DMEA Form 1

DEFENSE MINERALS EXPLORATION ADMINISTRATION
Control Slip

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DMEA Docket No. 4434

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| To: | Oper Com. | Date | 9-10-56 |
| To: | Admn. Ass't. | Date | 9-10-56 |
| To: | Mt R | Date | 9-10-56 |
| To: | Oper Com | Date | 12-19-56 |
| To: | Admn | Date | 12-19-56 |
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## CONTROLLED DOCUMENT

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xxxxxxxxxxxxxxxxxx
So. 157 Howard Street
Spokane 4, Washington

February 12, 1957

Mr. John McMannon
1617 Division Street
Bend, Oregon

Re: Docket No. DMEA-4434 (Mercury)
Joe Dandy, Red Idol, and
Independence Claims
Crook County, Oregon

Dear Mr. McMannon:

In your letter of August 7, 1956 sending us your application for exploration assistance, you requested that the Agreement and Amendment to Agreement be returned to you.

Enclosed is the Agreement and Amendment to Agreement, both dated September 5, 1955, between you and San Jose Mercury Products, Inc.

Sincerely yours,

D. R. MacLaren
for: A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region I, NW District

Enclosures

cc: DMEA (2)
USBM (2)
Alvord

Returned
12/19/56

400

Mr. A. E. Weissenborn, Executive Officer
DMEA Field Team, Region I - Northwest District
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA-4434, Mercury
John McManmon
Joe Dandy, Red Idol, and
Independence claims
Crook County, Oregon

Dear Mr. Weissenborn:

The above-docketed application for exploration assistance is being referred to your office for a field examination of the property.

Copies of memoranda dated August 24, 1956, by N. E. Nelson, Geological Survey, and J. W. Pennington, Bureau of Mines, relating to the project, are enclosed. Their comments regarding the lack of sampling and information on grade are the result of their not having received copies of the two assay reports that were attached to the original application.

Also enclosed are the Agreement between John McManmon and San Jose Mercury Products, Inc., and the Amendment to Agreement, which the applicant requested to be returned.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Enclosures

APPROVED:

Frank D. Lamb

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

cc: Docket
Code 400
Oper. Comm.
Adm. Read. File
Thor Kiilsgaard, USGS
J. W. Pennington, USBM
FT, Reg. I-N.W. District

ADMcMahon/ls
9/7/56

Mr. John McMammon
1517 Division Street
Bend, Oregon

Re: Docket No. DMEA-4434, Mercury
Joe Dandy, Red Idol, and
Independence claims
Crook County, Oregon

Dear Mr. McMammon:

The above-docketed application for exploration assistance for mercury ores has been reviewed by the Washington office of the Defense Minerals Exploration Administration and referred to Mr. A. E. Weissenborn, Executive Officer, DMEA Field Team, Region I, Northwest District, South 157 Howard Street, Spokane 4, Washington, for a field examination of the property.

Any assistance that you can give the members of the Field Team will be appreciated.

Sincerely yours,

Frank E. Johnson

ACTING Administrator

cc: Docket
Code 400
Oper. Comm.
Adm. Read. File
Thor Kiilsgaard, USGS
J. W. Pennington, USBM
FT, Region I-NW Dist.

ADMcMahon/ls
9/7/56

August 27, 1956

MEMORANDUM

To: Associate Solicitor, Division of Mineral Resources

From: Iron and Ferro-Alloys Division, DMEA

Subject: Review of Lease, Sub-lease and Amendment thereto
Docket No. DMEA 443 - Mercury
John McMammon
Joe Dandy, Red Idol, and Independence claims
Crook County, Oregon

Paragraph 2 of the Agreement between John McMammon and San Jose Mercury Products, Inc., reads, "McMammon does hereby lease and let unto the Corporation the aforesaid mining claims for the purpose of developing them in the production of cinnabar and such other minerals as may prove profitable for a period of fifteen (15) months commencing September 1, 1955, and ending November 30, 1956 - - - -." Although Mr. McMammon, by his letter of August 7, 1956, informs that San Jose Mercury Products, Inc., abandoned the claims without living up to their contract, the Agreement does not appear to contain a provision for cancellation of the lease upon abandonment of the property.

We would, therefore, appreciate your advise as to whether or not we would be justified in processing this application prior to the termination date (November 30, 1956) of said lease.

W. S. Martin, Chief
Iron and Ferro-Alloys Division

ADMcMAHON/foc
8/27/56
cc to: Docket
Code 400

402

August 24, 1956

Memorandum

Copy retained 400

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

From: Commodity Specialist, Branch of Base Metals

Subject: Review of application, Docket No. DMEA 4434 (mercury), John McMahanon, Joe Dandy, Red Ideal, Independence Claims, Crook County, Oregon. $21,241.00

The applicant proposes to explore for mercury mineralization by 350 feet of drifting, 50 feet of shaft sinking, and miscellaneous repairs and construction at an estimated total cost of $21,241.00.

Insufficient data are furnished to properly evaluate the application. There is nothing given on the grade or extent of visible mineralization or the reason and justification for selecting the areas to be explored.

The estimated costs seem excessive, especially for the tunnel work.

I recommend that the applicant be requested to supply the information necessary for an accurate appraisal of the application.

J. W. Pennington

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

IN REPLY REFER TO:

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

400

August 24, 1956

Re: DMEA 4434
John McMannon
Red Idol Group
Crook County, Oregon
$21,241.00 - Mercury

Copy retained 400

Memorandum

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

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

Subject: Review of application.

The applicant requests assistance in exploring mercury-bearing veins, which, according to the map, show cinnabar in not less than 6 places in a length of 1800 feet. No sampling seems to have been done, no vein widths are given, another operator has recently abandoned the claims, and the right of entry appears to be in question.

Nevertheless, the Field Team tentatively recommends that an examination be made.

Referral of the application to the Field Team is recommended.

N. E. Nelson

N. E. Nelson

NENelson:iml
G-8/24/56

cc: Director's reading, 4212
Branch reading, 4212
DMEA (3)
Docket file
J. W. Pennington, 3623

RECEIVED
DEC 27 1956
D.M.E.A.

4-00

xxxxxxxxxxxxxxxxxx
So. 157 Howard Street
Spokane 4, Washington

November 30, 1956

WSM

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

This is one of the claims not the operator

Re: Docket No. DMEA-443 (Marcury)
John McMannon, Joe Dandy,
Red Idol, and Independence Claims,
Crook County, Oregon

Dear Mr. Selfridge:

Enclosed are four copies of an Examination Report by Donald C. Alvord, Geologist, U. S. Geological Survey, and E. W. Parsons, Mining Engineer, U. S. Bureau of Mines.

The examiners state that small isolated pods of ore-grade rock are probably present in the vein but conclude that these pods are not capable of supporting even small productions over a reasonable period of time. They recommend that the application be denied; the Field Team concurs in this recommendation.

By Field Team, Region I, NW Dist.

A. E. Weissenborn, Exec. Officer
U. S. Geological Survey

cc: USBM (2)
USGS (SRO)
Alvord

Wing G. Agnew, Member
U. S. Bureau of Mines

Reviewed by
DMEA OPERATING COMMITTEE

(6230)

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

November 8, 1956

MEMORANDUM

To: DMEA Field Team, Region I, Northwest District

From: D. C. Alvord, Geologist, U. S. Geological Survey and
E. W. Parsons, Mining Engineer, U. S. Bureau of Mines

Subject: Examination report, Docket No. DMEA-4434 (Mercury), John McManmon, Joe Landy, Red Idol, and Independence claims, Crook County, Oregon.

## INTRODUCTION AND SUMMARY

An application for exploration assistance was received from Mr. John McManmon on August 8, 1956. We examined the property on September 24 and 25, 1956 accompanied by R. D. Sample, Geologist, U. S. Geological Survey. Mr. McManmon and his wife guided us over the property on the morning of the 24th.

The examination consisted of mapping the workings and carefully sampling the structures.

Fourteen samples taken from the vein structures ranged in contained mercury from nothing to 3 pounds per ton and the principal vein structure averages only about 0.9 pound of mercury per ton. Small isolated pods of ore grade rock are probably present in the vein but these are not capable of supporting even small production over a reasonable period of time.

## RECOMMENDATION

We recommend the application be denied.

Reviewed by
DMEA OPERATING COMMITTEE

(date)

RECEIVED
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## APPLICANT

John McManmon, 1617 Division Street, Bend, Oregon

Mr. McManmon attended a Government sponsored prospector's school in Portland prior to World War II. He has been engaged in various mining activities in the past few years, particularly in the Ochoco mining district. On October 7, 1954 Mr. McManmon signed

Contract IDM-E721 to explore for mercury on the Pinkey No. 1 and 2 claims, located about 2 miles southeast of the Joe Dandy, Red Idol, and Independence claims. The project, consisting of sinking a 60-foot vertical shaft and drifting 150 feet, was completed in a workmanlike manner on June 6, 1955. No administrative or financial difficulties were encountered.

It is believed that Mr. McManmon is fully competent to carry out the exploration work he has applied for, and that he would be able to finance his share of the costs.

## LOCATION AND ACCESSIBILITY

The applicant's claims are in sec. 31, T. 17 S., R. 17 E., Ochoco mining district, Crook County, Oregon. The property can be reached from Prineville, Oregon by traveling south on State Highway 27 to the junction of Crooked River and Bear Creek, thence south on Route 27 along Bear Creek about 3 miles to Claud C. Dunham's ranch, thence right on an unimproved dirt road past the Dunham ranch buildings and traveling southwesterly about 1½ miles to the property.

The topography is of moderate relief, sparsely covered with scrub timber. This is a semi-arid region where summer temperatures are mild. There is little rainfall and the winters are seldom severe.

