IMEA Form 9

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE

DMEA NO. 4600

1112

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(Withdrawn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

2 3 JUL 1957

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

Government Copy

EXPLORATION PROJECT CONTRACT
FORD M. CONVERSE
DOCKET NO. DMEA-4600

Amendment No. 2

It is agreed this 6th day of June 1958, between the United States of America, acting through the Department of ~~the Interior~~, Defense Minerals Exploration Administration, and Ford M. Converse, that Exploration Project Contract No. Idm-E1112 (Docket No. DMEA-4600), dated July 23, 1957, as amended, is further amended as follows:

In Amendment No. 1 of the Contract the date specified for commencing work is extended from May 1, 1958, to on or before July 10, 1958.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, or the fixed unit cost of any item of work.

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

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

FORD M. CONVERSE

Ford M. Converse

FORD M. CONVERSE
Exploration Project Contract No. Idm-E1112
Docket No. DMEA-4600

Justification for Amendment No. 2

The Operator has been having difficulty finding someone to do the drilling and was unable to start by May 1, 1958.

D. R. MacLaren
Geologist

ORIGINAL FILE COPY
DMEA
23 1958

Government's Copy

Long
Stenger
Mitchell
Chambers
Selfridge

OFFICIAL FILE COPY
DMEA
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22

EXPLORATION PROJECT CONTRACT
FORD M. CONVERSE
DOCKET NO. DMEA-4600

Amendment No. 1

It is agreed this 3rd day of January, 1958, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Ford M. Converse, that Exploration Project Contract No. Idm-E1112 (Docket No. DMEA-4600), dated July 23, 1957, is amended as follows:

In Article 3 of the Contract the date specified for commencing work is extended from September 15, 1957, to on or before May 1, 1958, and the period for completion of the work is extended to fifteen months from date of contract.

The maximum period for royalty payments and liens to secure the payment thereof, as provided in Article 8(b) of the Contract, is increased from 10 to 11 years from the date of the Contract.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, or the fixed unit cost of any item of work.

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C. Mitteudorf
Administrator, Defense Minerals
Exploration Administration

FORD M. CONVERSE

Ford M. Converse

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DATE	INITIALS	CODE

MF-200
(Revised June 1954)

Government's copy

Docket No. DMEA -4600

Commodity Copper

Contract No. Idm-E 1112

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

EXPLORATION PROJECT CONTRACT[1]

It is agreed this 23 JUL 1957 day of ....., 195..., between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] FORD M. CONVERSE

whose mailing address is 2885 S. W. Fairview Blvd.
Portland 1, Oregon
hereinafter called the "Operator," as follows:

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF–200), the attached Exhibit "A," Annex I, and 2 maps.

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

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

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] owner of [5] the entire interest in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] See Annex I, [7] recorded in Book ....., page ....., official records of said County; and

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

(c) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above, and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title

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

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

.....

.....

(d) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. Until the lapse of the time within which the Government may make a certification of discovery or development without any such certification having been made, and after any such certification has been made, the Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. If the Government makes no certification of discovery or development within the time limited in Article 8, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 8(b)(1).

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of Copper. The work to be performed is described in Exhibit "A." The Operator on or before September 15, 1957, shall commence the work, and on or before 8 mos. from date of contract (unless the Operator's obligation to prosecute the work is terminated—see Article 10) shall either have completed the work or shall have incurred allowable costs (see Article 6) in a sum not less than the estimated total allowable cost set forth in Exhibit "A."

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

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

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

ARTICLE 5. *Contribution by the Government.*—The estimated total allowable cost of the project, set forth in Exhibit "A," is the sum of $7,200.00 The Government shall contribute 50 percent of the allowable costs as they are incurred in a total sum not in excess of $3,600.00: *Provided,* That until the Operator has rendered to the Government his final report, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last

voucher or vouchers such sums as it sees fit not in excess of 10 percent of the estimated total cost of the work or not in excess of the amount of the Government's contribution to the cost of property which is or may become subject to disposal as provided in Article 9(c), whichever is greater. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 7(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. "Costs incurred" mean costs that have been paid or have become due and payable, or that in the opinion of the Government have become an obligation. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

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

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

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

CATEGORY (2)—PERSONAL SERVICES.

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

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

Subcategory (c)—Labor.

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

CATEGORY (4)—OPERATING EQUIPMENT.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(c) *Reductions in costs.*—The Operator shall account for and give the Government credit for any incidental benefits, credits, or money received in the ordinary course of business in prosecuting the work (as by salvage or sale of materials or equipment, furnishing of room or board, furnishing of power or services to third persons, rebates or discounts on purchases, etc.), in the same ratio in which the Government contributes to costs; and such amounts shall be treated as a reduction in costs incurred so that they are available for use within the limit of the original estimated total cost. This provision does not apply to receipts from production which are subject to the Government's percentage royalty under the provisions of Article ~~2~~ 8. **(See Article 13.)**

ARTICLE 7. *Reports, accounts, audits.*—(a) *Operator's records.*—The Operator shall keep suitable records and accounts of the work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. If the Government elects to audit said records and accounts relating to the exploration work by certified public accountant, it may do so as a cost of the work to which the Operator shall contribute. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine any pertinent books, documents, papers, and records of the Operator. All of the Operator's vouchers and records and accounts relating thereto and the Government's payments thereof remain subject to adjustment until final audit by the Government. If work under this contract is carried on in conjunction with any other operations, or if labor, supervision, services, materials, supplies, equipment, facilities, or other requirements for carrying on the work are also used in connection with other operations, the costs shall be segregated and accounted for on a basis and by methods and accounts that are satisfactory to and approved by the Government.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing detailed costs incurred during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and costs incurred for each type of work; and (3) a Narrative Report of the work performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

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

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

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

ARTICLE 8. *Repayment by Operator.*—(a) *Certification.*—If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after a sufficient final report and final account (see Article 7) has been rendered, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

(b) *Royalty on production.*—The Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer, shall pay to the Government a royalty on all minerals mined or produced from the land, as follows: (1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first; or (2) if the Government makes a certification of discovery or development, within a period of ten years from the date of the contract, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first.

(c) *Basis for computation.*—The Government's royalty shall be a percentage of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrates, metal, or equivalent), at the point of delivery (the f. o. b. point); *except,* that charges of *the buyer* arising in the regular course of business, and shown as deductions on the buyer's settlement sheets, on account of the cost of treatment processes performed by *the buyer,* sampling and assaying to determine the value of the production sold, and freight paid by *the buyer* to a carrier (not the Operator), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. Any costs of treatment processes, sampling or assaying, or transportation, performed or paid by the Operator or by anyone other than the buyer, are not deductible in arriving at the "gross proceeds" as that term is here used. The term "treatment processes," as here used, means those processes (such as milling, concentrating, smelting, refining, or equivalent) applied to the crude ore or other production after it is extracted from the ground, to put it into a commercially marketable form; excluding fabricating or manufacturing.

(d) *Unsold production.*—If any production (ore, concentrates, metal, or equivalent), after the lapse of six months from the date the ore was extracted from the ground, remains neither sold nor used by the Operator in integrated manufacturing or fabricating operations (for instance, if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrates, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used by the Operator in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value therof in the form in which and at the time when it is so used. "Value" as here used means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination, or the market value, whichever is greater.

(e) *Percentages of royalty.*—The percentages of the Government's royalty shall be as follows:

One and one-half (1½) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half (½)

percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.

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

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

(g) *Lien for payment.*—To secure the payment of its percentage royalty, there is hereby granted to the Government a lien upon the land or the Operator's interest in the land and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(h) *Notice to purchasers.*—The Operator shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Administrator, Defense Minerals Exploration Administration, or his successor, and his estimate thereof shall be final and binding upon the Operator.

(i) *No obligation to produce.*—Nothing in this contract is to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

(j) *Government not obligated to buy.*—Nothing in this contract shall be construed as imposing any obligation on the Government to purchase any minerals mined or produced from the land.

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

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

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

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

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

ARTICLE 10. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery, and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon: (1) the Government shall be free of all obligation to contribute to costs not then incurred other than such as may be allowable under the provisions of the contract as necessary and incidental to winding up, reporting, and accounting; and (2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

(b) If in the opinion of the Government the Operator is in any manner in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon: (1) the Government shall be relieved of all obligation to contribute to costs not incurred when the notice was given, other than such as may be allowable by the provisions of the contract as necessary and incidental to winding up, reporting, and accounting; and (2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. The remedy provided for the Government in this paragraph "(b)" is in addition to any other remedy provided in this contract, and in addition to any other remedy the law may provide for breach of contract.

(c) The giving of any notice by the Government under the provisions of this Article 10 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and such rights shall be fully preserved.

ARTICLE 11. *Notices to be given by the Government* may be delivered to the Operator, or may be sent by registered mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 12. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 13. *Changes and added provisions.*—
In Article 6(c), the words "Article 9" are changed to "Article 8."

Long
Hanger
Richard Sole Owner
Faircloth
Chambers
Manning
Johnson

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C J Mittendorf
Administrator, Defense Minerals
Exploration Administration

FORD M. CONVERSE
~~XXXXXX~~

~~BY~~ Ford M. Converse

2885 S.W. Fairview Blvd.
Portland Ore. 11/25/57

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

.....

[CORPORATE SEAL]

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

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DMEA
RECEIVED DEC 6 1957

DATE	INITIALS	CODE

EXPLORATION PROJECT CONTRACT
FORD M. CONVERSE
DOCKET NO. DMEA-4600

ANNEX I

The land referred to in Article 2 of the contract consists of eight unpatented lode mining claims situated in section 29, Township 35 S., Range 2 E., Jackson County, Oregon. Notices of Location of said claims are recorded in the official records of Jackson County, Oregon, at Medford, as follows:

Claim Name	Volume	Page	Number
Grand Cove No. 0	64	343	408631
Grand Cove No. 1	63	415	395488
Grand Cove No. 2	63	416	395489
Grand Cove No. 3	63	418	395490
Grand Cove No. 4	63	420	395491
Grand Cove No. 5	63	422	395492
Grand Cove No. 6	63	424	395493
Grand Cove No. 7	64	341	408630

The claims are shown on the attached map entitled "Claim Map of the Grand Cove Claims," attached hereto and made a part hereof.

The Operator is the locator of the claims.

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DMEA
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DATE | INITIALS | CODE

EXPLORATION PROJECT CONTRACT
FORD M. CONVERSE
DOCKET NO. DMEA-4600

EXHIBIT "A"

Description of the Work

The purpose of the project is to explore for ores of copper by bulldozing (with auxiliary drilling and blasting) and by churn drilling.

The bulldozing will be performed with a D8 tractor or equivalent unit.

The churn drill holes will be of minimum diameter of six inches and will be fully cased to insure accuracy of sampling. Sludge samples will be taken at intervals not greater than five feet and such sludges will be dried, sampled and assayed for copper, gold, and silver. Duplicate samples of the sludges will be preserved and made available to the Government.

The work will be in two stages. The Operator shall perform all the Stage I work and as much of Stage II work as is approved in advance in writing by the Government.

Stage I

(A) Bulldoze not in excess of 80 hours of actual working time, in the area known as the "Main Opening" to further expose the presently opened copper mineralization. As required, bulldozing will be facilitated by drilling and blasting of the harder sections. The approximate location of the bulldozing is shown on the attached map entitled "Proposed Exploration, Grand Cove Claims."

(B) Churn drill four holes, each to an approximate depth of fifty feet. The aggregate total of the four holes shall not exceed 200 feet. Three of the holes will be drilled at the approximate locations shown on the above-cited map. The fourth hole will be drilled in the area designated on the map as "Area 1" at a location approved by the Government.

Stage II

Churn drill four holes to the east of the holes drilled in Stage I in the "Main Opening" area. The holes shall be drilled to

an approximate depth of 100 feet. The aggregate total footage of the four holes shall not exceed 400 feet. The actual locations and depths of such holes will require prior Government approval.

Estimated Costs of the Project

Actual Costs

Stage I

Category (1) Independent Contracts		
Bulldozing, 80 hours @ $15.00/hr.	$1,200.00	
Churn drilling (with casing) 200 feet @ $5.00/ft.	1,000.00	$2,200.00
Category (2) Personal Services		
Subcategories (a) and (b) Supervision and Technical Services		
1 Supervisor-sampler, 1 month @ $600.00/mo.	600.00	
Subcategory (c) Labor		
1 miner, 20 days @ $16.00/day	320.00	$ 920.00
Category (3) Operating Materials and Supplies		
Explosives	150.00	
Gasoline and oil	50.00	
Detachable bits	15.00	
2 Sludge boxes @ $10.00/ea.	20.00	235.00
Category (4) Operating Equipment		
Subcategory (a) Rental		
1 jeep or pickup, 20 days @ $10.00/day	200.00	
1 compressor and jackhammer, with hose and drill steel, 1 month @ $175.00/mo.	175.00	375.00

Subcategories (b) and (c) Purchases and Depreciation

None

Categories (5) and (6)

None

Category (7) Miscellaneous

40 samples for assays @ $3.00/sample	$ 120.00	
40 sample bags and sample transportation @ $0.65/ea.	26.00	
Insurance	138.00	$ 284.00
Estimated Total Cost of Stage I		$4,014.00

Stage II

Category (1) Independent Contracts

Churn drilling (with casing) 400 feet @ $5.00/ft.	$2,000.00	$2,000.00

Category (2) Personal Services

Subcategories (a) and (b) Supervision and Technical Services

1 Supervisor-sampler, 1 month @ $600.00/mo.	600.00	

Subcategory (c) Labor

None		600.00

Category (3)

None

Category (4) Operating Equipment

Subcategory (a) Rental

1 jeep or pickup, 20 days @ $10.00/day	200.00	200.00

Subcategories (b) and (c) Purchases and Depreciation

None

Categories (5) and (6)

