DMEA Form 9

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE

DMEA NO. 4545

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✓(Withdrawn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

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

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

Left Side

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

Right Side

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

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

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

Left Side

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

Right Side

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

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

Folder No. 4: Settlement Sheets

Folder No. 5: Drill Logs

9779

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

RECEIVED
NOV 8 1956

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. DMEA-4545
Metal or Mineral Mercury
Date Received 11-19-56
Estimated Cost $104,624
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: Rare Metals Developement Corporation (incorporated in State of Oregon)
1017 S. W. Washington Street, Room 202
Portland 5, 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. see Exhibit 1

(*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. Township 37 South, Range 20; Township 37 South Range 21 East; Township 38 South, Range 20 East; Township 38 South, Range 21 East; (all located in Lake County, State of Oregon). See Exhibit 2A

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

(*c*) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise leased land with contract enclosed as Exhibit 2-A

(*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. see above

(*e*) If you own the land, describe any liens or encumbrances on it no

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice. no

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. see Exhibit 2-B

(*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. see Exhibit 2-C and 2-D

(*d*) State the facts with respect to the accessibility of the project: Access roads, distances to shipping, supply and residence points. see Exhibit 2-E

(*e*) State the availability of manpower, materials, supplies, equipment, water, and power. see Exhibit 3

16—66551-1

5. *The exploration project.*—(*a*) State the mineral or minerals for which you will to explore mercury and uranium

(*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. see Exhibit 4

(*c*) The work will start within 30* days and be completed within 12 months from the date of an exploration project contract. * weather permitting

(*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. see Exhibit 5

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: see Ex. 6

(*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?

[X] Money [X] Use of equipment owned by you [X] Other

Explain in detail on acompanying paper. see Exhibit 7

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 ~~October 7~~ November 7, 1956

Rare Metals Development Corporation
(Applicant)

By William E. Richardson
William E. Richardson, President

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

November 7, 1956

RECEIVED
NOV 10 1956
D.M.E.A.

Defense Materials Exploration Administration
South 157 Howard Street
Spokane, Washington

Attn: Mr. MacLaren

Dear Sirs:

The Rare Metals Development Corporation is applying for a DMEA loan, and is herewith forwarding to you four copies of Form MJ-103 together with pertinent exhibits.

The Rare Metals Development Corporation was formed expressly for the purpose of developing certain property in Lake County, Oregon. The corporation has no stock for sale, and has no outside money supplied it excepting by the three major stockholders; i.e., Wm. E. Richardson, John R. Roush, and John Wayland Roush. This corporation was formed to protect the individuals involved against accidents, forest fires, etc. There is no intention at the present time of putting stock on the market.

All of the major stockholders own and operate other businesses which contribute to their support. As stated in the exhibits, Mr. Richardson is owner of the Portland Television College, and both Mr. John Roush and Mr. John Wayland Roush are self-employed as ranchers. All can stand vigorous character investigation.

John and Wayland Roush, as individuals, have located on the property described in the application a large deposit of low-grade mercury. Mr. Max Shafer, State Geologist, has examined this property and has made a report (see Exhibit 2-C) which states that this contains an ore body of commercial value

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U. S. G. S.
SPOKANE, WASH.

It will also be noted from the application that the corporation is asking for the loan to include exploration work for uranium as well as mercury. Present indications point to a bed of uranium on the same property which is apparently leaching out. High counts on Geiger and scintillation counters have been noted in particular areas, especially in Sections 1 and 36, and we feel assured that further exploration will prove the uranium deposit to be present in commercial grade.

We feel certain that when your field man visits the property he will agree with both the applicant and the State Geologist that a great amount of bulldozing will be required in order to locate these ore bodies. We also believe that a wild-cat drilling program would have the disadvantage of allowing us to miss several pipes or veins. Therefore, we show holes at approximately 50-foot distances and 100-feet in depth to be dug, concentrated about the discovery pits with 100-foot separation adjoining. This, though time-consuming, will give a more thorough and scientific approach to the placements of drifts and/or tunnels.

To date, John and Wayland Roush have spent over $2,000.00 in developing this property at their own personal expense, and a considerable amount of preliminary work has already been accomplished. The results lead us definitely to believe that this property shows the promise required by the DMEA for continued exploration with government assistance.

As a word of explanation, the fees for a geologist shown on our Estimate of Costs (Exhibit 6), are based on the going rate of $100/day plus expenses, and we believe that, on a basis of two days per week per year, it is consistent with other mining operations in the area.

If you see fit to call us (collect, of course) regarding any point on this application, you may do so by calling CApitol 8-7777, Portland, where Mr. Richardson can be reached. Also, if you

feel that a trip to Spokane would be advisable, we would be glad to make such a trip in the interests of expediting the proposed program and application.

Very sincerely,

Wm E Richardson

Wm. E. Richardson, President
Rare Metals Development Corp.

WER/dr

Rare Metals Development Corp.
1017 S. W. Washington St., Room 202
Portland 5, Oregon

Exhibit 1

Company (Applicant):	Rare Metals Developement Corporation 1017 S. W. Washington Street, Rm. 202 Portland 5, Oregon
Officers:	William E. Richardson, President 1935 S. W. Moss Street Portland 19, Oregon
	John R. Roush, Vice-President Route 6, Box 58 Lakeview, Oregon
	John Wayland Roush, Sec'y-Treasurer Route 6, Box 58 Lakeview, Oregon
Appointees:	William E. Richardson, Gen. Manager

Exhibit 2-A

COPY

THIS AGREEMENT Made and entered into by and between J. W. REHART, a single man, hereinafter called First Party, and JOHN R. ROUSH and WAYLAND ROUSH, hereinafter called Second Parties,

W I T N E S S E T H :

That for and in consideration of the sums of money to be paid at the times and in the amounts as hereinafter specified, and for and in consideration of the full and faithful performance of each and all of the terms, conditions and agreements herein contained to be kept and performed by said Second Parties, said First Party does hereby give and grant unto said Second Parties certain rights to prospect for minerals on lands hereinafter described and the right to take and remove said minerals when so discovered, such real property being described as follows, to-wit:

Township 37 South, Range 20 East of the Willamette Meridian

Section 36: E1/2, S1/2SW1/4

Township 38 South, Range 20 East of the Willamette Meridian

Section 1: All
Section 12: N1/2, SE1/4, SE1/4SW1/4

Township 37 South, Range 21 East of the Willamette Meridian

Section 31: All

Township 38 South, Range 21 East of the Willamette Meridian

Section 5: SW1/4N[illegible]4, W1/2SW1/4
Section 6: All
Section 7: N1/2NE1/4, NW1/4
Section 18: W1/2NE1/4, SE1/4NE1/4, E1/2SE1/4, E1/2NE1/4NW1/4, N1/2SE1/4NW1/4, N1/2S1/2SE1/4NW1/4, and 14 acres in Lot 2,

excepting from the above description, however, 24.3 acres heretofore conveyed to the Benevolent and Protective Order of Elks, Lakeview Lodge No. 1536.