## PROPERTY RIGHTS

The property comprises three unpatented lode claims, the Joe Dandy, Red Idol and Independence, listed in Book 5, p. 394, at the office of the Clerk and Recorder, Crook County, Oregon. The claims were leased by McManmon, the applicant, from C. C. Dunham, Mary Dunham, and Clifton Dunham. The agreement was signed in July 1955, and is designed to expire ten years after the signing. Consent to lien is being obtained by the applicant.

The property is presently encumbered by an agreement between John McManmon and the San Jose Mercury Products, Inc., granting the Corporation exploration, development, and production rights from September 1, 1955 to November 30, 1956, and exclusive option to lease the property from December 1, 1956 to June 30, 1964, provided such option is exercised on or before the 1st day of November, 1956.

According to McManmon, the Corporation has not made any payments under the terms of the lease nor has it been active on the property since November 1955.

## DESCRIPTION OF THE PROPERTY

The property is explored by five short adits, a shallow shaft and nine open cuts (pl. 1). A truck trail gives ready access to the principal workings of the mine and to small springs located south of the workings. Structures on the property include two frame dwelling units, a frame garage, and a small multiple-hearth furnace with a pipe retort.

## GEOLOGY

The mine geology of the Ochoco mining district is described by James Gilluly, J. C. Reed, and C. F. Park, Jr., in U. S. Geological Survey Bull. 846-A, p. 118-140, 1933, in a report entitled, "Some mining districts of eastern Oregon." In this report about a third of a page is devoted to a description of the Joe Dandy mercury deposit.

The property is underlain by flows of porphyritic quartz latite locally interbedded with small lenses of tuff. The attitude of the beds was not accurately determined, but it is probably nearly flat. A quartz-carbonate vein, consisting of numerous reticulate veinlets of quartz, quartz-siderite, and calcite, cuts these rocks (pl. 1).

The vein strikes N. 45° W. and can be traced for about 1,000 feet across the property. It appears to be crossfaulted at several points but is definitely faulted off at both its north and and south ends. The vein dips from 70° NE. to vertical but averages about 85° NE. At least one spur vein branches from the main vein, and one parallel vein exists about 200 feet west of the main vein, but these are not persistent.

The main vein ranges in width from a foot or less up to 5 feet but a silicified border zone, of less fractured and less numerous quartz and carbonate veinlets, exposed in the Forgotten Adit, may extend the total mineralized zone to 25 feet or more in width (pl. 1).

Although quartz and carbonates are the dominant epigenetic minerals, chalcedony and opal silicification along with pyrite are common in the veins. The cinnabar appears to be most abundant where the quartz veinlets are most abundant but some cinnabar also occurs disseminated in the walls and as coatings along certain joint surfaces.

The country rock is normally a medium grey-green color but near the vein it is bleached to a purple cast and within the vein the rock is bleached to a cream or buff color. The purple alteration zone varies from about 12 to more than 100 feet in width. At some properties in the district it has been mapped as rhyolite. Kaolinitic alteration is intense within the vein and the silicified border zone but is only partially developed in the purple alteration zone.

## DISCUSSION OF THE SAMPLES

Sixteen samples taken from the vein-structures ranged in contained mercury from nothing to a maximum of 3 pounds per ton (pl. 1). Throwing out samples no. 321-B, 327-B, 328-B, and 348-B, which were taken either from the silicified border zone or from the nonpersistent parallel vein, the average value of the samples is only 0.9 pound of mercury per ton.

## MERIT OF THE PROPERTY

There is no reason to infer a change in character of the vein with increase in depth. At the present value of mercury (about $3.40/pound), the grade of the vein (0.9 pound /ton) is far below that needed for successful small-scale mining. The vein is narrow as mercury veins go, therefore the structure does not offer potential as a large low-grade deposit. No doubt pods of 5- or 10-pound rock exist within the structure, but the size of the individual workings indicates that these must be quite small and quite sparsely distributed.

The property does not offer a target potentially capable of supporting even very small-scale production over a reasonable period of time.

## APPLICANT'S PROPOSAL

Mr. McManmon proposes driving 350 feet of crosscut and drift from the main adit face, sinking the shaft 50 feet, doing an unspecified amount of road repair work, including the installation of three culverts, repairing two buildings, constructing a shower house and a pump house, and installing a water system with a storage tank.

## EVALUATION OF THE APPLICANT'S PROPOSAL

The proposal is obviously too elaborate, so far as plant improvement is concerned, for the small amount of exploration work involved, but inasmuch as the structure does not warrant exploration, there is no point in discussing the proposal in detail.

Attachment 1

Distribution:
- DMEA (4)
- USBM (5)
- USGS(SRO)
- Docket
- Alvord

400

December 12, 1956

Memorandum

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

From: Assistant Chief, Branch of Base Metals

Subject: Review of Field Team examination report, Docket No. DMEA 443½ (mercury), John McMannon, Joe Dandy, Red Idol, and Independence Claims, Crook County, Oregon

The applicant proposed to explore for mercury mineralization by 350 feet of crosscutting and drifting and sinking the shaft 50 feet at an estimated total cost of $21,241.00.

Examination and sampling of the property showed the material is low-grade and averages 0.9 pounds of mercury per ton. In addition, it is not likely that mineralization is extensive.

As a result the Field Team recommended that the application be denied.

I agree with this recommendation.

J. W. Pennington

J. W. Pennington

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

Mr. John McMannon
1617 Division Street
Bend, Oregon

Re: Docket No. DMM 4434 - Mercury
Joe Dandy, Red Idol, and
Independence claims
Crook County, Oregon

Dear Mr. McMannon:

Your application for aid for an exploration project and other data available to us in Washington concerning the above-referenced property have been reviewed.

Projects approved by the Defense Minerals Exploration Administration must, in its judgment, show definite promise of yielding materials of acceptable grade in quantities that will significantly improve the mineral supply position for the National Defense Program.

Careful study of our information indicates that, although mercury mineralization occurs on the property, the probability of disclosing minable ore reserves is not sufficiently promising to justify Government participation. Under these circumstances, we regret to advise you that your application is denied.

We wish to thank you for your interest in the Defense Minerals Exploration Administration program and for bringing this property to our attention.

Sincerely yours,

C. O. Mittendorf

Administrator

ADMcMahon:am 12-18-56
cc to: Docket
Code 400
Admr. Read. File
Oper. Comm.
Messrs. J. W. Pennington, USBM
T. H. Kiilsgaard, USGS
FT. REG. I, NWDist

December 17, 1956

MEMORANDUM

To: Administrator, DMEA

From: Iron and Ferro-Alloys Division, DMEA

Subject: Denial of request for exploration assistance
in the amount of $21,241.00
Docket No. DMEA 4434 - Mercury
John McMannon
Joe Dandy, Red Idol, and Independence claims
Crook County, Oregon

Denial of the subject application is recommended by this Division based on the following information:

(1) The applicant, John McMannon, 1617 Division St., Bend, Oregon, requested exploration assistance in the amount of $21,241.00 for rehabilitation and construction of surface structures, crosscutting, drifting, and sinking a shaft.

(2) The applicant controls by a lease the Joe Dandy, Red Idol, and Independence claims in sec. 31, T. 17 S., R. 17 E., in the Ochoco mining district, Crook County, Oregon.

(3) The proposed program is for 350 feet of crosscut and drift from the main adit face, deepening the shaft 50 feet, road repair work including installation of three culverts, repairing two buildings, constructing a shower house and a pump house, and installing a water system with a storage tank.

(4) The property is underlain by flows of porphyritic quartz latite interbedded with small lenses of tuff and cut by a quartz carbonate vein consisting of numerous reticulate veinlets of quartz, quartz-siderite, and calcite. This vein can be traced for about 1,000 feet across the property and ranges in width from less than one foot up to five feet. The cinnabar appears to be most abundant where the quartz veinlets are most abundant but some cinnabar also occurs disseminated in the walls and as coatings along certain joint surfaces.

Previous workings consist of five short adits, a shallow shaft, and nine open cuts. Sixteen samples taken from the vein structures ranged in contained mercury from nothing to 3 pounds per ton and the principal vein structure averages only about 0.9 pound of mercury per ton.

(5) The Field Examiners conclude that although some small pods of ore (5-10 pound Hg/ton) may exist in the vein, its width is too narrow and its average grade would be too low to support any size operation. Accordingly, they recommend denial of the application. The Field Team and the Commodity Divisions of the Geological Survey and the Bureau of Mines concur in this recommendation.

W. S. Martin, Chief
Iron and Ferro-Alloys Division

ADMcMahon:am 12-17-56
cc to: Docket
Code 400
Admr. Read. File
Oper. Comm.

December 13, 1956
Re: DMEA 4434
John McCarmon
Joe Sandy, et al claims
Crook County, Oregon
121,241.00 - Mercury

Memorandum

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

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

Subject: Review of Field Team Report

The applicant requested assistance in exploring a mercury bearing vein, from 1 to about 5 feet wide. A silicified border zone up to 25 feet wide was noted in the forgotten Adit. The vein has been traced for 1,000 feet.

Mercury is sparsely distributed through the vein and adjoining altered rocks. As determined by sampling, the vein proper contains only 0.9 pound of mercury per ton. In the opinion of the examiners, the grade of the vein should not be expected to increase with depth, therefore an operation cannot be inferred, and with the Field Team recommend that the application be denied.

I concur with the opinion and recommendation of the examiners and the Field Team.

