MME Form 9
Rev. Mar. 59

UNITED STATES
DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration

OFFICIAL DOCKET FILE

Contract No. 14-23- 2120 Docket No. MME- 6086

Application
- [ ] Denied
- [ ] Withdrawn

Contract
- [ ] Terminated - Not Certified
- [ ] Terminated - Certified
- [ ] Cancelled
- [ ] Royalty Agreement

The records contained in this file are marked (x) and arranged in this order:

Folder No. 1:

**Left Side**

- [ ] Royalty Audits
- [x] Certification of Discovery — Letr.7/15/63
- [x] Closing Letter — Roy.Agt. Am.#4
- [x] Cost Audits 6-14-62
- [x] Termination Notice or Agreement — 2(i)(D) Am.#4
- [ ] Recision Notice — See R-I letr. 5/3/62
- [ ] Assignment of Contract
- [ ] Contract Amendments
- [x] Contract with all exhibits and annexes 8-31-60
- [ ] Owner's Consent to Lien and Subordination Agreement
- [x] Application and Attachments

**Right Side**

- [ ] Project Summary (final)
- [x] Work Completed Analysis (final) 7/12/63
- All other material filed in chronological order including the following reports if checked:
- [ ] Field Team Semiannual Report for Certified Project
- [x] Final Field Team Report (Tab) May 1963
- [x] Operator's Final Report (Tab) 5-28-62
- [ ] Interim Field Team Reports
- [x] Operator's monthly reports and all attachments
- [x] On-site Exam. Report (Tab) 8/11/60 + 8/8/60
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

**Left Side**

Folders No. ✓ : Reports
- [ ] Analysis of Semiannual Inspection Reports
- [ ] Project Summary (Interim) by MME Engineers

**Right Side**

- [ ] Field Team Semiannual Report for Certified Project
- [x] Field Team Interim Reports
- [x] Operator's Monthly Reports with Transmittal, Narrative and Maps

Folders No. _____ : Maps (Use pocket folder or envelope)

Folders No. _____ : Settlement Sheets

Folders No. _____ : Drill Logs

Folders No. _____ : Royalty Material

Note: Everything in folder, report, bonded report, and change of operator file received 9/21/60

52615

MME Form 7
(2/63)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 7/12 | Yuamel | 500 |
| 7/15 | Talbut | 800 |
| | Selfridge | 130 |
| 7/15 | Johnson | 110 |
| 7/ | Tormel | 100 |
| 7/15 | Cal | 220 |
| | | |
| | | |
| | | |

JUL 15 1963

Mr. A. O. Bartell
5115 S. W. Northwood Avenue
Portland 1, Oregon

Re: CMZ-6086 (Mercury)
A. O. Bartell
Nisbet Mine
Clackamas County, Oregon
Contract 2120

Dear Mr. Bartell:

Pursuant to Article 6 of the subject contract, as amended, and Paragraph 2 of Amendment No. 4 thereto, royalties shall be paid to the Government as provided in the contract on all production from the land described in the contract from August 31, 1960, to August 31, 1971, or until the sum of $5,762.16 is fully repaid with interest at the rate of 6 percent per annum.

Royalty payments should be made in favor of the Office of Minerals Exploration, and should be mailed or delivered to the Field Officer, Office of Minerals Exploration, Region I, South 157 Howard Street, Spokane 4, Washington. Each payment should be accompanied by two copies of settlement sheets or other suitable sales evidence showing the name of the purchaser, the quantity and grade of the production sold, the price per unit, and the gross proceeds and allowable deductions therefrom. The purchaser should be notified of the Government's royalty on production and directed to pay the royalty, computed as provided in the contract, directly to the Government.

The Field Officer should be promptly notified upon the commencement of any production, and upon any extended cessation thereof. Production unsold or unused six months after extraction from the ground should be reported promptly to the Field Officer.

Attention is specifically invited to the provisions of Article 2(c) of the contract referring to the preservation of the Government's royalty rights. Two true copies of any instrument transferring, surrendering, or encumbering any of said rights shall be furnished to the Field Officer.

23263

We are returning one copy each of the Brown and Walker report, dated December, 1943, your report, dated March 8, 1957, and a claim map as requested in Item 3(g), page 2 of your application.

Sincerely yours,

George Fumich, Jr.

Director

Enclosures

WRGriswold/gla 7-12-63
cc to: Director's Reading File
Mr. Johnson
Review Committee
CA&A Division
Region I
Docket
Code 500

MME Form 7
(2/63)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 9/30/71 | | 120 |
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| | | |

AIRMAIL

SEP 30 1971

Mr. A. O. Bartell
5115 S. W. Westwood Lane
Portland, Oregon 97201

Re: OME-6086 (Mercury)
A. O. Bartell
Nisbet Mine
Clackamas County, Oregon
Contract 2120

Dear Mr. Bartell:

By the terms of the subject Exploration Contract, as amended, and paragraph 2 (3) of Amendment No. 4 thereto, all minerals mined or produced from August 31, 1960, to August 31, 1971, were subject to the Government's royalty as set forth in said contract.

As the period during which production was subject to royalty has expired, the Government according to its present records retains no claim or lien against the property subject to the contract or any future production therefrom. We, therefore, are closing our books and records on this contract.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Mineral Resources
OME docket
OME Reading File
OME Region I w/cy completed MME Form 63 9/20/71
Branch of Budget and Finance
Mr. Kirkemo
130

GLAult/a 9-30-71

MME FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS EXPLORATION

| TO: | DATE | INITIALS |
|---|---|---|
| 1. Mr. Fumich | 6/19 | |
| 2. ~~Mr. Johnson~~ | 6/20 | |
| 3. Mr. Selfridge | | |
| 4. Mr. ~~Griswold~~ ~~Mr. Heck~~ | 6/19 | S.P.H. |
| 5. ~~Mr. Palmer~~ ~~220~~ 500 | | |
| FROM: E. D. Talbert | 6/14 | |

FOR: Check items for action desired

____ Action ____ Reply for signature of _____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions ____ Your information

REMARKS:

INT.-DUP. SEC., WASH., D.C. M56300-59

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

## REPORT OF REVIEW

I have reviewed the Monthly Reports of:

A. O. Bartell
5115 S. W. Northwood Avenue
Portland 1, Oregon

pertaining to Exploration Contract 14-23-090-2120, OME No. 6086, including Amendments Nos. 1 through 4, for November 1960 to April 1962, inclusive, covering a mercury project at the Nisbet Mine, Clackamas County, Oregon.

My review included an examination of the Monthly Reports (Forms MME-60) and supporting documents, comparison of the claimed costs with the contract and pertinent schedules, confirmation of work performed by reference to Field Office reports and correspondence, and a determination of the reasonableness and propriety of the costs.

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

> All of the acceptable costs were under a contract provision for contribution by the Government on the basis of fixed unit costs for work performed.

The findings of this review are stated in the following summary and the attached schedule:

| | | |
|---|---|---|
| Total cost billed by Operator | | $11,524.33 |
| Exceptions: | | |
| Prior to this review | $ -0- | |
| Herewith | -0- | -0- |
| Acceptable cost claimed by Operator | | $11,524.33 |
| Acceptable cost not claimed | | 46.98 |
| Total acceptable cost, if claimed | | $11,571.31 |

The contract calls for a 50 percent contribution of the allowable costs by the Government. Therefore, if the project is otherwise accepted as having met the terms of the contract, payments as follows are valid and proper:

| | |
|---|---|
| Payable on audited claim | $ 5,762.16 |
| Paid to date | 5,673.41 |
| Balance due Operator | $ 88.75 |
| Additional payable, if claimed | $ 23.49 |

June 14, 1962

E. D. Talbert, OME Auditor

Acceptable costs, not claimed:

| | | | |
|---|---|---|---|
| Diamond drilling, AX core | 5.4' @ | $8.70 | $46.98 |

Total acceptable costs, if claimed:

| | | | |
|---|---|---|---|
| Constructing access roads | 1,570' | @ $1.00 | $ 1,570.00 |
| *Diamond drilling, AX core | 1,012.9' | @ 8.70 | 8,812.23 |
| * " " AX non-core | 185.1' | @ 5.80 | 1,073.58 |
| Wooden core boxes | 33 ea. | @ 3.50 | 115.50 |
| Total | | | $11,571.31 |

*Drilling footage by holes:

| Hole | Core | Non-core |
|---|---|---|
| Y | 150. | 0 |
| C | 155.3 | 0 |
| A1 | 143. | 0 |
| A2 | 251.5 | 0 |
| B1 | 154. | 0 |
| B3 | 153.9 | 185.1 |
| | 1,012.9 | 185.1 |

MME FORM 8 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS EXPLORATION 3/14/62

| TO: | DATE | INITIALS |
|---|---|---|
| 1. CHIEF, Div. of Field Operations | | |
| Re: OME-6086 (Mercury) | | |
| 2. A. O. Bartell | | |
| Nisbet Mine | | |
| 3. Clackamas County, Oregon | | |
| Contract 2120 | | |
| 4. Mr. Hall | | |
| Donald R. MacLaren | | |
| 5. Donald R. MacLaren | | |
| FROM: Acting Field Officer, Region I | | |

FOR: Check items for action desired

X Action ____ Reply for signature of ____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions ____ Your information

REMARKS:

Transmittal of Amendment No. 4 signed by the Operator in accordance with your memo of February 28, 1962.

Government's Copy

MAR 16 1962
O.M.E.

EXPLORATION CONTRACT
A. O. BARTELL
OME-6086

AMENDMENT NO. 4

It is agreed this 27th day of February, 1962, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter referred to as the "Government," and A. O. Bartell, hereinafter referred to as the "Operator," that Contract No. 2120 (OME-6086), dated August 31, 1960, as amended, is further amended, effective December 31, 1961, as follows:

1. In Article 1 of the contract, as amended, the period for completion of the work is changed from "within 16 months from the date of the contract" to "within 20 months of the date of the contract."

2. Article 6 of the contract, as amended, is further amended by adding thereto a new paragraph (i) to read as follows:

"(i) It is of the essence of this contract that the work be completed on or before the termination of the period herein fixed for completion; and if it is not so completed, in a manner required to bring the project to completion as required by the contract, the following provisions shall thereupon become effective:

"(1) The contract and all obligations of the parties thereunder, except as hereinafter provided, shall be and are hereby terminated effective May 1, 1962.

"(2) The Government shall contribute only to the fixed unit costs of work performed prior to said effective date.

"(3) 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 the royalty on production provided for in the contract in the same manner and amount, for the same period, and subject to the same conditions as if a certification of discovery or development had been made, such certification being hereby waived.

"(4) The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of the contract, except as otherwise provided in this Article 6(i).

"(5) All rights of the Government provided for in the contract with respect to audits, maintenance of records, reports, certification of discovery or development, percentage royalty and liens for its payment, and recovery of any overpayment, are preserved."

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

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By George Turnick
Director, Office of Minerals Exploration

Selby Brown
Appl. Sol. Off.
Holt
Swanson
Talbot
Selfridge
Johnson

A. O. Bartell
A. O. Bartell

February 19, 1962

EXPLORATION CONTRACT
A. O. BARTELL
OME-6086

JUSTIFICATION FOR AMENDMENT NO. 4

Because of continued difficulty in drilling, caused by caving and "ravelly" ground, also trouble with drilling equipment, particularly pumps used to pump cement slurry and heavy media in attempts to stabilize the ground being drilled, the Operator has not been able to complete the full amount of core drilling authorized under the contract within the time set in the contract as extended by Amendment No. 3.

Considering that completion of the work (drilling is now 78.6 percent finished) may yet result in discovery of significant reserves of mercury ore, making certification possible, and so be in the interest of the Government, Amendment No. 4 has been prepared to extend the time for completion of the work from 16 months to 20 months from the date of the contract.

To protect the interest of the Government in case the work is not completed within the specified time, an automatic termination clause and a royalty agreement clause have been made part of the amendment.

Stephen P. Holt

Stephen P. Holt, Mining Engineer
Division of Minerals

MME FORM 6 REFERENCE SLIP
REV. 2-59 OFFICE OF MINERALS EXPLORATION 8/21/61

TO: Chief, Div. of Field Operations | DATE | INITIALS

1.

Re: OME-6086 (Mercury)
2. A. O. Bartell
Nisbet Mine
3. Clackamas County, Oregon
Contract 2120

4.

| DATE | INITIALS | | |
|---|---|---|---|
| Holt | | 8.24 | S.P.H. |

Mary L. Smelser
For: D. R. MacLaren
5.

FROM: Acting Field Officer, Region I

OFFICIAL FILE COPY
O. M. E
RECEIVED AUG 23 1961

FOR: Check items for action desired

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

REMARKS:

Transmittal of Amend. No. 3 signed by the Operator in accordance with your memo of 8/10/61. Sorry that this amendment was sent back without signature but maybe I can blame it all on the "weather." Have to manufacture some excuse!!!!

Government's Copy

EXPLORATION CONTRACT
A. O. BARTELL
OME-6086

AMENDMENT NO. 3

It is agreed this 26th day of July, 1961, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter referred to as the "Government," and A. O. Bartell, hereinafter referred to as the "Operator," that Contract No. 2120 (OME-6086), dated August 31, 1960, as amended, is further amended, effective June 30, 1961, as follows:

1. In Article 1 of the contract, as amended, the period for completion of the work is changed from "within 10 months from the date of the contract" to "within 16 months from the date of the contract."