E/2 A

COPY

Exhibit 2-A

It is agreed and understood between the parties hereto that said Second Parties shall have the right to enter upon said real property and to prospect for minerals in and under said real property from and after the date hereof to and until February 1, 1958.

It is further agreed and understood between the parties hereto that in such prospecting operations said Second Parties shall not interfere with or enter upon any of the meadow lands or plow lands of said First Party in the above described real property without specific written consent to be hereafter given and granted by said First Party to said Second Parties, and then only for a specific location.

It is further agreed and understood between the parties hereto that the Second Parties shall not interfere with any irrigation or stock water upon said premises, nor shall said Second Parties interfere with the use of said premises for farming and agricultural purposes.

It is further agreed and understood between the parties hereto that any excavations made by said Second Parties shall be back-filled if said First Party shall so request, and upon completion of the exploration in that locality.

It is further agreed and understood between the parties hereto that if, during the two year term covered by this prospecting agreement, minerals in commercial quantity shall be discovered upon said premises, then the terms and provisions hereinafter set forth shall become effective as to the legal subdivisions upon which discovery shall have been made and on any legal subdivisions overlying any lode or vein, discovery of which has been made; but as to the remainder of said lands, the same shall be released from the terms and provisions hereof, and the parties hereto agree that said Second Parties shall designate the legal subdivisions on which minerals in commercial quantities have been located prior to the

Exhibit 2-A

expiration of said two-year term, in order that the remainder of said lands may be released from the terms and provisions hereof.

It is understood and agreed between the parties hereto that said Second Parties will not suffer or permit any liens or encumbrances of any kind or nature to accrue against said real property by reason of any of their prospecting activities thereon, and said Second Parties agree to pay all expense items which may or might become a lien seasonably and before delinquency, and in the event any liens shall accrue against said real property, the same shall render the rights of said Second Parties null and void and of no further force or effect.

It is further agreed and understood between the parties hereto that as to those portions of the herein described real property upon which said Second Parties shall demonstrate that there exist minerals in commercial quantities, this agreement shall continue to be effective for so long as such minerals shall be produced therefrom in commercial quantity, but should commercial production on any of said lands cease for a period of six months, then this agreement shall terminate and be of no further force nor effect.

It is further agreed and understood between the parties hereto that the First Party shall receive as consideration for this lease 40% of any and all net proceeds received by said Second Parties from the mining and operation of minerals upon the above described premises, which amount shall include but not be limited to, all royalties and sums of money had or received by sub-lease or transfer of said premises. !

No sub-lease or transfer of any of the mineral rights in or under said lands shall be made by said Second Parties without first obtaining the written consent thereto of said First Party.

Exhibit 2-A

COPY

All sums of money due to owing by said Second Parties to said First Party shall be paid immediately upon their ascertainment and at monthly intervals or at such other time as may be hereafter agreed upon between the parties in writing.

It is further agreed and understood between the parties hereto that said First Party shall have access to all books, records, writings, and accounts showing the operation of said Second Parties upon the above described premises or in connection therewith, and shall have the right to examine any and all records of mine production.

It is understood and agreed that said Second Parties shall make no improvements or material alteration on the above described premises, nor shall they construct any buildings thereon except at the written consent of said First Party and at locations agreed upon.

The Second Parties shall keep a correct account of all minerals mined and sold from said premises, together with the grade and weight thereof, to whom sold, the price received therefor, all of which records shall be open to inspection of the First Party at Lakeview, Oregon.

It is further agreed and understood between the parties hereto that the First Party shall not be responsible in any case for any accident to any employee or to any third person upon the above described property, and the Second Parties herein agree to carry all necessary insurance for the protection of both themselves and the First Party.

All taxes and assessments levied or assessed upon or against said mineral rights, mining equipment, buildings and machinery, and all minerals mined and shipped pursuant to the terms of this lease shall be paid seasonably and before delinquency by the Second Parties.

All bills and expenses incurred by the Second Parties, or those in privity with them, shall be promptly paid by the Second Parties, and by such prompt payment the Second Parties shall prevent the filing of any and all liens against the demised premises for and on account of labors, supplies, materials, equipment or services furnished or performed, and if by reason of the failure of said operators to pay such bills or expenses a lien or liens shall be filed against said premises, said Second Parties shall contest and defend against such liens, and if as a result thereof any such lien shall be established against said premises, the Second Parties shall promptly pay off and discharge the same, and if said Second Parties shall fail to so do, then the First Party shall have the right to pay off and discharge the same, and said Second Parties hold themselves liable and bound to pay to the First Party all sums so advanced or paid to clear said premises from such liens.

Upon the violation of any covenant, provision or condition herein contained in this lease, the First Party shall give the Second Parties notice thereof in writing, and in the event any such violation, breach or default is not remedied and the terms and conditions of this agreement fully complied with and in every way restored to good standing within thirty (30) days of the date of giving notice to the Second Parties, then this lease shall, at the option of the First Party, expire and terminate, and the said First Party, or his agent, may thereupon, after demand of possession in writing, enter upon said premises and dispossess all persons occupying the same, with or without force and with or without due process of law.

The Second Parties shall have the right at any time to abandon this lease in the event that commercial ores cannot, in their opinion, be produced on the lands hereinbefore described; but upon the Second Parties determining to abandon the same, the Second Parties shall give to the First Party written notice, at the First Party's address, Lakeview, Oregon,

Exhibit 2-A

by registered mail, not less than ten (10) days prior to any such abandonment. In the event of the failure of this lease or its forfeiture or termination as herein provided, the Second Parties shall have a reasonable time within which to remove from said premises any and all equipment, machinery, buildings or bins and surface improvements, whether affixed to the realty or otherwise; excluding, however, timber or underground supports. It is understood and agreed that the Second Parties will furnish to the First Party all of the information they may have obtained concerning said ore body and said mine, in the case of abandonment. It is further agreed and understood that in the event of abandonment or termination of this lease said Second Parties shall forfeit any advance royalties paid and unearned.

The First Party does hereby for himself, his heirs, executors and administrators, warrant that he is in actual possession of said premises; that he has a good possessory title thereto; and he hereby binds himself, his heirs, executors and administrators, to warrant and defend his possession and possessory title to said property, and all and singular the tenements, hereditaments and appurtenances thereunto belonging, unto the said Second Parties, their heirs and assigns, against every person whomsoever lawfully claiming, or to claim the same, or the possession thereof, or any part thereof.