None

Category (7) Miscellaneous

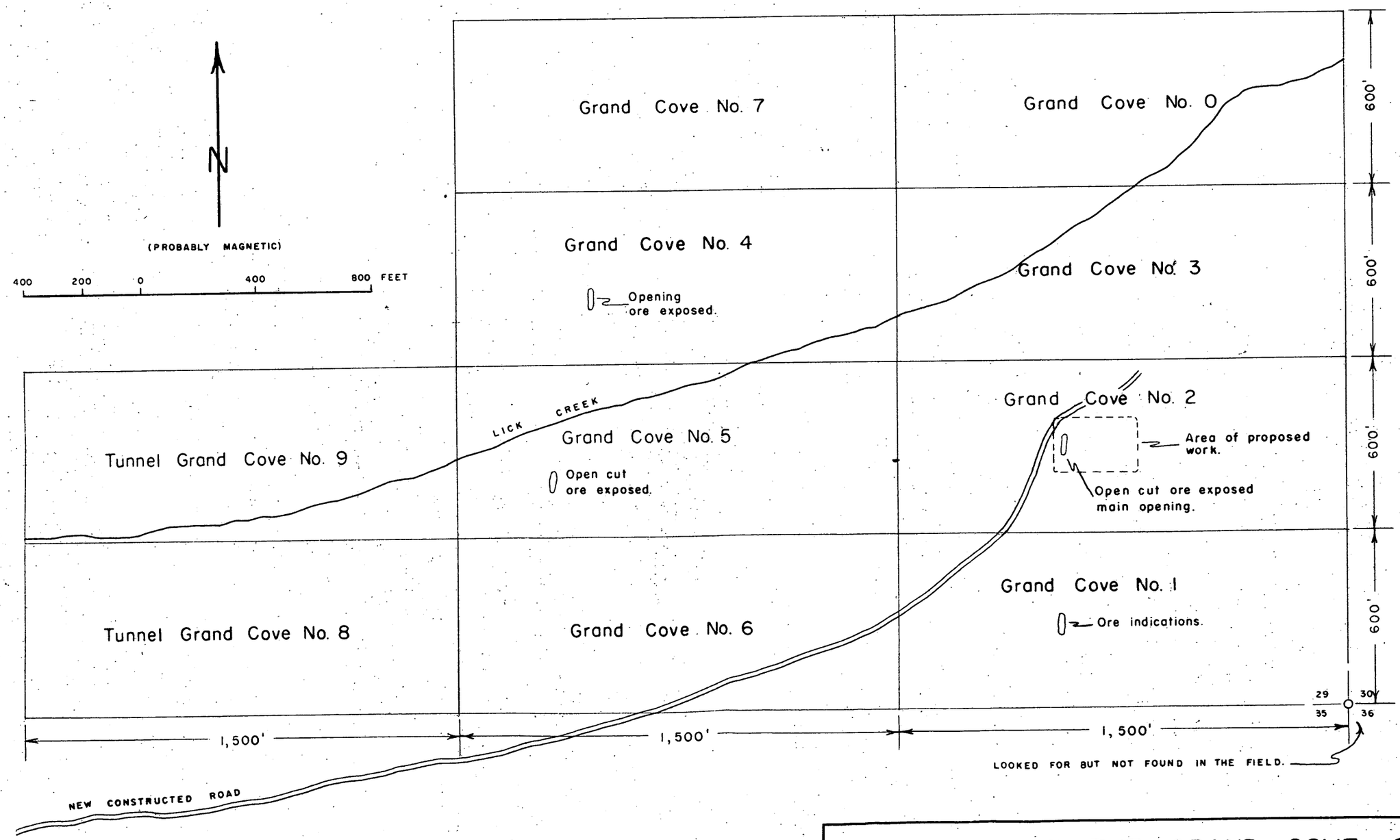
80 samples for assays @ $3.00/sample	$ 240.00	
80 sample bags and sample transportation @ $0.65/ea.	52.00	
Insurance	94.00	$ 386.00
Estimated Total Cost of Stage II		$3,186.00

SUMMARY

Estimated Total Cost of Stage I	$4,014.00	
Estimated Total Cost of Stage II	3,186.00	
Estimated Total Cost of Project		$7,200.00
Government's Participation @ 50%		$3,600.00

UNITED STATES
DEPARTMENT OF THE [illegible]ERIOR

PREPAR[illegible]
DEFENSE MINERALS EXP[illegible]
EXAMINAT[illegible]



CLAIM MAP OF THE GRAND COVE CLAIMS

(unpatented)

SE. 1/4 sec. 29, T. 35 S., R. 2 E.

Jackson County, Oregon

FORD M. CONVERSE, LOCATOR DMEA4600

PREPARED FROM COMPASS AND PACE SURVEY MAP FURNISHED BY THE APPLICANT.

PLATE 2

EXPLANATION

Probable Wasson formation (Oligocene ?)

Dacitic red-brown to buff colored tuffaceous flow breccias (yellow) with a few interbedded flows of vesicular to scoriaceous andesites (brown). Red stippling indicates visible copper minerals.

Contact

Dashed where obscured and dotted where inferred

Cut

Fill or dump

Prospect trench or truck trail

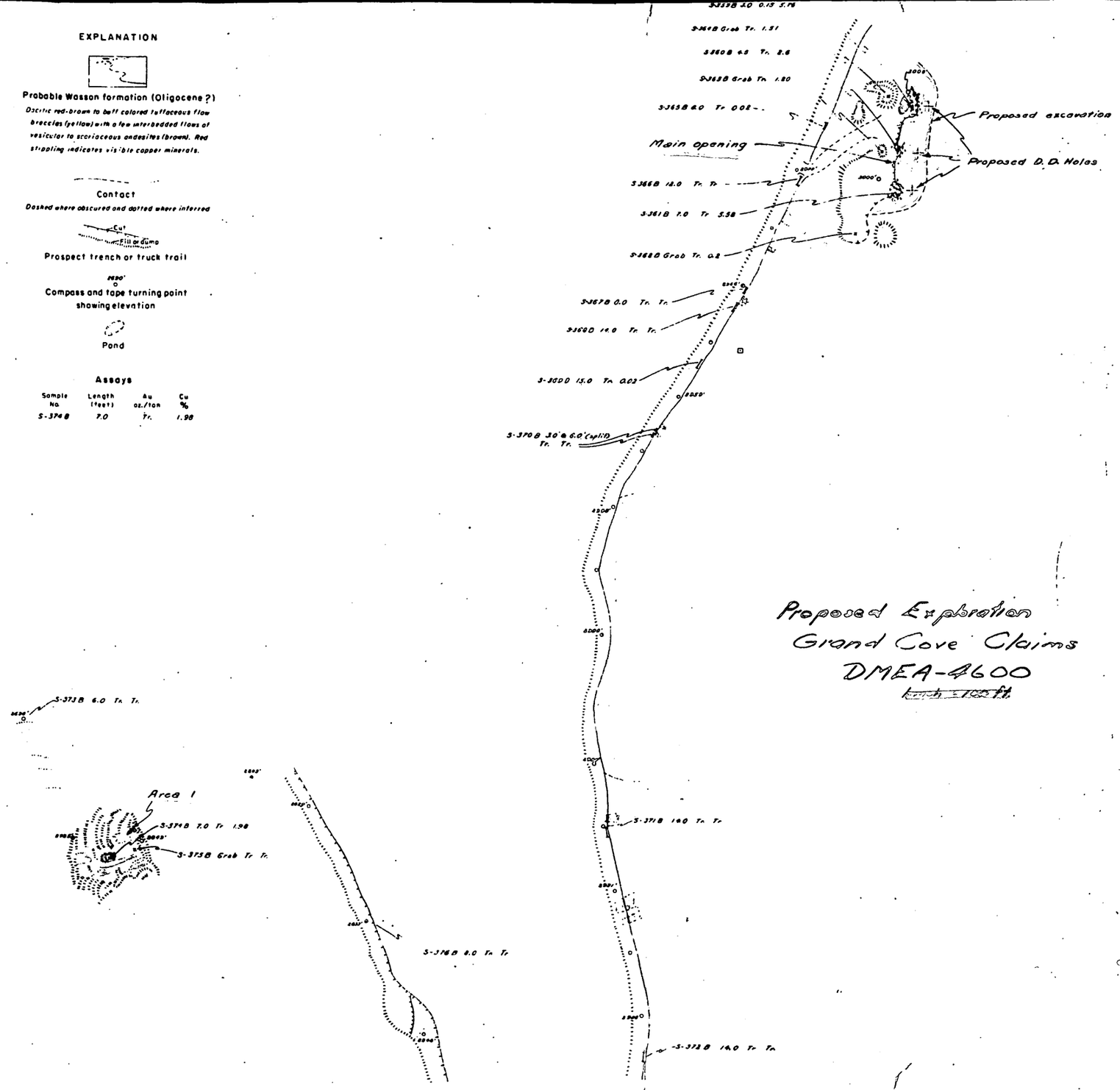
2650'

Compass and tape turning point showing elevation

Pond

Assays

Sample No.	Length (feet)	Au oz./ton	Cu %
S-374 B	7.0	Tr.	1.98



Proposed Exploration
Grand Cove Claims
DMEA-4600

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

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DMEA
RECEIVED JAN 10 1957

DATE	INITIALS	CODE

January 7, 1957

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

Re: New application (Copper-Silver-Gold-Cobalt-Manganese-Mercury-Nickel-Tantalum)
Ford M. Converse
Grand Cove Mine
Jackson County, Oregon

Dear Mr. Selfridge:

Enclosed are three copies of an application for aid to explore for the above-listed commodities at the Grand Cove mine, Jackson County, Oregon. We have retained one copy for our files.

We have reproduced the assay data but ask that the two maps be returned with the referral from your office as we have not reproduced them and will need them at the time of the field examination, if one is made.

Sincerely yours,

A E Weissenborn

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region I
Northwest District

Enclosures
cc: USBM(2)
Geologist

FORD M. CONVERSE
LOGGING
2885 S. W. FAIRVIEW BLVD.
PORTLAND 1, OREGON

December 31, 1956

[illegible] Agnew, Member
[illegible] field team, Region 1
[illegible] st District
[illegible] Division Street
[illegible] Washington

[illegible]

[illegible]osed is my application for assistance from the United States [illegible] of Interior under the Defence Minerals Administration

[illegible] ready reference and edification, we are enclosing a [illegible] of assays taken from our mining claims in [illegible]ford, Oregon District, [illegible] think you will agree that they have some merit.

[illegible]so, enclosed is a Jackson County map on which we have blocked [illegible] claims in red crayon on Section 29

[illegible] also taking the liberty of enclosing under separate cover [illegible]al other maps on this claim which you may find useful

[illegible] you have a chance to consider our application, a reply would [illegible] appreciated. We are looking forward to hearing from you

Very truly yours,

Ford M. Converse

[illegible]gm

[illegible]losures

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

RECEIVED
JAN 3 1957
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. 4600
Metal or Mineral Copper - Silver
Date Received 1-10-57
Estimated Cost $24,024
Participation (Government %)

RECEIVED JAN 10 1957 D.M.E.A.

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: Ford M. Converse, Grand Cove Mine
2885 S.W. Fairview Blvd.
Portland 1, 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~~ five 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. 29 35 S. 2E. Jackson County E.W.M.
Starting at S.E. cor. of Sec 29, thence N. along the section line between 28 & 29, a distance of 2400', thence W. 1500', thence S. 2400', thence E. along section line of 29 & 32 to S.E. corner

(*b*) State any mine name by which the property is known. Grand Cove # 0 to 7., containing 8 clms.

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

(*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. Unpatented mining claims

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

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

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 addendum attached

(*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 addendum

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

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

16—66551-1

5. *The exploration project.*—(*a*) State the mineral or minerals for which you wish to explore I wish to explore for copper, silver, gold, cobalt, manganese, mercury, nickel, tantalum

(*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 addendum

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

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

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.). See addendum

(*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. See addendum

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

(*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. See addendum

(*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. None

(*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. None

(*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. See addendum

(*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. None

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? Cash

[X] Money [ ] Use of equipment owned by you [X] 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 Dec. 31, 1956

Ford M. Converse
(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

Para # 3 f.

Jackson County, Oregon

Grand Cove #1	Vol. 63	Page 415	No. 395488
Grand Cove #2	Vol. 63	Page 416	No. 395489
Grand Cove #3	Vol. 63	Page 418	No. 395490
Grand Cove #4	Vol. 63	Page 420	No. 395491
Grand Cove #5	Vol. 63	Page 422	No. 395492
Grand Cove #6	Vol. 63	Page 424	No. 395493
Grand Cove #0	Vol. 64	Page 343	No. 408631
Grand Cove #7	Vol. 64	Page 341	No. 408630

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DATE | INITIALS | CODE

Section 29. 9 South 2 East E.W.M.

Grand Cove #7	Grand Cove # 0
Grand Cove #4	Grand Cove #3
Grand Cove #5	Grand Cove #2
Grand Cove #6	Grand Cove #1

Para #4 a.

We have had a compressor up on the property also a #6 catipillar cat. We have uncovered ore in two definite locations and are enclosing to you several assays as a report on same. We have bulldozed four trails around on the property, but could not do much but strip a little. We have several indications of getting ore. None of our work is more than ten feet down and we do not know anything about the quantity involved. The ore is in a blanket form.

We have added on to the road that was close to the property and at present can drive to the mining site. In the winter time this country is bad because of black mud. So far we have constructed about one mile of road. Please also find enclosed county map that should be self-explanatory as regards access to the property.

Para #4 b.

This is not in a mining district, at least no one looks for mineral at this location, so up til now there has been no production, but am certain the ore reserves should be substantial.

Para. #4 c.

The country's open grades and crevices, generally sloping from the creek beds up to the top of the ridges. Ground is not steep but is gently rolling land. Steepness of slopes would be about 30% at a maximum.

Para. #4 d.

We would have to haul to Eagle Point or White City, Oregon, which is about 14 miles, and from there we have favorable freight rates via both truck and rail to Tacoma, Washington, Salt Lake City, Utah, San Francisco, California, and points where smelters are located. As stated above the accessibility of the project is excellent, except in winter due to the black mud condition.

Para. #4 e.

Availability of man power, materials, supplies, equipment, water and power are excellent.

Para #5 b.

We propose to use a catipiller for exploration work in dozing and following up indications of mineral on the property. This work is to be accomplished to determine the amount of ore in this body, as we believe it is vital and important before going ahead with any mining operations to determine the quantity and grades of minerals contained in these claims. In other words, this is an essential to going ahead further.

Para #5 d.

I am 65 years old, have been in the logging business all my life. My past work was building roads, laying out logging, and running logging crews. I have always been active. I never started any logging job that I did not finish. I have also been interested in mining for the past five years and would like to put this deal on a going basis. I would probably have Mr. Grover Alexander Taylor connected with me on the minerology end, and I would be in charge of the project.

Para #6 a.

I would rent equipment to do the job. This would necessitate bulldozer to open up the cuts, etc. and would take about two months of 20 working days each at 8 hours per day.

Cat $17 / Hour for 2 months		$5,440.00	
Drill 6 holes 100 feet deep @6/'	600	3,600.00	
Drill 20 holes 50 feet deep @6/'	1000	6,000.00	12.6
Drill 20 holes 25 feet deep @6/'	500	3,000.00	
3 months' work for geologist		1,800.00	
Powder fuel oil and repair		2,000.00	
		$21,840.00	
Plus approx 10% incidental expenditures		2,184.00	
		$24,024.00	

In line with these above expenses and also in reference to D.M.E.A. brochure, see para. #27, page #7 under questions and answers:

We are not interested so much in going along on a percentage basis. We are much more agreeable to working with you on a fixed cost basis at so much per unit.