2. In Article 6(b)(2) of the contract the period for repayment is changed from ten years to eleven years from the date of the contract.

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

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By George Turnick
Director, Office of Minerals Exploration

Solles
Brown
App'd. Sol. Off.
Holt
Jammed
Talbot
Selfridge
Johnson

A. O. Bartell
A. O. Bartell

July 18, 1961

EXPLORATION CONTRACT
A. O. BARTELL
OME-6086

JUSTIFICATION FOR AMENDMENT NO. 3

Because of difficulty in drilling caused by caving and "ravelly" ground, the Operator has not been able to complete the full amount of diamond core drilling authorized under the contract within the period of time set in the contract.

Considering that completion of the work may result in a discovery of significant reserves of mercury ore, making certification possible and so be in the interest of the Government, Amendment No. 3 to the contract has been prepared to extend the time for completion of the work from 10 months to 16 months, also to extend the repayment period from 10 years to 11 years.

Stephen P. Holt

Stephen P. Holt

MME F[redacted]6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS [redacted]LORATION 4/24/61

| TO: Chief, Div. of Field Operations | DATE | INITIALS |
|---|---|---|
| 1. | | |
| Re: OME-6086 (Mercury) 2. A. O. Bartell | | |
| Nisbet Mine 3. Clackamas County, Oregon | | |
| Contract 2120 4. Mr. Hart | 4/26 | S.P.H. |
| 5. Donald R. MacLaren | | |
| FROM: Acting Field Officer, Region I | | |

FOR: Check items for action desired

| | | | | | |
|---|---|---|---|---|---|
| X | Action | ____ | Reply for signature of ____ | | |
| ____ | Approval | ____ | Investigate | ____ | Surname |
| ____ | Comment | ____ | Recommendations | ____ | Signature |
| ____ | Conference | ____ | Rewrite | ____ | File |
| | Instructions | | Your information | | |

REMARKS:

Transmittal of Amendment No. 2 signed by the Operator in accordance with your memo of March 29, 1961.

Government's Copy

Bartell

App'd. Sol. Off.
Holt
Swanson
Talbert
Selfridge

EXPLORATION CONTRACT
A. O. BARTELL
OME-6086

AMENDMENT NO. 2

It is agreed this 29th day of March, 1961, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter referred to as the "Government," and A. O. Bartell, hereinafter referred to as the "Operator," that Contract No. 2120 (OME-6086), dated August 31, 1960, as amended, is further amended, effective February 1, 1961, as follows:

1. In Article 1 of the contract the period for completion of the work is changed from "within 6 months from the date of the contract" to "within 10 months from the date of the contract."

2. Drill hole B-2, shown on maps, Figures 2 and 3 attached to the contract, shall not be drilled.

3. Items 3 and 4 of Amendment No. 1 are deleted in their entirety.

4. Drill hole B-3, shown on maps, Figures 2 and 3 attached to the contract, may be drilled to a depth of not to exceed 500 feet. This hole B-3 may be drilled with non-coring bits to the depth of 200 feet, and shall then be completed by core drilling.

5. In the fourth line of Item 5 of Amendment No. 1, the figure "120" is changed to read "200".

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

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By Frank E. Johnson
Acting Director, Office of
Minerals Exploration

A. O. Bartell
A. O. Bartell

Government's Copy

EXPLORATION CONTRACT
A. O. BARTELL
OME-6086

AMENDMENT NO. 1

It is agreed this 6th day of March, 1961, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter referred to as the "Government," and A. O. Bartell, hereinafter referred to as the "Operator," that Contract No. 2120 (OME-6086), dated August 31, 1960, is amended, effective February 6, 1961, as follows:

1. Hole No. A-3, shown on map, Figure 3, attached to the contract, shall not be drilled.

2. Hole No. A-2, shown on Figure 3, may be drilled until it intersects the ore zone cut in Hole A-1, or to a depth of 300 feet, whichever occurs first.

3. Should hole A-2 not cut the ore zone within the 300-foot depth authorized above, a third hole, A-4, may be drilled from the same location (Station 76), in the same direction as holes A-1 and A-2, with an inclination of -73°, to a depth of not to exceed 180 feet. This hole A-4 may be drilled with non-coring bits to the ore zone, or to the depth of 120 feet, whichever occurs first, and shall then be completed by core drilling.

4. If the ore zone between its intercept in hole A-1 and that in hole A-4 is found to be vertical or nearly so, hole A-2 may be deepened to a total depth not to exceed 380 feet. If no ore zone is encountered in this hole A-2, no further drilling of the A-Series shall be done.

5. In Exhibit A, Estimated Costs, second item, Diamond core drilling, place a double asterisk (**) after the single asterisk (*), and add a footnote to read "** Non-coring drilling @ $5.80/ft. may be substituted for not more than 120 feet of core drilling."

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

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By Frank E. Johnson
Acting Director, Office of
Minerals Exploration

A. O. Bartell

Appd. Sol. Off.
Holt
Wiancoll
Tolbert
Selfridge

Government's Copy

MME Form 51
Feb. 1959

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

EXPLORATION CONTRACT
(Short Form)

SEP 23 1960
O.M.E.

| Docket No. | Commodity | Contract No. | County | State |
|---|---|---|---|---|
| OME-6086 | Mercury | 14-23-090- 2120 | Clackamas | Oregon |

It is agreed 31 AUG 1960 (Date), between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and

A. O. Bartell

whose mailing address is 5115 Northwood Avenue, Portland 1, Oregon, hereinafter called the "Operator," as follows:

ARTICLE I. Authority and scope.--(a) This contract, entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before NOV. 1 1960 (Date), and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within 6 months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the work is $ 14,920.00 The Government will contribute 50 percent of the total fixed unit costs of the work performed, not in excess of $ 7,460.00 in accordance with the provisions of Articles 4 and 5.

(c) Interest computation.--Simple interest computed annually at the rate of 6 percent shall accrue from the dates Federal funds are made available until the period specified for payment of royalty expires, or until the amount of Federal funds contributed is fully repaid with interest.

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

ARTICLE 2. Operator's rights in land.--(a) The Operator represents and undertakes that Annex I correctly describes the land which is the subject of this contract and the nature of the Operator's right of property and possession therein (whether as owner, lessee, or otherwise), and that such right, title, or interest is subject only to the following claims, liens, or encumbrances:

None

(b) 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 Lien Agreement of any holder of the legal title of the land (lessor, seller, optionor, etc.) are attached as follows:

None

(c) The Operator shall preserve and maintain his right, title, or 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. 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 royalty on production and liens for the payment thereof. Two true copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 6 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

ARTICLE 3. Performance of the work.--(a) Operator's responsibility.--The work shall be performed diligently, efficiently, in a workmanlike manner in accordance with good mining standards, and in compliance with State laws governing health, safety, and liability insurance covering employment. The Operator shall provide suitable and adequate equipment, facilities, materials, supplies, and labor to complete the work as specified in Article 1(a).

(b) 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 production operations during the period that royalty is payable to the Government. The Operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 4. Contribution by the Government.--The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5(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 and the Operator's final report has been received, the Government may withhold such sums as are necessary to protect its interests. To the extent that amounts in excess of fixed unit costs or in excess of the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such amounts for his own account without contribution by the Government. The Government will not contribute to the cost of any work performed prior to the date of this contract. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

ARTICLE 5. Reports, accounts, audits.--(a) Operator's records.--The Operator shall keep suitable records and accounts of the units of 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. 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 all pertinent books, documents, papers, and records of the Operator.

(b) Monthly reports.--The Operator shall provide the Government with five copies of monthly reports in three sections as follows:

(1) Operator's Monthly Voucher claiming costs for work performed;

(2) Operator's Progress Report showing the number of units of the various types of work performed; 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 monthly report). 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 the unit costs thereof.

(d) Report of sales.--The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's 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 the Government determines that 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 preparation or completion of same 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 6. Repayment by Operator.--(a) Certification.--If the Government considers that mineral or metal production from the land covered by the contract may be possible as a result of the exploration work, it shall so certify in writing to the Operator at any time not later than six months after a sufficient final report and final accounting (see Article 5) have been furnished.

(b) Royalty on production.--The Operator, whether or not the producer (for example, if the Operator either transfers or does not retain his interest in the land), shall pay to the Government a royalty on all minerals and metals mined or produced from the land as follows:

(1) irrespective of any certification of possible production--from the date of the contract until the lapse of the time within which the Government may issue such certification or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first; or

(2) if the Government issues a certification of possible production--for a period of ten years from the date of the contract or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first.

(c) Payment of royalty.--(1) The Government's royalty shall be five percent of the ~~XXXXXXXXX~~ gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrate, 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 (such as treatment processes performed by the buyer, sampling and assaying to determine the value of the production sold, and freight payable 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. No costs of the Operator are deductible in arriving at the "gross proceeds" as that term is here used.

The term "treatment processes" means those processes (such as milling, concentrating, smelting, refining, or equivalent, but excluding fabricating or manufacturing) applied to the crude ore or other production after it is extracted from the ground to put it into a commercially marketable form.

(2) 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.

(d) Unsold production.--If any production (ore, concentrate, 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, concentrate, 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 thereof in the form in which and at the time 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) Lien for payment.--To secure the payment of royalty (see Article 6(b)), the Operator hereby grants to the Government a lien upon his interest in the land and upon any production of minerals and metals therefrom until the royalty claim is extinguished by lapse of time or is fully paid.

(f) 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 Government, and this estimate shall be final and binding upon the Operator.

(g) No obligation to produce.--Nothing in this contract shall be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

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

ARTICLE 7. Termination of the Government's Obligations.--(a) If the Government determines that operations at any time have failed to achieve anticipated results and further work is not justified, the Government may give the Operator written notice thereof, and thereupon:

(1) the Government shall be free of all obligation to pay on account of units of work not then performed; and

(2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to final accounting and reporting.

(b) If the Government determines that the Operator is 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 pay on account of units of work not performed when the notice was given, and

(2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to final accounting and reporting.

The Government may also avail itself of any other remedy the law may provide for breach of contract, including the right to rescind the contract and to demand repayment of all moneys contributed by the Government under the contract.

(c) The giving of any notice by the Government under the provisions of this Article 7 shall not affect the Government's rights as provided for in the contract with respect to royalty and liens to secure the payment thereof, and such rights shall be fully preserved.

(d) The determinations of the Government are subject to appeal under Article 11.

ARTICLE 8. Notices to be given by the Government may be delivered to the Operator or may be sent by certified 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 9. 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 10. Nondiscrimination.--In connection with the performance of work under this contract, the Operator agrees not to discriminate against any employee or applicant for employment because of race, religion, color, or national origin. The aforesaid provision shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Operator agrees to post hereafter in conspicuous places, available for employees and applicants for employment, notices to be provided by the Government setting forth the provisions of the nondiscrimination clause.

The Operator further agrees to insert the foregoing provision in all subcontracts hereunder, except subcontracts for standard commercial supplies or raw materials.

ARTICLE 11. Disputes.--Any dispute arising under this contract which is not disposed of by agreement shall be decided by the Director, Office of Minerals Exploration, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Operator. The decision of the Director, Office of Minerals Exploration, shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the Operator mails or otherwise furnishes to the Director, Office of Minerals Exploration, a written appeal addressed to the Secretary. The decision of the Secretary or his duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence.

The term "Director, Office of Minerals Exploration," as used herein includes his duly authorized representative.

ARTICLE 12. Eight-Hour Law of 1912--Overtime compensation.--This contract, to the extent that it is of a character specified in the Eight-Hour Law of 1912, as amended (40 U. S. Code 324—326) and is not covered by the Walsh-Healey Public Contracts Act (41 U. S. Code 35—45), is subject to the following provisions and exceptions of said Eight-Hour Law of 1912, as amended, and to all other provisions and exceptions of said Law:

No laborer or mechanic doing any part of the work contemplated by this contract, in the employ of the Operator or any independent contractor contracting for any part of said work contemplated, shall be required or permitted to work more than eight hours in any one calendar day upon such work, except upon the condition that compensation is paid to such laborer or mechanic in accordance with the provisions of this clause. The wages of every laborer and mechanic employed by the Operator or any independent contractor engaged in the performance of this contract shall be computed on a basic day rate of eight hours per day; and work in excess of eight hours per day is permitted only upon the condition that every such laborer and mechanic shall be compensated for all hours worked in excess of eight hours per day at not less than one and one-half times the basic rate of pay. For each violation of the requirements of this clause a penalty of five dollars shall be imposed for each laborer or mechanic for every calendar day in which such employee is required or permitted to labor more than eight hours upon said work without receiving compensation computed in accordance with this clause, and all penalties thus imposed shall be withheld for the use and benefit of the Government.

ARTICLE 13. Copeland (Anti-Kickback) Act--Nonrebate of wages.--The regulations of the Secretary of Labor applicable to contractors and subcontractors (29 CFR, Part 3), made pursuant to the Copeland Act, as amended (40 U. S. C. 276c) and to aid in the enforcement of the Anti-Kickback Act (18 U. S. C. 874) are made a part of this contract by reference. The Operator will comply with these regulations and any amendments or modifications thereof and will be responsible for the submission of affidavits required of independent contractors thereunder. The foregoing shall apply except as the Secretary of Labor may specifically provide for reasonable limitations, variations, tolerances, and exemptions.