This lease, or any interest therein, shall not be sold, assigned, transferred or hypothecated by said Second Parties herein without first obtaining the written consent of said First Party, and said First Party agrees not to unreasonably withhold such consent, it being the intention by this provision of this agreement to prevent transfer of this agreement to anyone who might speculate in a manner considered unethical by a legitimate mining operation.

It is further agreed and understood between the parties hereto that the Second Parties will operate said mining and exploration in a good and miner-like manner, and will operate said property in such manner as to give full production each year from said mine, giving due

Exhibit 2-A

COPY

consideration to the total ore body and the economics of the particular property.

The parties to this agreement do hereby covenant and agree that it shall be binding upon and inure to the benefits of the parties hereto, their heirs, executors, administrators and assigns.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed in triplicate this 16th date of February, 1956.

(signed) J. W. REHART
First Party

(signed) JOHN ROUSH

(signed) WAYLAND ROUSH
Second Parties

I certify that this is a true and correct copy of this Agreement which was reproduced by me this 9th day of October, 1956:

Notary Public

NOTARY PUBLIC FOR OREGON
My Commission Expires Mar. 18, 1957

Rare Metals Developement Corp.
1017 S. W. Washington St., Rm. 202
Portland 5, Oregon

Present Mining and/or Exploration Operations

Four discovery pits varying in depth from six to twelve feet were dug, and a bulldozer removed approximately two-to-four feet of top-soil in the surrounding area. This particular part of the exploration work was examined by a geologist in the employ of the State of Oregon, Mr. Max Schafer, and his report is attached to this application as Exhibit 2-C.

These workings are being conducted exclusively by the Rare Metals Developement Corporation, or under its direction.

The area is accessible by vehicle most of the year. Only snow and ice make it inaccessible for periods of three-to-four months during the winter. The area is located approximately 10 miles from the town of Lakeview, Oregon.

Exhibit 2-C

COPY

STATE DEPARTMENT OF GEOLOGY AND MINERAL INDUSTRIES

702 Woodlark Building
Portland 5, Oregon

DIGMORE CLAIMS (Hg)

Owner: Land is owned by deed (?) to William Rehart, Lakeview. A lease-partnership deal on the mercury occurrence was given to John and Weyland Roush, Lakeview.

Location: The occurence is located in the NE 1/4 sec. 12, T. 38 S., R. 20 E., Lake County. The prospect is reached by traveling north on Highway 395 approximately 7 miles, to the Salt Creek road, then east on the Salt Creek road about 2 1/2 miles. The prospect is just north of the Salt Creek road.

Development: Exploration in progress June 9, date of visit. Methods were removal of the 1-foot or less of soil cover, and tenching with bulldozer, and digging of prospect pits. Object of exploration is to deal with private company for mining.

Geology: Mercury mineralization is present in a bedded series of altered volcanic tuffs. Clayey tuffs, tuffs, and opalized rocks are present. Some of the opalized rocks are brecciated. Banding parallel to bedding is common in the opalized rocks.

The brittle opalized rocks are badly fractured and bedding planes are well developed. Some vertical fractures or shears can be found.

The mercury is present as cinnabar (HgS). The mineral is partly associated with the opalization, partly coating fractures in opalized material, and partly disseminated in clayey altered tuffs.

The cinnabar is in streaks and bands throughout the opalized rock, giving the material a reddish banded appearance. Breccia fragments often contain cinnabar. The greater part of the material is of this type - a typical banded or reddish opaline material.

Mercury is frequently more heavily concentrated in narrow seams or fractures which are usually vertical. The hard, brittle, broken rock is heavily coated with cinnabar for 6 inches to 1 foot on each side of the fracture. These fractures contain very sparse manganese staining and some hematite and limonite. No other minerals were noted at any spot on the property.

Some cinnabar is found disseminated throughout small areas of clayey tuff. At the time of the examination this type of ore seemed to be minor in amount.

It is evident that the banded cinnabar is very closely associated with the silicification (opalization) of tuffaceous or other porous rocks. The mineralization must have been contemporaneous with at least part of the silicification. Since cinnabar is also coating factures there must have been later mineralization after some movement of the ground. Whether this mineralization is supergene or not, is not known, but there were no signs of leaching of mercury in the areas examined.

Economics: The deposit offers a possibility for a large low-grade operation. There are reported occurences to the east of the deposit which were not examined, but it is felt that there must be continuous mineralization for possibly 500 feet. A mineralized zone 300 feet by 100 feet was examined, and the possibilities are very good for extending this distance.

The deposit is very similar to those described by Yates in U.S.G.S. Bull. 931-N, Quicksilver Deposits of the Opalite District, Malheur County, Oregon, and Humboldt Co., Nevada.

Exploration: The primary purpose of exploration work should be to extend the surface deposits to their full extent. The only hope of the property probably is to develop a surface operation of large tonnage.

Diamond drilling was attempted at the prospect with little success. Little core was recovered, and this was principally from barren rock. At a very shallow depth, water was lost, and no cuttings were recovered. Thus no sample at all was recovered.

Exhibit 2-C

COPY

Digmore Claims (Hg)

Samples:	QG- 145	Pit No. 1	-	0.6	lb./T
	146	Pit No. 2 - 1' seam	-	4.0	"
	147	Pit No. 4 - N. face	-	0.3	"
	148	Pit No. 6 - W. face	-	1.6	"

Report by: Max Schafer July 1956

Visited: June 9, 1956

I certify that this is a true and correct copy, made by me this 9th day of October, 1956:

Notary Public

NOTARY PUBLIC FOR OREGON
My Commission Expires Mar. 18, 1957

Rare Metals Developement Corp.
1017 S. W. Washington St., Rm. 202
Portland 5, Oregon

Exhibit 2-E

Accessibility of Project

The occurence is located approximately 10 miles Northeast of Lakeview, Oregon, and is reached by traveling North on Highway 395 to the Salt Creek road, and then East on the Salt Creek road about 2 1/2 miles. These roads are open almost all year, excepting 3-4 winter months. Improvement of these roads for year-round accessibility is planned as a part of the exploration of this area.

The nearest shipping, supply and residence points are approximately 10 miles to the Southwest in Lakeview, Oregon(pop. 2,831), where railroads, housing, and supply houses are available.

Ex 2 E

Rare Metals Developement Corp.
1017 S. W. Washington St., Rm. 202
Portland 5, Oregon

Exhibit 3

Availability of Manpower, Supplies, Etc.

Manpower, materials, supplies and equipment are all furnished by the Rare Metals Developement Corporation.

A plentiful water supply is available on the site, and any necessary electrical power will be furnished by portable electric light plant.

Any additional manpower, materials, supplies or equipment needed are readily available in Lakeview, Oregon, approximately 10 miles to the Southwest.