Para. #6 b.
The only labor involved would be a cat skinner and two or three drillers. All to be used in the exploration work. These people are all included in our cost--see item a, para #6, above. Also, for geological work and cost see item a, para #6.

Para. #6 c.
This is also covered by item a, para #6.

Para. #6 d.
We will rent one or two drills, one compressor, and one cat. As stated above the rent for the cat is at $17/ hour. Rent for the drills, etc, is included in the unit cost of the holes. See item a., para #6.

Para. #6 e.
None

Para. #6 f.
None

Para. #6 g.
We have made an overage allowance of 10% to cover these expenses. See item a., para #6.

PHONE 3-3302

Hand Sample Serial 1153

Mine J.W.Hewitt

ASSAY REPORT

UNION ASSAY OFFICE, Inc.

J. V. SADLER, President
A. C. SELBY, Vice-Pres. & Treas.
A. C. SELBY, JR., Secretary

Salt Lake City 10, Utah

RESULTS PER TON OF 2000 POUNDS

Nov.4,1955

NO.	GOLD Ozs. per Ton	SILVER Ozs. per Ton	LEAD Per Cent Wet	COPPER Per Cent	INSOL. Per Cent	ZINC Per Cent	SULPHUR Per Cent	IRON Per Cent	LIME Per Cent	Per Cent	Per Cent	VALUE GOLD
	Trace	2.4		4.85								

Remarks 4 carat

Charges $ 2.50 Paid by credit from Oct.6,1955

A. C. Selby.

MELTING SHIPPING RETORTING

LULL'S TESTING LABORATORY

ASSAYER AND METALLURGIST

ROUTE 1, BOX 484

GOLD HILL, OREGON

April, 9.1956

REPORT ON DETERMINATIONS MADE FOR: Max Pokorney

Charges $15.00

SAMPLE MARKS	METALS	AMOUNT PER TON OZS.	AMOUNT PER TON HDS.	PER ~~CENT~~ lb.		VALUE PER TON DOLLARS	VALUE PER TON CENTS	
#-1 Left of hole	Gold	0	10			3	50	
	Silver	1	20			1	08	
	Copper			70	00	35	00	
						39	58	39.58
#-2 Lower pit	Gold	0	10			3	50	
	Silver	1	30			1	17	
	Copper			30	00	15	00	
						19	67	19.67
#-3	Gold	0	15			5	25	
	Silver	1	30			1	17	
	copper			trace				5.25

Gold at $35.00 Per Ounce
Platinum at ..... Per Ounce
Silver at 0.90 Per Ounce
Copper at 0.50 Per Pound
Nickel at ..... Per Pound

LULL'S TESTING LABORATORY

BY Charles L. Lull,

MELTING SHIPPING RETORTING

LULL'S TESTING LABORATORY

ASSAYER AND METALLURGIST
ROUTE 1, BOX 484
GOLD HILL, OREGON April 10.1956

REPORT ON DETERMINATIONS MADE FOR: Max Pokorney

Charges $5.00

SAMPLE MARKS	METALS	AMOUNT PER TON OZS.	AMOUNT PER TON HDS.	PER ~~CENT~~ lb.		VALUE PER TON DOLLARS	VALUE PER TON CENTS
#-4	Gold	0	12			4	20
	Silver	1	60			1	44
	Copper			150	00	75	00
	Nickel	trace					

Gold at $35.00 Per Ounce
Platinum at ..... Per Ounce
Silver at 0.90 Per Ounce
Copper at 0.50 Per Pound
Nickel at ..... Per Pound

LULL'S TESTING LABORATORY

BY Charles L. Lull,

• TESTING • INSPECTION • RESEARCH • CONSULTATION

LABORATORY CERTIFICATE

Charlton Laboratories

CHEMISTS — BACTERIOLOGISTS — ENGINEERS

2340 S.W. JEFFERSON ST. CAPITOL 8-9663

P. O. BOX 1048

PORTLAND 7, OREGON

MEMBERSHIPS IN
AMERICAN CHEMICAL SOCIETY
AMERICAN SOCIETY FOR TESTING MATERIALS
AMERICAN SOCIETY FOR METALS
AMERICAN WATER WORKS ASSN.
AMERICAN PUBLIC HEALTH ASSN.
CERTIFIED MARINE CHEMISTS
AMERICAN OIL CHEMISTS SOCIETY
PACIFIC N.W. SECTION OF AMERICAN ASSN. OF CEREAL CHEMISTS
AMERICAN COUNCIL OF INDEPENDENT LABORATORIES
AMERICAN CONCRETE INSTITUTE
SOCIETY OF AUTOMOTIVE ENGINEERS
AMERICAN WELDING SOCIETY
NATIONAL ASSOCIATION OF CORROSION ENGINEERS
AMERICAN ELECTROPLATERS' SOCIETY

TO: McInnis Lumber Company
1234 N. W. 25th Avenue
Portland 10, Oregon

LABORATORY NO. 46443

DATE: May 9, 1956

DATE RECEIVED: 5-1-56

SUBJECT: Mineral Specimen

CHEMICAL ANALYSIS

Copper 7.69 %

SPECTROGRAPHIC ANALYSIS
(Estimated to nearest power of 10)

Over 10%	Silicon
1 to 10%	Iron, calcium, copper
0.1 to 1%	Aluminum, Magnesium, Sodium Titanium, Arsenic
0.01 to 0.1%	Potassium, Manganese
0.001 to 0.01%	Vanadium, barium, strontium
Trace	Chromium, nickel, mercury

Not radioactive.

CHARLTON LABORATORIES, INC.

By J M Hogl

JMH:ek
2c

AMERICAN COUNCIL OF INDEPENDENT LABORATORIES, INC.

AS A MUTUAL PROTECTION TO THE CLIENT, THE PUBLIC AND OURSELVES ALL REPORTS ARE SUBMITTED AS THE CONFIDENTIAL PROPERTY OF THE CLIENT. NEITHER REPORTS NOR THE NAME OF THIS LABORATORY NOR ANY MEMBER OF ITS STAFF MAY BE USED IN CONNECTION WITH THE ADVERTISEMENT OR SALE OF ANY PRODUCT WITHOUT WRITTEN AUTHORIZATION.

10M 7 55

MORSE LABORATORIES

RESEARCH, ENGINEERING, ANALYTICAL

31[illegible] SIXTEENTH STREET

SACRAMENTO 14, CALIFORNIA

HUDSON 1-2572

June
Fourth
1956

G. Cleveland Taylor
2381 Purinton Drive
Sacramento, California

#34689
(5/28/56)

	A	B	C
Strength of H_2SO_4 acid	2%	4%	4%
Solution to ore ratio	2:1	2:1	2:1
pH before treatment	1.2	.5	-
pH after treatment	2.1	.95	-
Time of agitation	30 min.	30 min.	1 hour
Head analysis (Cu)	3.10%	1.77%	.43%
Copper in solution	1.33%	1.34%	.37%
Tail analysis (Cu)	1.77%	.43%	.03%
Recovery (Cu)	43%	86%	97%

Procedure: The sample of 1/2 lb. of ore submitted by Mr. Taylor was agitated 30 minutes with the above results marked "A." The tailings from "A" sample were treated again as shown as sample "B." The tailings from "B" were again treated, as shown above marked "C."

MORSE LABORATORIES

G. H. Morse

G. H. Morse

GHM:hr

MORSE LABORATORIES

RESEARCH, ENGINEERING, ANALYTICAL

316 SIXTEENTH STREET
SACRAMENTO 14, CALIFORNIA
HUdson 1-2572

May
Twenty-third
1956

G. C. Taylor
2381 Purinton Drive
Sacramento, California

#34658
(5/22/56)

CHEMICAL ANALYSIS

Identification	Copper (Cu)
#1 - Converse	4.00%
#2	3.00%
#3 - Converse	4.06%
#4 - Converse	1.90%
#5 - Drill Hole	3.33%

We are holding samples here for you to pick up, as you requested.

MORSE LABORATORIES

G.H. Morse

GHM:hr

MEMBER A. I. M. E.
LICENSED SURVEYOR

REGISTERED PROFESSIONAL ENGINEER
TELEPHONE — IVANHOE 9-4119

G. CLEVELAND TAYLOR
MINING ENGINEER
2381 PURINTON DRIVE
SACRAMENTO 21, CALIFORNIA

June 5, 1956.

Mr. Ford M. Converse
1834 N. W. 25th., Ave.
Portland 10, Oregon

Dear Mr. Converse:

As mentioned in my letter of May 24, a leaching test has been made on your copper ore. A composite sample used was made up from the rejects of my 4 samples and 1 sample of a shallow drill hole which had been put down below my sample No. 2.

The leaching test was made by the Morse Laboratories, here in Sacramento and a copy of the report is inclosed herewith. This pilot test shows an extraction of 97% of the copper after 2 hours agitation in the acid solution. This is quite encouraging.

You will recall that the average of the 5 samples, as assayed by the Morse Laboratories, was 3.41% copper. The composite sample tested by leaching assayed 3.10% copper.

The laboratory had no means of classification and it was decided to grind the sample to about 100-mesh and make a pilot test for the purpose of determining whether or not a satisfactory extraction, of the contained copper, could be made by acid leaching.

It is quite probable that a good extraction can be made with a much coarser grind than that used in this test and in order to determine the best economic grind for leaching, a series of tests will eventually be necessary.

This test does indicate, however, that the ore can be successfully treated by acid leaching and the next step now appears to be that of proving a sufficient tonnage of ore to justify a plant.

Some sort of shallow drilling, with careful sampling, is probably the quickest and most economical means of proving the ore. I expect to meet Mr. Hugh Wright, owner of the Siskon Mine, at Reno this coming Saturday and will discuss the situation with him. They have tried out many kinds of drilling at the Siskon and Wright's opinion is valuable.

I expect to go to Oregon again in about ten days and would like to have Hugh Wright meet me at Medford and have a look at your property. Will advise you in advance and perhaps you could meet us at Medford also?

Sincerely yours

G. Cleveland Taylor

G. Cleveland Taylor

SHEEP CREEK MINES LIMITED

6-490 BAKER STREET
NELSON, B. C.

Aug. 25, 1956

Mr. Ford Converse,
2885 S.W. Fairview Blvd.,
Portland, Oregon, U.S.A.

Dear Mr. Converse:

I want to apologize for not writing sooner. We have had some trouble at the mine and I have been spending my time there.

I am enclosing assay certificate of the samples taken. The following results were obtained.

1.	North Dump - grab	4.0%
2.	5' Breast, dozer cut	1.3
3.	3' Breast South of 2	3.5
4.	1' Bottom deepest cut. Top of ore	3.1
5.	South cut, decomposed rock	0.3
6.	5' Lower cut	3.0

In view of the number of projects we have going, and the shortage of staff, we will be unable to do any work on your property thisseason.

The showing is good and it should be drilled or further exposed with a heavy dozer. Probably enough ore will be exposed to warrant installation of a leaching plant.

If you have not done anything with the property by next spring I would like an opportunity to consider the property again and take on some sort of an exploration program.

I enjoyed meeting you and taking the trip to Medford.

Kindest regards.

Yours very truly,

H.E. Doelle

H.E. Doelle, Managing Director
SHEEP CREEK MINES LIMITED

HED/m

MEMBER A. I. M. E.
LICENSED SURVEYOR

REGISTERED PROFESSIONAL ENGINEER
TELEPHONE — IVANHOE 9-4119

G. CLEVELAND TAYLOR
MINING ENGINEER
2381 PURINTON DRIVE
SACRAMENTO 21, CALIFORNIA

May 24, 1956

Dear Mr. Converse:

The inclosed assay results Certificate on your samples was received this morning. The values in copper are quite interesting, but I believe they indicate that the ore could not be shipped to the smelter at much profit unless there can be some concentration.

Wright and I examined the samples carefully with his glass and aside from a little cupper sulphide seen, in the form of calcasite, the observed minerals should leach, and this could be done nearby with a very crude and inexpensive plant.

I find the local laboratory will make a leaching test on a composite of all the samples for about twenty five dollars. This would be good information to have and I will have it done from a sample made up of the samples I took. This composite will be assayed for copper and also gold and then the tests made to see what percentage of the copper can be extracted by leaching.

Will write you fully when the returns have been received from this test.

We got home OK, but both of us have been tired since. Hope you got thru to Portland alright. Let me know what was done at the hearing.

Sincerely

G. Cleveland Taylor

G. Cleveland Taylor

E. W. WIDDOWSON & CO.

House Telephone 436R2

Provincial Assayers and Analytical Chemists
Metallurgical and Chemical Engineers

Telephone 67

No. 122820 - 825.