ARTICLE 14. Changes and added provisions.--

In the event the Operator or any subsidiary thereof at any time during the period expiring 10 years from the date of this contract acquires any right, title or interest in or to any land, situate within 1,500 feet of the exterior boundaries of any land that is subject to this contract on the date of such acquisition, the Operator shall promptly notify the Government of such acquisition, furnishing a description of the land, the acreage involved, maps and other data that might be required by the Government, and such land automatically, without amendment of this contract, shall become subject to the provisions of this contract as of the date of acquisition.

Executed in quintuplicate the day and year first above written.

A. O. Bartell
(Operator)

By A O Bartell

Title Owner

THE UNITED STATES OF AMERICA

By Frank E. Johnson
Acting Director, Office of Minerals Exploration

Dolker
App'd. Sol. Off.
Holt
Morrison
Fisher
Selfridge

I, _____ (Name), certify that I am the _____ secretary of the corporation named as Operator herein; that _____ (Name), who signed this contract on behalf of the Operator, was then _____ (Title) 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]



INT.-DUP. SEC., WASH., D.C. 52375

EXPLORATION CONTRACT
A. O. BARTELL
OME-6086

ANNEX I

The land, including all rights pertaining thereto, referred to in Article 2 of the contract is outlined in red color on the map, Figure 1, entitled, "Nisbet Quicksilver District, Clackamas County, Ore., Mt. Hood National Forest."

The land comprises seven unpatented lode mining claims situated in secs. 4 and 5, T. 6 S., R. 7 E., Willamette Meridian, Clackamas County, Oregon, and recorded in the county courthouse at Oregon City, Oregon, as follows:

| Claim Name | Recorded Book | Recorded Page | | Recorded Book | Recorded Page |
|---|---|---|---|---|---|
| Oak Grove | 4 | 98 | Amended Location | 4 | 362 |
| Oak Grove Butte | 4 | 99 | " " | 4 | 363 |
| Irene | 4 | 67 | " " | 4 | 362 |
| Portland | 4 | 101 | | | |
| Mt. Mitchell | 4 | 102 | | | |
| Lake | 4 | 13 | | | |
| Triangle | 4 | 72 | | | |

A small area at the south end of the Mt. Mitchell claim (see Fig. 1) is in conflict with the Vermillion claim, which was staked and recorded prior to the Mt. Mitchell claim.

The Operator owns (except for the fraction noted as in conflict with the Vermillion claim) all of the above claims.

EXPLORATION CONTRACT
A. O. BARTELL
OME-6086

EXHIBIT A

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

Figure 1. Nisbet Quicksilver District, Clackamas County, Ore. Mt. Hood National Forest.

Figure 2. Topographic Sketch from USGS 1943, Oak Grove Vein, Nisbet Mine, Showing Planes of Proposed Drill Holes.

Figure 3. Oak Grove Vein, Cross Sections Proposed Drill Holes on Planes A-A', B-B'.

Figure 4. Plan and Section Views, Proposed Drill Holes, Yew Tree and Cedar Tree Veins, Nisbet Mine.

The objective of the project is to explore for mercury on the Nisbet Mine group of claims by means of diamond core drilling from surface to intersect the mercury-bearing mineralized zones.

General Conditions

Diamond core drilling shall be done with size AX or larger coring bits, except that EX size coring bits may be used in the event such use is necessary to complete a hole, and holes shall be reamed and cased, or cemented and redrilled, where necessary. All core shall be properly boxed and stored and made available to the Government for examination. All core sections showing significant mineralization shall be properly sampled and the samples shall be assayed for mercury.

Sludge samples shall be taken, and in significantly mineralized sections, where the core recovery is less than 60 percent, the sludges shall be assayed as above, in addition to the core segments which have been recovered. No sample, either of core or sludge, shall represent a hole interval greater than 5 feet.

All samples to be assayed shall first be split and one-half be made available to the Government.

All drill holes shall be logged geologically and copies of logs of completed holes, together with maps showing drill hole locations and sections, shall be furnished monthly to the Government.

No drilling shall be done at locations closer than 100 feet to property boundaries. The Government will not participate in the cost of incomplete holes.

The location, direction, inclination and extent of all drill holes shall be subject to prior approval of the Government.

## Description of the Work

Construct not to exceed an aggregate total length of 1,570 feet of access road approximately as shown on map, Figure 1.

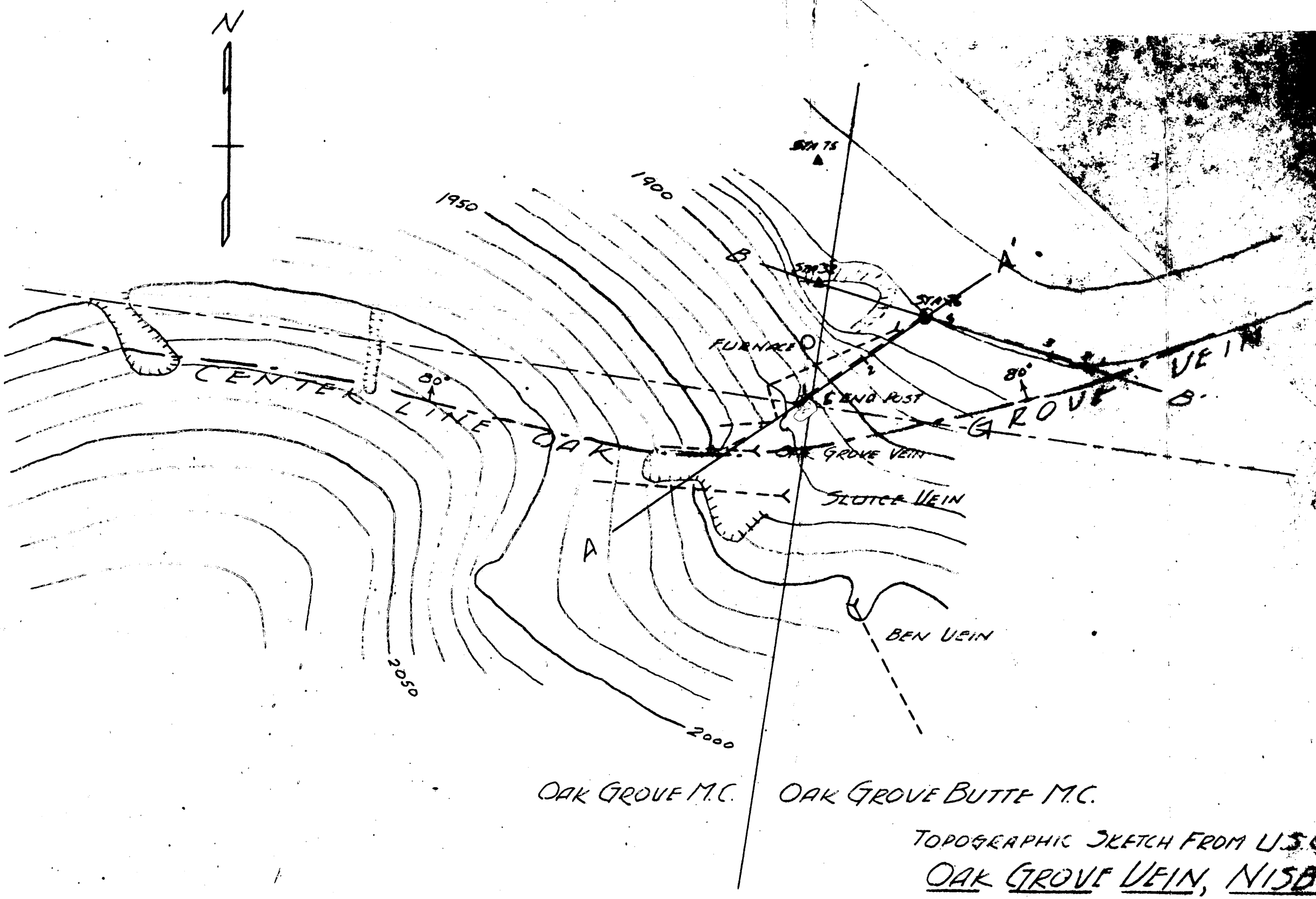
At the approximate locations indicated on the attached maps, Figures 1, 2, 3, and 4, drill not to exceed an aggregate total of 1,500 feet of diamond core drill holes. It is estimated that approximately 8 holes will be required.

## ESTIMATED COSTS

### Fixed Unit Costs

| | | |
|---|---|---|
| Constructing access roads, 1,570 lineal feet @ $1.00/ft. | $ 1,570.00 | |
| Diamond core drilling, 1,500 feet @ $8.70/ft.* | 13,050.00 | |
| Wooden core boxes, 48 @ $3.50/each | 168.00 | |
| Assays for mercury, 33 @ $4.00/each | 132.00 | |
| Estimated total cost of project | | $14,920.00 |
| Government participation @ 50% | | $ 7,460.00 |

*EX drilling @ $8.45/ft.




TOPOGRAPHIC SKETCH FROM U.S.G.S. 1943

OAK GROVE VEIN, NISBET MINE

SHOWING PLANES OF PROPOSED DRILL HOLES

SCALE 1" = 50'

6-18-60 Bartell

Figure 2

DMEA FORM 6 REFERENCE SLIP

REV. 12-56 DEFENSE MINERALS EXPLORATION ADMINISTRATION

| TO: | INITIALS | DATE |
|---|---|---|
| 1. 120 | | |
| 2. ~~110~~ | JJ | 10/4 |
| 3. 500 | | |
| 4. | | |
| 5. | | |
| FROM: 500 | | 10/4 |

FOR: Check items for action desired

____ Action ____ Reply for signature of _____

____ Approval ____ Investigate ___x Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions x Your information

REMARKS:

Last page rewritten per Mr. Johnson's notes.

Copy attached for Director's Reading File.

DMEA FORM 6 REFERENCE SLIP

REV. 12-56 DEFENSE MINERALS EXPLORATION ADMINISTRATION

| TO: | INITIALS | DATE |
|---|---|---|
| 1. ~~120~~ | | |
| 2. ~~110~~ | | |
| 3. 500 | S.P.H. | 9/28 |
| 4. | | |
| 5. | | |

FROM: 500 9/27

FOR: Check items for action desired

____ Action ____ Reply for signature of ____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions x Your information

REMARKS:

Copy attached for Director's Reading File

Report not complete - Does not show in her action, we have to answer the questions in app. - Basic [illegible] - [illegible] [illegible] No [illegible] from [illegible]

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

OME-6086

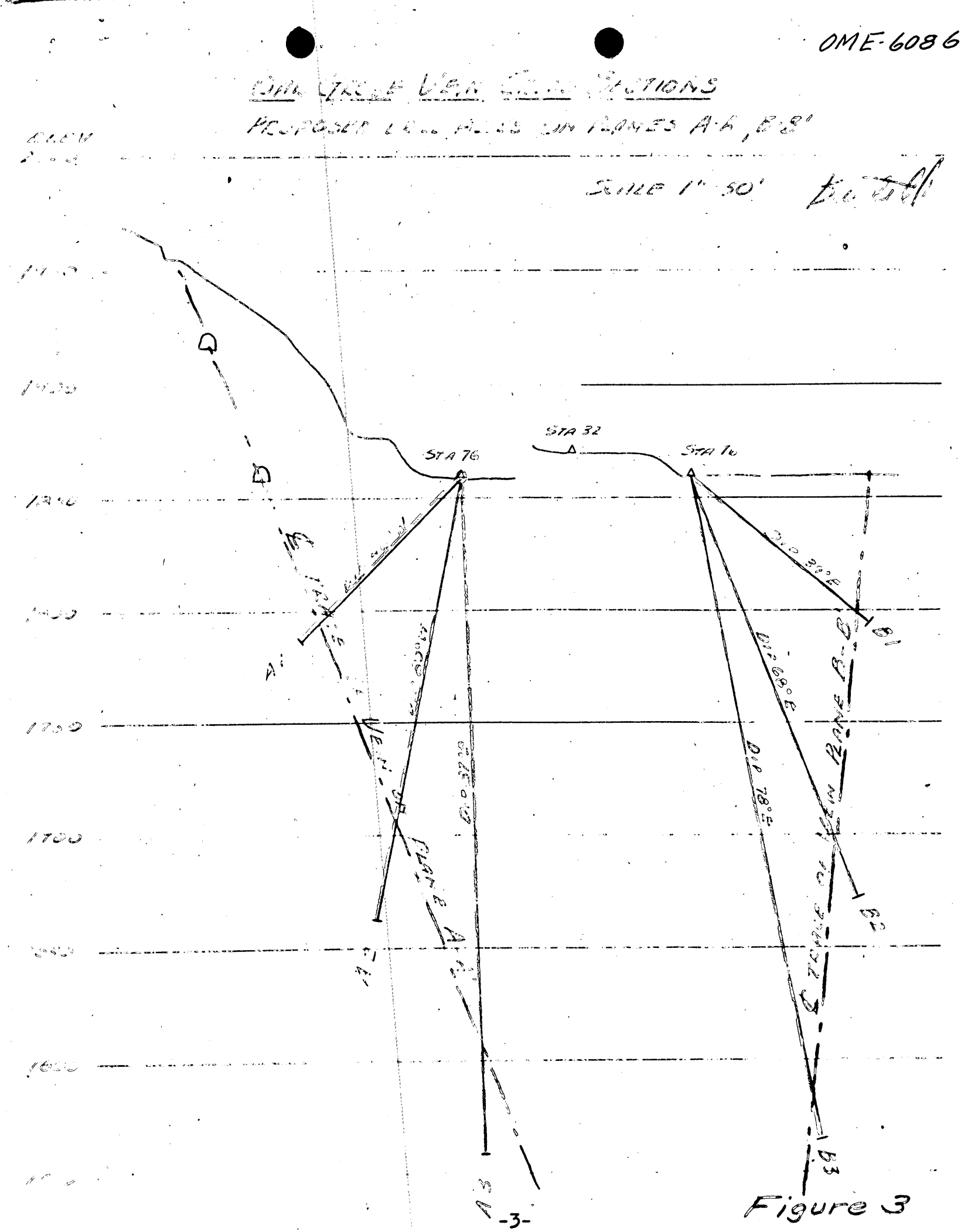



Figure 3

PLAN & SECTION VIEWS
PROPOSED DRILL HOLES, YEW TREE & CEDAR TREE VEINS, NISBET MINE
SCALE 1"=50'