Rare Metals Developement Corp
1017 S. W. Washington St., Rm. 202
Portland 5, Oregon

Exhibit 5

Operating Experience & Background of Applicant

William E. Richardson
1935 S.W. Moss St.
Portland 19, Oregon

Director-Owner of Portland Television College, Portland, Oregon; Registered Professional Engineer in State of Oregon; listed in "Who's Who in Commerce & Industry" & "Who's Who on the West Coast"; as Director of Portland Television College, has carried on field work and exploratory work on the geological conditions throughout the State of Oregon for over 15 months, including intensive study of the formations and conditions in Lake County as pertaining to uranium and other rare minerals; taught layman's course of study in geology and minerology, and operation and repair of detection instruments.

John R. Roush
Route 6, Box 58
Lakeview, Oregon

Lake County rancher and prospector; was born in and spent entire life in this region, and has made a concentrated study of the geological formations of the County; discovered Oregon's first major uranium deposit (White King mine) in 1955, and more recently has made several low-grade mercury, uranium and gold strikes in this area; continuously active in rare mineral prospecting for 5 years; experienced in operation and maintenance of heavy equipment, drill rigs, detection instruments, and associated equipment. experience carpenter.

Rare Metals Developement Co
1017 S. W. Washington St., Rm. 202
Portland 5, Oregon

Exhibit 5
(page 2)

John Wayland Roush
Route 6, Box 58
Lakeview, Oregon

Son of John R. Roush; has worked as an aid to his father in both location of White King strike and more recent operations; rancher-prospector experienced in the use of core drills, heavy equipment, etc., welding machines and other repairing equipment.

Rare Metals Development Corp.
1017 S. W. Washington st., Rm. 202
Portland 5, Oregon

Estimate of Costs

	Cost per Unit	Cost per 12 months	Total
Independent Contracts			
None	$------	$------	$------
Labor, supervision, consultants			
Geological consultants	100.00/day	10,000.00	
2 field men	100.00/day	10,000.00	
General supervisor	100.00/week	5,000.00	
2 operational men	2.00/hr/ea.	8,500.00	
			33,500.00
Operating materials & supplies			
Fuel	15.00/day	3,000.00	
Batteries	50.00/mo.	600.00	
Small tools	50.00	50.00	
Special wrenches	35.00	35.00	
Fire extinguishers	20.00/ea.	200.00	
First aid kits	4.00/ea.	44.00	
Explosives	15.00/case	750.00	
Drill bits	.25/ft.	4,275.00	
			8,954.00
Operating Equipment			
Purchase:			
Used bulldozer D-7	15,500.00	15,500.00	
Air compressor	2,500.00	2,500.00	
Water wagon (used)	3,000.00	3,000.00	

Ex 6-1

Rare Metals Development Corp.
1017 S. W. Washington, Rm. 202
Portland 5, Oregon

	Cost per Unit	Cost per 12 months	Total
Operating Equip. (Cont'd)			
Purchase:			
Storage tank truck	450.00	450.00	
2-way radio	1,000.00	1,000.00	
Jack-hammer	125.00	125.00	
Scintillation counter & probe	765.00	765.00	
Rental from Operator:			
Bulldozer TD-9	500.00/mo.	6,000.00	
Core drill	450.00/mo.	5,400.00	
2 welding machines	20.00/mo./ea.	480.00	
1 jack-hammer	10.00/mo.	120.00	
'56 Ford pick-up	60.00/mo.	720.00	
'54 GMC pick-up	50.00/mo.	600.00	
'55 Willys jeep (4 X 4)	55.00/mo.	660.00	
'46 Chev. flat bed truck	20.00/mo.	240.00	
4 Geiger counters	10.00/mo./ea.	480.00	
3 Scintillation counters	15.00/mo./ea.	540.00	
1 deep hole probe	5.00/mo.	60.00	
Chem. Lab.	10.00/mo.	120.00	
2 water pumps	10.00/mo./ea.	240.00	
1 portable diamond drill	50.00/mo.	600.00	
Rental from other sources:			
Wagon drill	450.00/mo.	5,400.00	
			45,000.00

Ex 6-2

Rare Metals Development Corp.
1017 S. W. Washington, Rm. 202
Portland 5, Oregon

	Cost per Unit	Cost per 12 months	Total
Rehabilitation & Repairs			
2 gauges for welders	50.00	50.00	
Bulldozer recond. & repair	150.00	150.00	
			200.00
New Buildings, improvements, installations			
Powder house	500.00	500.00	
Oil house	250.00	250.00	
Light plant	60.00	60.00	
Shop	1,000.00	1,000.00	
Fire box	50.00	50.00	
Road improvement	900.00/mile	2,000.00	
			3,860.00
Miscellaneous			
Bulldozer maintenance (2)	5,000.00/year	5,000.00	
Core drill "	500.00/year	500.00	
Wagon drill "	1,000.00/year	1,000.00	
Counter "	1,200.00/year	1,200.00	
Water wagon "	200.00/year	200.00	
Stor. tank truck "	200.00/year	200.00	
2-way radio "	150.00/year	150.00	
welding mach. "	150.00/year	150.00	
chem. lab. "	150.00/year	150.00	
water pump "	50.00/year	50.00	
portable drill "	100.00/year	100.00	
air comp. "	100.00/year	100.00	

Ex 6-3

Rare Metals Development Corp.
1017 S. W. Washington St., Rm 202
Portland 5, Oregon

	Cost per Unit	Cost per 12 months	Total
Misc. (Cont'd)			
Vehicle maintenance (4)	50.00/mo.	600.00	
Workmans Compensation Ins.	1,000.00/year	1,000.00	
additional insurance (liab.)	500.00/year	500.00	
All-risk insurance	10.00/year	10.00	
analytical work (specs, etc.)	600.00/year	600.00	
accounting	500.00/year	500.00	
			12,010.00
Contingencies			
Travel expense	1,000.00/year	1,000.00	
Vehicle licensing	100.00/year	100.00	
			1,100.00
Grand Totals			$ 104,624.00