N. E. Nelson

N. E. Nelson

cc: Director's reading, 4212
Branch reading, 4212
DMEA (3)
Docket file
Chron. file
J. W. Pennington, 2623
NENelson:pbb
Q: 12/13/56

December 13, 1956
Re: DMEA 4434
John McCannon
Joe Landy, et al claims
Crook County, Oregon
421,241.00 - Mercury

Memorandum

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

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

Subject: Review of Field Team Report

The applicant requested assistance in exploring a mercury bearing vein, from 1 to about 5 feet wide. A silicified border zone up to 25 feet wide was noted in the Forgotten Adit. The vein has been traced for 1,000 feet.

Mercury is sparsely distributed through the vein and adjoining altered rocks. As determined by sampling, the vein proper contains only 0.9 pound of mercury per ton. In the opinion of the examiners, the grade of the vein should not be expected to increase with depth, therefore an operation cannot be inferred, and with the Field Team recommend that the application be denied.

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N. G. Nelson

N. G. Nelson

cc: Director's reading, 4212
Branch reading, 4212
DMEA (3)
Docket file
Chron. file
J. W. Pennington, 2623
NGNelson:pbb
G: 12/13/56

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xxxxxxxxxxxxxxxxxx
Sr. 157 Howard Street
Spokane 4, Washington

February 12, 1957

Mr. John McMammon
1617 Division Street
Bend, Oregon

Re: Docket No. DMEA-4434 (Mercury)
Joe Dandy, Red Idol, and
Independence Claims
Crook County, Oregon

Dear Mr. McMammon:

In your letter of August 7, 1956 sending us your application for exploration assistance, you requested that the Agreement and Amendment to Agreement be returned to you.

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Sincerely yours,

D. R. MacLaren
for: A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region I, NW District

Enclosures

cc: DMEA (2)
USBM (2)
Alvord

400

DOCKET
SURNAME
McMahon
Martin
Lamb
Nelson
Selfridge

DEC 19 1956

Mr. John McHannon
1617 Division Street
Bend, Oregon

Re: Docket No. DMEA 4434 - Mercury
Joe Dandy, Red Idol, and
Independence claims
Crook County, Oregon

Dear Mr. McHannon:

Your application for aid for an exploration project and other data available to us in Washington concerning the above-referenced property have been reviewed.

Projects approved by the Defense Minerals Exploration Administration must, in its judgment, show definite promise of yielding materials of acceptable grade in quantities that will significantly improve the mineral supply position for the National Defense Program.

Careful study of our information indicates that, although mercury mineralization occurs on the property, the probability of disclosing minable ore reserves is not sufficiently promising to justify Government participation. Under these circumstances, we regret to advise you that your application is denied.

We wish to thank you for your interest in the Defense Minerals Exploration Administration program and for bringing this property to our attention.

Sincerely yours,

C. O. Mittendorf (for)

Administrator

ADMcMahon:am 12-18-56
cc to: Docket
Code 400
Admr. Read. File
Oper. Comm.
Messrs. J. W. Pennington, USBM
T. H. Kiilsgaard, USGS
FT. REG. I, NWDist

400

DOCKET
SURNAME
McMahon
Martin

December 17, 1956

MEMORANDUM

To: Administrator, DMEA

From: Iron and Ferro-Alloys Division, DMEA

Subject: Denial of request for exploration assistance
in the amount of $21,241.00
Docket No. DMEA 4434 - Mercury
John McMannon
Joe Dandy, Red Idol, and Independence claims
Crook County, Oregon

Denial of the subject application is recommended by this Division based on the following information:

(1) The applicant, John McMannon, 1617 Division St., Bend, Oregon, requested exploration assistance in the amount of $21,241.00 for rehabilitation and construction of surface structures, crosscutting, drifting, and sinking a shaft.

(2) The applicant controls by a lease the Joe Dandy, Red Idol, and Independence claims in sec. 31, T. 17 S., R. 17 E., in the Ochoco mining district, Crook County, Oregon.

(3) The proposed program is for 350 feet of crosscut and drift from the main adit face, deepening the shaft 50 feet, road repair work including installation of three culverts, repairing two buildings, constructing a shower house and a pump house, and installing a water system with a storage tank.

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Previous workings consist of five short adits, a shallow shaft, and nine open cuts. Sixteen samples taken from the vein structures ranged in contained mercury from nothing to 3 pounds per ton and the principal vein structure averages only about 0.9 pound of mercury per ton.

(5) The Field Examiners conclude that although some small pods of ore (5-10 pound Hg/ton) may exist in the vein, its width is too narrow and its average grade would be too low to support any size operation. Accordingly, they recommend denial of the application. The Field Team and the Commodity Divisions of the Geological Survey and the Bureau of Mines concur in this recommendation.

W. S. Martin, Chief
Iron and Ferro-Alloys Division

ADMcMahon:am 12-17-56
cc to: Docket
Code 400
Admr. Read. File
Oper. Comm.

Docket

IN REPLY REFER TO:

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

RECEIVED DEC 1956 D.M.E.A.

December 13, 1956
Re: DMEA 4434
John McManmon
Joe Dandy, et al claims
Crook County, Oregon
$21,241.00 - Mercury

Memorandum

WSM

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

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

Subject: Review of Field Team Report

The applicant requested assistance in exploring a mercury bearing vein, from 1 to about 5 feet wide. A silicified border zone up to 25 feet wide was noted in the Forgotten Adit. The vein has been traced for 1,000 feet.

Mercury is sparsely distributed through the vein and adjoining altered rocks. As determined by sampling, the vein proper contains only 0.9 pound of mercury per ton. In the opinion of the examiners, the grade of the vein should not be expected to increase with depth, therefore an operation cannot be inferred, and with the Field Team recommend that the application be denied.

I concur with the opinion and recommendation of the examiners and the Field Team.

N. E. Nelson

N. E. Nelson

Docket

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

December 12, 1956

Memorandum

WSM

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

From: Assistant Chief, Branch of Base Metals

Subject: Review of Field Team examination report, Docket No. DMEA 4434 (mercury), John McMammon, Joe Dandy, Red Idol, and Independence Claims, Crook County, Oregon

The applicant proposed to explore for mercury mineralization by 350 feet of crosscutting and drifting and sinking the shaft 50 feet at an estimated total cost of $21,241.00.

Examination and sampling of the property showed the material is low-grade and averages 0.9 pounds of mercury per ton. In addition, it is not likely that mineralization is extensive.

As a result the Field Team recommended that the application be denied.

I agree with this recommendation.

J. W. Pennington

J. W. Pennington

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

Copy retained 400

Docket

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

RECEIVED DEC 1956 D.M.E.A.

November 30, 1956

WSM

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

Re: Docket No. DMEA-4434 (Mercury)
John McManmon, Joe Dandy,
Red Idol, and Independence Claims,
Crook County, Oregon

Dear Mr. Selfridge:

Enclosed are four copies of an Examination Report by Donald C. Alvord, Geologist, U. S. Geological Survey, and E. W. Parsons, Mining Engineer, U. S. Bureau of Mines.

The examiners state that small isolated pods of ore-grade rock are probably present in the vein but conclude that these pods are not capable of supporting even small productions over a reasonable period of time. They recommend that the application be denied; the Field Team concurs in this recommendation.

By Field Team, Region I, NW Dist.

A. E. Weissenborn
A. E. Weissenborn, Exec. Officer
U. S. Geological Survey

Wing G. Agnew
Wing G. Agnew, Member
U. S. Bureau of Mines

cc: USBM (2)
USGS (SRO)
Alvord

Reviewed by
DMEA OPERATING COMMITTEE
12-10-56
(date)

RECEIVED
DEC [redacted] 1956
D.M.E.A.

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

November 8, 1956

MEMORANDUM

To: DMEA Field Team, Region I, Northwest District

From: D. C. Alvord, Geologist, U. S. Geological Survey and
E. W. Parsons, Mining Engineer, U. S. Bureau of Mines

Subject: Examination report, Docket No. DMEA-434 (Mercury), John McManmon, Joe Dandy, Red Idol, and Independence claims, Crook County, Oregon.

## INTRODUCTION AND SUMMARY

An application for exploration assistance was received from Mr. John McManmon on August 8, 1956. We examined the property on September 24 and 25, 1956 accompanied by R. D. Sample, Geologist, U. S. Geological Survey. Mr. McManmon and his wife guided us over the property on the morning of the 24th.

The examination consisted of mapping the workings and carefully sampling the structures.

Fourteen samples taken from the vein structures ranged in contained mercury from nothing to 3 pounds per ton and the principal vein structure averages only about 0.9 pound of mercury per ton. Small isolated pods of ore grade rock are probably present in the vein but these are not capable of supporting even small production over a reasonable period of time.

## RECOMMENDATION

We recommend the application be denied.

Reviewed by
DMEA OPERATING COMMITTEE
12-10-56
(date)

## APPLICANT

John McManmon, 1617 Division Street, Bend, Oregon

Mr. McManmon attended a Government sponsored prospector's school in Portland prior to World War II. He has been engaged in various mining activities in the past few years, particularly in the Ochoco mining district. On October 7, 1954 Mr. McManmon signed

Contract IDM-E721 to explore for mercury on the Pinkey No. 1 and 2 claims, located about 2 miles southeast of the Joe Dandy, Red Idol, and Independence claims. The project, consisting of sinking a 60-foot vertical shaft and drifting 150 feet, was completed in a workmanlike manner on June 6, 1955. No administrative or financial difficulties were encountered.

It is believed that Mr. McManmon is fully competent to carry out the exploration work he has applied for, and that he would be able to finance his share of the costs.

## LOCATION AND ACCESSIBILITY

The applicant's claims are in sec. 31, T. 17 S., R. 17 E., Ochoco mining district, Crook County, Oregon. The property can be reached from Prineville, Oregon by traveling south on State Highway 27 to the junction of Crooked River and Bear Creek, thence south on Route 27 along Bear Creek about 3 miles to Claud C. Dunham's ranch, thence right on an unimproved dirt road past the Dunham ranch buildings and traveling southwesterly about 1½ miles to the property.