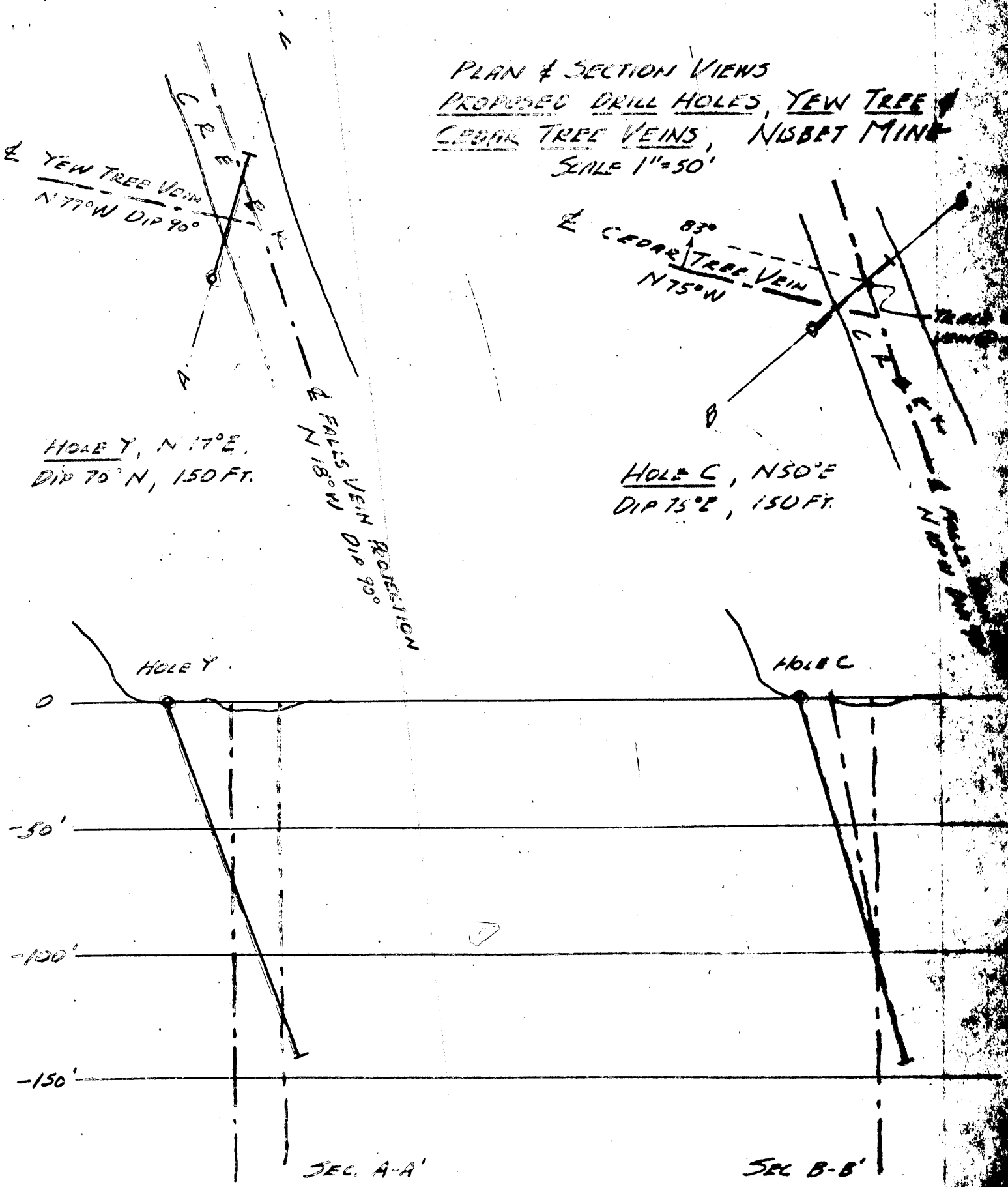





Figure 4

Docket copy

September 27, 1960

OFFICE OF MINERALS EXPLORATION

Report on Exploration Assistance Application

Applicant: A. O. Bartell
5115 S. W. Northwood Avenue
Portland 1, Oregon

OME-6086 (Mercury)
Dated: April 29, 1960
Received: May 6, 1960

Location: Clackamas County, Oregon

Name of Property: Nisbet Mine

Proposed Exploration and Estimated Cost

The Applicant proposes exploration as follows:

1. Construct 1,100 feet of access road, from the Estacada-Timothy Lake road to the shaft site.

2. Sink 300 feet of two-compartment timbered near-vertical shaft on the Oak Grove vein.

3. Drive 400 feet of drifts, timbered where necessary, along vein from sub-level in shaft.

4. From the drifts drill an aggregate total of 3,000 feet of long-hole percussion drill holes.

| | |
|---|---|
| Cost of the work is estimated by the Applicant as | $100,375.00 |
| Government participation @ 50% would be | $50,187.50 |

1. Financial Eligibility

A - Bank letters declining a requested loan were submitted from the First National Bank of Oregon and the Multnomah Bank, both of Portland Oregon. Letters to the two banks were in identical terms, requesting a loan of $49,883.00, to be used in sinking a shaft and otherwise exploring a mineral deposit. Details of the work and the estimated cost were as given above, except that the estimated cost was stated as $99,765.00, instead of $100,375.00 as shown in the application. The Applicant stated that he was prepared to contribute $22,353.00 cash, $16,200.00 services, $11,330.00 equipment. He proposed to repay the loan from proceeds of ore reserves developed by exploration at the rate of 5% of gross returns. The First National Bank of Oregon stated they were unable to comply with the request, since the operation was highly speculative and one from which no specific repayment program to the bank could be offered, so in its judgment it was not a loan to be handled by a commercial bank. The bank stated that it would be pleased, however, to entertain applications for loans for any other legitimate business requirements. The Multnomah Bank, noting that the collateral

1. Financial Eligibility (continued)

offered, consisting of the Nisbet mine, was basically unimproved property not legally qualifying as collateral for a bank loan, and that the amount of the loan applied for was considerably above the bank's legal loan limits, and could only be handled on a participation loan basis, which normally the bank did not do, stated they were very sorry they could not be of service in that situation.

B- No financial statement was submitted with the application. Since the letters of denial from both banks indicated that the collateral offered was not acceptable, if a contract is to be recommended the Applicant should be advised to submit a recent financial statement, showing his assets, liabilities, and net worth.

2. Reviews

USGS - Harold Kirkemo - May 12, 1960.

Suggests that lateral and downward extensions of the veins be tested by drilling from the surface before undertaking the extensive program proposed by the Applicant. Test holes 100 feet or more deep could be core-drilled with a portable, hand-held drill, such as Bucyrus-Erie's Winkie drill, without road building or installation of expensive equipment, and with no drainage problem, about which both the Applicant, and Brown and Walker in 1943, were concerned. The latter stated that the best possibilities for ore were well above river level.

Stating that if such a low-cost surface drilling program indicates worthwhile possibilities, a more extensive program might be warranted, Kirkemo recommends referral of the application to the field for consideration.

OME -Engineer - Stephen P. Holt, May 11, 1960.

The Applicant owns the Nisbet mine property, comprising seven unpatented lode mining claims, the Oak Grove, Oak Grove Butte, Irene, Portland, Mt. Mitchell, Lake, and Triangle, all situated in sec. 5, T. 6 S., R. 7 E., W. M., Clackamas County, Oregon. The mercury deposit was discovered in 1924 and operated during the years 1940 and 1941. Total production is reported to have been between 300 and 400 flasks (76 lbs./flask) of mercury, but only 151 flasks are recorded.

Mine workings at the Nisbet mine consist of 5 adits, one of which is caved, about 500 feet of drifts, some caved, an inclined shaft, caved, and several open cuts and trenches. Mercury occurs in the form of miniature seams, cavity fillings, and disseminations of cinnabar in three calcite veins, a zeolite vein, and several shear zones, in or near the intersections of pre-mineral faults and shear zones, in basalt, probably of the Columbia River formation of Miocene age.

The Applicant's proposed program, although more extensive and costly than the potential value of the deposits would seem to warrant, appears to be well planned to explore the mineralized area in the Oak Grove vein, except that the wisdom of sinking 300 feet and driving 400 feet of sub-level drifts in one stage is questionable. Perhaps a two or three-stage program, with inclined diamond drill holes from surface to intersect the near-vertical vein at moderate depth, followed, if results of drilling were favorable, by sinking 100 or 150 feet of shaft, with drifting at the bottom, then if results continued to be favorable, continue sinking shaft to about 300 feet total depth, drifting along the vein from the new shaft bottom, should be considered.

The Applicant's cost estimates, especially for the items of supervision, purchase and rental of operating equipment, and contingencies, appear to be out of line, and should be carefully reviewed if a contract is to be considered.

3. Action

Refer to the Field Officer, Region I, for consideration and a field examination if necessary. The Field Officer should be asked to inform the Applicant that to continue processing the application he should submit, as promptly as possible, a simple recent financial statement, showing his assets, liabilities, and net worth.

3-A Action (continued)

The Acting Field Officer, Region I, in Application (On-Site Examination) Report, August 8, 1960, as revised by memorandum of August 11, 1960, recommends an exploration program to comprise:

| | | |
|---|---|---|
| Constructing Access Road, 1,569 feet @ $1.00/ft. | | $1,569.00 |
| Diamond core drilling, 1,500 feet - | | |
| Supervision and technical services | $1,950.00 | |
| Use of jeep | 150.00 | |
| Equipment rental, Bulldozer for prearing drill sites and moving drill and equipment | 324.00 | |
| Equipment rental, diamond drill and equipment | 9,600.00 | |
| Supplies | 950.00 | |
| Transportation ($8.70/ft. of drilling) | 78.00 | 13,052.00 |
| Core boxes, wooden, 34 @ $5.00/each | | 170.00 |
| Assaying, 30 samples for mercury, @ $4.00/each | | 120.00 |
| | | $14,911.00 |

Bids for the drilling by three contractors ranged from $11.73/ft. to $15.43/ft. Two bids offering to do the drilling on an hourly or daily basis,with no estimated figures as to maximum drilling time or average drilling progress per hour or day, could not be considered as firm bids. The Applicant bid $9.60/ft. (as revised).

The Applicant submitted the financial statement requested by letter of July 15, 1960, with copy of letter to the Bank of California National Association, Portland office, requesting a $9,766.00 loan, and the bank's reply refusing the loan. After review of this information, the Contract and Audit Division, by memorandum of August 5, 1960, stated that it appeared the subject application was financially eligible for federal assistance in the exploration project.

It is, therefore, recommended that a short-form contract be prepared, using the Acting Field Officer's suggested unit costs, excepting for the cost of wooden core boxes, which seems to be somewhat high, and presented to the Field Officer for approval and, if approved, to the Applicant for signature.

Stephen P. Holt

Stephen P. Holt

SPHolt/gla
10/4/60
cc: Director's Reading File
Docket
Chron
Mr. Holt

MF-500

OFFICE OF MINERALS EXPLORATION

UNITED STATES
DEPARTMENT OF THE INTERIOR

~~DEFENSE MINERALS ADMINISTRATION~~

# REFERENCE SLIP

DATE 8/16/60

REFERRED TO: Acting Chief
1. Division of Field Operations
2. 
3. 
4. 

FOR:

| | | | |
|---|---|---|---|
| X | Action (Drilling bids) | | Recommendation |
| | Approval | | Record |
| | Comment | | of |
| | Conference | | Referring |
| | Consideration | | to |
| | Filing | | Reply for signa- |
| | Instructions | | ture of |
| | Investigation | | Rewriting |
| | Initials | | Signature |
| | Mailing | | Suggestions |
| | Previous correspondence | | Your information |

REMARKS: Re: OME-6086 (Mercury)
A. O. Bartell
Nisbet Mine
Clackamas County, Oregon

Check (X) before the items needing attention.