Ex 6-4

Rare Metals Development Corp.
1017 S. W. Washington, Rm. 202
Portland 5, Oregon

Exhibit 7

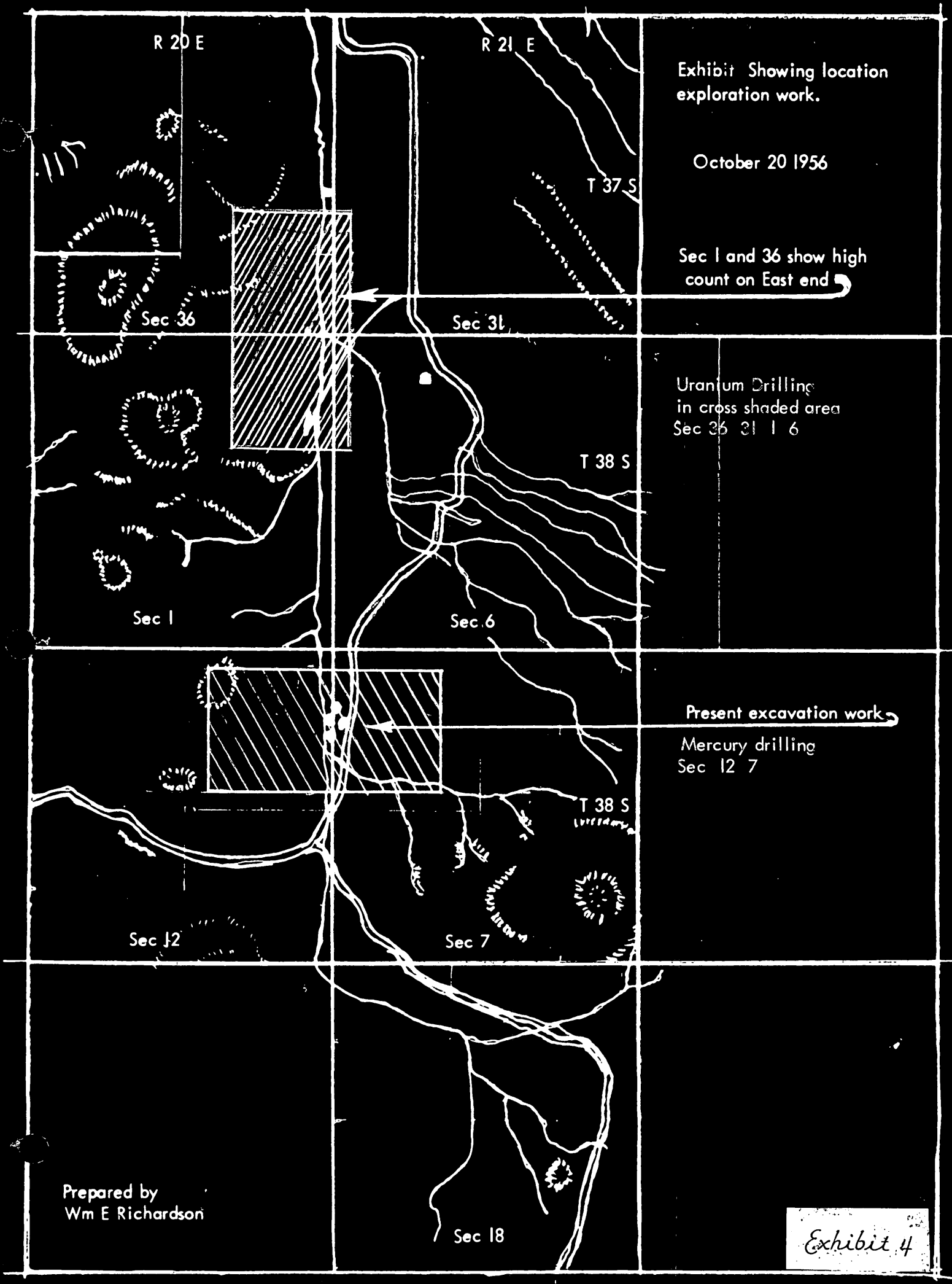
All members of the corporation are financially able to supply to the corporation the necessary capital needed for the applicant's share of the costs. Since each stockholder is self-employed in other endeavors, each has an independent income.

All stockholders can stand both character and/or credit investigation, and each will contribute his share of money, labor or equipment necessary for the proposed exploration project.

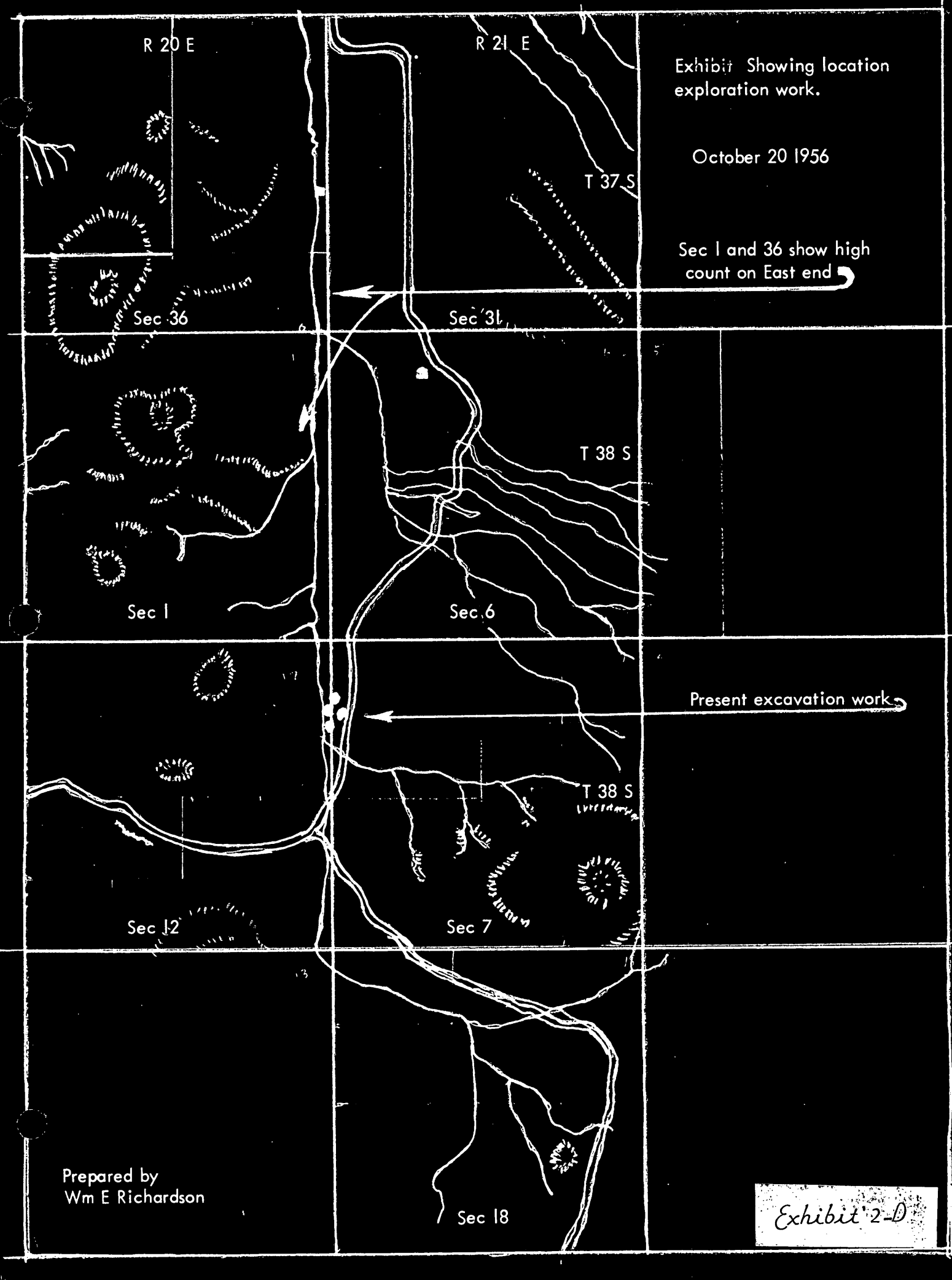
At the present time, the following list of equipment is available to the corporation, being directly owned by Wm. E. Richardson, John R. Roush, and John Wayland Roush:

1 Bulldozer Td-9
1 Diamond core drill mounted on 4 X 4 Dodge weapons carrier
1 Diamond portable drill, small
2 welding machines
1 1956 Ford pick-up F-100
1 1954 GMC pick-up
1 1955 Willys 4 X 4 jeep
1 1946 Chev. flat-bed truck
1 Jack-hammer
1 Hoffman Countmaster Geiger counter
1 Precision 107-B " "
2 Detectron " "
1 Precision 111-B Scintillation counter
1 El-Tronic " "
1 Berkley 2750 Survey Meter
1 Hoffman Deep-hold probe
1 Small chemical lab.
1 3,000-gal. water pump
1 10,000-gal. water pump

RARE METALS DEVELOPMENT CORP. 1017 SW WASHINGTON ST PORTLAND 5 OREGON



RARE METALS DEVELOPMENT CORP. 1017 SW WASHINGTON ST PORTLAND 5 OREGON



U. S. Government Messenger Envelope

Standard Form No. 65 (Rev. 1/46)

1. Use blocks consecutively, one at a
2. Void previous block.
3. Write clearly.

NAME OR TITLE OF PERSON, DEPARTMENT, ADDRESS, AND ROOM		NAME OR TITLE OF PERSON, DEPARTMENT, ADDRESS, AND ROOM	
Mr. Griswold 4444 Int.	RUN STOP		RUN STOP
	RUN STOP		RUN STOP
	RUN STOP		RUN STOP
	RUN STOP		RUN STOP
	RUN STOP		RUN STOP
	RUN STOP		RUN STOP
	RUN STOP		RUN STOP
	RUN STOP		RUN STOP
	RUN STOP		RUN STOP
	RUN STOP		RUN STOP

Send surplus envelopes to supply room for reissue.

Use other side

Use RUN and STOP only when messenger service between Government buildings in Washington is required. Your mail room has RUN and STOP information.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
6-4	Chapman	400
6-4	Martin	400
6/5	Selfridge	190
		~~130~~
		~~130~~
		100
		220

JUN - 6 1957

Mr. William E. Richardson, President
Rare Metals Development Corporation
200 New Fliedner Building
Portland 5, Oregon

Re: Docket No. DMEA 4545 - Mercury and Uranium
Digmore Holdings
Lake County, Oregon

Dear Mr. Richardson:

By letter of December 31, 1956, we outlined a number of exceptions to your lease and advised that the above-docketed application would be held in abeyance pending your obtaining an appropriate lease. Your letter of January 10, 1957, reported that it would require 15 to 20 days to complete action on a new lease and requested us to withhold action for that period.

Our letter of January 18, 1957, acknowledged your letter and advised that we were holding your application in abeyance and would expect to hear from you within 30 days. Your letter of January 23, 1957, which we acknowledged on January 30, 1957, stated that the lease was being rewritten a second time and we could expect to hear from you within a week or ten days. Consequently, when you telephoned on February 13, 1957, informing us that you had nearly obtained a better lease, we agreed to hold the application in abeyance for a while longer.

Without having any further word from you, we sent our letter of March 30, 1957, advising that the new lease had not been received and that if we did not hear from you within 30 days that the application would be considered as withdrawn. As we have not received the required new lease and additional information or a reply to our last letter, we are considering the application as having been withdrawn and are placing it in our inactive file.

We regret the necessity of taking such action; however, it is taken without prejudice to your proposed project. If at some future time you desire to reopen this case, you may do so by filing a new application, referring to the subject application by the DMEA docket number, and furnishing the information previously requested, together with any other information that you think might be helpful.

Sincerely yours,

C. O. Mittendorf (for)

Administrator

TLCHAPMAN:foc 6-4-57
cc to: Docket
Code 400
Admr. R. File

cc to: Oper. Comm.
FT. REG. I NMDist
Messrs. J. W. Pennington, USBM
T. H. Kilsgaard, USGS

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
6-4	Chapman	400
6-4	Martin	400
		200
		220

JUN -4 1957

MEMORANDUM

To: A. S. Dakan, Director, Div. Operations Control and Statistics

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

Subject: Withdrawal of application
Docket No. DMEA 4545 - Mercury and Uranium
Rare Metals Development Corporation
Digmore Holdings
Lake County, Oregon

By our letter of March ~~30~~ 25, 1957, we advised the applicant unless we heard from them within 30 days we would consider the application as being withdrawn.

The applicant did not answer the above noted letter and is apparently no longer interested in a DMEA project. It is recommended, therefore, that we consider the application as having been withdrawn without prejudice.

The docket is attached to be placed in the inactive file.

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

TLCHAPMAN:foc
6-4-57
cc to: Docket ✓
Code 400
Admr. R. File

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
3/28	Martin	400
3/28	Selfridge	120
"	Johnson	110
"	Mittendorf	100
4/1	C	220
		400

MAR 28 1957

Mr. Wm. E. Richardson, President
Rare Metals Development Corporation
200 New Fliedner Building
Portland 5, Oregon

Re: Docket No. DMEA 4545 - Mercury
and Uranium
Digmore Holdings
Lake County, Oregon

Dear Mr. Richardson:

From your telephone call of February 13, 1957, to Mr. W. S. Martin, we understood that you were about to send us the new lease mentioned in your letter of January 23, 1957, regarding the subject application.

However, no new lease has yet been received here. We wish to cooperate fully with you, but under the circumstances unless we hear from you again within 30 days we shall consider your application as withdrawn.