The topography is of moderate relief, sparsely covered with scrub timber. This is a semi-arid region where summer temperatures are mild. There is little rainfall and the winters are seldom severe.

## PROPERTY RIGHTS

The property comprises three unpatented lode claims, the Joe Dandy, Red Idol and Independence, listed in Book 5, p. 394, at the office of the Clerk and Recorder, Crook County, Oregon. The claims were leased by McManmon, the applicant, from C. C. Dunham, Mary Dunham, and Clifton Dunham. The agreement was signed in July 1955, and is designed to expire ten years after the signing. Consent to lien is being obtained by the applicant.

The property is presently encumbered by an agreement between John McManmon and the San Jose Mercury Products, Inc., granting the Corporation exploration, development, and production rights from September 1, 1955 to November 30, 1956, and exclusive option to lease the property from December 1, 1956 to June 30, 1964, provided such option is exercised on or before the 1st day of November, 1956.

According to McManmon, the Corporation has not made any payments under the terms of the lease nor has it been active on the property since November 1955.

## DESCRIPTION OF THE PROPERTY

The property is explored by five short adits, a shallow shaft and nine open cuts (pl. 1). A truck trail gives ready access to the principal workings of the mine and to small springs located south of the workings. Structures on the property include two frame dwelling units, a frame garage, and a small multiple-hearth furnace with a pipe retort.

## GEOLOGY

The mine geology of the Ochoco mining district is described by James Gilluly, J. C. Reed, and C. F. Park, Jr., in U. S. Geological Survey Bull. 846-A, p. 118-140, 1933, in a report entitled, "Some mining districts of eastern Oregon." In this report about a third of a page is devoted to a description of the Joe Dandy mercury deposit.

The property is underlain by flows of porphyritic quartz latite locally interbedded with small lenses of tuff. The attitude of the beds was not accurately determined, but it is probably nearly flat. A quartz-carbonate vein, consisting of numerous reticulate veinlets of quartz, quartz-siderite, and calcite, cuts these rocks (pl. 1).

The vein strikes N. 45° W. and can be traced for about 1,000 feet across the property. It appears to be crossfaulted at several points but is definitely faulted off at both its north and and south ends. The vein dips from 70° NE. to vertical but averages about 85° NE. At least one spur vein branches from the main vein, and one parallel vein exists about 200 feet west of the main vein, but these are not persistent.

The main vein ranges in width from a foot or less up to 5 feet but a silicified border zone, of less fractured and less numerous quartz and carbonate veinlets, exposed in the Forgotten Adit, may extend the total mineralized zone to 25 feet or more in width (pl. 1).

Although quartz and carbonates are the dominant epigenetic minerals, chalcedony and opal silicification along with pyrite are common in the veins. The cinnabar appears to be most abundant where the quartz veinlets are most abundant but some cinnabar also occurs disseminated in the walls and as coatings along certain joint surfaces.

The country rock is normally a medium grey-green color but near the vein it is bleached to a purple cast and within the vein the rock is bleached to a cream or buff color. The purple alteration zone varies from about 12 to more than 100 feet in width. At some properties in the district it has been mapped as rhyolite. Kaolinitic alteration is intense within the vein and the silicified border zone but is only partially developed in the purple alteration zone.

## DISCUSSION OF THE SAMPLES

Sixteen samples taken from the vein-structures ranged in contained mercury from nothing to a maximum of 3 pounds per ton (pl. 1). Throwing out samples no. 321-B, 327-B, 328-B, and 348-B, which were taken either from the silicified border zone or from the nonpersistent parallel vein, the average value of the samples is only 0.9 pound of mercury per ton.

## MERIT OF THE PROPERTY

There is no reason to infer a change in character of the vein with increase in depth. At the present value of mercury (about $3.40/pound), the grade of the vein (0.9 pound /ton) is far below that needed for successful small-scale mining. The vein is narrow as mercury veins go, therefore the structure does not offer potential as a large low-grade deposit. No doubt pods of 5- or 10-pound rock exist within the structure, but the size of the individual workings indicates that these must be quite small and quite sparsely distributed.

The property does not offer a target potentially capable of supporting even very small-scale production over a reasonable period of time.

## APPLICANT'S PROPOSAL

Mr. McManmon proposes driving 350 feet of crosscut and drift from the main adit face, sinking the shaft 50 feet, doing an unspecified amount of road repair work, including the installation of three culverts, repairing two buildings, constructing a shower house and a pump house, and installing a water system with a storage tank.

## EVALUATION OF THE APPLICANT'S PROPOSAL

The proposal is obviously too elaborate, so far as plant improvement is concerned, for the small amount of exploration work involved, but inasmuch as the structure does not warrant exploration, there is no point in discussing the proposal in detail.

Attachment 1

Distribution:
- DMEA (4)
- USBM (5)
- USGS(SRO)
- Docket
- Alvord

Docket
McMahon
Martin
Lamb
Kilgaard
Selfridge
Johnson

SEP 10 1956

Mr. John McManmon
1617 Division Street
Bend, Oregon

Re: Docket No. DMEA-4434, Mercury
Joe Dandy, Red Idol, and
Independence claims
Crook County, Oregon

Dear Mr. McManmon:

The above-docketed application for exploration assistance for mercury ores has been reviewed by the Washington office of the Defense Minerals Exploration Administration and referred to Mr. A. E. Weissenborn, Executive Officer, DMEA Field Team, Region I, Northwest District, South 157 Howard Street, Spokane 4, Washington, for a field examination of the property.

Any assistance that you can give the members of the Field Team will be appreciated.

Sincerely yours,

Frank E. Johnson for
ACTING Administrator

cc: Docket
Code 400
Oper. Comm.
Adm. Read. File
Thor Kiilsgaard, USGS
J. W. Pennington, USBM
FT, Region I-NW Dist.

ADMcMahon/ls
9/7/56

R.C.H.

DOCKET
Surname:
McMahon
Martin
Hylemon

SEP 10 1956

Mr. A. E. Weissenborn, Executive Officer
DMEA Field Team, Region I - Northwest District
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA-4434, Mercury
John McManmon
Joe Dandy, Red Idol, and
Independence claims
Crook County, Oregon

Dear Mr. Weissenborn:

The above-docketed application for exploration assistance is being referred to your office for a field examination of the property.

Copies of memoranda dated August 24, 1956, by N. E. Nelson, Geological Survey, and J. W. Pennington, Bureau of Mines, relating to the project, are enclosed. Their comments regarding the lack of sampling and information on grade are the result of their not having received copies of the two assay reports that were attached to the original application.

Also enclosed are the Agreement between John McManmon and San Jose Mercury Products, Inc., and the Amendment to Agreement, which the applicant requested to be returned.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Enclosures

APPROVED:

Frank D. Lamb

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

cc: Docket
Code 400
Oper. Comm.
Adm. Read. File
Thor Kiilsgaard, USGS
J. W. Pennington, USBM
FT, Reg. I-N.W. District

ADMcMahon/ls
9/7/56

DOCKET
SURNAME
McMahon
Martin

400

August 27, 1956

MEMORANDUM

To: Associate Solicitor, Division of Mineral Resources

From: Iron and Ferro-Alloys Division, DMEA

Subject: Review of Lease, Sub-lease and Amendment thereto
Docket No. DMEA 4434 - Mercury
John McMammon
Joe Dandy, Red Ideal, and Independence claims
Crook County, Oregon

Paragraph 2 of the Agreement between John McMammon and San Jose Mercury Products, Inc., reads, "McMammon does hereby lease and let unto the Corporation the aforesaid mining claims for the purpose of developing them in the production of cinnabar and such other minerals as may prove profitable for a period of fifteen (15) months commencing September 1, 1955, and ending November 30, 1956 - - - -." Although Mr. McMammon, by his letter of August 7, 1956, informs that San Jose Mercury Products, Inc., abandoned the claims without living up to their contract, the Agreement does not appear to contain a provision for cancellation of the lease upon abandonment of the property.

We would, therefore, appreciate your advise as to whether or not we would be justified in processing this application prior to the termination date (November 30, 1956) of said lease.

W. S. Martin, Chief
Iron and Ferro-Alloys Division

AIMcMAHON/foc
8/27/56
cc to: Docket
Code 400

Docket

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

August 24, 1956

Memorandum

WSay

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

From: Commodity Specialist, Branch of Base Metals

Subject: Review of application, Docket No. DMEA 4434 (mercury), John McManmon, Joe Dandy, Red Idol, Independence Claims, Crook County, Oregon. $21,241.00

The applicant proposes to explore for mercury mineralization by 350 feet of drifting, 50 feet of shaft sinking, and miscellaneous repairs and construction at an estimated total cost of $21,241.00.

Insufficient data are furnished to properly evaluate the application. There is nothing given on the grade or extent of visible mineralization or the reason and justification for selecting the areas to be explored.

The estimated costs seem excessive, especially for the tunnel work.

I recommend that the applicant be requested to supply the information necessary for an accurate appraisal of the application.

J. W. Pennington

J. W. Pennington

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

Copy retained 100

No assay in copy of application 9/4/56

Docket

IN REPLY REFER TO:

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

August 24, 1956

Re: DMEA 4434
John McManmon
Red Idol Group
Crook County, Oregon
$21,241.00 - Mercury

WSM

Memorandum

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

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

Subject: Review of application.