Donald R. MacLaren
*Initials of sender.*

Acting Field Officer, OME
Region I

GPO 16—63815-1

PHONE MITCHELL 4-2176 DAY OR NIGHT

# A. M. JANNSEN DRILLING CO

21075 S. W. TUALATIN VALLEY HIGHWAY
ALOHA, OREGON

OFFICIAL FILE COPY
O. M. E.
RECEIVED AUG 18 1960

| DATE | INITIALS | CODE |
|---|---|---|
| 8-18 | gad | rvo |
| 8-18 | S.R.H. | 500 |
| | | |
| | | |
| | | |
| | | |
| | | |

August 14, 1960

Mr. A.O. Bartell
5115 S.W. Northwood St.
Portland, Oregon

Dear Mr. Bartell:

In reply to your letter specifications dated July 29, 1960 regarding diamond drilling the "Nisbet Mine" site, we cannot furnish a lump sum or per foot bid.

Our bid for accomplishing the work on an hourly basis is as follows:

1. Mobilization and demobilization ----------$350.00

2. Furnish one Longyear #24 skid mounted diamond drill with 2 man crew and all necessary drilling tools---$12.50/hour

3. Subsistance allowance $5.00 per day per man

4. Lost or totally damaged down the hole equipment will be charged at the following rates:
   a. Drill rod EX----------$16.75 per 10 foot length
      AX----------$18.15 per 10 foot length
   b. Core barrels---Current list price plus 10%

5. Bit costs at current list price plus 10% with credit given for diamonds recovered from returned bits.

Respectfully,

Edward M. Jannsen

Edward M. Jannsen, Partner

RECEIVED
AUG 16 1960
U. S. G. S.
SPOKANE, WASH

HAAKON I. BOTTNER DRILLING CO.
11544 N. E. GLISAN ST. PORTLAND 20, OREG.
Alpine 3-3606 or BElmont 6-2056

OFFICIAL FILE COPY
O. M. E.
RECEIVED AUG 18 1960

| DATE | INITIALS | |
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| 8-18 | gad | rro |
| | | 500 |

August 12 1960

Mr. A.O.Bartell ,E.M.
5115 S.W. Northwood Ave.
Portland 1, Oregon

Re : Exploration Diamond Drilling in Clackamas County, Oreg. 8 Holes ,total footage not less than 1500 ft.

Dear Mr. Bartell :

As per your letter dated July 29th 1960 requesting a bid , I am pleased to submit a proposal as follows :

I herewith propose to furnish all necessary equipment , labor and materials , drill NX holes and if necessary to reduce will if possible complete with BX .

No. 1 Lump Sum

Moblization & Demoblization Drill 1500 ft. .....$ 17,750.00

No. 2 Footage

Vertical Drilling ,

| | | | | |
|---|---|---|---|---|
| Item | 1- | Mob. | ..... | 850.00 |
| " | 2- | Demob. | ..... | 250.00 |
| " | 3- | Drill 0 to 150 ft. | @ $ 9.00 | |
| " | 4- | " 150 " 300 ft. | " $10.00 | |
| Angle Drilling " | 5- | " 0 " 300 ft. | " 11.00 , and | |

If Necessary to cement will furnish grout machine and labor @ $14.50 per hr.

No. 3 Hourly

| | | | | |
|---|---|---|---|---|
| Item | 1- | Mob. | ..... | 850.00 |
| | 2- | Demob. | ..... | 250.00 |
| | 3- | Moving to drill sites and Drill per hr. | @ $ 16.50 | |

RECEIVED
Air Mail
AUG 16 1960
Certified-R R R
U. S. G. S.
SPOKANE, WASH

Can furnish Core boxes @ $ 5.00 each to be added to the above No's . If a hole is abandoned ,actual depth of hole drilled to be paid .

In consideration of mutual covenants ,upon completion of moblization, whom this may concern agrees to pay on No. 1 10 % of total , items No. 1 on the No's 2 & 3 plus monthly progress payments . Thank you, I am ,

Sincerely ,

H Bottner

Haakon I. Bottner

Pettijohn Engineering Company, Inc.
4145 N. E. CULLY BOULEVARD
PORTLAND 13, OREGON
TELEPHONE: AT 2-0901

OFFICIAL FILE COPY
O. M. E.
RECEIVED AUG 18 1960

| DATE | INITIALS | |
|---|---|---|
| 8-18 | gad | VVO |
| | | 500 |

August 4, 1960

Mr. A. O. Bartell, E.M.
5115 S. W. Northwood Avenue
Portland 1, Oregon

Re: Proposals for exploration drilling mineral deposit in Section 5, Township 6 South, Range 7 East, W.M., Clackamas County, Oregon.

Dear Mr. Bartell:

We offer the following proposals for the subject drilling as outlined in your letter of July 29, 1960:

Proposal I

| | | |
|---|---|---|
| 1. | Move to and from site | $ 500.00 |
| 2. | Furnish equipment and labor for a minimum footage of 1,500 feet. | 22,500.00 |
| 3. | Furnish materials as needed such as cement, casings etc. at cost + 25% (estimated amount) | 150.00 |

Proposal II

| | | |
|---|---|---|
| 1. | Move to and from site | $ 500.00 |
| 2. | Furnish equipment and labor for drilling at $130.00 per crew day (estimated time) | 19,500.00 |
| 3. | Bit cost at 60¢ per ft. | 900.00 |
| 4. | Furnish material as needed such as cement, casings etc. at cost + 25% (estimated amount) | 150.00 |

RECEIVED
Air Mail
AUG 11 1960
(certified - RR)
U. S. G. S.
VANCOUVER, WASH.

The above work, as outlined in the proposals, will be performed with Joy hydraulic core machines and swivel tube core barrels giving maximum recovery. It is anticipated that NX hole would be used as starter and then reduced to AX and EX if necessary, due to crowding of drilled material.

Work on this project could be commenced at once as all necessary equipment and tools are now available for assignment to this work.

Yours very truly,

PETTIJOHN ENGINEERING COMPANY, INC.

By N. W. Pettijohn

N. W. Pettijohn

NWP:rm

MME Form 7
(10-58)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 8-5 | gad | 220 |
| 8-5 | S.P.H | 500 |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

AUG 5 1960

Memorandum

To: W. R. Griswold, Chief, Division of Minerals

From: E. D. Talbert, Acting Chief
Contract Administration and Audit Division

Subject: OME-6086 (Mercury)
A. O. Bartell
Nisbet Mine
Clackamas County, Oregon

With his April 29 application for financial assistance in a project estimated to cost $100,375.00, the subject applicant submitted, as evidence of efforts to obtain credit from private sources of credit, copies of his March 10 letters to and March 11 replies from The First National Bank of Oregon and The Multnomah Bank, both of Portland, Oregon, relative to a $49,883.00 loan. This correspondence did not fully meet requirement (2) of item 1(a) of the application form.

The First National Bank of Oregon stated "in our judgment it is not a loan to be handled by a commercial bank". The Multnomah Bank stated "The amount of the loan applied for is considerably above our maximum legal loan limit".

By letter dated June 23, the applicant submitted an amendment to his application which reduced the estimated cost to $19,533 and also furnished a financial statement. By a subsequent letter dated July 29, the applicant furnished additional financial information and submitted a copy of his July 29 letter to and a July 30 reply from The Bank of California National Association, Portland Office, requesting a $9,766.00 loan. This bank stated that "At the present time we are not in a position to make this loan". This correspondence fully meets the requirement of item 1(a) of the application form. Furthermore, the financial statement as amended indicates that, aside from his residential real estate and $4,500.00 in unimproved real estate, the applicant has no assets of a nature normally accepted as collateral by a responsible financial institution.

In summary, it appears that the subject applicant is financially eligible for federal assistance in the exploration project.

Attachment

EDTalbert/ama
August 5, 1960

Copy to: Docket
Director's Reading File
Mr. Talbert

43683

A. O. BARTELL, E. M.
REGISTERED PROFESSIONAL ENGINEER
5115 S.W. Northwood Ave.
Portland 1, Oregon

OFFICIAL FILE COPY
O. M. E.
RECEIVED AUG 4 1960

| DATE | INITIALS | CODE |
|---|---|---|
| 8-4 | gad | VVO |
| " | Hoet | 500 |
| | | |
| ~~July 29, 1960~~ | | |
| | | |
| | | |

U.S. Dept. of the Interior
Office of Minerals Exploration
Washington 25, D.C.

Re: OME-6086 (Mercury)
A. O. Bartell
Nisbet Mine
Clackamas County, Oregon

Attn: Mr. Frank E. Johnson,
Acting Director

Gentlemen:

In response to your letter of July 15th, I am enclosing copies of correspondence with the Bank of California.

In regard to my previously submitted financial statement, the listing of furniture and fixtures in the amount of $7,000.00 is household furnishings. It includes the usual items such as a washer, dryer, refrigerator, electric stove, water heater, household furniture, books, bedding and miscellaneous personal items.

Machinery and equipment valued at $12,000.00 is partly itemized under Item 7 (d) in my application of April 29. Additional machinery and equipment not so listed is as follows:

| | |
|---|---|
| Office | |
| Furniture | $ 465. |
| Machines | 570. |
| Instruments | 475. |
| Technical books | 365. |
| Miscellaneous supplies | 100. |
| | $ 1975. |
| Shop | |
| Tool maker's, lathe & milling equipment | 500. |
| Drill press | 80. |
| Garage tools | 120. |
| Electric chain saw | 60. |
| Table saw | 25. |
| Jointer | 75. |
| Grinders | 50. |
| Testing instruments | 250. |
| | $ 1160. |

| Stone production and mining equipment | |
|---|---|
| Blasting supplies | $ 100. |
| Stone mason tools | 115. |
| Thor 90# paving breaker | 150. |
| Wisconsin 7-1/2 H.P. gas engine | 75. |
| McCulloch soil auger, steel & bits | 325. |
| Drill steel | 100. |
| Drill hose & pipe fittings | 100. |
| Short wave radio gear | 250. |
| | $ 1215. |

Sincerely,

A. O. Bartell

AOB:mb
Encls.

cc: Mr. D. R. MacLaren
Acting Field Officer, OME
Region I
U.S. Dept. of the Interior
Office of Minerals Exploration
So. 157 Howard Street
Spokane 4, Washington

OFFICIAL FILE COPY
O. M. E.
RECEIVED AUG 4 1960
DATE INITIALS CODE

*Offices in all three Pacific Coast states*

**THE BANK OF CALIFORNIA** *National Association*

*PORTLAND OFFICE: 330 S.W. Sixth Avenue, Portland 8, Oregon · CApitol 8-8281*

July 30, 1960

Mr. A. O. Bartell
5115 S. W. Northwood Avenue
Portland 1, Oregon

Dear Mr. Bartell:

We acknowledge receipt of your letter of July 29 requesting a loan of $9,766 to explore by diamond drilling a mineral deposit which you own.

At the present time we are not in a position to make this loan.

Yours very truly,

Waldo B. Taylor

Waldo B. Taylor
Assistant Manager

rc

A. O. BARTELL, E. M.
REGISTERED PROFESSIONAL ENGINEER
5115 S.W. Northwood Ave.
Portland 1, Oregon

OFFICIAL FILE COPY
O. M. E.
RECEIVED AUG 4 1960
DATE

July 29, 1960

Mr. Kenneth O. Hume,
Assistant Manager
The Bank of California, N.A.
S. W. 6th Ave. & Stark Sts.
Portland, Oregon

Dear Mr. Hume:

This is to request a loan in the amount of $9,766.00, which will be used to explore by diamond drilling a mineral deposit which I own.

Total cost of the project, which includes 1500 feet of diamond drilling, is $19,533.00 (including $1,500.00 for contingencies). Of this amount I am prepared to contribute as follows: Services $3,375.00, Equipment $298.00, Cash $6,093.00, leaving the above-requested balance of $9,766.00.

The property, known as the Nisbet Mine, consisting of the Nisbet group of unpatented mining claims in Clackamas County, Oregon, is owned in the entirety by the applicant and is offered as collateral.

On what terms would you make the required loan?

A copy of my financial statement is enclosed.

Sincerely,

AOB

A. O. Bartell

AOB:mb
Encl.

A. O. BARTELL, E.M.
REGISTERED PROFESSIONAL ENGINEER
5115 S.W. Northwood Ave.
Portland 1, Oregon

June 23, 1960

Mr. D. R. MacLaren
Acting Field Officer, OME
Region 1
U.S. Dept. of the Interior
Office of Minerals Exploration
So. 157 Howard Street
Spokane 4, Washington

Re: Docket No. OME-6086 (Mercury)
Nisbet Mine
Clackamas County, Oregon

Dear Mr. MacLaren:

The accompanying diamond drilling proposal is in response to your letter of May 31 and our subsequent telephone conversation. Items 1 (c), 5 (a) (b) (c), 7 (b) (c) (d) (f) (g) have been revised accordingly.

I propose that this drilling program be considered as a first stage and, if successful, the original application for shaft development be considered.