Sincerely yours,

C. O. Mittendorf (for)

Administrator

WSMARTIN:foc
3/28/57
cc to: Docket
Code 400
Admr. Read. File
FT. REG. I - NWDist.
Messrs. J. W. Pennington, USBM
T. H. Kiilsgaard, USGS

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
1/29	Martin	400
1/30	Johnson	110
1/30	Whitney	100
1/30	C	220
		400

JAN 30 1957

Mr. Wm. E. Richardson, President
Rare Metals Development Corporation
200 New Fliedner Building
Portland 5, Oregon

Re: Docket No. DMEA 4545 - Mercury
and Uranium
Digmore Holdings
Lake County, Oregon

Dear Mr. Richardson:

Enclosed, as requested in your letter of January 23, 1957, are additional copies of Form MF-205.

We note that you are about to submit a new lease, and corresponding Consent to Lien and Subordination Agreement.

Sincerely yours,

W. S. Martin

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

Enclosures

cc to: Docket
Code 400
Admr. Read. File
FT. REG. I - NWDist.

2/13/57
Bill Richardson phoned to say he has nearly obtained a better lease (2582!) and was told we will hold the application in abeyance for a while longer
WSM

8623

RARE METALS DEVELOPMENT COMPANY, INC.

WM. E. RICHARDSON, Pres. JOHN R. ROUSH, Vice-Pres. JOHN WAYLAND ROUSH, Sec.-Treas.

200 NEW FLIEDNER BLDG.
PORTLAND 5, OREGON
CA 8-7777

P. O. BOX 1306
LAKEVIEW, OREGON

4545

January 23, 1957

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 25 1957

DATE	INITIALS	CODE
1-25	C	220
1/25	WSM	400

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

Dear Mr. Mittendorf:

Please be advised that a new lease has been drawn up for the Digmore Holdings in Lake County, Oregon, as per your request of December 31, 1956. This lease, toegether with the required number of copies of Form MF-205 was presented to the land-owner for signature last week.

However, the land-owner showed objections to the specific parcel of land involved and, therefore, we are re-writing the lease a second time to comply with his wishes. It will also be necessary to obtain from your office additional copies of Form MF-205.

It is regrettable that there has been this delay, but you may expect to hear from us again within the next week or ten days.

Sincerely,

Wm E Richardson

Wm. E. Richardson
President

WER/dr

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
1/17	Chapman	400
1/17	Martin	400
1/18	[illegible]	190
1/18	[illegible]	110
"	[illegible]	100
1-18	cw	220
		400

JAN 18 1957

Mr. William E. Richardson, President
Rare Metals Development Company, Inc.
200 New Fliedner Building
Portland 5, Oregon

Re: Docket No. DMEA 4545 - Mercury
and Uranium
Dignore Holdings
Lake County, Oregon

Dear Mr. Richardson:

As requested in your letter of January 10, 1957, pertaining to proposed changes in the lease on the above mentioned property, we are holding your application in abeyance. We expect to hear from you again within 30 days.

Sincerely yours,

C. O. Mitzenbery (for)

Administrator

TLChapman:am 1-17-57
cc to: Docket
Code 400
Admr. Read. File
Oper. Comm.
FT REG I, NWDist
Messrs. J. W. Pennington, USBM
T. H. Kiilsgaard, USGS

8623

RARE METALS DEVELOPMENT COMPANY, INC.

WM. E. RICHARDSON, Pres. JOHN R. ROUSH, Vice-Pres. JOHN WAYLAND ROUSH, Sec.-Treas.

200 NEW FLIEDNER BLDG.
PORTLAND 5, OREGON
CA 8-7777

P. O. BOX 1306
LAKEVIEW, OREGON

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 14 1957

DATE	INITIALS	CODE
1/14	WSM	400

January 10, 1957

Mr. C. O. Mittendorf, Administrator
Defense Minerals Exploration Administration
United States Dept. of the Interior
Washington 25, D. C.

Re: Docket No. DMEA 4545

Dear Mr. Mittendorf:

This will acknowledge receipt of your letter dated December 31, 1956. We wish to advise you that action has been taken to comply with your requests regarding the lease submitted with our application. Because this will necessitate my personally contacting our Lakeview office, such action cannot be completed for approximately fifteen-to-twenty days. We are, therefore, requesting that our application be withheld for this period, and we will mail the answer to you before January 31, 1957.

Very sincerely,

Wm E Richardson

William E. Richardson
President

WER/dr

400
DOCKET
SURNAME
Chapman
Newton
Nelson
Lamb
Selfridge

DEC 31 1956

Mr. William E. Richardson, President
Rare Metals Development Corporation
1017 S. W. Washington Street, Room 202
Portland 2, Oregon

Re: Docket No. DMRA 4545 - Mercury and Uranium
Digmore Holdings
Lake County, Oregon

Dear Mr. Richardson:

Reference is made to the lease executed February 16, 1956, which forms a part of the subject application. Please refer also to Sec. 8 of DMRA Order-1 Amended, which provides that the Operator have, preserve, and maintain a sufficient interest in the land, as owner, lessee, or otherwise, for the purposes of the exploration project contract.

In this regard, your lease states that the right to prospect for minerals expires February 1, 1958. Even if a contract were eventually approved for your prospect, we consider these rights inadequate. Therefore, before requesting a field examination, we should be advised whether you could obtain an extension of your leasing rights to allow for sufficient time for completion of the work if an exploration project were approved.

We noted also that entrance upon meadow and plow lands is prohibited without the owner's written consent, but that the lands are not defined in relation to a proposed project. Lastly, we noted that the amount of royalty you are required to pay is exceptionally high, and are not clear whether you are required to compute it based upon sale price or after deducting operating expenses.

We should like to suggest that, for our purposes, a lease that covered only the most promising areas for mineral exploration and with less restrictive provisions pertaining thereto, as our comments point out, would be desirable. In any event the lease rights should be held by the applicant corporation. If a project were approved we would also require the landowner to execute a Consent to Lien and Subordination Agreement on five of the attached Forms MF-205; the sixth copy is for the landowner's file.

Your application will be held in abeyance for a reasonable period to allow you time to determine whether appropriate lease, and Form MF-205 can be obtained.

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosure

cc to: Oper. Comm.
FT. REG. I, NWDist
Messrs. J. W. Pennington, USBM
T. H. Killsgaard, USGS

TLChapman:am 12-27-56
cc to: Docket
Code 400
Admr. Read. File

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

DEC 1 1 1956

Memorandum

To: The Administrator, DMEA
Attention: Chief, Iron and Ferro-Alloys Division

From: Associate Solicitor, Division of Mineral Resources

Subject: Docket No. DMEA-4545 (Mercury and Uranium)
Rare Metals Development Corporation
Bigmore Holdings
Lake County, Oregon

This responds to your memorandum of December 3 inquiring whether the terms of the lease submitted by the applicant are so rigid as to preclude successful economic operation, and therefore would warrant DMEA requesting the applicant to obtain a new and less restrictive lease.

