'
18 4692'
4"-6" BARREN, WHITE QUARTZ VEIN, TRUNCATED BY DIKE.
75°
81°
17 4643' (ELEVATION ASSUMED)
19 4632' CLAIM POST
3" QUARTZ VEIN WITH COMB STRUCTURE. STIBNITE IN QUARTZ ON DUMP.
WPSA #4-GRAB HIGH GRADE ON DUMP-3.55% Sb.
WPSA #3-3"-0.28% Sb.
83°
21 4610'
BASALT DIKE
1"-2" QUARTZ VEIN. SOME STIBNITE ON DUMP
54 4564'
35°
4"-12" VEIN. 1" SOLID STIBNITE ON SOUTH WALL NEAR PIT FACE.
40°
WPSA #1-6"-0.48% Sb.
WPSA #2-5"-10.17% Sb.
14 4565'
79°
60°
61°
45°
6"-8" SHEAR WITH 1/10 QUARTZ VEINS IN SHEAR. NO STIBNITE.
50 4568'
51 4552'
52 4538'
CLAIM POST
191 4525'
201 4510'
EXPLORATION PITS AND TRENCHES
CAYOTE ANTIMONY GROUP
MALHEUR COUNTY, OREGON
SCALE 0 25 50 100 FEET
TAPE AND COMPASS SURVEY 11/7/52; 1/22/53
W.P. PUFFETT, U.S.G.S.
S.W. ZOIBOK, U.S.B.M.