Drilling contractors estimated as follows for the job:

| | Dollar Chg./Foot |
|---|---|
| Haakon Bottner, 11544 N.E. Glisan, Portland | 8.00 to 8.50 |
| Pettijohn Engineering Co., 4145 N.E. Cully Blvd., Portland | 7.50 to 8.00 |
| A.M. Jannsen Drilling Co., 21075 S.W. Tualatin Valley Highway, Aloha | 5.00 non-core<br>10.00 core |

In each case road would have to be provided to the drill site, and if unusual conditions such as broken formation requiring cementing were found, there was an additional charge for time and materials.

Both Jannsen and Pettijohn would furnish their equipment on a rental basis with operators; Pettijohn @ $120.00/day and Jannsen @ $130.00/day. Using rental equipment and pushing the job myself seems to offer the least costly method. This I am proposing to do. As an alternate I may buy or lease a drill and equipment and hire an operator. At any rate, my proposal, which figures out to be $7.00/ft. drilling only and $9.827 for drilling plus assays, supervision, and other costs as listed on page 6 is firm.

Enclosed is the financial statement you requested.

Sincerely,

A. O. Bartell

A. O. Bartell

RECEIVED
JUN 27 1960
U. S. G. S.
SPOKANE, WASH.

Certified Mail (Not Receipt Requested)

AOB:mb
Encl.

Region I memo 6/27/60

# FINANCIAL STATEMENT

INDIVIDUAL

(NOT TO BE USED FOR INDIVIDUAL BUSINESS, CORPORATION OR AGRICULTURAL OPERATIONS)

FINANCIAL CONDITION AS OF June 21 19 60

NAME A. O. & Virginia Lee Bartell

ADDRESS 5115 S.W. Northwood Ave.

AGE 45 MARRIED OR SINGLE Married

Received at ____ Br

OCCUPATION Mining Engineer, self employed

EMPLOYER Teacher, School Dist. #1 (wife)

NUMBER OF DEPENDENTS None

To THE FIRST NATIONAL BANK OF OREGON, Portland

The undersigned, for the purpose of procuring and establishing credit from time to time with you and to induce you to permit the undersigned to become indebted to you on notes, endorsements, guarantees, overdrafts or otherwise, furnishes the following as being a true and correct statement of the financial condition of the undersigned on the above date, and agrees to notify you immediately of the extent and character of any material change in said financial condition, and also agrees that if the undersigned, or any endorser or guarantor of any of the obligations of the undersigned, at any time fails in business or becomes insolvent, or commits an act of bankruptcy, or if any deposit account of the undersigned with you, or any other property of the undersigned held by you, be attempted to be obtained or held by Writ of Execution, Garnishment, Attachment or other legal process, or if any of the representations made below prove to be untrue, or if the undersigned fail to notify you of any material change as above agreed, then and in such case, at your option, all of the obligations of the undersigned to you, or held by you, shall immediately become due and payable, without demand or notice. In such event, any sum or sums of money in your possession belonging or owing to the undersigned or in which the undersigned may have an interest, whether on deposit or otherwise, may be taken by you to apply on such obligation, to the full extent thereof if necessary. The undersigned does further agree that any spaces in this statement under "Liabilities" or "Contingent Liabilities", which have been or may be left blank, shall be construed by you the same as though the word "none" were written in each of such spaces. This statement shall also be construed by you to be a continuing statement of the condition of the undersigned, and a new and original statement of all assets and liabilities upon each and every transaction in and by which the undersigned hereafter becomes indebted to you, until the undersigned advises in writing to the contrary.

| ASSETS | DOLLARS | | CENTS |
|---|---|---|---|
| CASH ON HAND AND IN BANK | | 203 | 96 |
| NOTES AND CONTRACTS RECEIVABLE—NOT PLEDGED (SCHEDULE C) | | | |
| NOTES AND CONTRACTS RECEIVABLE—PLEDGED (SCHEDULE C) | | | |
| ACCOUNTS RECEIVABLE—NOT PLEDGED (SCHEDULE C) | 2 | 011 | 00 |
| ACCOUNTS RECEIVABLE—PLEDGED (SCHEDULE C) | | | |
| STOCKS AND BONDS—LISTED—NOT PLEDGED (SCHEDULE B) | | 135 | 00 |
| STOCKS AND BONDS—LISTED—PLEDGED (SCHEDULE B) | | | |
| TOTAL CURRENT ASSETS | | | |
| STOCKS AND BONDS—UNLISTED—NOT PLEDGED (SCHEDULE B) | | | |
| STOCKS AND BONDS—UNLISTED—PLEDGED (SCHEDULE B) | | | |
| REAL ESTATE AND BUILDINGS (SCHEDULE A) | 29 | 500 | 00 |
| MACHINERY AND EQUIPMENT | 12 | 000 | 00 |
| FURNITURE AND FIXTURES | 7 | 000 | 00 |
| AUTOMOBILES AND TRUCKS (3) | 4 | 000 | 00 |
| NOTES AND ACCOUNTS DUE FROM RELATIVES | | | |
| CASH VALUE LIFE INSURANCE | | 500 | 00 |
| OTHER ASSETS (DESCRIBE) | | | |
| Teachers Retirement Fund | 3 | 966 | 00 |
| Nisbet Quicksilver Mine | 32 | 000 | 00 -Unpatented |
| Serendipity Stone Quarry | 10 | 000 | 00 -Unpatented |
| TOTAL | 101,315.96 | | |

| LIABILITIES | DOLLARS | | CENTS |
|---|---|---|---|
| NOTES PAYABLE TO THIS BANK (SCHEDULE D) | | | |
| NOTES PAYABLE TO OTHER BANKS....SECURED....(SCHEDULE D) | | | |
| NOTES PAYABLE TO OTHER BANKS....UNSECURED....(SCHEDULE D) | | | |
| NOTES PAYABLE TO OTHERS....SECURED....(SCHEDULE D) | | | |
| NOTES PAYABLE TO OTHERS....UNSECURED....(SCHEDULE D) | | | |
| DUE TO RELATIVES (SCHEDULE D) | | | |
| ACCOUNTS PAYABLE (SCHEDULE D) | | 101 | 67 |
| CHATTEL MORTGAGES (SCHEDULE D) | | 966 | 24 |
| CONTRACT PURCHASES (SCHEDULE D) | | | |
| MORTGAGES AND CONTRACTS—AMOUNT DUE WITHIN ONE YEAR | | | |
| ACCRUED TAXES AND ASSESSMENTS | | 289 | 34 |
| TOTAL CURRENT LIABILITIES | | | |
| MORTGAGES OR LIENS ON REAL ESTATE (SCHEDULE A) | | | |
| LOANS AGAINST LIFE INSURANCE POLICIES | | 300 | 00 |
| OTHER LIABILITIES (DESCRIBE) | | | |
| TOTAL LIABILITIES | 1 | 657 | 95 |
| NET WORTH | 99 | 658 | 01 |
| TOTAL | 101 | 315 | 96 |

**INSURANCE**

LIFE INSURANCE $ 3,000.00

NAME OF BENEFICIARY Wife

NAME OF COMPANY National Life of Vermont

WHO CARRIES LOAN, IF ANY, AGAINST POLICY Same

ON BUILDINGS $ 20,000.00

PERSONAL PROPERTY $ 12,677.00

AUTO: PUBLIC LIAB. $ 100,000 / COLLISION A.C.V. 50 / PROP. DAMAGE $ 5,000

**CONTINGENT**

AS GUARANTOR

ACCOMMODATION ENDORSEMENTS NONE

SURETY ON BONDS

OTHER CONTINGENT LIABILITIES

HAVE YOU ANY JUDGMENTS OR SUITS FILED AGAINST YOU?

IF SO GIVE DETAILS

**GENERAL INFORMATION**

ANNUAL GROSS INCOME 12,000 SOURCE: SALARY 7,000. OTHER INCOME 5,000. ANNUAL EXPENSES 12,000. NET INCOME -0-

NUMBER OF BANK ACCOUNTS AND WHERE KEPT (1) 6th & Morrison Br., First National, Portland

ARE YOU BORROWING FROM ANY OTHER BRANCH OF THIS BANK? No IF SO, NAME

HAVE YOU APPLIED FOR CREDIT ELSEWHERE? NUMBER OF YEARS IN PRESENT OCCUPATION 25

HAVE YOU MADE YOUR WILL? Yes IF NOT, WE SUGGEST THAT YOU CONSULT WITH AN OFFICER OF THIS BANK.

I SOLEMNLY DECLARE AND CERTIFY THAT THE ABOVE STATEMENT, AND SCHEDULES ON THIS AND THE OPPOSITE SIDE GIVE A TRUE AND COMPLETE ACCOUNT OF MY FINANCIAL CONDITION ON THE DAY ABOVE STATED.

(SIGNATURE) A O Bartell

(SIGNATURE)

TELEPHONE NO. CH6-3765

DATE 6/21/60

CR-1 8-1-58 (FILL IN BLANKS ON OTHER SIDE) IF YOU HAVE FAILED IN BUSINESS ATTACH A COMPLETE EXPLANATION

SCHEDULE A

## LIST OF REAL ESTATE AND IMPROVEMENTS

*SHOW AMOUNT OF DELINQUENT TAXES ON EACH PROPERTY UNDER AMOUNT OF MORTGAGE OR LIENS. IF MORTGAGE OR CONTRACT IS DUE IN INSTALLMENTS SHOW AMOUNT AND DUE DATE THEREOF AND ALSO THE FINAL MATURITY OF DEBT.

| LEGAL DESCRIPTION—LOCATION KIND OF IMPROVEMENTS | TITLE IN NAME OF | INCOME PER MONTH | ASSESSED VALUE | BOOK VALUE LAND | BOOK VALUE IMPROVEMENTS | MORTGAGES OR LIENS *DUE DATE | MORTGAGES OR LIENS *AMOUNT | ~~MORTGAGEE~~ |
|---|---|---|---|---|---|---|---|---|
| Home, 5115 S.W. Northwood Ave., Portland, Ore. | | | | | - under construction | | | (self) |
| Lot 21, Hessler Hills | | | 4,530. | 5,000. | 20,000. | None | | |
| Lot 1, Blk. 4, Terwilliger Heights | | | 600. | 4,000. | | None | | |
| Lot 355,122 Government Camp Park, Ore. | | | 30. | 500. | | None | | |
| | | | 29,500 | | | | | |

SCHEDULE B

## STOCKS AND BONDS

| NUMBER OF SHARES | DESCRIPTION—RATE—MATURITY, IF PLEDGED, TO WHOM | BOOK VALUE LISTED | BOOK VALUE UNLISTED | MARKET VALUE | |
|---|---|---|---|---|---|
| 1000 | Vindicator | 10¢ par | | 120 | 00 |
| 1000 | Silver Mountain | 10¢ par | | 15 | 00 |
| | | | | 135 | 00 |

SCHEDULE C

## NOTES, CONTRACTS AND ACCOUNTS RECEIVABLE

| NAME | AMOUNT | DATE | DUE DATE | VALUE | SECURED | DESCRIPTION OF COLLATERAL |
|---|---|---|---|---|---|---|
| Raw Materials Survey | 200.00 | 6/1/60 | 6/15/60 | | | |
| R. B. Petersen | 211.00 | 6/21/60 | 7/ 1/60 | | | |
| Western Minerals, Inc. | 1,600.00 | 6/1/59 | 2/ 1/60 | (unsecured note - | | questionable value) |
| | 2,011.00 | | | | | |

SCHEDULE D

## NOTES, CONTRACTS AND ACCOUNTS PAYABLE

| NAME | AMOUNT | DATE | DUE DATE | ACCRUED INT. | SECURED | DESCRIPTION OF COLLATERAL |
|---|---|---|---|---|---|---|
| Teachers' Loan Fund | 966.24 | 10/1/59 | 2/ 1/61 | (Car loan) | | |
| Current bills | 101.67 | 6/ 1/60 | 6/ 1/60 | | | |
| Current taxes | 289.34 | 11/1/59 | 8/15/60 | | | |
| | 1,357.25 | | | | | |

Item 1 (c) Money, equipment, supervision and professional services as follows:

| | |
|---|---|
| Supervision and professional services | $3,375. |
| Rent of applicant's equipment | 298. |
| Cash | 4,593. |
| Cash (contingencies) | 1,500. |
| | 9,766. |
| Total cost of project | $19,533. |

Item 5 (a) Applicant proposes to do 1500 feet of diamond drilling as follows: Oak Grove vein 1200 feet; Yew Tree vein 150 feet; Cedar Tree vein 150 feet.

It is proposed to drill the Oak Grove vein from Sta. 76 to a depth of 300 feet on the plane A-A' as shown on the accompanying topographic map and cross section map (pages 2-3). Locations of holes $B_1$, $B_2$ $B_3$ are tentatively suggested. The exact placement of this second group of holes would be based on results from $A_1$, $A_2$ and $A_3$.

Two 150 foot holes are planned for the Yew Tree and Cedar Tree vins as shown on the sketches, page 4. Both these drill holes are designed to cut the veins that show on the creek bank and the Falls vein which is believed to lie underneath the creek gravels.