IN REFERRING TO THIS PLEASE QUOTE NUMBER

P. O. Box 610,
NELSON, B. C., Aug 10th. 1956

ASSAY CERTIFICATE

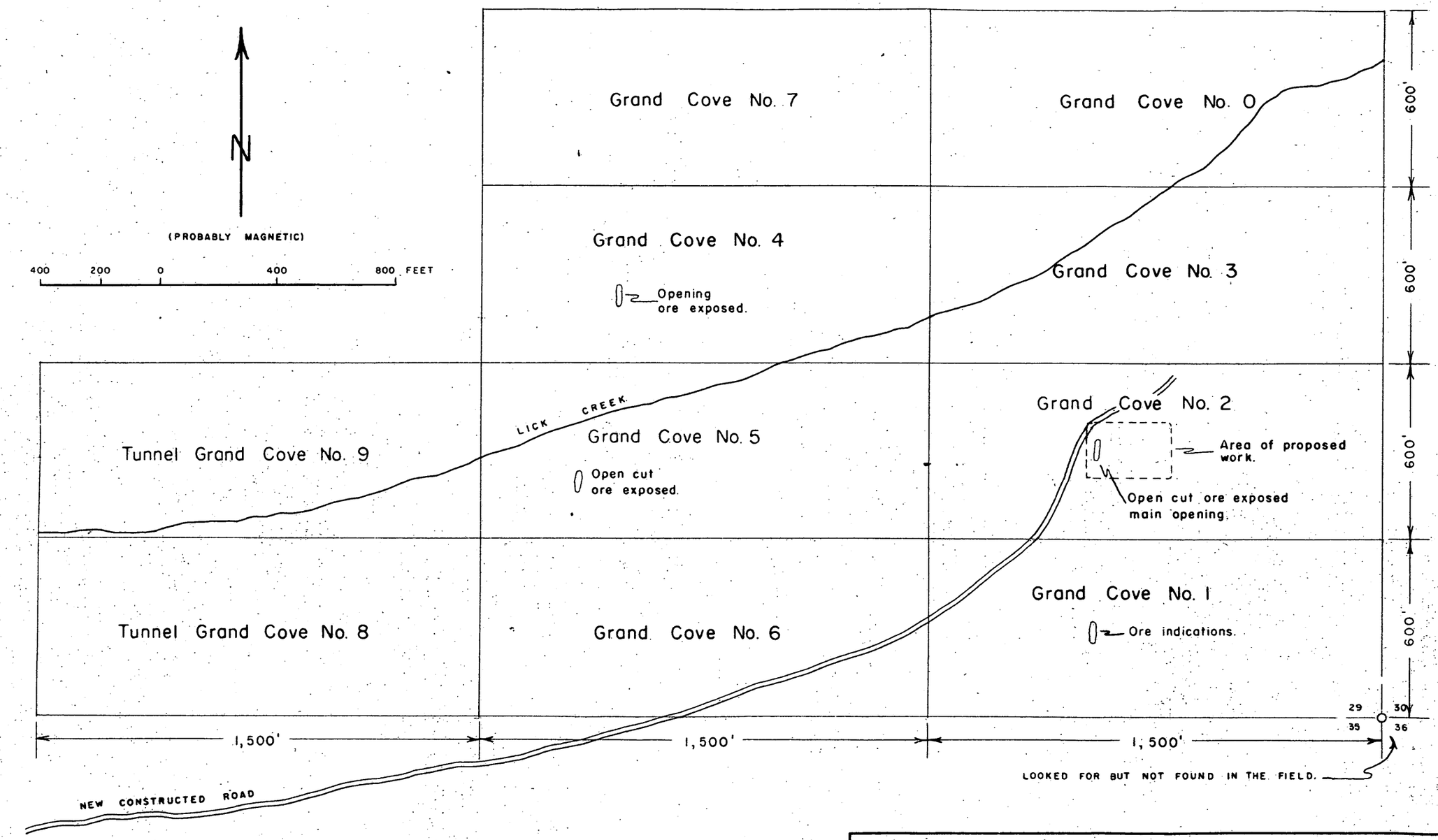
WE HEREBY CERTIFY that the samples of Ore as received and assayed for Sheep Creek Mines Ltd. 490 Baker Street, City. gave the following results:

MARK OR DESCRIPTION	GOLD OZ. PER TON	VALUE AT PER OZ.	SILVER OZ. PER TON	VALUE AT PER OZ.	COPPER PER CENT AT C. PER LB.	LEAD PER CENT AT C. PER LB.	ZINC PER CENT			TOTAL VALUE PER TON
Assay for Copper only.										
# C1.					4.0 %					
# C.2.					1.3 %					
# C. 3.					3.5 %					
# C. 4.					3.1 %					
# SC 5.					0.3 %					
# C. 6.					3.0 %					

SIGNED

CHARGES $ 12.00

Provincial Assayer and Chemist



CLAIM MAP OF THE GRAND COVE CLAIMS

(unpatented)

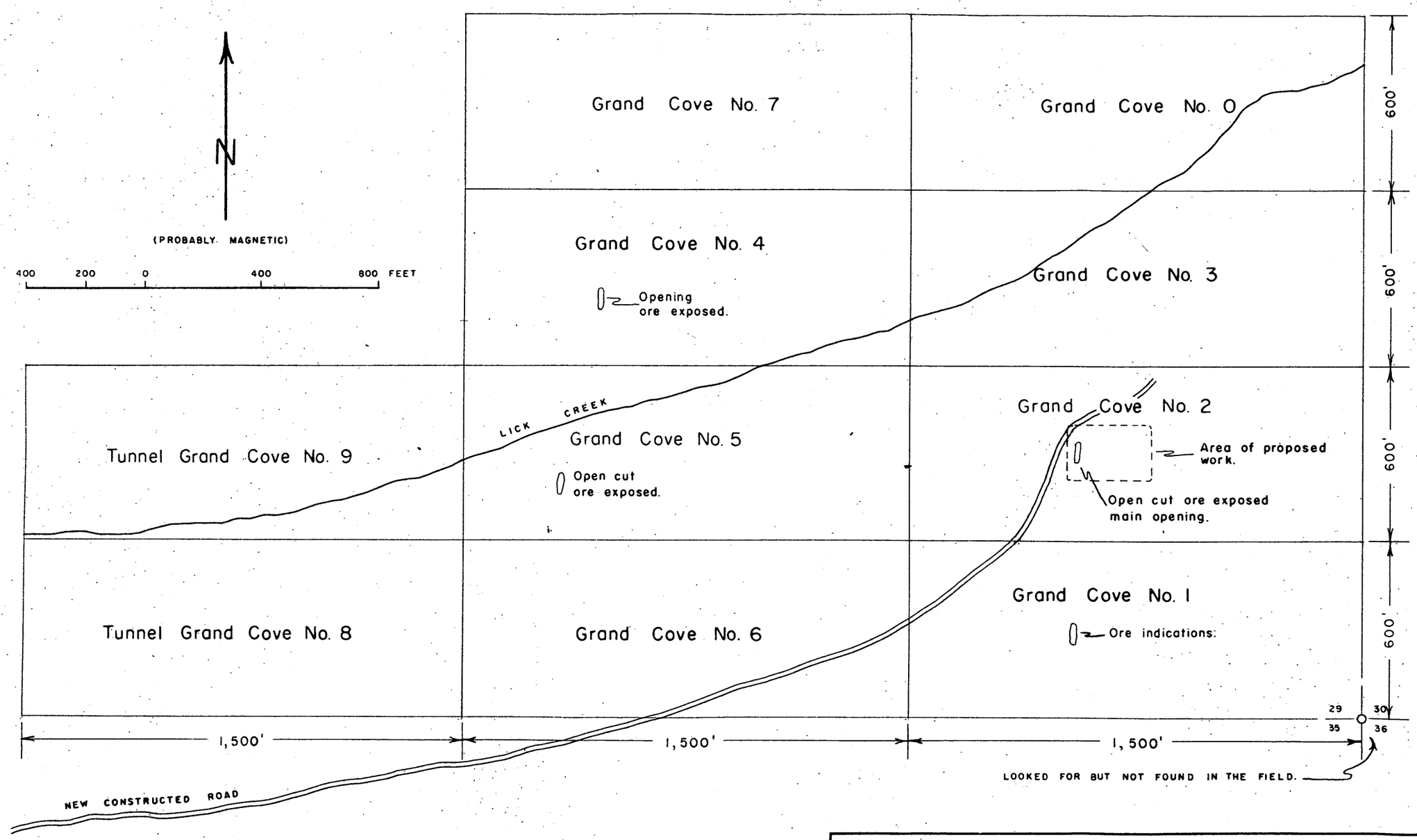
SE. 1/4 sec. 29, T. 35 S., R. 2 E.

Jackson County, Oregon

FORD M. CONVERSE, LOCATOR

PREPARED FROM COMPASS AND PACE
SURVEY MAP FURNISHED BY THE APPLICANT.

PLATE 2



CLAIM MAP OF THE GRAND COVE CLAIMS

(unpatented)

SE. 1/4 sec. 29, T. 35 S., R. 2 E.

Jackson County, Oregon

FORD M. CONVERSE, LOCATOR

PREPARED FROM COMPASS AND PACE
SURVEY MAP FURNISHED BY THE APPLICANT.

PLATE 2

[illegible]NVERSE
[illegible]NG
[illegible]VIEW BLVD
[illegible], OREGON

S[illegible] [illegible]2, [illegible]58

OFFICIAL FILE COPY
DMEA
RECEIVED SEP 12 1956

DATE	INITIALS	CODE
9-12	C	220
9-12	B	215
9-24	[illegible]	5800

[illegible] [illegible] Department of the Interior
[illegible] Minerals Exploration Administration
[illegible] 157 Howard Street
[illegible], Washington

[illegible] = Mr. Donald R. MacLaren (For: Wing G. [illegible], ARC
DMEA Field Team, Region 2)

[illegible]

[illegible] returning, signed as directed, the cancellation of my DMEA contract, Docket No. DMEA-2600 (Copper), Grand Cove Claims, Jackson County, Oregon, Contract No. Ida-E1112.

I did expect to use this contract and am sure that it was a good way to go ahead from there, but Sunshine Mining Company of Spokane, Wn. offered to [illegible] same as was suggested by the DMEA loan. Considering the good standing of Sunshine, I thought that it would be best to get them down there.

[illegible] drilled about like we would have done and I am supposed to get the [illegible] from them. We seemed to run out of ore in a short distance. When I get their returns, will send them to you as I feel obligated to [illegible] if I might want to continue something there or in another locality.

I was surely glad to hear that the DMEA had been allowed to go ahead [illegible] I believe that it is the only way anyone of my caliber could open up something new.

I also want to thank all the boys for their cooperation on my deal down there at Medford.

Sincerely yours,

Ford R. Converse

FRC:
[illegible]

Government's copy

Tony Hoffland
App'd. Sol. Off.
Signed
Selfridge
Chambers

RESCISSION OF EXPLORATION PROJECT CONTRACT
BY AGREEMENT BEFORE WORK IS BEGUN

It is agreed this 22nd day of August, 1958, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Ford M. Converse, hereinafter called the "Operator," parties to that certain Exploration Project Contract Idm-E1112, Docket No. DMEA-4600, dated July 23, 1957, as amended, that said Contract shall be and is hereby rescinded, revoked, and cancelled as of the date of the Contract, before any actions have been taken or costs incurred thereunder, without any obligation whatever, one party to the other, the same as if said Contract had never been entered into.

Witness the following signatures as of the day and year first above written.

THE UNITED STATES OF AMERICA

By C. Mittendorf
Administrator, Defense Minerals
Exploration Administration

Ford M. Converse
Ford M. Converse

Dnea

So. 157 Howard Street
Spokane 4, Washington
August 29, 1958

9/2 9/9 C 220 800 500

Mr. Ford M. Converse
2885 South West Fairview Boulevard
Portland 1, Oregon

Re: Docket No. DMEA-4600 (Copper)
Grand Cove Claims
Jackson County, Oregon
Contract No. I6m-K1112

Dear Mr. Converse:

Enclosed are the original and four copies of a rescission of the cited contract signed by the Administrator for the Government.

If this agreement is satisfactory to you, will you please sign all copies, retain the one marked "Operator's Copy" and return the other copies to us.

We are sorry you were unable to use the contract and thank you for your interest in the DMEA program.

Sincerely yours,

Donald R. MacLaren
For: Wing G. Agnew
Acting Executive Officer
DMEA Field Team, Region I

Enclosures

cc: DMEA(2) ✓
[redacted]
[redacted]
[redacted]
[redacted]

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
8/21	Insinel	500
8/22	GCS	130
8-22	Chamlin	800
8/22	Johnson	110
"	Attendorn	100
8/25	C	220
		500

AUG 25 1958

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

Re: Docket No. DMEA-4600 (Copper)
Ford M. Converse
Grand Cove Claims
Jackson County, Oregon
Contract No. Idm-E1112

Dear Mr. Weissenborn:

As recommended in your August 1, 1958, letter, we have prepared a rescission of the cited contract. The original and four copies, which have been signed by the Administrator for the Government, are enclosed. If it meets with your approval, kindly present it to the Operator for signature and afterward make distribution in the usual manner.

Two extra copies are enclosed for Field Team use.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JHB)

APPROVED:

P. F. Yopes (JHB)
Member, Bureau of Mines

N. E. Nelson (JHB)
Member, Geological Survey

WRG/dl
CC to:

8-21-58
Docket
Admr. R. File
Oper. Comm.
FT. REG. I
Mr. McMahon, USBM
Mr. Kiilsgaard, USGS
Chron.

Enclosure

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
8/11		500

August 11, 1958

MEMORANDUM:

To: Associate Solicitor, Division of Mineral Resources

From: Director, Division of Base Metals

Subject: Preparation of "Rescission of Exploration Project Contract by Agreement Before Work is Begun"
Docket No. DMEA-4600 (Copper)
Ford M. Converse
Grand Cove claims
Jackson County, Oregon
Contract No. Idm-E1112

Will you kindly prepare a "Rescission of Exploration Project Contract by Agreement Before Work is Begun" to cover the cited docket.

W. R. Griswold

W. R. Griswold

WRG/dl 8-11-58
cc to: Docket
Chron.

8623

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

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 4 1958
DATE | INITIAL | CODE
8/4 | H.g. | 225 500

August 1, 1958

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

Re: Docket No. DMEA-4600 (Copper)
Ford M. Converse
Grand Cove claims
Jackson County, Oregon
Contract No. Idm-E1112

Dear Mr. Selfridge:

This is in amplification of an inspection report on the Ford M. Converse property by Erickson, Albee, and MacLaren dated July 21, 1958. This inspection report is being forwarded, together with other reports, with another letter of today.

On July 10, Robert Anderson of the Sunshine Mining Co. called the Executive Officer to inquire about the Ford M. Converse contract. He stated that Sunshine was negotiating with Converse to take over the Grand Cove claims and he wondered whether it would be possible for Sunshine Mining Co. to take advantage of the contract. However, he stated that before undertaking any drilling, Sunshine was planning to make a thorough study of the area with perhaps some preliminary trenching and other forms of exploration. Anderson was told that the starting date of the contract had been extended several times and that July 10, the very day on which this conversation took place, was the deadline for starting the work. Under these circumstances, we could not recommend extending the starting date again unless we could have a firm date in the near future. Anderson said that since they did not know when they would begin exploration on the property, Sunshine would go ahead on its own without attempting to have the DMEA contract assigned to them.

Converse has, after several extensions, failed to begin contract work on the promised date. There is, furthermore, no certainty that, after the preliminary work is done, Sunshine will wish to continue with the exploration of the property, nor that, if they do, they would find the program specified in the contract

appropriate or desirable. Under these circumstances, it seems best to rescind the contract. If the preliminary work to be done by Sunshine gives favorable results, DMEA could consider a new contract under the terms of whatever program is in effect at that time.

By Field Team Region I

A. E. Weissenborn

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

for Thomas E Howard

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

cc: USBM (2)
USBM(AD)
Albee

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

1201 N. Division St.
Spokane 2, Washington

July 21, 1958

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 4 1958

DATE	INITIALS	CODE
8/4	H. g.	225
5		100
"		110
8/7		800
		500

MEMORANDUM

To: DMEA Field Team, Region I

From: E. G. Erickson, Mining Engineer, Bureau of Mines, and
H. F. Albee and D. R. MacLaren, Geologists, Geological Survey

Subject: Initial inspection, Docket No. DMEA-4600 (copper), Ford M. Converse, Grand Cove Claims, Jackson County, Oregon, Contract No. Idm-E1112

The property was visited July 14, 1958.