The applicant requests assistance in exploring mercury-bearing veins, which, according to the map, show cinnabar in not less than 6 places in a length of 1800 feet. No sampling seems to have been done, no vein widths are given, another operator has recently abandoned the claims, and the right of entry appears to be in question.

Nevertheless, the Field Team tentatively recommends that an examination be made.

Referral of the application to the Field Team is recommended.

N. E. Nelson

N. E. Nelson

Copy retained 400

No assays in G.S. copy of application
WSM 9/4/56

August 23, 1956

Mr. John McManmon
1617 Division St.
Bend, Oregon

Subject: DMEA-4434
Re: Exploration Assistance

Dear Mr. McManmon

The receipt of your application dated August 8, 1956 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-4434 and referred to the Iron and Ferro-Alloys Division.

Kindly identify all future correspondence relating to your application by this docket number.

Sincerely yours,

Allen S. Dakan
~~Robert E. Adams~~, Chief
Operations Control and
Statistics Division

August 23, 1956

Memorandum

To: Executive Officer, DMEA Field Team, Region I,NW

From: Chief, Operation's Control and Statistics Division

Subject: Assignment of Docket Number

There is listed below the assigned docket number to an application recently received from Region I,NW.

DMEA
- 4434 John McManmon

Robert E. Adams
Chief, Operation's Control
and Statistics Division

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

August 16, 1956

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

Re: New application, DMEA, (Mercury)
John McManmon
Joe Dandy, Red Idol, Independence
Crook County, Oregon

Dear Mr. Selfridge:

Enclosed are the original and two copies of an application for DMEA assistance received from John McManmon, 1617 Division St., Bend, Oregon.

Mr. McManmon proposes to explore for mercury in section 31, T. 17 S., R. 17 E., W.M., Crook County, Oregon, driving 350 feet of tunnel and 50 feet of shaft, and to do an unspecified amount of road repair work, including the installation of three culverts, repair two buildings, construct a shower house, a pump house, and install a water system including a storage tank. He estimates that the project will cost a total of $21,241 of which the Government's share will be 75 % or $15,930.75.

The applicant, as Operator under Contract Idm-E721, conducted an exploration program about 2 miles south of the property he now proposes to explore. Although he was not successful in making a discovery, he carried out the contract work in a satisfactory manner. near Bohow Mng. Dist.

Under the terms of the agreement, between Mr. McManmon and San Jose Mercury Products, Inc., accompanying the application, the applicant may not have the right to exercise his lease until November 30, 1956. Mr. McManmon encloses a statement to the effect that San Jose Mercury Products, Inc. has abandoned the claims.

A field examination will be necessary to evaluate this property. Because of the questionable legal status of the Operator's

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AUG 23 1956

lease, we will not make an examination until we hear from you.

By Field Team, Region I, NW Dist.

Wing G. Agnew, Acting Exec. Officer
U. S. Bureau of Mines

D. R. MacLaren, Acting Member
U. S. Geological Survey

Enclosure

cc: USBM (2)
Alvord

COPY COPY

Bend, Oregon
August 7, 1956

Dear Sirs:

Enclosed with my application you will find a Lease to San Jose Mercury. They abandoned the claims without living up to their contract. They haven't been on the property since last November '55. Made no payments.

Also copy of my lease from the Dunhams.

Yours truly,

/s/ John McManmon

P. S. I took a mortgage for the $2500 on machinery -- they removed the loader without clearing the mortgage. Please return copy of San Jose Mercury lease, also copy of the mortgage. Thank you.

COPY COPY

Bend, Oregon
August 7, 1956

Dear Sirs:

Enclosed with my application you will find a Lease to San Jose Mercury. They abandoned the claims without living up to their contract. They haven't been on the property since last November '55. Made no payments.

Also copy of my lease from the Dunhams.

Yours truly,

/s/ John McManmon

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Bend, Oregon
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Also copy of my lease from the Dunhams.

Yours truly,

/s/ John McMammon

P. S. I took a mortgage for the $2500 on machinery -- they removed the loader without clearing the mortgage. Please return copy of San Jose Mercury lease, also copy of the mortgage. Thank you.

MF-103
(Revised April 1952)

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

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

RECEIVED
AUG 8 1956
U. S. G. S.
SPOKANE, WASH.

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

*Not to be filled in by applicant*

Docket No. 4434
Metal or Mineral Mercury
Date Received 8-22-56
Estimated Cost $21,241
Participation (Government %)

## INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: John McMannon
1617 Division St.
Bend, Oregon

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

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

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

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

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract Sec. 31--township 17 Range 17
E.W.M. Claims names are: Joe Dandy, Red Idol and Independence
Book 5, page 394, Crook County, Oregon.

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

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

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

(*e*) If you own the land, describe any liens or encumbrances on it

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

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

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

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

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

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

16—66551-1

RECEIVED
AUG 23 1956

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

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

(*c*) The work will start within 30 days and be completed within 18 months from the date of an exploration project contract.

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

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

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

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

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

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

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

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

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

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

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

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

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

☐ Money ☒ Use of equipment owned by you ☒ Other

Explain in detail on acompanying paper.

## CERTIFICATION

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

Dated 8/6, 1956

John M. Cannon
(Applicant)

By

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

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

I John McManmon
(b) same
(c) same

III (a)
(b)
(c) Lessee
(d) furnished
(e) clear of all indebtedness except that stated in lease.
(f) Book 5, page 394, Prineville, Crook County, Oregon

IV (a) Dike exposed on surface few holes showing some ore. Ore tunnel started accessable for examination
(b) unknown
(c) veins
(d) access road about 1½ miles from secondary highway U.S. 27
(e) manpower available. Three springs for water supply
equipment available
gas powered.

V (a) Mercury
(b) Road repairs--350 ft. of tunnel
Building repairs --50 ft. shaft
Water system
(c) Work to start within 30 days and completed within 18 months.
(d) Personally supervised.
Refer to DMEA contract No. IDME 721 Completed

VI To be contracted
(a) 30 units of bulldozing consisting of 30 hrs @ $12.00 $360.00
Dozer $50.00 Transporting 50.00
TOTAL $410.00

I Repair of buildings
Cover two shacks with brick roll siding material $100.00
Seal inside cover old floor 200.00
windows 25.00
Build small shower house 200.00
Paint 20.00
Labor 500.00
Roofing TOTAL $1045.00
100
1145.00

II Water System
Cementing spring material $ 50.00
Small pump house 200.00
Pump and gas motor 100.00
Storage tank 75.00
pipe 300′ 3/4" with fitting 64.00
pipe 3 joints ½" with fitting 12.00
Sink, shower head, hot water tank 30.00
~~TOTAL~~ $531.00
Labor 500.00
TOTAL $ 1031.00

Bo... Ro... away ...

| | | | |
|---|---|---|---|
| III | Tunnel | | |
| | 350 ft. | | |
| | Portal and timbers | | $ 200.00 |
| | 750 ft. track and ties, spikes, ore car | | 500.00 |
| | 850 ft. 1" black pipe for compressor | | 250.00 |
| | 850 ft. 3/4" water pipe line | | 250.00 |
| | Oil & gas for compressor upkeep on comp. | | 900.00 |
| | Bits & steel | | 150.00 |
| | 24 boxes powder, caps and fuses | | 400.00 |
| | 1 working foreman 210 days @ $20.00 | | 4200.00 |
| | 2 men 210 days @ $18.00 | | 7560.00 |
| | compensation $7.50 per hundred | | 860.00 |
| | | TOTAL | $15270.00 |
| IV | Sinking shaft 50 ft. | | |
| | Headframe | | $ 200.00 |
| | timbering | | 350.00 |
| | gas & oil and upkeep on compressor | | 150.00 |
| | bits & steel | | 50.00 |
| | 1 working foreman 50 days @ $20.00 | | 1000.00 |
| | 2 men 50 days @ $18 | | 1600.00 |
| | Workmans compensation $7.50 per $100 | | 495.00 |
| | | TOTAL | $ 3545.00 |
| V | 3 culverts for road inc. labor | | 250.00 |

| | | | |
|---|---|---|---|
| I | Repair building | | $ 1045.00 |
| II | Water system | | 1031.00 |
| III | Tunnel 350 ft. | | 15270.00 |
| IV | Shaft 50 ft. | | 3545.00 |
| V | 3 culverts inc. labor | | 250.00 |
| | | total | $21,241.00 |

To be furnished by operator

| | |
|---|---|
| 1 compressor | $ 1000.00 |
| 1 jack hammer | 200.00 |
| 1 hoist, cable and bucket | 200.00 |
| | $ 1400.00 |

#3382

STATE DEPARTMENT OF GEOLOGY AND MINERAL INDUSTRIES

2033 First Street
Baker, Oregon

1069 State Office Building
Portland 1, Oregon

239 S.E. "H" Street
Grants Pass, Oregon

REQUEST FOR SAMPLE INFORMATION

The State law governing analysis of samples by the State assay laboratory is given on the back of this blank. Please supply the information requested herein as fully as possible and submit this blank filled out along with the sample.

Your name in full **John McManmon**

Post office address **1617 Division, Bend, Oregon**

Are you a citizen of Oregon? **yes** Date on which sample is sent 6-24-55

Name (or names) of owners of the property **W. C. Dunham**

Are you hiring labor? **no** Are you milling or shipping ore? **no**

Name of claim sample obtained from

Location of property or source of sample (If legal description is not known, give location with reference to known geographical point.)