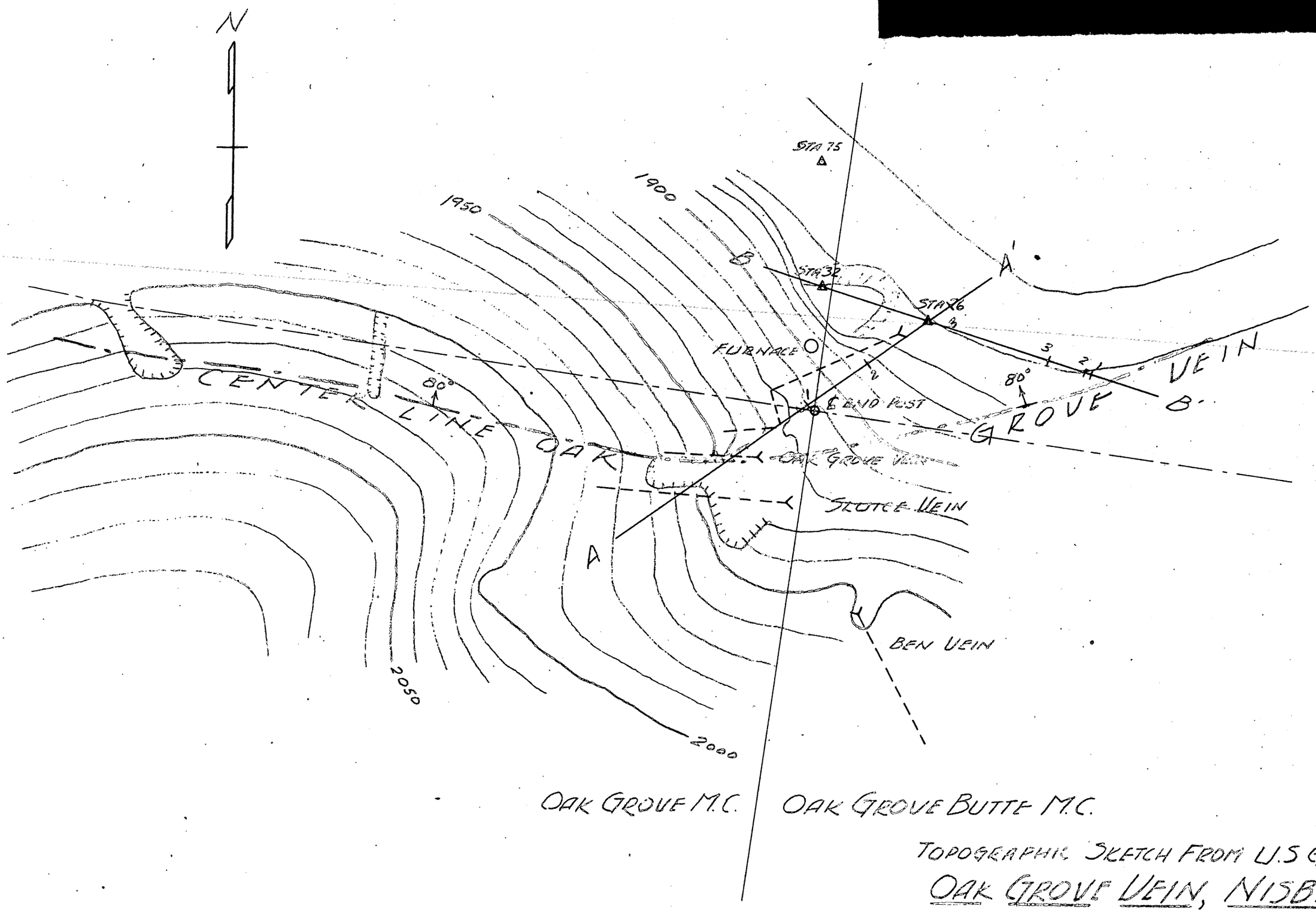
Where the drill was proceeding in barren country rock a non-coring bit would be used except for occasional cores to check formations. In mineralized country rock and vein material a coring bit and core barrel would be used. Minimum rod size would be EX.

Item 5 (b) The alternate access road shown on the mining "claim" map previously submitted would be roughed in sufficiently to drag in a drill on skids behind a "Cat". At the proposed bridge site the creek would be forded. At this point the drill would be dragged up the creek bed to the Cedar Tree and Yew Tree veins.

Drilling and blasting would be avoided by turning the road down to the creek at the Oak Grove vein instead of terminating at the previously proposed shaft site.

Tree falling and rough grading by bulldozer would be necessary for 1560 feet. The rest of the 300 feet would be passable to a Cat as is. The road would be so located and grades so established as to be finishable for a good access road to the shaft site should drilling show that a shaft was justified.

OME 6086 [redacted]




TOPOGRAPHIC SKETCH FROM U.S.G.S. 1943

OAK GROVE VEIN, NISBET MINE

SHOWING PLANES OF PROPOSED DRILL HOLES

SCALE 1" = 50'

6-18-60 Bartell

Figure 2

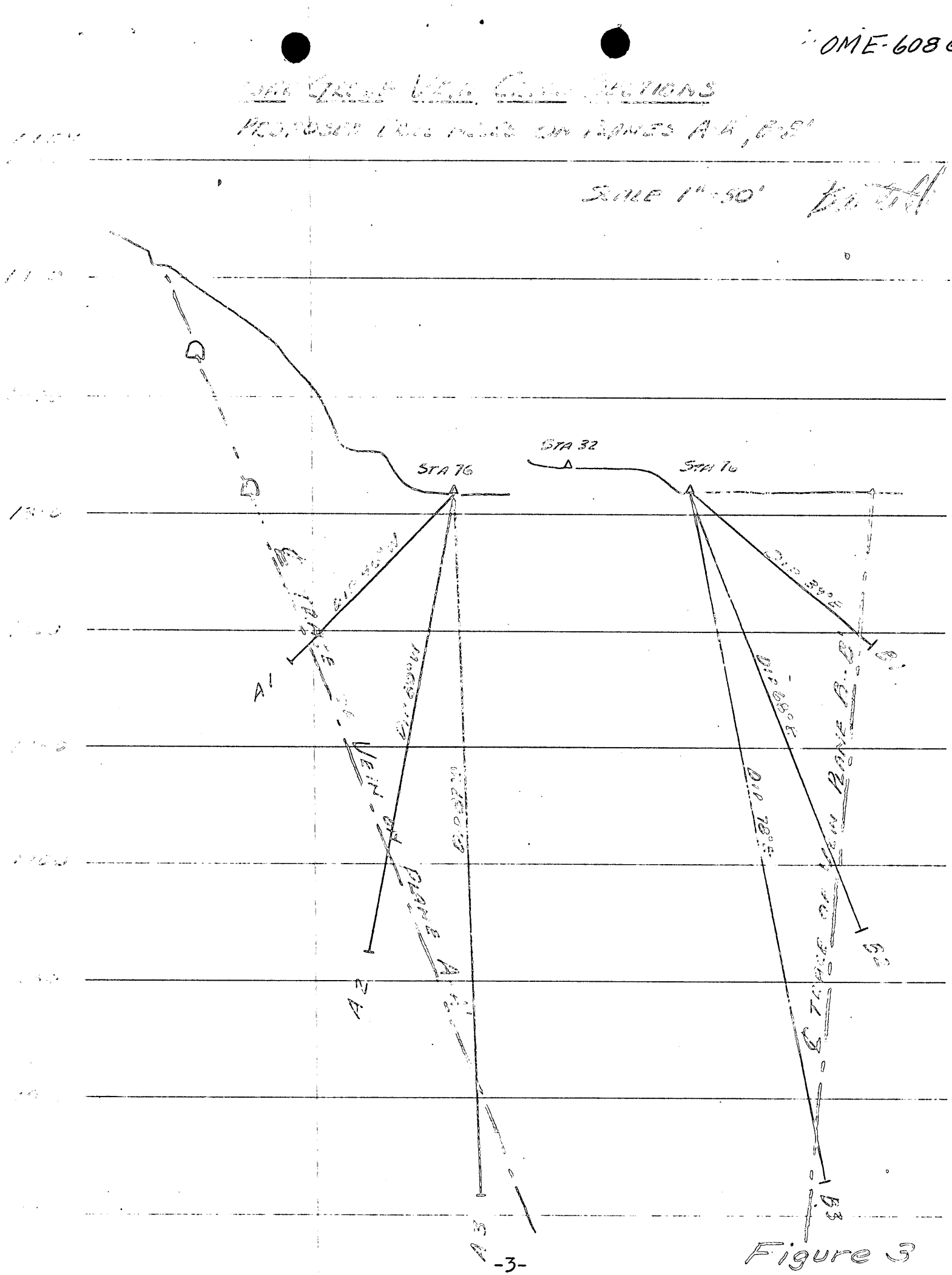

SCALE 1" = 50'
STA 76
STA 32
STA 76
A1
A2
A3
B1
B2
B3
DIP 68°E
DIP 78°E
VEIN

Figure 3

PLAN & SECTION VIEWS
PROPOSED DRILL HOLES, YEW TREE & CEDAR TREE VEINS, NISBET MINE
SCALE 1"=50'

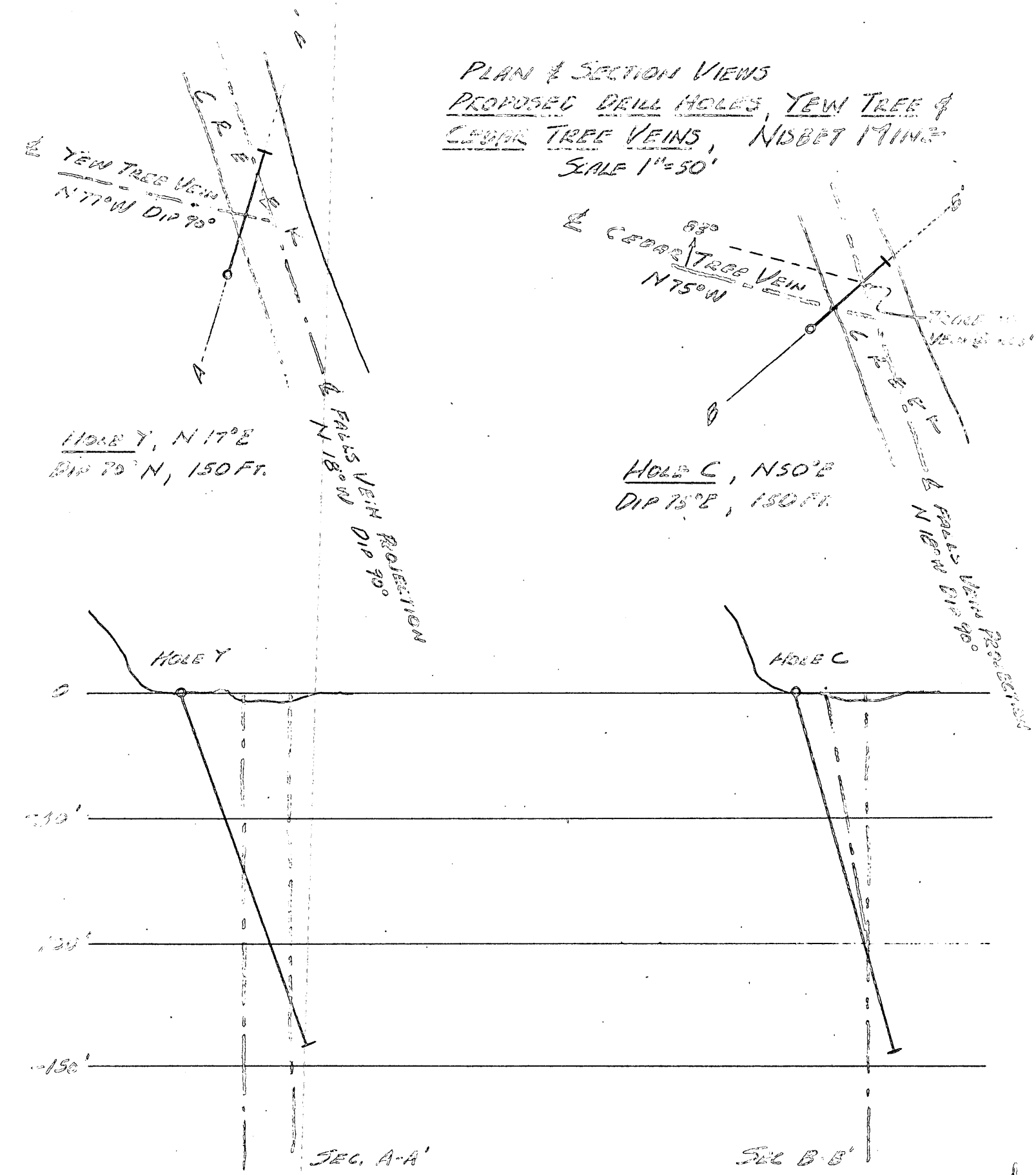





Figure 4

Item 5 (c) Work on the access road could be started September 1st, 1960, and drilling commenced October 1st. Drilling would be carried through to completion January 1st, 1961. Drilling would be expected to proceed at an average of 20 feet per day.

Item 7 (b) Personal Services:

| | | |
|---|---|---|
| Supervision: | 3.75 months @ $900. | $ 3,375. |
| | Board @ $4.00 x 100 days | 400. |
| | Transportation: 16 weeks x 260 mi. x 10¢ | 416. |

The applicant proposes to supervise the work, provide necessary engineering and geological services, and incidently to do the necessary odd skilled jobs of powder man, rigger, tree faller, welder, and bookkeeper.