There was evidence that someone had been on the property during the month of June or earlier this month. A mud slide across the access road, cuased by heavy rains, had been leveled and there were a few small hand-dug sample trenches and pits at the proposed exploration site. Specific work items outlined in the contract had not been started by July 10, 1958, as called for by Amendment No. 2.

Mr. MacLaren telephoned Mr. Converse in Portland, Oregon, and Mr. Converse reported that he had negotiated an agreement with the Sunshine Mining Company whereby they would perform the exploration contract work. He stated the Field Team would be advised as soon as he had received the signed agreement with Sunshine.

On July 10, 1958, Mr. A. E. Weissenborn, Executive Officer, received a call from Mr. Robert Anderson of the Sunshine Mining Company, who stated his company was interested in the property. He said they planned to do some preliminary work to see if the area of exposed mineralization could possibly be found to extend over an area large enough to hold some promise of a significant reserve that could be expoited by an open pit operation.

Mr. Converse has interested Sunshine Mining Company in the property which precludes him doing any work on his own. Since it will be some time before Sunshine will have done their preliminary work that will enable them to decide whether or not they wish to undertake the contract work, the contract probably should be rescinded.

The effective date of the contract is July 23, 1957; work was to start by July 10, 1958. Amendment No. 1 extended the contract period from 8 to 15 months, making the termination date October 23, 1958. The amount of the contract is $7,200.00.

Distribution:
DMEA (4) Docket
USGS (2) Erickson
USBM (AD)

E. G. Erickson

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

June 19, 1958

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 23 1958

Date	Initials	Code
6/23	C	220
6/24	~~WPD~~	130
		500

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

Re: Docket No. DMEA-4600 (Copper)
Ford M. Converse
Grand Cove Claims
Jackson County, Oregon
Contract No. Idm-E1112

Approved by: WPD

Dear Mr. Selfridge:

Enclosed are the Government and Audit copies of Amendment No. 2 to the contract. By copy of this letter, other copies of the amendment are being distributed.

Sincerely yours,

A. E. Weissenborn by [illegible]
A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region I

Enclosures

cc: USBM (2)
Finance Office w/copy of encl.
Albee

DMEA

6/13 C 220
6/13 800
6/15 500

So. 157 Howard Street
Spokane 4, Washington

June 10, 1958

Mr. Ford M. Converse
2885 S. W. Fairview Blvd.
Portland 1, Oregon

Re: Docket No. DMEA-4600 (Copper)
Grand Cove Claims
Jackson County, Oregon
Contract No. Idm-E1112

Dear Mr. Converse:

In accordance with your letter of June 4, 1958, enclosed are the original and four copies of a proposed Amendment No. 2 which extends the starting date to on or before July 10, 1958. If this amendment is satisfactory to you, please sign all copies, keep the one marked "Operator's Copy" and return the others to this office. If the amendment is not satisfactory, please return all copies unsigned.

Until Stages I and II of the contract have been completed, it would be impossible to determine how many additional holes and to what depths you might wish to drill, or whether additional drilling rather than a shaft followed by drifts and crosscuts would be the most desirable method of further exploration. Therefore, we cannot recommend any additional work until the Stage I and Stage II drilling has been completed. If the results of this work are encouraging and an extension of DMEA either in its present or some other form is authorized, we could then consider any proposal for additional exploration that you might wish to make.

We are sorry our field men missed you when they were in Portland June 2, 1958. They will be in Oregon again early in July and will plan to visit your property if work is started as you plan.

By Field Team, Region I

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

Enclosures

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

cc: USBM (2)
USBM (AD)
Albee
DMEA (2) w/2 copies of incoming &
info copy of Amend. 2

Information Copy

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 13 1958
DATE | INITIALS

EXPLORATION PROJECT CONTRACT
FORD M. CONVERSE
DOCKET NO. DMEA-4600

Amendment No. 2

It is agreed this 6th day of June 1958, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Ford M. Converse, that Exploration Project Contract No. Idm-E1112 (Docket No. DMEA-4600), dated July 23, 1957, as amended, is further amended as follows:

In Amendment No. 1 of the Contract the date specified for commencing work is extended from May 1, 1958, to on or before July 10, 1958.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, or the fixed unit cost of any item of work.

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By A. E. Weissenborn
A. E. Weissenborn
Executive Officer
DMEA Field Team, Region 1

FORD M. CONVERSE

_____

FORD M. CONVERSE
Exploration Project Contract No. Idm-E1112
Docket No. DMEA-4600

Justification for Amendment No. 2

The Operator has been having difficulty finding someone to do the drilling and was unable to start by May 1, 1958.

D. R. MacLaren
Geologist

FORD M. CONVERSE
LEASING
[illegible] SOUTH WEST FAIRVIEW BOULEVARD
PORTLAND 1, OREGON

RECEIVED
BUREAU OF MINES
JUN 6 - 1958
SPOKANE, WASH.

Portland, Ore
June 4, 1958

United States of America
Dep't of Interior
Defense Minerals Exploration Admin.

Dear Sirs:

Reference your DMEA Docket No. 4600, Commodity-Copper see your Contract No Idm E 1112 and also your letter to us of recent date advising that DMEA is set to expire as of July 1 next. Also your advise to us that our contract with you No. Idm E 1112 expired last month and your request to us advising us to request an extension of time and to name a date on which work will commence;

We have just returned from our holdings at Medford and we have now decided to go ahead with the program as outlined per our contract with you as specified.

Now in view of the fact that DMEA is now set to expire on July 1st unless further extended, we would also like to know if it would be feasible and could be arranged to supplement our contract No. Idm E 1112 with you as follows:

Current work on the contract calls for a certain amount of bulldozing and drilling around the main opening. It is our thought and desire to go ahead with a complete drilling program on the entire ten claims on the property ifour preliminary work as outlined by the contract is successful. In other words- what we are getting at is that if the current contract is performed and we show good mineral at the main opening we would then very much desire to go ahead and make a detailed search by exploratory drilling on the entire ten claims, as we believe we have a good chance of uncovering a fine open pit copper operation.

We missed your man in Portland the other day as we had gone to Medford and we never did get together. We were most sorry to have missed him and would very much have liked to have gotten together with him and discussed the above program. We contemplate starting on our current contract with you during the last week of June if this is satisfactory with you, and since time is now of the essence will you please review the above and give us the benefit of your views. We earnestly solicit your prompt reply.

RECEIVED
JUN 6 1958
U. S. G. S.
SPOKANE, WASH.

Yours truly
Ford M. Converse
Ford M. Converse

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 2 1958

DATE	INITIALS	CODE
6/2	C	220
6/4	[illegible]	800
6/5	[illegible]	500

So. 157 Howard Street
Spokane 4, Washington

May 29, 1958

Mr. Ford M. Converse
2885 S. W. Fairview Blvd.
Portland 1, Oregon

Re: Docket No. DMEA-4600 (Copper)
Grand Cove Claims
Jackson County, Oregon
Contract No. Idm-E1112

Dear Mr. Converse:

Thank you for your prompt reply to our letter of May 22, 1958, informing us that no one will consider less than $8 to $10 per foot for 50- and 100-foot churn drill holes. As a matter of fact these prices would be high for diamond drilling which is considerably more expensive than churn drilling.

We note that you again raise the question of substituting bulldozing a trench 50 feet deep and 300 feet long in lieu of the three churn drill holes in the area of the "main opening." Because of the layers of andesite, one of which is exposed in the "main opening," we can only conclude that bulldozing to such a depth would be economically unsound.

Therefore, unless you can find a well driller or churn driller who can do the drilling, we will have to request that your contract which is now in default, be rescinded.

By Field Team, Region I

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

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

cc: DMEA (2) w/2 copies of incoming
USBM (2)
USBM (AD)
Albee

FORD M. CONVERSE
LOGGING
2885 S W FAIRVIEW BLVD
PORTLAND 1 OREGON

May 2[illegible] 1958

DMEA
RECEIVE

Mr. A. E. Weissenborn
U. S. Department of the Interior
Defense Minerals Exploration Administration
South 157 Howard Street
Spokane 4, Washington

Dear Mr. Weissenborn:

I received your letter dated May 22, 1958, regarding Docket No. DMEA-4600 (Copper). I have checked the country down here for an operator to put down the 50 and 100 ft. drill test holes. None of them would consider them for less than $8.00 to $10.00 per foot.

I have a D-8 Cat and a triple set of drums that I can work with a heavy drag scraper that we have. I feel that I can uncover a ditch 50 ft. deep and 300 ft. long that would take care of the 50 ft. drill holes on your contract and we would be able to get a better look.

If this could be arranged, then I feel I could give you a starting date before June 30.

Very truly yours

Ford M. Converse

fmc:sm

OFFICIAL FILE COPY DMEA RECEIVED MAY 26 1958		
DATE	INITIALS	CODE
5/26	C	220
5/26	[illegible]	800
5/26	[illegible]	500

Sc. 157 Howard Street
Spokane 4, Washington

May 22, 1958

Mr. Ford M. Converse
2885 S. W. Fairview Blvd.
Portland 1, Oregon

Re: Docket No. DMEA-4600 (Copper)
Grand Cove Claims
Jackson County, Oregon
Contract No. Idm-E1112

Dear Mr. Converse:

Thank you for your letter of May 19, 1958, in which you advise us that you have not yet started work under your DMEA contract.

Your contract is now in default and can only be reinstated by an amendment extending the starting date. There is no assurance that this agency will be able to make such an amendment after June 30 as the present authorization expires on that date unless extended by law. Legislation to this end has been introduced in Congress.

Unless you can give us a firm date by which work can be started, we suggest that you request that your contract be rescinded.

An early reply will be appreciated.

Sincerely yours,

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

cc: DMEA (2) w/2 copies of incoming
USBM (2) " " " "
USBM (AD) w/copy of incoming
Albee

FORD M. CONVERSE
LOGGING
2885 S. W. FAIRVIEW BLVD.
PORTLAND 1, OREGON

May 19 1959

Re: Docket No. DMEA-4000 (Grand Cove Claims)
Grand Cove Claims
Jackson County, Oregon
Contract No. DMEA-E1112

DMEA
RECEIVED 26

U. S. Department of the Interior
Defense Minerals Exploration Administration
U. S. Geological Survey
South 157 Howard St.
Spokane 4, Washington

ATTENTION: Mr. A. E. Weissenborn

Gentlemen:

I received your letter of May 8, 1959, asking re about plans on starting my work at Medford on my contract No. DMEA-E1112. I really do not have any plans for starting at once, caused by the general condition of the mining business. I may have to just keep up my assessment work and forget development work.

I will not expect to ask for any of the DMEA money, unless I first take it up with you and get your approval.

I am having lots of trouble in this district to get someone satisfactory to put these 50 and 100 ft. drill holes down.

I expect personally to be in Medford and at the mine soon.

Sincerely yours,

Ford M. Converse

fmc/ec

OFFICIAL FILE COPY
DMEA
RECEIVED MAY 12 1958

DATE	INITIALS	CODE
5/12	C	220
5/12	[illegible]	800
5/12	[illegible]	500

So. 157 Howard Street
Spokane 4, Washington

May 9, 1958

Mr. Ford M. Converse
2865 S. W. Fairview Blvd.
Portland 1, Oregon

Re: Docket No. DMEA-4600 (Copper)
Grand Cove Claims
Jackson County, Oregon
Contract No. Idm-X1112

Dear Mr. Converse:

Amendment No. 1 of your DMEA contract provides for the commencement of work not later than May 1, 1958.

Will you please advise us whether or not work was started, and if not, what your plans for starting may be.

Sincerely yours,

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

cc: DMEA (2)
USBM (2)
USBM (AB)
Albee

OFFICIAL FILE COPY
DMEA
RECEIVED MAY 12 1958

DATE	INITIALS	NAME

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

OFFICIAL RECORD COPY
DMEA
RECEIVED JAN 30 1958

DATE	INITIALS	CODE
1/30	C	220
		~~500~~

January 27, 1958

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

Re: Docket No. DMEA-4600 (Copper)
Ford M. Converse
Grand Cove Claims
Jackson County, Oregon
Contract No. Idm-E1112

G

Dear Mr. Selfridge:

Enclosed are the Government and Audit copies of Amendment No. 1 to the contract. Other copies of the amendment are being distributed in the usual manner.

Sincerely yours,

A. E. Weissenborn

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

Enclosures

cc: Finance Office w/encl.
USBM (2)
Albee

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
12/26	Frawley	500
12-27	Chambers	800
1-3	GCS	130
	Ahrent	110
3	Mathews	1.00
1/6	gb	220
		500

JAN 6 1958

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

Re: Docket No. DMEA-4600 (Copper)
Ford M. Converse
Grand Cove Claims
Jackson County, Oregon
Contract No. Idm-51112

Dear Mr. Weissenborn:

With reference to your December 3 letter, we are enclosing the original and four copies of a proposed Amendment No. 1 to the cited contract, which have been signed by the Administrator for the Government. We are also enclosing two extra copies for the use of the Field Team.

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

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JLB)

Enclosures

WRGriswold/bjm (12/26/57)

APPROVED:

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

N. E. Nelson (JLB)
Member, Geological Survey

Copy to: Docket
Admr. R. File
Op. Committee
Mr. McMahon
Mr. Kiilsgaard
Chron.

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code

500

December 13, 1957

Memorandum

To: Associate Solicitor, Division of Minerals Resources

From: Director, Division of Base Metals

Subject: Preparation of Amendment No. 1 for Docket No. DMEA-1600, Fred M. Converse, Grand Cove Mine, Jackson County, Oregon Contract No. Idm-E1112 (Copper)

Will you please prepare an Amendment No. 1 to the cited contract which will change the starting date of the work from September 15, 1957 to on or before May 1, 1958 and completion date to October 1, 1958.

W. R. Griswold

WRG/er
Copyto Docket
Chron.

8623

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

OFFICIAL FILE COPY
DMEA
RECEIVED DEC 6 1957

DATE	INITIALS	CODE
12/6	C	220
12/11	B	215
12/11	WPS	500

December 3, 1957

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

Re: Docket No. DMEA-4600 (Copper)
Ford M. Converse
Grand Cove Mine
Jackson County, Oregon
Contract No. Idm-E1112

Dear Mr. Selfridge:

Enclosed are the Government and Audit copies of the above referenced contract. By copy of this letter, other copies of the contract are being distributed.

In accordance with the first paragraph of Mr. Converse's letter (two copies enclosed) transmitting the signed contract, we recommend that an amendment be prepared changing Article 3 to show the starting date to be on or before May 1, 1958, and the termination date to be on or before October 1, 1958.