County **Crook** Mining District

Township **18 S.** Range **17 E.** Section **31** Quarter section

How far from passable road? Name of road

| | Channel (length) | Grab | Assay for | Description |
|---|---|---|---|---|
| Sample no. 1 | | | **Hg** | |
| Sample no. 2 | | | **Hg** | |

(Samples for assay should be at least 1 pound in weight)

(Signed) **John McManmon**

DO NOT WRITE BELOW THIS LINE - FOR OFFICE USE ONLY - USE OTHER SIDE IF DESIRED

Sample Description **#1 - Ground-up sample, mostly crushed feldspar.**

**#2 - Altered lava (andesitic ?) with thin veinlets of mercury and some disseminations.**

| Sample number | GOLD oz./T. | GOLD Value | SILVER oz./T. | SILVER Value | MERCURY Hg | | | |
|---|---|---|---|---|---|---|---|---|
| P-18402 No. 1 | --- | -- | --- | -- | 9.60 lb/ton | --- | --- | --- |
| P-18403 No. 2 | --- | -- | --- | -- | 20.50 lb/ton | --- | --- | --- |

Report issued Card filed Report mailed 6-29-55 Called for

SIR-5

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LAW RELATING TO FREE ANALYSIS OR ORES, MINERALS, ETC.
CHAPTER 179, Section 10, Oregon Laws 1937.

The department shall make, or cause to be made, quantitative determinations of ores and minerals when submitted for the purpose, that are from original prospects or properties within the state of Oregon, and shall mail to the sender the results obtained within 10 working days after receipt of samples; said service shall be performed by the department without charge to the sender and shall be rendered in exchange for information for the records of the department, stating the name and residence of the sender together with a history of the ore or mineral, giving as nearly as possible the location from which the sample was taken, including the name of the county, and any other matters that may be beneficial touching the same. All determinations shall be performed under the following rules and regulations and subject to the following restrictions:

(a) No sample submitted by engineers sampling prospects or mines for the purpose of evaluation, or submitted by operating mines milling or shipping ore, or hiring labor, shall be accepted by the department for assay and/or analysis, except they be taken in the field by members of the department's staff in conducting the work of the department within the scope of this act.

(b) The number of samples which any single person or group of persons may submit shall be limited to two in any 30-day period and all samples shall be assayed or analyzed by the department in the order received, as far as possible.

(c) All information received and results of determination sent out shall be open to public inspection and may be published by the department.

(d) Before any work is done on the material submitted, all information required must be possessed by the department and the 10-day limit for reports will count from the time such data are received by the department.

FORM PO 8001

# ASSAY REPORT

## PITTSBURGH TESTING LABORATORY

ASSAYERS AND METALLURGICAL ENGINEERS

2419 S.E. Powell Blvd.
PORTLAND 2, OREGON

*Gold,* @ *$35.00 per oz.*

*Silver,* @ *per oz.*

*Sample* Mineral

*Received* August 12, 1955

*Submitted by* Mr. John McMammon
1617 Division
Bend, Oregon

*Date* August 12, 1955

| NUMBER | MARK | PER TON OF 2000 LBS. GOLD OUNCES | GOLD VALUE | SILVER OUNCES | SILVER VALUE | COPPER PER CENT | LEAD PER CENT | ZINC PER CENT | |
|---|---|---|---|---|---|---|---|---|---|
| 00749 | Mineral | - | - | - | - | - | - | - | |
| | MERCURY - - - - - - - - - - - - - - - - - - - - - - - - 16.1 Lbs./Ton | | | | | | | | |

*Respectfully submitted,*

PITTSBURGH TESTING LABORATORY

M. L. Playfair, Chief Chemist

DISTRICT MANAGER

MLP:sp

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# L E A S E

This agreement, made and entered into by and between Claud C. Dunham and Mary Dunham, husband and wife, and Clifton Dunham, hereinafter called the lessor, and John McManmon, hereinafter called the lessee,

W I T N E S S E T H

WHEREAS, it is understood and agreed between the parties hereto the lessors in consideration of the sum of one dollar ( $1.00 ) to them in hand paid, the receipt of which is hereby acknowledged,and in consideration of the prompt performance of all covenants and agreements set forth, kept and performed by the lessee, the lessors hereby lease and let for the purpose of mining to the lessee the following described real property, to-wit:

> Three mining claims in Section 31, Township 17, Range 18, East of Willamette Meridian, known as Red Idol, Joe Dandy and The Independence, recorded in Book 5, Page 394, in Prineville, in Crook County, Oregon.

The duration of this lease shall be for ten (10) years unless terminated prior to that time.

It is understood and agreed between the parties hereto that the lessee shall commence mining operations on said described property within two years from this date, and if said mining operations are not commenced by that time this lease shall be null and void, in no effect whatsoever. The term commencing mining operations shall mean that the lessee shall sink a shaft, open it up and continuously work the property.

Lessee covenants and agrees that as soon as the land is opened up and mining operation is commenced that he shall continuously work said property during the term of this lease. Term continuously work said property shall mean that the lessee shall continue mining operations of said property uninterruptedly, except that the lessee shall be allowed any 90 day period during the year in which not to operate or a total of 135 non-operating days during the year before said operation shall be deemed not to be continuous, exception to be made only in case of price drop to point of being economically unsound. Operation to be resumed on price advance.

The lessors also grant to the lessee herein an easement to use a present existing road through his property on the condition that the lessee keep all gates closed and repairs all damage to said fence.

The lessee herein does covenant and agree to pay to the lessors the amount of 5% of the gross income from all minerals taken from said land, said amounts of money shall be paid to the lessors within ten (10) days after they have been received by the lessee. Lessee does hereby grant to lessors the right to inspect the books of the lessee any time or to have his agents inspect said books for the purpose of determining the amount which should have been paid to the lessor.

Lessors give unto the lessee the right to use any building now standing on said land not in use or being used by the lessors.

The Lessors grant unto the lessee the privilege to build any kind of ore milling plant that might be required for the recovery of whatever value contained in the ore is mined, provided that such mill will not be placed in such position as to cause any inconvenience to the lessors: and the lessee shall have the privilege to remove the plant and machinery. The lessee shall have the privilege to develop any amount of water to operate his mine. The lessors agree to make any necessary changes in lease to comply with government regulations in case lessee should obtain D.M.E.A. loan for exploration.

It is understood and agreed that the lease of this land for mining purposes does not include any oil rights, but that the land is leased to the lessee for the purpose of extracting only cinnabar and other metals but does not include oil or gas rights of any kind whatsoever.

In the event that the lessee does not comply strictly with the terms of this agreement, the lessors may at their option declare this agreement to be null and void and may recover from the lessee all amounts theretofore earned by them under the terms of this agreement or take whatever action is available to them at law or equity under the terms of this agreement.

In the event that suit or action be instituted by the lessors to recover by or through this agreement the lessee herein agrees to pay in addition to any other

recovery a reasonable sum as attorney's fees.

This agreement shall be binding on the heirs and assigns of the parties hereto.

Dated this_____day of July, 1955.

/s/ Claude C. Dunham

/s/ Mary E. Dunham

/s/ Clifton C. Dunham
Lessors

/s/ John Mc Manmon
Lessee

# A G R E E M E N T

THIS AGREEMENT made and entered into this 7th day of September, 1955, by and between JOHN McMANNON, hereinafter sometimes designated "McMannon" and SAN JOSE MERCURY PRODUCTS, INC., hereinafter designated "Corporation", W I T N E S S E T H:

WHEREAS, McMannon is the lessee of a certain lease, bearing date July, 1955, of certain mining claims, known as "Red Idol", "Joe Dandy" and "The Independence", which mining claims are recorded in Book 5, page 394, Crook County, Oregon, and are located in Section Thirty-one (31), Township Seventeen (17) South, Range Eighteen (18), E.W.M., a copy of which lease is attached hereto and by this reference made a part hereof, and

WHEREAS the corporation has evidenced its willingness to develop said properties to the mutual benefit of both McMannon and itself,

NOW, THEREFORE, IT IS AGREED between the parties hereto:

1. The whereas clauses are hereby incorporated and made a part of this agreement.

2. McMannon does hereby lease and let unto the Corporation the aforesaid mining claims for the purpose of developing them in the production of cinnabar and such other minerals as may prove profitable for a period of fifteen (15) months commencing September 1, 1955, and ending November 30, 1956, subject to the terms and conditions of that certain lease between McMANNON and CLAUDE J. DUNEAN et al, a copy of which is attached hereto and by this reference made a part hereof.

3. As and for rental of said premises and the privilege of removing ore therefrom, the Corporation shall pay to McMannon the sums hereinafter set forth:

(a) Five percent (5%) of the gross income from the operation of said mine. These funds shall be paid to McMannon as trustee for

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for transmittal to his lessors, Claude C. Dunham et al.

(b) Corporation shall pay to Lehnmon Twelve Percent (12%) of the remaining gross income received from the operation of said mine or the monthly rental sum of Four Hundred Fifty-five and no/100 Dollars ($455.00); whichever sum is the greater. All payments are to be made on or before the 10th of the month following the close of the preceding month. The Corporation shall pay under this paragraph to Lehnmon the minimum total sum of Four Thousand Five Hundred Fifty and no/100 ($4,550.00) Dollars for the fifteen months' period, and said minimum to be paid as follows: December 10, 1955, Four Hundred Fifty-five and no/100 Dollars ($455.00), and a like sum on or before the 10th day of each month, beginning March 10, 1956, and continuing through October 10, 1956.

4. Corporation shall, within the Ninety (90) days beginning September 1 and ending November 30, 1955 caused to be placed on the claims machinery in sufficient kind and quality to operate a cinnabar mine and quicksilver reducing operation.

5. In order to insure to Lehnmon the installation by the Corporation of the machinery mentioned in the paragraph immediately above, the Corporation shall, coincidentally with the execution of this agreement, deposit with the Bend Branch, United States National Bank of Portland, Oregon, the sum of Two Thousand Five Hundred and no/100 Dollars ($2,500.00) with appropriate escrow instructions concerning the installation of said machinery on or before the 30th day of November, 1955.