As a general matter, DMEA should, except where absolutely essential to the success of the exploration work (e.g., where the lease confers insufficient possessory interest), refrain from interfering in the contractual arrangements of lessor and lessee. We have, therefore, examined the agreement from that point of view and make no comment with reference to the royalty clause, which is 40% of "net proceeds." Net proceeds are not defined. The main points are:

1. The lease, dated February 16, 1956, authorizes only prospecting for minerals until February 1, 1958. At this time, therefore, it has about 14 months to run. Whether this is sufficient possessory interest will depend on the amount and nature of the exploration contemplated.

2. The lease prohibits the lessees from entering "upon any of the meadow lands or plow lands" of the lessor without his specific written consent. If the "meadow lands or plow lands" constitute most of the land, this provision might be too restrictive for a successful DMEA operation; but if the "meadow lands or plow lands" constitute only a small portion and would not be the sites of the DMEA exploration work, it is not objectionable.

3. The agreement prohibits the lessees from interfering with "irrigation or stock water upon said premises" or with the "use of said premises for farming and agricultural purposes." This restriction may prohibit or greatly increase the costs of certain of the work.

DMEA Docket

4. The lease provides that upon a discovery of minerals, only the legal subdivisions in which the discovery is made shall remain in the lease, and the balance of the lands shall be "released" from the lease. Although this provision could conceivably reduce the total area from which mineral production might eventually take place, we do not think it is objectionable if the lessor provides DMEA with a Consent to Lien. As to the areas upon which minerals are discovered, the agreement continues so long as minerals are produced in commercial quantity.

5. The lease provides that the lessees will not permit any lien or encumbrance to "accrue against said real property." This provision is not objectionable insofar as concerns DMEA, if the lessor provides DMEA with a Consent to Lien.

6. The provision forbidding the lessees from making "improvements or material alteration on the above described premises" or from constructing "any buildings thereon," without the lessor's consent, may or may not be unduly restrictive insofar as DMEA is concerned, depending on the nature of the exploration work that DMEA might authorize.

It should be noted that the lessees named in the lease are John Roush and Wayland Roush, who are apparently officers in the Rare Metals Development Corporation, which is the applicant. There is nothing in the file to indicate that the lease has been assigned by the lessees to the applicant. In the absence of additional information, we are unable to advise whether a new lease should be requested.

Robert P. Dwyer

Robert P. Dwyer

PIndritz/wog
December 11, 1956
Copy to: Solicitor's Docket (2)
✓DMEA Docket
Operating Com.
J.L.Chambers
W.S.Martin (2)
R.P.Dwyer
P.Indritz
Chron.

400
McMahon
Martin

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

December 3, 1956

MEMORANDUM

To: Associate Solicitor, Division of Mineral Resources

From: Iron and Ferro-Alloys Division, DMEA

Subject: Docket No. DMEA 4545 - Mercury and Uranium
Rare Metals Development Corporation
Digmore Holdings
Lake County, Oregon

Mr. A. E. Weissenborn, in his letter of November 16, 1956, transmitting the subject application, states, "The terms of the lease submitted with the application appear to be so rigid as to preclude a DMEA contract. It would appear that because of the terms of the lease even if a project had successful results, it is doubtful that an economic operation could be carried out."

We would appreciate your reviewing the copy of Exhibit 2-A attached to the application and advising us whether or not a new lease should be requested.

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

Attachment

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

IN REPLY REFER TO:

RECEIVED DEC 4 1956 D.M.E.A.

November 30, 1956

Re: DMEA 4545
Rare Metals Development Corporation
Digmore Holdings
Lake Co., Oregon
$104,624.00 - Mercury

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 prospecting a bedded series of volcanic tuffs for mercury and uranium. The mercury apparently is associated largely with opalized rocks. When inspected by a geologist of the State Dept. of Geol. and Mineral Industries of Oregon, Max Shafer on June 9, 1956, a mineralized zone 300 x 100 feet had been stripped. From 4 pits, probably within that area, 4 samples were taken. A 1-foot seam afforded a sample that showed 4 pounds of mercury per ton. The other samples assayed 0.03, 0.015 and 0.08% Hg.

Mr. Shafer recommended that the surface deposits be extended to their full extent. Nothing is said in the application about further work having been done. Therefore the Shafer samples are the sole support of the application.

Uranium mineralization is mentioned and prospecting for uranium deposits is probably part of the proposed prospecting project. High counts are noted on the map, Exhibit 2-D, but no specific data are furnished.

If the 16-month permit to prospect terms also give reasons for denial of the application such would seem to be in order, inasmuch as the project, as planned, is little other than a prospecting venture.

If the denial is not made referral to the Field Team is recommended.

N. E. Nelson

N. E. Nelson

Docket

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

November 28, 1956

WSM

Memorandum

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

From: Assistant Chief, Branch of Base Metals

Subject: Review of application, Docket No. DMEA 4545 (mercury), Rare Metals Development Corporation, Digmore Holdings, Lake County, Oregon. $104,624

Apparently the applicant proposes a drilling program to explore for mercury mineralization although the only information given is that the holes will be on 50-foot centers and 100 feet deep. According to the Geologist's report, drilling the property was attempted with little success.

Despite the applicant's objection to bulldozing, he includes equipment for bulldozing work under proposed costs. In fact, his costs appear to be excessive and include unexplained items.

Assays submitted with the application indicate that the property is too low-grade to be mined economically.

It is recommended that the additional and clarifying information be obtained, either from the applicant or the Field Team.

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

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

November 19, 1956

Rare Metals Development Corp.
1017 S. W. Washington St. - Room 202
Portland 5, Oregon

Subject: DMEA-4545

Your application for exploration assistance, dated November 7, 1956 submitted to our office at Spokane, has been assigned Docket Number DMEA-4545 and referred to the Iron and Ferro-Alloys Division in the Washington office. Kindly identify all future correspondence relating to your application by this Docket Number.

Sincerely yours,

Allen S. Dakan, Director
Operations Control and
Statistics Division

Copy to:

Region I,N.W. Spokane, Washington

Code 400

6416

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

November 16, 1956

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

Re: New application (Mercury-Uranium)
Rare Metals Development Corporation
Digmore Holdings
Lake County, Oregon

Dear Mr. Selfridge:

Enclosed are three copies of an application for aid in an exploration project to explore for mercury and uranium in Lake County, Oregon.

The terms of the lease submitted with the application appear to be so rigid as to preclude a DMEA contract. It would also appear that because of the terms of the lease even if a project had successful results, it is doubtful that an economic operation could be carried out.

No examination will be made prior to receiving a field referral.

By Field Team, Region I, NW District

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

Thomas E. Howard
for. Wing G. Agnew, Member
U. S. Bureau of Mines

Enclosures
cc: USBM(2)
Geologist