By Field Team, Region I

A. E. Weissenborn

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

Wing G. Agnew

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

Enclosures

cc: Finance Office w/encls.
USBM (2) w/2 copies of incoming
Albee

Contract

FORD M. CONVERSE
LOGGING
2885 S. W. FAIRVIEW BLVD
PORTLAND 1, OREGON

November 27, 1957

OFFICIAL FILE COPY
DMEA
RECEIVED DEC 6 1957

DATE	INITIALS	CODE

Mr. A. E. Weissenborn
Executive Officer
U. S. Department of the Interior
D.M.E.A.
Field Team Region 1
U. S. Geological Survey
South 157 Howard St.
Spokane 4, Washington

Dear Mr. Weissenborn

I received your letter of November 14 1957, and note contents. I am signing the contracts as I have them, but I want the time to start in the spring about April or May

Things in the mining world seem to be in quite a changing attitude now, and copper seems to be pretty well depressed, and a fellow has to move off rather slowly.

Before I start in the spring, I will let you know and would like to have all the suggestions that the field staff can give. Also, I will welcome inspections.

I am returning to you the signed contracts.

Sincerely yours,

Ford M. Converse

FMC/sm

DMEA (2)

CENTRAL FILE COPY
DMEA
RECEIVED NOV 18 1957

DATE	INITIALS	CODE
11-18		220
11/18	WRH	500

So. 157 Howard Street
Spokane 4, Washington

November 14, 1957

Mr. Ford Converse
2885 S. W. Fairview Blvd.
Portland 1, Oregon

Re: Docket No. DMEA-4600 (Copper)
Grand Cove Claims
Jackson County, Oregon

Dear Mr. Converse:

On October 23, 1957, Mr. Albee of our field staff visited you to discuss a proposed DMEA contract and to attempt to clarify any misunderstandings you might have regarding the proposed program.

Apparently your chief concern was the starting date and the termination date of the contract. Mr. Albee explained that they could be changed by an amendment. He explained that bulldozing to the depth of the proposed drilling is impractical and would not be acceptable to the Government, and advised you not to sign the contract if you felt you would be dissatisfied with it.

You assured him that you were satisfied and would accept the contract. Mr. Albee, therefore, left the original and four copies with you. If you are so satisfied, please sign all copies keep the one marked Operator's copy and return the other copies to this office. However, if you are still not satisfied with all the terms and conditions of the contract, please return all copies unsigned to this office.

An early reply will be appreciated.

Sincerely yours,

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

cc: DMEA (2)
USBM (2)
Albee

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

OFFICIAL FILE COPY
DMEA
RECEIVED SEP 30 1957

DATE	INITIALS	CODE
9/30	C	220
9/30	~~[illegible]~~	500

September 25, 1957

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

Re: Docket No. DMEA-4600 (Copper)
Ford M. Converse
Grand Cove Claims
Jackson County, Oregon

Dear Mr. Selfridge:

Enclosed are two copies each of letters dated September 9, 1957 and September 13, 1957, from Mr. Ford M. Converse, and our reply.

From Mr. Converse's letters, it is obvious that he has misunderstood Exhibit "A", the description of the work, apparently confusing the churn drilling in paragraph (B) with the drilling and blasting to facilitate the bulldozing mentioned in paragraph (A).

Our field men will be in Oregon about the middle of October and at that time they will explain the contract to Mr. Converse. They will also ask him to present the data on which he bases his request for an increase in some of the rates set up in the contract.

We will hold the contract until our field men return, at which time we will submit our recommendations.

By Field Team, Region I

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

for Thomas E. Howard, Acting Member
U. S. Bureau of Mines

Enclosures

cc: USBM (2)
USBM (AD)
Albee

OFFICIAL FILE COPY
DMEA
RECEIVED SEP 30 1957
DATE | INITIALS | CODE

So. 157 Howard Street
Spokane 4, Washington

September 25, 1957

Mr. Ford M. Converse
2885 S. W. Fairview Blvd.
Portland 1, Oregon

Re: Docket No. DMEA-4600 (Copper)
Grand Cove Claims
Jackson County, Oregon

Dear Mr. Converse:

We have received your letters of September 9 and 13, 1957, with which you have returned the original and four copies of the proposed long form contract we sent you July 30, 1957.

It is evident from your letters that you have misunderstood the proposed work as described in Exhibit "A" of the contract. As you do not wish to start work until next spring, we will not attempt to explain the proposal by letter. Our field men will be in Oregon about the middle of October and will call on you at that time to explain the program and to collect any evidence you may have to justify your proposed changes in rates.

By Field Team, Region I

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

Thomas E. Howard, Acting Member
U. S. Bureau of Mines

cc: DMEA (2)
USBM (2)
USBM (AD)
Albee

COPY COPY

FORD M. CONVERSE
LOGGING

2885 South West Fairview Boulevard
Portland 1, Oregon

I am still very much interested in having these papers held until spring and would like to have you hold them up some way intact.

/s/ Ford M. Converse

DMER

OFFICIAL FILE COPY
DMEA
RECEIVED SEP 30 1957

DATE	INITIALS	CODE

FORD M. CONVERSE
LOGGING
2885 S. W. FAIRVIEW BLVD.
PORTLAND 1, OREGON

OFFICIAL FILE COPY
DMEA
RECEIVED SEP 30 1957

DATE	INITIALS	CODE

September 13, 1957

United States of America
Department of the Interior
Defense Minerals Exploration Administration
Rm. 157 Howard Street
Spokane 4, Washington

ATTENTION: Mr. A. E. Weissenborn

Gentlemen:

I have read the contract which you sent me see your docket No. D.M.E.A. - 4500, Commodity - Copper, Contract No. I.D.M. - E 1112. This contract was satisfactory except for the following comments:

1. Owing to the rock and ground there it might be easier to bulldoze than to drill and I would like to have the option to do so on inspection of the Government, approval to be up to Government inspector.

2. Also rental on equipment seems too low in some items.

3. And real reason for not signing at the present time is that the dates for the contract and the weather conditions down there do not jibe. That is, if I should sign the contract now before I could accomplish any work to amount to any thing--rain stops all work in that black mud--then I would have to lay off until next spring, and my contract would practically be used up this winter.

4. I would prefer to return these unsigned contracts for the present and have you hold them in abeyance until I could sign them and proceed in the work in a workmanlike way. In other words, I feel that in the spring I could go ahead, and I would like to, and see what this property had on it.

I would like to thank the Government for their favorable consideration of my property at Medford.

Sincerely yours,

FORD M. CONVERSE
LOGGING
2885 S. W. FAIRVIEW BLVD.
PORTLAND 1, OREGON

OFFICIAL FILE COPY
DMEA
RECEIVED SEP 30 1957

DATE	INITIALS	CODE

September 9, 1957

United States of America
Department of the Interior
Defense Minerals Exploration Administration
Olympia, Washington

Gentlemen:

We have read the contract which you have sent, see your Docket [illegible] - 4600; Commodity - Copper, Contract No. Idm-E - 1112. It appears to be in order and is satisfactory except that I believe in order to be safe on it that we should increase and add to it some of the items. For your ready reference and consideration herewith listing below my idea of the estimated cost of this project and if same meets with your approval, I will be ready to accept and sign the contract on the basis of this adjusted proposal. There is one point, too, that I would like to have at my option and that is if I choose to bulldoze instead of drill I would like to receive credit for the dozing instead of drilling -- see Stage 1 Category 1 and Stage 2 Category 1 -- in other words if I were to drill 25' down I would expect to be compensated at the rate of [illegible]00 per ft. per hole in lieu of drilling at the same rate of expense. Please find listed below my recommendation on the estimated cost of this project.

Estimated Costs

Stage I

Category (1) Independent Contracts

Bulldozing, 80 hours @ $16.00 hr.	$1280.00	
Churn drilling (with casing) 200' @ $6.00 ft.	1200.00	$2480.00

Category (2) Personal Services

Subcategories (a) and (b) Supervision and Technical Services

1 Supervisor-sampler; 1 month @ $600.00 mo.	600.00	

Subcategory (c) Labor

2 miners, 20 days @ $32.00 day	640.00	$1240.00

Department of the Interior
File #2
September 9, 1957

OFFICIAL FILE COPY
DMEA
RECEIVED SEP 30 1957

DATE	INITIALS	CODE

Category (3) Operating Materials and Supplies		
Explosives	$250.00	
Gasoline and oil	100.00	
Detachable bits	60.00	
2 Sludge boxes @ $10.00 ea.	20.00	
Tools	50.00	$480.00
Category (4) Operating Equipment		
Subcategory (a) Rental		
1 jeep or pickup, 20 days @ $10.00 day	200.00	
1 compressor and jackhammer, with hose and drill steel, 1 month @ $275.00 month	275.00	475.00
Subcategories (b) and (c) Purchases and Depreciation		
Purchases and Depreciation	200.00	200.00
Categories (5) and (6)		
None		
Category (7) Miscellaneous		
40 samples for assays @ $3.00 sample	120.00	
40 sample bags and sample transportation @ $0.65 ea.	26.00	
Insurance	138.00	
Repairs and maintenance	100.00	
Prints and reproductions	20.00	
Operators share of payroll taxes	64.00	
Travel and communications	100.00	
Liability insurance covering employment	10.00	578.00
Estimated Total Cost of Stage I		$5453.00

Stage II

Category (1) Independent Contracts		
Churn drilling (with casing) 400 feet @ $6.00 ft.	2400.00	2400.00

OFFICIAL FILE COPY
DMEA
RECEIVED SEP 3 1957
DATE | INITIALS | CODE
9-3 | C | 220
9/3 | uRS | 500

So. 157 Howard Street
Spokane 4, Washington

August 29, 1957

Mr. Ford M. Converse
2885 S. W. Fairview Blvd.
Portland 1, Oregon

Re: Docket No. DMEA-4600 (Copper)
Grand Cove Claims
Jackson County, Oregon

Dear Mr. Converse:

On July 30, 1957, we forwarded the original and four copies of a proposed long form contract covering the cited project for your consideration. We have heard nothing further from you.

If the contract meets with your approval, please sign all copies, retain the one marked for the Operator, and return the others to this office. If the proposed contract does not meet with your approval, please return the original and four copies, unsigned, with your comments.

We would appreciate a prompt reply.

Sincerely yours,

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region 1

cc: DMEA (2)
USBM (2)
USBM (AD)
Albee

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 2 1957

DATE	INITIALS	CODE
8/2	P.K.	220
8/2	~~[illegible]~~	500

So. 157 Howard Street
Spokane 4, Washington

July 30, 1957

Mr. Ford M. Converse
2885 S. W. Fairview Blvd.
Portland 1, Oregon

Re: Docket No. DMEA-4600 (Copper)
Grand Cove Claims
Jackson County, Oregon

Dear Mr. Converse:

Enclosed are the original and four copies of a proposed long form contract covering the cited project which has been signed by the Administrator for the Government and consists of the form (MF-200), Annex I (one page), Exhibit "A" (four pages), and two maps.

Article 3 provides that work is to begin on or before September 15, 1957 and shall be completed within 8 months from the date of the contract. You may begin work, of course, before September 15, 1957. Please inform us the date when you expect to commence work.

Your attention is called particularly to Article 8 (b) of the contract which deals with repayment by the operator from royalty on production. Any production from the land described in the contract is subject to the royalty provisions of the contract whether or not the ore was known to exist prior to the date of the contract or it is discovered or developed by the work under the contract. This applies to all production during the period in which the Government may certify or, if the project is certified, to all production during the repayment period specified in the contract.

If the contract meets with your approval please sign all copies, retain the one marked for the Operator, and return the others to this office. If it does not meet with your approval, please return all copies of the contract with your comments.

Sincerely yours,

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

Enclosures

cc: DMEA (2) USBM (AD)
USBM (2) Albee

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
7/22	Swinnerton	500
7-22	Chambers	800
7/22	Martin	130
"	Johnson	110
"	Gutteridge	100
7/22	C O	235
		500

500

B

JUL 23 1957

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

Re: Docket No. DMEA-4600 (Copper)
Ford M. Converse
Grand Cove Claims
Jackson County, Oregon

Dear Mr. Weissenborn:

With reference to your letter of May 27, 1957, we are enclosing the original and four copies of a proposed long-form contract covering the cited project. The contract has been signed by the Administrator, for the Government and consists of the form (MF-200), Annex I (one page), Exhibit "A" (four pages), and two maps.

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

Two extra copies of contract (minus the form) are enclosed for the use of the Field Team.

Sincerely yours,

W. S. Martin
ACTING Chairman, Operating Committee (246)

Enclosures
APPROVED:

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

Thor H. Kiilsgaard (246)
Member, Geological Survey

WRGriswold/er 7/22/57
Copy to: Docket
Admr R File
Op. Committee
Mr. McMahon, USBM
Mr. Kiilsgaard, USGS
Chron.

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code

500

July 5, 1957

Memorandum

To: Associate Solicitor, Division of Mineral Resources

From: Director, Division of Base Metals

Subject: Preparation of Contract for Docket No. DMEA-4600, Ford M. Converse, Grand Cove Claims, Jackson County, Oregon, Copper.

Will you kindly prepare a long form contract along the lines of the attached draft. Maps are attached, 8 copies (no Division Copy).

W. R. Griswold

W. R. Griswold

Attached

8623

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

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 24 1957

DATE	INITIALS	CODE
6/24	C	220
6/24	WRG.	500

June 20, 1957

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

Re: Docket No. DMEA-4600 (Copper)
Ford M. Converse
Grand Cove Claims
Jackson County, Oregon

Dear Mr. Selfridge:

In accordance with your request of May 27, 1957, enclosed are nine prints of a property map (plate 2) of the Grand Cove Claims, Jackson County, Oregon.

Sincerely yours,

A. E. Weissenborn

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region I, NW District

Enclosures (9)

cc: USBM (2)
Alvord

OFFICIAL FILE COPY

Date	Surname	Code
6/7	Friend	500
6/10	[illegible]	130
"	Johnson	110
"	[illegible]	100
6/10	[illegible]	223
6/14		500

500

JUN 10 1957

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

Re: Docket No. DMEA-4600 (Copper)
Ford M. Converse
Grand Cove Claims
Jackson County, Oregon

Dear Mr. Weissenborn:

We have your letter of May 27 enclosing recommendations covering the cited application.

We must point out that we have no property map covering this property. Kindly forward it to us, with the area of the proposed work indicated on it. Meanwhile we shall hold the application in abeyance.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GCS)

APPROVED:

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

Thor H. Kiilsgaard (GCS)
Member, Geological Survey

WRGriswold/er 6/7/57
Copy to: Docket
Admr R File
Op. Committee
Mr. McMahon, USBM
Mr. Kiilsgaard, USGS
Chron.