6. Corporation shall following the installation of the machinery mentioned before the expiration of the period ending November 30, 1955, operate the premises as a quicksilver producing operation, and in this connection both as to installation and operation shall hold Lehnmon harmless from any and all liens or materials or labor and will comply with all pertinent laws and regulations concerning workmen and employees.

7. As a part of the consideration hereof the Corporation shall have the sole and exclusive option to lease the premises for the period beginning December 1, 1956, and ending June 30, 1961, upon the same terms and conditions as to rental as herein set forth. This option is to be exercised by the Corporation, delivering notice of such intent to McCannon at Bend, Oregon, on or before the 1st day of November, 1956.

8. In the event the option mentioned in the paragraph immediately foregoing is exercised by the Corporation then the Corporation does have exclusive option if it so desires of purchasing the interest of McCannon in the Dunham lease, said option to be exercised between the 1st day of October and the 30th day of November of the year 1956. In the event such option is exercised, the Dunham lease shall be assigned to the Corporation at and for the agreed price of $35,000.00.

9. It is agreed that McCannon is depending upon the Corporation to the terms of this agreement for the proper development of the mine claims mentioned; therefore all improvements caused to be placed on the property by the Corporation during the preliminary term of this lease shall remain thereon for all of the period ending November 30, 1956. In the case of a sooner termination or abandonment of said lease or premises before November 30, 1956 the said improvements shall remain upon the said premises and McCannon may at his option use said improvements at and for the agreed rental of 10% (ten percent) of the cost thereof, and further McCannon shall have the option during such period to purchase the said improvements for the cost price less rentals paid by him. McCannon shall likewise have a lien on all improvements placed on the premises for the faithful performance by the Corporation of the terms and conditions of this lease or any option granted hereunder. In the event McCannon does use said improvements, the rental shall be left to a mutually agreed upon figure.

10. Corporation, by the execution of these premises accepts the the terms of and agrees to be bound by the terms of the Dunham lease.

11. It is agreed that it is the present intent of the Corporation to faithfully abide by the terms of this agreement; and further it is agreed and warranted by McMannon that the said Corporation shall have quiet possession of said mining claims, and that he will defend their rights to quiet possession at his sole expense.

12. In the event suit or action is instituted to enforce any of the terms of this agreement, the prevailing party shall be entitled to, in addition to costs and disbursements otherwise allowed by Statute, a reasonable attorney's fee.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands, this the day and year first hereinabove mentioned.

John McMannon
John McMannon

SAN JOSE MERCURY PRODUCTS, INC.

by Thomas E. Ray

SAN JOSE VARIUM'S PRODUCTS, INC.

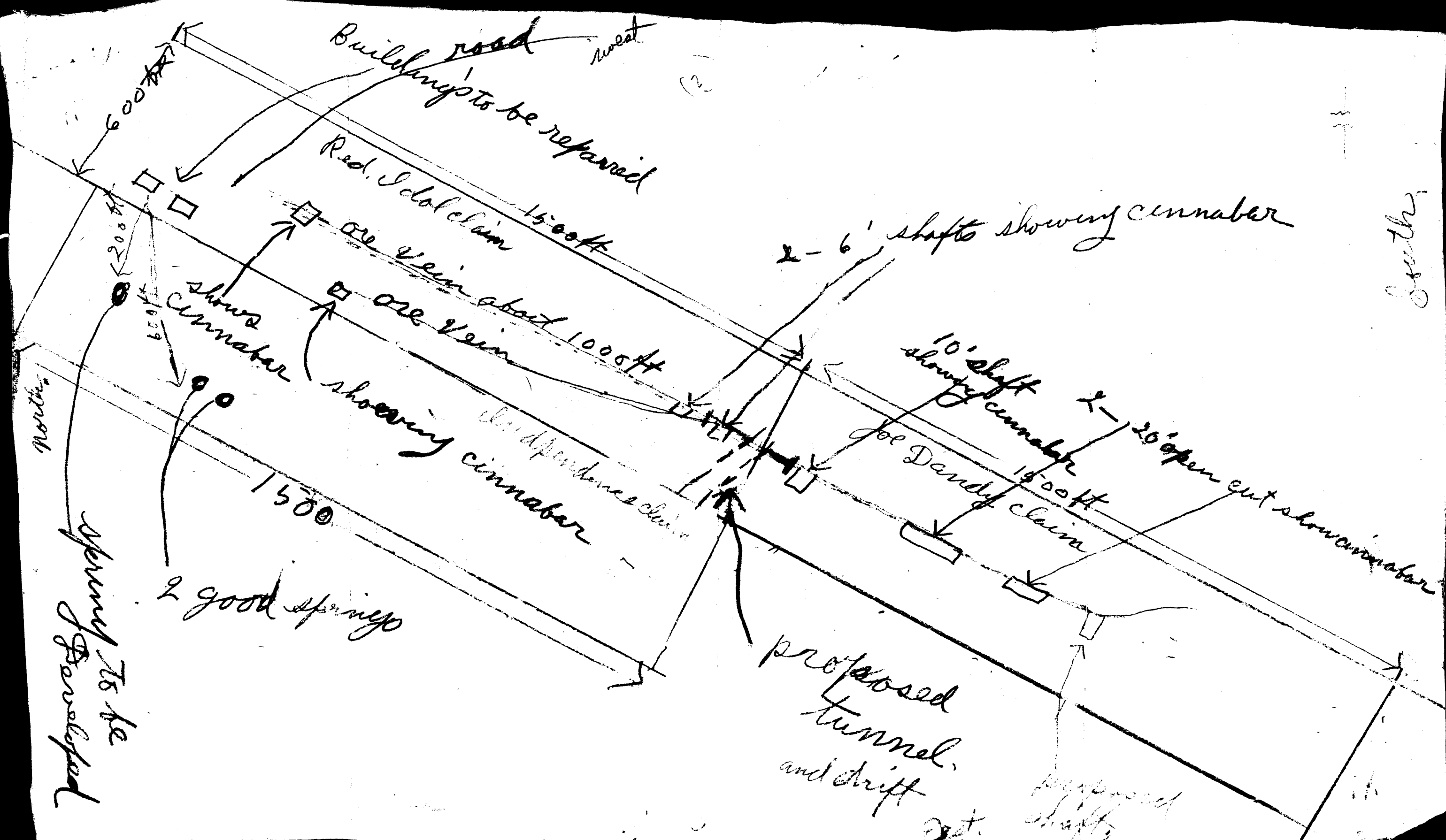
By Thomas L. Ray

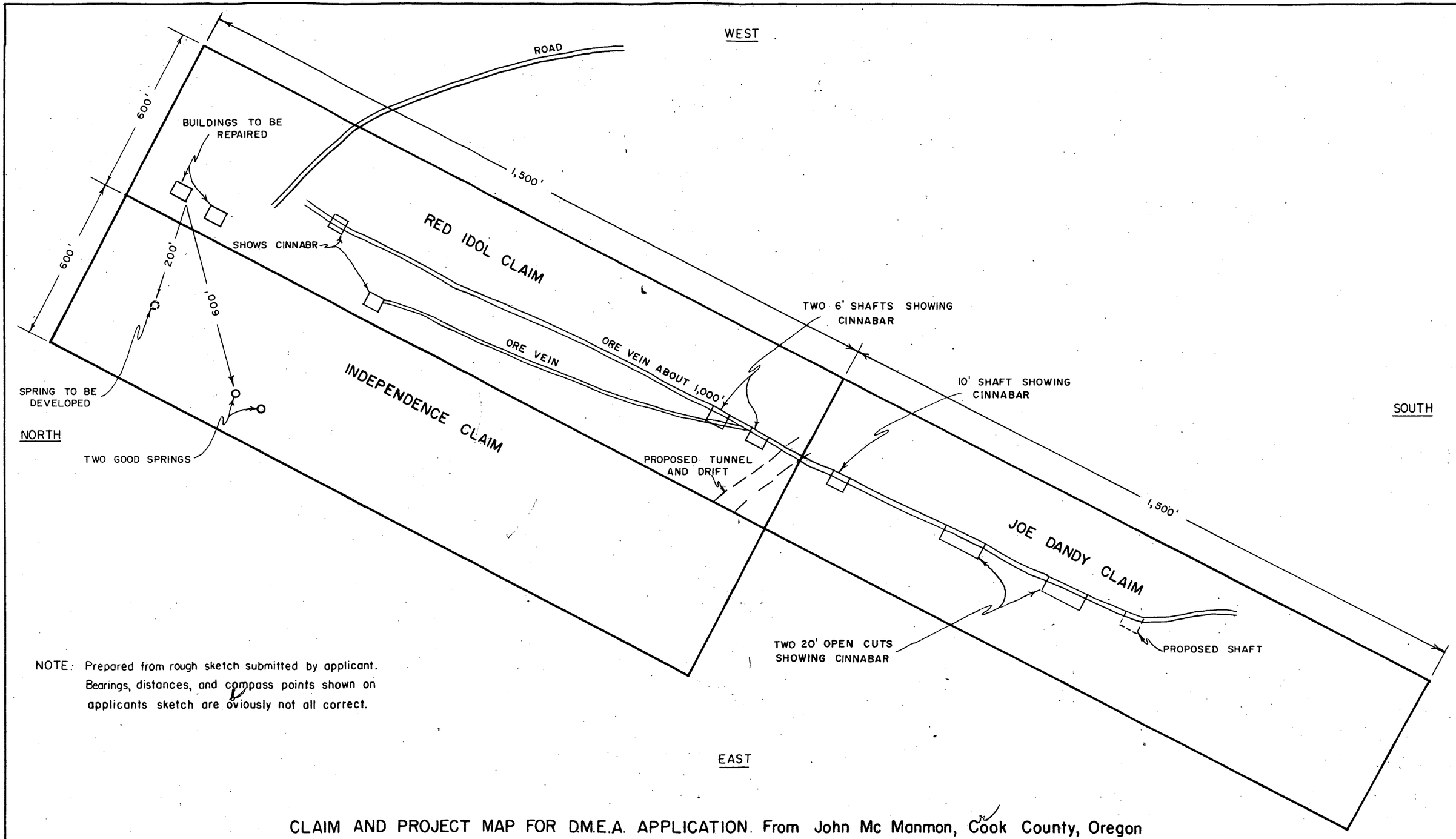
Owner

COLLECTION CENTER

RELEASE

MILLER BUILD


Buildings to be repaired
road
west
600 ft
Red Scalp claim
1500 ft
ore vein about 1000 ft
shows cinnabar
ore vein
showing cinnabar
2 - 6' shafts showing cinnabar
10' shaft showing cinnabar
1500 ft
20' open cut showing cinnabar
Joe Dandy claim
1500
2 good springs
proposed tunnel and drift
proposed shaft
north
Spring to be developed




NOTE: Prepared from rough sketch submitted by applicant. Bearings, distances, and compass points shown on applicants sketch are oviously not all correct.

CLAIM AND PROJECT MAP FOR D.M.E.A. APPLICATION. From John Mc Manmon, Cook County, Oregon

AUGUST 1956

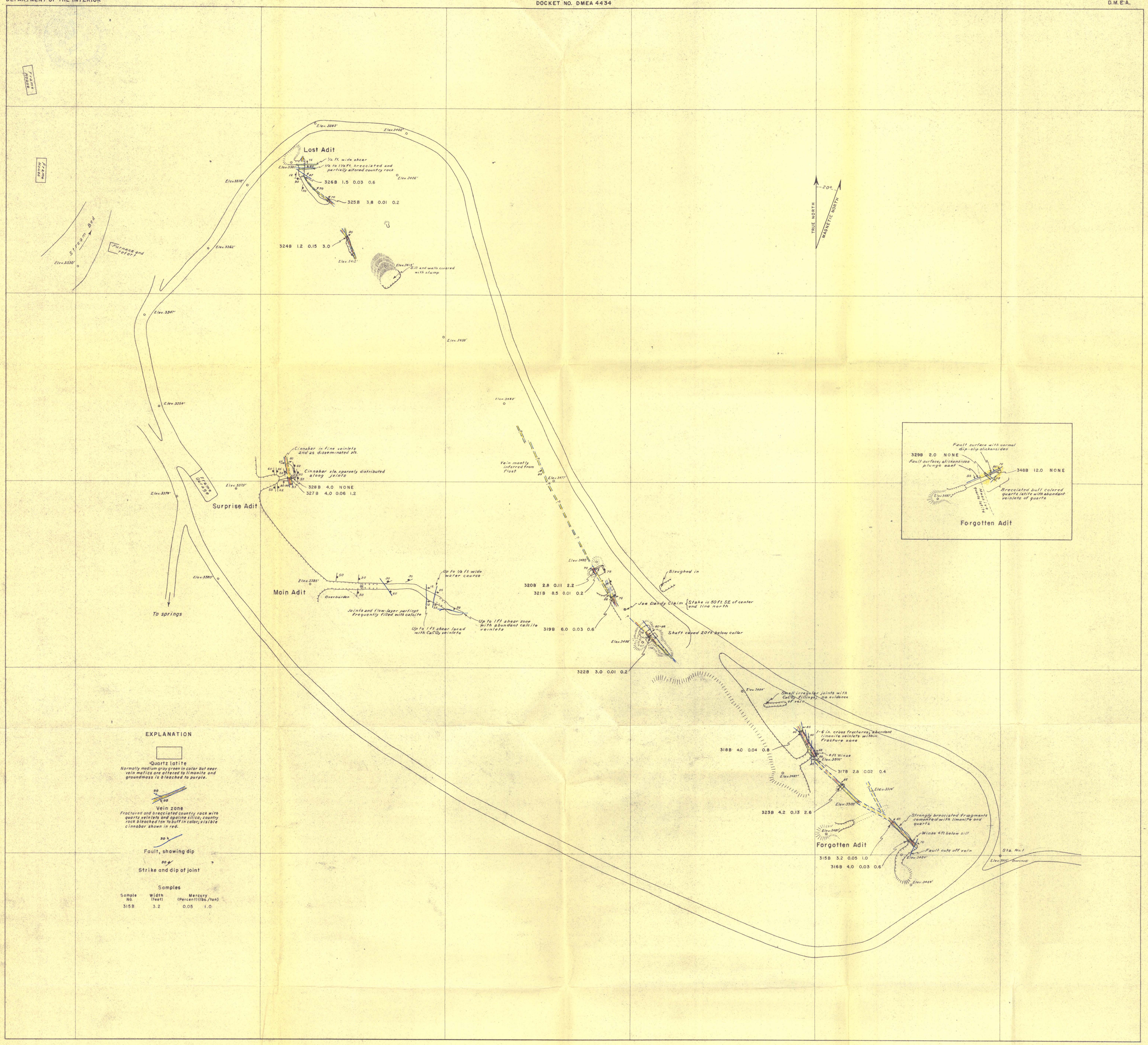
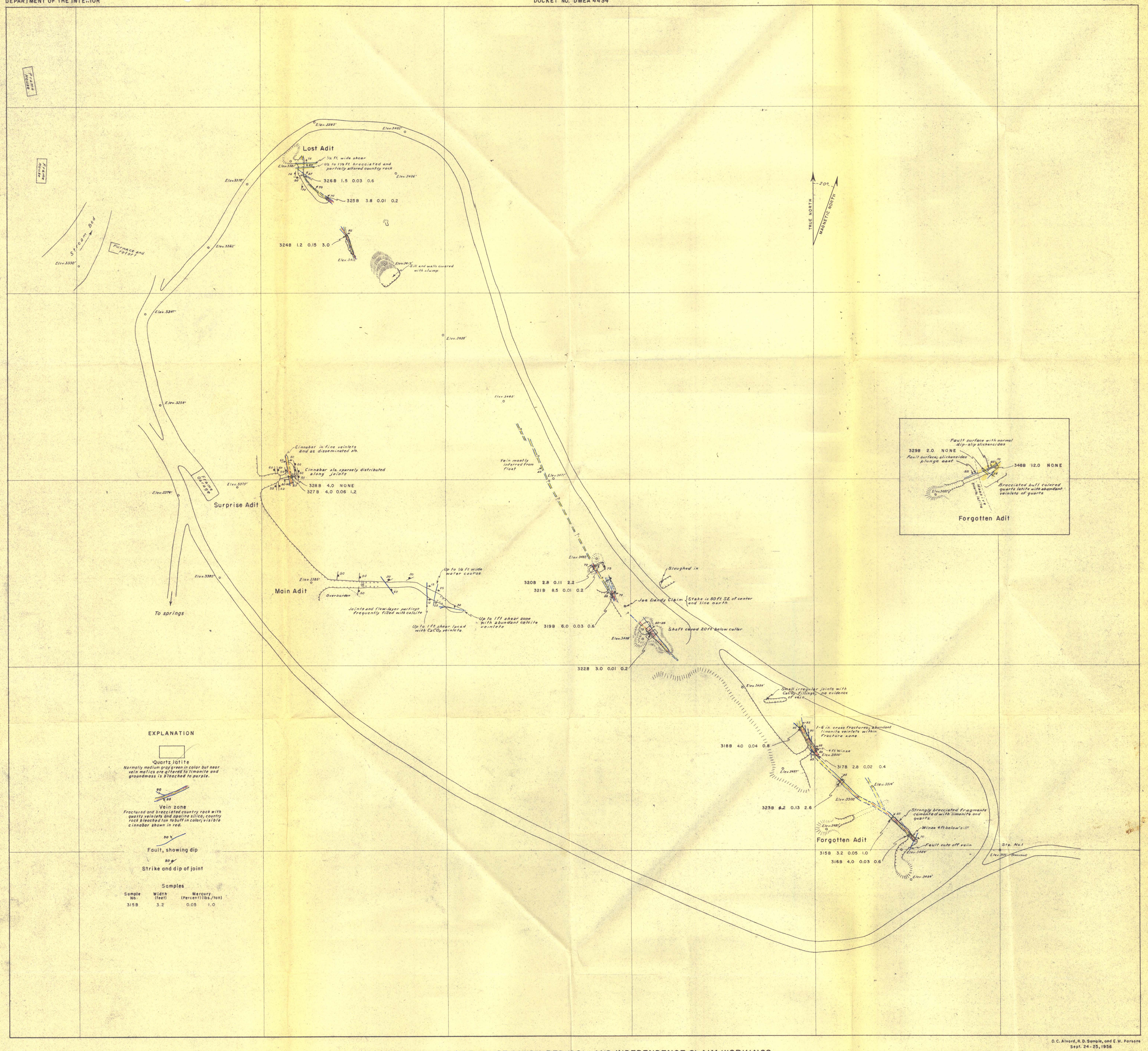



PLATE I - GEOLOGIC MAP OF THE JOE DANDY, RED IDOL, AND INDEPENDENCE CLAIM WORKINGS
SEC. 31, T. 17 S., R. 17 E., CROOK COUNTY, OREGON

D.C. Alvord, R.D. Sample, and E.W. Parsons
Sept. 24-25, 1956




D. C. Alvord, R. D. Sample, and E. W. Parsons
Sept. 24-25, 1956

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