8623

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

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 5 1957

DATE	INITIALS	CODE
6/5	C	220
6/6	WRG	500
June 5, 1957		

Memorandum

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

From: Commodity Specialist, Branch of Base Metals

Subject: Report of Examination, Docket No. DMEA 4600 (copper), Ford M. Converse, Grand Cove Claims, Jackson County, Oregon. $7,139.25

The examiners recommend a modified two stage exploration program consisting of 80 hours of bulldozing and 7 churn drill holes to investigate a 175 foot mineralized exposure at the area designated as the Main Opening. Three samples of ore in place assayed 5.76, 2.6, and 5.58 percent copper and two grab samples of dumps contained 1.20 and 1.51 percent copper respectively and the examiners believe that a limited exploration program is warranted to test the depth and lateral continuity of the Main Opening deposit.

I concur with the examiners' recommendation.

A. D. McMahon
A. D. McMahon

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

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

EXTRA COPY
DMEA
RECEIVED
DATE

June 5, 1957

Memorandum

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

From: Commodity Specialist, Branch of Base Metals

Subject: Report of Examination, Docket No. DMEA 4600 (copper), Ford M. Converse, Grand Cove Claims, Jackson County, Oregon. $7,139.25

The examiners recommend a modified two stage exploration program consisting of 80 hours of bulldozing and 7 churn drill holes to investigate a 175 foot mineralized exposure at the area designated as the Main Opening. Three samples of ore in place assayed 5.76, 2.6, and 5.58 percent copper and two grab samples of dumps contained 1.20 and 1.51 percent copper respectively and the examiners believe that a limited exploration program is warranted to test the depth and lateral continuity of the Main Opening deposit.

I concur with the examiners recommendation.

A. D. McMahon

A. D. McMahon

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

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

EXTRA COPY
DMEA
RECEIVED JUN 5 1957

DATE	INITIALS	CODE
June 5, 1957		

Memorandum

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

From: Commodity Specialist, Branch of Base Metals

Subject: Report of Examination, Docket No. DMEA 4600 (copper), Ford M. Converse, Grand Cove Claims, Jackson County, Oregon. $7,139.25

The examiners recommend a modified two stage exploration program consisting of 80 hours of bulldozing and 7 churn drill holes to investigate a 175 foot mineralized exposure at the area designated as the Main Opening. Three samples of ore in place assayed 5.76, 2.6, and 5.58 percent copper and two grab samples of dumps contained 1.20 and 1.51 percent copper respectively and the examiners believe that a limited exploration program is warranted to test the depth and lateral continuity of the Main Opening deposit.

I concur with the examiners recommendation.

A. D. McMahon

A. D. McMahon

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

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

EXTRA COPY
DMEA
RECEIVED JUN 5 1957

DATE	INITIALS	CODE
June 5, 1957		

Memorandum

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

From: Commodity Specialist, Branch of Base Metals

Subject: Report of Examination, Docket No. DMEA 4600 (copper), Ford M. Converse, Grand Cove Claims, Jackson County, Oregon. $7,139.25

The examiners recommend a modified two stage exploration program consisting of 80 hours of bulldozing and 7 churn drill holes to investigate a 175 foot mineralized exposure at the area designated as the Main Opening. Three samples of ore in place assayed 5.76, 2.6, and 5.58 percent copper and two grab samples of dumps contained 1.20 and 1.51 percent copper respectively and the examiners believe that a limited exploration program is warranted to test the depth and lateral continuity of the Main Opening deposit.

I concur with the examiners recommendation.
A. D. McMahon

A. D. McMahon

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

IN REPLY REFER TO:

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

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 5 1957

DATE	INITIALS	CODE
6/5	JWG	220
6/6	WRG	500

June 4, 1957

Re: DMEA 4600
Ford M. Converse
Grand Cove Claims
Jackson Co., Oregon
Appl. Est. $24,024
Rec'd " 7,139.25
Copper

Memorandum

To: W. R. Griswold, 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 flat lying 'oxide' copper deposit by bulldozing and diamond drilling.

The examiners and Field Team recommend that lesser amounts of the bulldozing and churn drilling be done. If as the examiners state, there is little probability that the 2 showing are connected, the work recommended should suffice.

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

N. E. Nelson

N. E. Nelson

IN REPLY REFER TO:

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

EXTRA COPY, DMEA RECEIVED JUN 5 1957		
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	Memorandum	

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

N. E. Nelson

N. E. Nelson

NENelson:btr
G 6/4/57

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

IN REPLY REFER TO:

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

EXTRA COPY
D M E A
RECEIVED JUN 5 1957

DATE	INITIALS	CODE

June 4, 1957

Re: DMEA 4600
Ford M. Converse
Grand Cove Claims
Jackson Co., Oregon
Appl. Est. $24,024
Rec'd " 7,139.25
Copper

Memorandum

To: H. L. Griswold, Defense Minerals Exploration Administration

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

Subject: Review of Field Team Report.

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

N. E. Nelson

N. E. Nelson

NENelson:btr
G 6/4/57

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

IN REPLY REFER TO:

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

EXTRA COPY
DMEA
RECEIVED JUN 5 1957

DATE	INITIALS	CODE

June 4, 1957

Re: [illegible] 4600
Ford F. Converse
Grand Cove Claims
Jackson Co., Oregon
Appl. st. 24,024
Acc'd " 7,139.25
Copper

Memorandum

To: [illegible], Defense Minerals Exploration Administration

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

Subject: Review of Field Team Report.

The applicant requested assistance in exploring a flat lying 'oxide' copper deposit by bulldozing and diamond drilling.

The examiners and Field Team recommend that lesser amounts of the bulldozing and churn drilling be done. If as the examiners state, there is little probability that the 2 showings are connected, the work recommended should suffice.

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

R. E. Nelson

R. E. Nelson

NENelson:btr
G 6/4/57

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

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

OFFICIAL FILE COPY
DMEA
RECEIVED MAY 31 1957

DATE	INITIALS	CODE
5/31	C	220
		130
6-4	C	220
6/4	WRB	500

May 27, 1957

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

Re: Docket No. DMEA-4600 (Copper)
Ford M. Converse
Grand Cove Claims
Jackson County, Oregon

Dear Mr. Selfridge:

Enclosed are four copies of a memorandum report by Charles R. Hubbard, Mining Engineer, Bureau of Mines, and D. C. Alvord, Geologist, Geological Survey.

Secondary copper minerals occur in deposits, the potential extent and habit of which are not clear. Samples have been taken in areas of more abundant mineralization that range in grade from 1.20 to 5.76 percent copper. The deposits are in rocks of the Wasson formation, within a zone of tuffaceous agglomeratic flow-breccia containing a few interbedded flows of vesicular andesite.

Hubbard and Alvord conclude a small program to test the depth and lateral continuity of the most promising deposit is warranted and recommend a two stage program of bulldozing and churn drilling.

The Field Team concurs with these conclusions and recommendations.

By Field Team, Region I, NW District

Wing G. Agnew

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

Donald R. MacLaren

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

Enclosures

cc: USBM (2)
USGS (SRO)
Alvord

Reviewed by
DMEA OPERATING COMMITTEE
6-3-57
(date)

OFFICIAL FILE COPY
D M E A
RECEIVED MAY 31 1957
DATE | INITIALS | CODE
13026
220

ON-SITE Report

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration
So. 157 Howard Street
Spokane 4, Washington

May 20, 1957

MEMORANDUM

To: DMEA Field Team, Region I, Northwest District

From: Charles R. Hubbard, Mining Engineer, U. S. Bureau of Mines and D. C. Alvord, Geologist, U. S. Geological Survey

Subject: Field Examination Report, Docket No. DMEA-4600 (Copper), Ford M. Converse, Grand Cove Claims, Jackson County, Oregon

INTRODUCTION

An application was received January 2, 1957, for aid in an exploration project for copper at the Grand Cove mine in Jackson County, Oregon. The exploration proposed by the applicant consists of 2 months of bulldozing and 2,100 feet of drilling in 46 holes, the total cost of the work estimated at $24,024.

The property was examined on March 22 and 23, 1957, by E. W. Parsons and C. R. Hubbard, Mining Engineers, Bureau of Mines, and D. C. Alvord, Geologist, Geological Survey, accompanied by F. M. Converse, applicant, and R. E. Smith, interested party. The examination included reconnaissance of the property, a Brunton and tape traverse between the two most important showings, and cutting 18 samples.

SUMMARY AND RECOMMENDATION

The subject property contains secondary deposits of chrysocolla, malachite, azurite, cuprite, and native copper chiefly occurring in beds of tuff flow-breccia along or near tongues of vesicular andesite. Prospecting has not been sufficient to reveal the habits or the potential extent of the deposits, but samples of ore dumps and zones of visible copper minerals in place range in grade from 1.20 to 5.76 percent copper. It is possible that commercial grade rock could be mined from these deposits and a limited exploration program to test the depth and lateral continuity of one of these deposits appears warranted.

Reviewed by
DMEA OPERATING COMMITTEE
6-3-57
(date)

A program involving essentially 80 hours of dozer trenching and stripping and a maximum of 550 feet of churn-drill holes, to be drilled in two stages, is recommended. The estimated maximum cost of the project is $7,139.25, with the Government's share amounting to $3,569.63.

LOCATION AND ACCESSIBILITY

The property is located in the SE¼, sec. 29, T. 35 S., R. 2 E., Lake Creek mining area. Jackson County, Oregon. It is 25.6 miles by road from Medford, Oregon, to the mine access road via Eagle Point and Brownsboro. From the county road ("blacktop") a fair farm road (partly gravelled) for 1.2 miles ends at a log cabin; from the cabin, a jeep road about 2 miles in length leads to the property. A large part of the last 2 miles is nearly impassable in wet weather. Altitude at the workings is about 3,000 feet and at Medford it is about 1,300 feet above sea level.

Medford, with a population of 17,000, is the nearest supply point. Eagle Point, about 14 miles from the property, is the nearest shipping point and is a very limited source of supplies. Brownsboro comprises a general store and filling station and is also a very limited source of supplies. The region is well-populated and only the last 2 or 3 miles of access road would be difficult to travel throughout the year. Manpower would be easily available.

PROPERTY RIGHTS

Under paragraph 3f of his application Mr. Converse lists the following unpatented mining claims which are on file at the County Courthouse, Medford, Oregon:

Grand Cove No.	Vol.	Page	Survey No.
1	63	415	395488
2	63	416	395489
3	63	418	395490
4	63	420	395491
5	63	422	395492
6	63	424	395493
0	64	343	408631
7	64	341	408630

These claims, according to Mr. Converse, are located on land covered by the Taylor Grazing Act. Mr. Converse does not mention his interest in the claims, but he stated to us that he holds them by right of location and that they are not in dispute and are free of encumbrances. A sketch map of the claims was included with the application which, according to our field checks, probably was prepared by a compass

and pace survey without allowing for magnetic declination. During the examination we searched for, but did not find, the SE. Cor. sec. 29 and the S¼ sec. 29, both of which, according to the applicant, should have been easily found. It is concluded that Mr. Converse himself is somewhat confused as to the field relationship his claims have to the boundaries of sec. 29 even though he describes the group as being located parallel and contiguous to the south and east boundaries of sec. 29 and presumably tied his survey to some sort of land survey marker. The general area of the proposed DMEA exploration, east of the Main Opening on the Grand Cove No. 2 claim is, however, probably well within the limits of his property.

APPLICANT

The applicant, Ford Converse, has had many years experience as a logging contractor and is now semiretired; he is proposing to supervise the work. Mr. Converse has no knowledge of geology or the mode of occurrence of ore deposits and will require some technical guidance in directing the exploration. He apparently is capable of financing his share of a limited program of exploration.

DESCRIPTION OF THE PROPERTY

The Grand Cove claims are drained by Lick Creek which, flowing southwestward across the property, has formed a valley with moderately steep slopes. The copper showings are in the rocks underlying the south slope of the valley. The property includes dense growths of good-sized conifers, but the most promising portion is characterized by park lands with scattered growths of scrub oak and underbrush.

The property has been prospected by numerous small pits, now largely caved; dozer stripping at various localities; and dozer trenching followed by an exploration pit or shaft at each of the two most promising showings (pl. 1). The largest working, labeled on plate 1 as the "Main Opening," includes about 200 feet of trenching and stripping to a maximum depth of about 5 feet and a shaft, now caved and filled with water, reported to be 30 feet deep.

The occurrence was discovered in 1917 by L. A. Oberchain while prospecting for manganese. A carload of ore is reputed to have been shipped to a smelter at Tacoma, Washington, but no record of the shipment is available.

GEOLOGY

The geology of the Grand Cove property, also known as the "Call of the Wild," is described in the following:

Callaghan, Eugene, and Buddington, A. F., 1938, Metalliferous Mineral Deposits of the Cascade Range in Oregon: U. S. Geol. Survey Bull. 893, p. 132-133.

By the Staff, 1943, Oregon Metal Mines Handbook: State of Oregon Department of Geology and Mineral Industries Bull. No. 14-C, v. 11, sec. 2, Jackson County.

The latter report, however, is nothing but a review of the former. The regional geology of the area including the Grand Cove deposits is given in the following:

Wells, F. G., 1956, Geologic Map of the Medford Quadrangle, Oregon-California: U. S. Geol. Survey G.Q. 89, map and text.

The rocks underlying the Grand Cove claims include water-deposited tuffs and conglomerates of the Colestin formation of Eocene age, pyroclastic rocks and flows of the Wasson formation of Oligocene(?) age, and flows of the Heppsie andesite of Miocene(?) age. The copper deposits occur in rocks of the Wasson formation within a zone of tuffaceous agglomeratic flow-breccia containing a few interbedded flows of vesicular andesite. The beds are obscure but apparently are essentially flat lying with a slight dip to the west.

Wells (1956) shows a concealed fault striking N. 50° E. across the property that follows approximately the course of Lick Creek. Other evidence of post-depositional movement was not observed during our examination. It should be noted, however, that the trend of a line drawn between the two occurrences shown on plate 1 is about N. 45° E. suggesting, perhaps, that the control of the mineralization may be related to zones of weakness related to the concealed fault.

Callaghan and Buddington (1938) describe the deposits as follows:

> "The flow rock contains red spots that are iddingsite pseudomorphs after olivine and calcite amygdules that are stained greenish near the rock. The breccia is largely altered to clay minerals and contains little greenish spots and veinlets consisting mainly of chrysocolla with a little malachite and very little azurite. Limonite and some manganese oxide occur in irregular black spots and fracture fillings through the altered rock. The copper occurs in dendritic form in nodules, some of which are 6 inches long. The copper is partly changed to cuprite * * *, which is in turn surrounded by opal and chalcedony, with small amounts of chrysocolla and malachite. Openings are partly filled with the chocolate-colored clay mineral beidellite."

During the examination little was observed that could be added to the above quotation. Some native copper, however, was noted in dump material reportedly taken from the caved shaft at the Main Opening.

The habit of the deposits is not understood. Obscure exposures allows little to be said regarding their probable shape or size. Apparently the copper minerals tend to be concentrated in the tuffaceous breccia zones near or adjacent to the tongues of vesicular andesite (pl. 1). Accessible exposures in the walls of the shaft at the Main Opening indicate an agglomeratic structure with small tongues or chunks of vesicular andesite which may have controlled the zones of higher grade copper ore. The small areal extent of copper-bearing ground available for sampling strongly suggests that neither the vertical or horizontal extent of the deposits is very great. At the two most promising localities, however, considerable material from slope wash and sloughing obscured most portions of the ground that had once been exposed by the prospect pitting and trenching.

SAMPLING

Several times during the examination Mr. Converse stated quite firmly that even though the best ore on the property occurs where there are visible copper minerals (vicinity of Main Opening and Area 1), the zones of barren looking clayey material (tuffaceous flow-breccia) between the lava flows assay 0.5 percent copper almost anywhere on the property. Sampling did not bear this statement out. Of 9 samples taken from the barren looking zones, 2 (S-365B and S-369B) contained 0.02 percent copper, and the remaining 7 showed only a trace. None contained more than a trace of silver.

Of the 6 samples taken at the Main Opening, only 3, S-359B, S-360B, and S-361B, were taken from ore in place. These samples, containing 5.76, 2.6, and 5.58 percent copper, respectively, unfortunately are not good indicators of the probable grade of a potential ore body but show, instead, that high-grade streaks of copper-bearing material occur within the mineralized area. Grab samples S-363B and S-364B, containing 1.20 and 1.51 percent copper, respectively were taken from ore dumps and probably are much better representations of the grade of material that might be mined from the property. Sample S-362B, grabbed from the surface at the south end of the Main Opening workings, ran only 0.20 percent copper -- no copper minerals were visible at this locality however.

The only good showing of copper exposed at Area 1 occurred in agglomeratic tuff flow-breccia close to a tongue of andesite lava. Sample S-374B cut from the face of the pit where the copper showings were quite strong ran 1.98 percent copper. Sample S-375B, grabbed from the sill of Area 1 where visible copper minerals were lacking, assayed only a trace of copper.

MERIT OF THE PROPERTY

The property contains at least two deposits of secondary copper minerals of incompletely determined habit and size, but that are probably of ore grade. Acid leaching tests have been run on samples of ore from this property that show an extraction of 97 percent of the contained copper (Taylor to Converse, June 5, 1956, letter accompanying the application) indicating a possible commercial method of exploiting the ore should sufficient quantities be present. As so little is known of the habit or potential of the deposit, exploration for other such occurrences does not seem warranted at this time. On the other hand the deposit partly explored at the Main Opening, as indicated by sampling, is sufficiently attractive to warrant a very small amount of additional work. Additional dozer trenching and stripping along and to the east of the present open pit and a few shallow vertical drill holes would in all probability suffice to show whether or not the property warrants serious attention.

APPLICANT'S PROPOSAL

The applicant has not stated a clear program for exploration. He states: "We propose to use a caterpillar for exploration work in dozing and following up indications of mineral on the property." He also states that a bulldozer would be necessary to open up cuts, etc., and would take about 2 months of 20 working days each at 8 hours per day. The total cost of the work is estimated as $24,024, which includes drilling 46 holes totaling 2,100 feet.

In conversations with the applicant it became apparent that he would depend to a large extent on the examining team's opinion as to the potential value of the property and the amount and type of exploration justified by the present exposures. He seemed to have a vague idea that more dozer trenching between the two workings marked "Main Opening" and "Area 1" might disclose a continuous ore body between the two showings. However, the mode of occurrence of the ore exposed in the two workings on the property gives no indication that these deposits might be connected. Furthermore dozing of a road and a prospect trench between the Main Opening and Area 1 has failed to show continuity of the mineralized zones or to hint at a structural relationship between the two workings. Additional dozer work in this area does not to the examiners appear to be justified at this time.

RECOMMENDED EXPLORATION

The Main Opening is cut along a gently sloping bench or terrace which continues eastward above the cut. There are some old caved pits about 50 feet east of the upper side or face of the

cut which were probably sunk in the early days, perhaps at the time of the original discovery of copper ore. The bottom or floor of the cut is not more than 25 feet wide and the face exposed on the upper side is about 5 feet high. Along the 5-foot high face copper mineralization is visible at places for a distance of 175 feet more or less. Samples cut at three places where the better mineralization appeared assayed roughly ore grade.

Hard ribs of scoriaceous andesites (basalt) prevented further penetration by dozing with the light equipment used and gophering by drilling and blasting on the better showings was resorted to. It is recommended that further cutting be done into the hillside at the level of the present open pit to test the lateral extent of the mineralization in the face. This can be accomplished by using heavier bulldozer equipment together with some drilling and blasting of the hard ribs. It is estimated that this will require a total of 20 days of drilling and blasting, and 10 days of bulldozing.

Drilling is recommended to be done in two stages. Stage II is to be started only after Stage I has indicated that the lateral extent and depth of mineralization warrants more exploration.

Stage I - Three churn drill holes in the Main Opening and one in the Area 1 should be drilled to test the depth of mineralization. It is believed that a maximum of 50 feet of drilling in each case will probably serve the purpose.

Stage II - Four churn drill holes east of the Main Opening at an approximate distance of 75 feet from the holes recommended in Stage I and to a maximum depth of 100 feet. Exact location will depend on the results of Stage I.

RECOMMENDED COSTS

Stage I

(1)	Independent contracts		
	Bulldozing (D8 or equivalent equipment)		
	80 hours @ $15/hr.	$1,200.00	
	Churn drilling (4 holes x 50' = 200 ft.) 200 feet with casing @ $5/ft.	1,000.00	$2,200.00
(2)	Labor, Supervision, Consultants		
	1 Miner - 20 days @ $16/day	$320.00	
	1 Supervisor-sampler - 1 mo. @ $600	600.00	$ 920.00
(3)	Operating Materials and Supplies		
	Powder, fuse, and caps	$150.00	
	Oil and gasoline (compressor)	50.00	
	Detachable bits	15.00	215.00
(4)	Operating Equipment		
	Jeep or pickup rental - 1 month 20 days @ $10/day	$200.00	
	Compressor, jackhammer, hose, drill steal - 1 month @ $175/mo	175.00	375.00
(5)	Building repairs, etc.		none
(6)	New buildings		none
(7)	Miscellaneous		
	Sample analyses - 75 assays @ $2.00	$150.00	
	Sample bags and transportation 75 @ $0.65/ea.	48.75	
	Sludge boxes - 2 @ $10/ea.	20.00	
	Unemployment comp., insurance, etc. 15% of wages and salaries	138.00	356.75
	Total estimated cost of Stage I		$4,066.75

Stage II

(1)	Independent contracts		
	Churn drilling (4 holes x 100' = 400 ft.) 400 ft. with casing @ $5/ft.		$2,000.00
(2)	Labor, Supervision & Consultants		
	1 Supervisor-sampler - 1 mo. @ $600/mo.		600.00
(3)	Operating materials and supplies		none
(4)	Operating equipment		
	Jeep or pickup rental - $10/day for 1 month		200.00
(5)	Building repairs, etc.		none
(6)	New Building		none
(7)	Miscellaneous		
	Sample analyses - 50 assays @ $2/ea.	$150.00	
	Sample bags & transportation 50 @ $0.65	32.50	
	Unemployment comp., insurance, etc. 15% of wages and salaries	90.00	272.50
	Total estimated cost of Stage II		$3,072.50
	Total estimated cost of project		$7,139.25
	Government's participation @ 50 percent		3,569.63

CONCLUSIONS

Churn drilling is recommended in this instance because the deposits appear to be bedded or flat-lying and because well drilling outfits with churn drill equipment are readily available in the region. Furthermore a diamond drilling contract would be difficult to secure for such a small amount of work.

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

So. 157 Howard Street
Spokane 4, Washington

March 7, 1957

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 11 1957

DATE	INITIALS	CODE
3/12	C 2	20
3/12	NRH	500

Air Mail

Docket

Mr. Ford M. Converse
2885 S. W. Fairview Blvd.
Portland 1, Oregon

Re: Docket No. DMEA-4600 (Copper)
Grand Cove Claims
Jackson County, Oregon

Dear Mr. Converse:

Regarding my letter of March 6, 1957, Messrs. Parsons, Hubbard, and I will be unable to be at Medford on March 14 as we had intended. We plan, instead, to arrive at Medford on the evening of March 20 and to meet you at the Post Office there the following morning.

If you are unable to meet us on March 21, please advise me at the above address.

Sincerely yours,

Donald C. Alvord
Geologist

cc: DMEA (2)
USBM (2)
Alvord

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 11 1957

DATE		CODE
3/12	C	220
3/12		500

xxxxxxxxxxxxxxxxxx
So. 157 Howard Street
Spokane 4, Washington

March 6, 1957

Mr. Ford M. Converse
2835 S. W. Fairview Blvd.
Portland 1, Oregon

Re: Docket No. DMEA-1600 (Copper)
Grand Cove claims
Jackson County, Oregon

Dear Mr. Converse:

Mr. E. W. Parsons and Mr. Charles Hubbard of the U. S. Bureau of Mines and I have been assigned to examine the Grand Cove mine regarding your application for Government aid to explore for copper.

We will try to be at Medford, Oregon on the evening of Wednesday, March 13, and will plan to meet you in front of the Post Office on the morning of March 14. In the event that we are unable to meet you on the 14th, we will telephone or wire you on the evening of the 12th and reset the appointment, probably for the 15th.

I anticipate that the examination will entail at least one or two days. If for any reason you will be unable to show us your property on Thursday the 14th, or have an alternative suggestion, please contact this office.

Sincerely yours,

Donald C. Alvord
Geologist

cc: DMEA(2)
USBM(2)
Alvord

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
	Griswold	500
1/25	Selfridge	1300
1/28	Johnson	110
	Matthews	100
1-28	C	250
		500

500

JAN 28 1957

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

Re: Docket No. DMEA-4600 (Copper)
Ford M. Converse
Grand Cove Claims
Jackson County, Oregon

Lamb
Nelson

Dear Mr. Weissenborn:

The cited application is being referred to your office for consideration, a field examination of the property if warranted, and recommendations. We are enclosing copies of memoranda dated January 16 and 18, 1957, by N. E. Nelson, Geological Survey, and A. D. McMahon, Bureau of Mines, respectively, relating to the proposed project.

The application is so lacking in pertinent information that little appraisal of the proposed work is possible at this time. The suggested price of $17.00 per hour for bulldozing is certainly excessive and the proposal for drilling a multitude of shallow holes is obviously ill advised. In the event that the Field Team might be inclined toward a favorable recommendation of some sort, they should first feel reasonably well assured that the technical supervision would be fully adequate.

We are returning the two maps to you, as you requested, and one copy of the application.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JB)

Enclosures

WRGriswold/er 1/25/57

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

APPROVED:

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

N. E. Nelson (JB)
Member, Geological Survey

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
	Griswold	500
1/25	Selfridge	130
1/25	Johnson	110
	Rottenberg	100

225
20.0

JAN 28 1957

Mr. Ford M. Converse
2885 S.W. Fairview Blvd.
Portland 1, Oregon

Re: Docket No. DMEA-4600 (Copper)
Ford M. Converse
Grand Cove Claims
Jackson County, Oregon

Lamb
Nelson

Dear Mr. Converse:

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

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

If additional information concerning your application is needed, the Field Team will get in touch with you at an early date.

Sincerely yours,

C. O. Wilson

Administrator

WRGriswold/er 1/25/57
Copy to: Docket
Admr File A
Op. Committee
Base Metals
Mr. Pennington, USBM
Mr. Kiilsgaard, USGS
Region I, NW Dist.
Chron.

8623

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

January 18, 1957

Memorandum

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

From: Commodity Specialist, Branch of Base Metals

Subject: Review of application, Docket No. DMEA 4600 (copper-silver), Ford M. Converse, Grand Cove Claims, Jackson County, Oregon. $24,024.00

The applicant proposes to investigate the Grand Cove claims for mineralization of copper, silver, gold, cobalt, manganese, mercury, nickel, and tantalum by bulldozer stripping or trenching followed by drilling (diamond?) areas where mineralization is indicated.

The claim map locates three exposures of ore on claim Nos. 2, 4, and 5, and one indication of ore on the No. 1 claim. Copper assays of seventeen samples range between a trace and 7.69%. The 7.69% copper analysis was for a "mineral specimen" however, assays of a number of the other samples were between 3 and 5 percent.

The exploration work proposed by the applicant consists of two months of bulldozing and 2,100 feet of drilling in 46 holes. There is no program mentioned in the application or indicated on the map other than the statement "We propose to use a catipiller for exploration work in dozing and following up indications of mineral on the property." Such a project would appear to be essentially prospecting.

However, the copper assays submitted are somewhat encouraging and referral to the Field Team for a possible examination of the property is recommended.

A. D. McMahon

A. D. McMahon

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

IN REPLY REFER TO:

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

RECEIVED JAN 22 1957

DATE	INITIALS	CODE
1-17	CW	220
1/17	WRG	500

January 16, 1957

Re: DMEA 4600
Ford M. Converse
Grand Cove Group
Jackson County, Oregon
$24,024 - Copper-silver

Memorandum

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

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

Subject: Review of application

The applicant requests assistance in exploring by bulldozing and diamond drilling a copper showing from which samples running well in copper have been taken. Except that the deposit is in 'blanket form' no intimation as to the character of the mineralization is afforded by the application.

Probably 'oxide' copper is present as leaching tests are mentioned.

Of 6 samples taken by Henry Doelle 5 show ore grade material and he says "the showing is good and it should be drilled or further exposed with a heavy dozer".

Referral of the application to the Field Team for appropriate action is warranted and so recommended.

N. E. Nelson

N. E. Nelson

485

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

January 10, 1957

Mr. Ford M. Converse
2885 S. W. Fairview Blvd.
Portland 1, Oregon

Subject: DMEA-4600

Dear Mr. Converse

Your application for exploration assistance, dated December 31, 1956 submitted to our office at Spokane, has been assigned Docket Number DMEA-4600 and referred to the Base Metals Division in the Washington office. Kindly identify all future correspondence relating to your application by this Docket Number.

Sincerely yours,

(Sgd) Allen S. Dakan

Allen S. Dakan, Director
Operations Control and
Statistics Division

Copy to:

Region I, NW. Spokane, Washington

Code 500

6416