Labor: Road construction helper 13 days @ $25. $325.

An hourly employee would be used on the road construction only. Rate would be $25.00/day including the various payroll taxes. The rest of the labor it is proposed to contract with the equipment. A D4 Caterpillar equipped for road building and logging with a highly skilled operator is available at the town of Estacada for $13.50/hour, including S.I.A.C. insurance. A suitable diamond drill with operators is available in Portland for $120.00/day. These prices include equipment, maintenance and fuel.

Item 7 (c) Bit charges, 50¢/ft. ave. rock, $1.00/ft. basalt; 60¢ x 1500 $ 900.
Fuel and lube oil for Jeep and air compressor 68.
Explosives 30.
$ 998.

Item 7 (d) Rental value of equipment to be furnished by applicant. Rate includes maintenance and repair parts.

| | |
|---|---|
| Air compressor and air tools - 3 days @ $20.00 | $ 60. |
| Chain saw and logging hand tools - 10 days @ $5.00. | 50. |
| Jeep - 3.75 months @ $50.00 | 188. |
| | $ 298. |

Rental of equipment with operators:

| | |
|---|---|
| Diamond drill, 75 days drilling @ 20 ft./day plus 5 days moving & set-up, 80 x $120 | $9,600. |
| Cat: Drill moving 4 hours x 3 x $13.50 | 162. |
| Road building 33 hours x $13.50 | 459. |
| | $10,221. |

Item 7 (f) None.

| | |
|---|---|
| Item 7 (g) Assays - 100 @ $5.00 | $ 500. |
| Contingencies - include fire, flood, unusually severe weather and other acts of God; unusually severe drilling conditions requiring unusual casing, grouting, etc. | 3,000. |
| | $3,500. |

Item 7 (b, c, d, g) <u>Cost by Unit of Work</u>

Access Road:

| | | |
|---|---|---|
| Supervision .75 months x $900. | $ 675. | ? |
| Board 15 days x $4.00 | 60. | ? |
| Transportation 3 x 260 x 10¢ | 78. | ? |
| Air Compressor & tools 3 x $20. | 60. | ? |
| Jeep .75 months x 50 | 38. | ? |
| Fuel | 17. | ✓ |
| Helper 13 days x $25.00 | 325. | ✓ |
| Cat rental 34 hours x $13.50 | 459. | ✓ |
| Chain saw & log. tools 10 days @ $5.00 | 50. | ? |
| Explosives | 30. | ✓ |
| | $1,792. | |

Diamond Drilling:

| | | |
|---|---|---|
| Supervisor 3 months x $900. | 2,700. | ? |
| Board 85 days x $4.00 | 340. | ? |
| Transportation 13 weeks x 260 mi. x 10¢ | 338. | ? |
| Jeep 3 months x $50. | 150. | ? |
| Fuel | 51. | ✓ |
| Cat rental 12 hours x $13.50 | 162. | ✓ |
| Drill rental 80 days x $120. | 9,600. | ✓ |
| Bit charges 60¢ x 1500 ft. | 900. | ✓ |
| Assays 100 @ $5.00 | 500. | ✓ |
| | $14,741. | |

Summary:

| | |
|---|---|
| Access Road 1560 ft. x $1.149 | $ 1,792. |
| Drilling, incl. assays, superv. etc. 1500 ft. x $9.827 | 14,741. |
| Contingencies | 3,000. |
| | $19,533. |

MME Form 40
Dec. 1958

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Budget Bureau No. 42-R1368
Approval expires Dec. 31, 1963

# APPLICATION FOR FINANCIAL ASSISTANCE IN MINERALS EXPLORATION

Pursuant to Public Law 85-701 (72 Stat. 700; 30 U.S.C. 641)

NAME OF APPLICANT *(Full legal name and mailing address as they should appear on contract if one is executed.)*

RECEIVED
MAY 2 1960
U. S. G. S.
SPOKANE, WASH.

A. O. Bartell, E.M.
5115 S.W. Northwood Avenue
Portland 1, Oregon

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER: OME-6086

DATE RECEIVED: 5-6-60

REGION: I

DIVISION CODE: 500

BUSINESS ORGANIZATION *(Check one)*

| | |
|---|---|
| INDIVIDUAL | X |
| CORPORATION | |
| PARTNERSHIP | |
| OTHER *(Specify)* | |

STATE IN WHICH FIRM IS ORGANIZED: Oregon

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

| NAME | ADDRESS | TITLE |
|---|---|---|
| None | | |

MINERAL(S) FOR WHICH YOU WISH TO EXPLORE: (Quicksilver) Mercury

ESTIMATED COST OF PROJECT: $ 100,375.00

| PROPERTY NAME | LOCATION COUNTY | STATE |
|---|---|---|
| Nisbet Mine | Clackamas | Oregon |

## GENERAL INSTRUCTIONS

Before filling out this application, please read the *OME Regulations for Obtaining Federal Assistance in Financing Explorations for Mineral Reserves* (30 CFR Chap. III). To assure prompt action, your application must provide all applicable material and information specified on the back of this application form. Avoid unnecessary correspondence and delays by submitting complete and accurate information. *Please submit four copies of this application and all accompanying papers* except as otherwise noted. Place your name and address on each sheet. Each item of information, maps, and reports required as a part of this application is described on the back of this form. Identify each attached statement by the item number to which it applies. If an item does not apply to your application, show the item number on your statement and after it write "not applicable." Maps or sketches should be used to supplement narrative descriptions of the property location and boundaries in item 2, existing mine workings and geology in item 3, and the proposed exploration work in item 5. When this information is not too complex, all of it may be shown on one map or sketch. All documents and other attachments submitted as a part of this application, except those in item 3(g) which you mark to be returned, become the property of the Government and will not be returned to the applicant. Send true copies, *not originals*, of leases, contracts, and other documents which are an essential part of your business records. *File this application with the Office of Minerals Exploration, Department of the Interior, Washington 25, D. C., or with the nearest OME Field Office.*

## 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, and that he would not ordinarily undertake the proposed exploration under current conditions and circumstances at his sole expense.

April 29
~~March 18~~, 1960
DATED

A. O. Bartell
BY *(Signature)*

Owner
TITLE

A wilfully false statement or certification to any Department or Agency of the United States Government is a criminal offense. U. S. Code, Title 18, Sec. 1001.

# INFORMATION REQUIRED WITH THIS APPLICATION

## 1. Financial Eligibility:

(a) Submit evidence of efforts made within 90 days preceding the filing of this application to obtain credit from your bank of account and at least one other banking institution or other private source of credit. Such evidence shall include true copies of correspondence which show: (1) date of loan request, (2) amount and terms requested, (3) proposed use of loan funds, and (4) the replies from credit sources. If the loan was offered under terms which you consider unreasonable, state why you consider them so.

(b) List names and addresses of affiliated, parent, or controlling companies or organizations and state extent and nature of their interest.

(c) State how you propose to furnish your share of the cost of the exploration work.

## 2. Applicant's Rights in Land:

(a) State your interest in the land and mineral rights, whether owner, lessee, purchaser under contract, or other. If you are not the owner, submit one true copy of the lease, contract, or other document (with address of owner) under which you control the property. Describe all liens, mortgages, or other encumbrances on the land and state book and page number and official place where recorded.

(b) State the legal description (section, township, and range; metes and bounds; patent number of claims) of the land upon which you wish to explore and all adjacent land which you own or control. Describe any part of the land or workings which should not be subject to Government royalty and liens. If the land consists of unpatented claims, state book and page number for each recorded location notice, including amended locations, and official place where recorded. State all the names by which you know the property.

(c) For all land or mineral rights encumbered or not owned, submit five copies of Lien and Subordination Agreements on MME Form 52. If the agreements cannot be obtained, state reasons and provide copies of letters of refusal.

## 3. Physical Description:

(a) Describe in detail and illustrate with maps or sketches all mining or exploration operations which you know have been or are being conducted upon the land. Include existing mine workings and all production facilities.

(b) State your interest, if any, in operations described in (a).

(c) State, if you know, the past and current production, supporting your statement with copies of settlement sheets, mine records, or published data if available.

(d) Describe known ore reserves, giving quantities and grades and sampling methods used. Support your statement with copies of assay certificates and assay maps if available.

(e) Describe by narrative and maps or sketches the geologic features of the property, including ore minerals, geologic formations if known, and type of deposit (vein, bedded, etc.).

(f) State your reasons for expecting to find ore, and if you have sampled the area you propose to explore, show where the samples were taken, describe sampling methods used, and provide copies of assay certificates.

(g) Send with your application at least *two* copies of all geologic or engineering reports, assay maps, or technologic information which you have, indicating whether you require their return.

## 4. Accessibility of Property:

(a) To aid the OME representative who may examine the property, state name and address of person who will meet him; give directions for reaching the property; and describe accessibility of property and of any mine workings.

(b) Name the shipping and supply points and state the distances to the property.

## 5. Exploration Work:

(a) Describe fully the proposed exploration work giving individual footages and sizes of openings *for each item of work.* Use narrative, maps, plans, and sections as necessary. Show location of the proposed work as related to geologic features such as veins, ore-bearing beds, contacts of rock formations, etc. Show also the relation of the proposed work to any existing mine workings and to *land boundaries* or to the closest identifiable corner.

(b) If an access road must be built, show the proposed location on the property map and state the length, type and construction methods proposed.

(c) If an OME contract is executed, state how soon thereafter work would be started and finished. State your anticipated average daily or monthly rate of progress for each type of work.

## 6. Experience:

State your operating experience and background to conduct this exploration work and also that of the person who will supervise the work.

## 7. Estimate of Costs:

Furnish detailed estimates of the necessary costs *for each item of the work proposed in 5(a)* under the headings listed below with a total for each heading and the estimated total cost of the work. Costs for any work to be performed by an independent contractor should be listed separately under category (a) below. Costs for any work that is not to be performed by an independent contractor should be listed under categories (b) through (g).

(a) Independent contracts. State the total cost of any proposed independent contract for all or any part of the work, and the number of units and the unit cost for each type of work, such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, or per cubic yard of material moved. Cost estimates should be supported by bids from three contractors if possible. (*Note*—If none of the work is to be contracted, write "none" after this item.)

(b) Personal services. The cost of supervision, engineering and geological services, outside consultants, and labor should be itemized by numbers and classes of employees; rates of wages, salaries or fees; and periods of employment. State whether these services are available.

(c) Operating materials and supplies. List items of material and supplies giving quantity and cost of each. Include under this heading power, water, and fuel, and units of equipment and tools costing less than $50 each.

(d) Operating equipment. List items of equipment and tools costing $50 or more per unit. Give specifications and indicate how each item is to be acquired—i.e., rented, purchased or provided by the applicant. If rented or purchased, state the estimated rental or purchase price. If furnished by the applicant, state condition and present fair market value.

(e) Initial rehabilitation and repairs. Describe the type and the cost of *initial* rehabilitation or repair of existing buildings, fixtures, installations (exclusive of mine workings), and movable operating equipment now owned by the applicant which will be used in the exploration work.

(f) New buildings, fixtures, installations. Describe each building, fixed improvement, and installation to be purchased, constructed, or installed for the exploration work, stating specifications and cost including labor, materials, and supervision.

(g) Miscellaneous. Describe the type and estimate the cost of repairs and maintenance of the operating equipment listed in 7(d). Do not repeat initial repairs listed in 7(e). Show also the costs of analytical work, accounting, workmen's compensation and employees' liability insurance, payroll taxes, and other required costs that do not fall within the previous categories. [*Note*—The Government will not contribute to costs incurred before the date of the contract, or to costs of or incident to: (1) acquiring, using, or possessing land and any existing improvements, facilities, buildings, installations, and appurtenances, or the depreciation and depletion thereof; (2) general overhead, corporate management, interest and taxes (other than payroll and sales taxes); (3) insurance (other than employees' liability insurance); and (4) damages to persons or property (other than authorized repair to or replacement of equipment or other property used in the work).]

INT.-DUP. SEC., WASH., D.C. 50399

APPLICATION FOR FINANCIAL ASSISTANCE IN MINERALS EXPLORATION

Item 1 (a) Copies of correspondence attached.
Item 1 (b) None.
Item 1 (c) Money, mining equipment owned by applicant, supervision and professional services as follows:

| | |
|---|---|
| Supervision and professional services | $16,200.00 |
| Operating equipment | 11,330.00 |
| Cash and cash value of supplies | 17,658.00 |
| Cash (contingencies) | 5,000.00 |
| | 50,188.00 |
| Total cost of project | 100,375.00 |

Item 2 (a) Applicant is owner by purchase. One-half interest purchased from George Nisbet December 22, 1954 (Bk. 490 pg. 48 Clackamas Co., Ore. records). Remainder purchased from Nisbet estate July 2, 1959 (Bk. 558, pg. 721). There are no liens, mortgages or other encumberances.

Item 2 (b) There are seven unpatented mining claims known as the Nisbet Group in Sec. 5., T. 6 S., R.7 E. W.M., Clackamas County, Oregon, recorded in the County Courthouse, Oregon City, Oregon, as follows:

| | | |
|---|---|---|
| Oak Grove | Bk. 4, p. 98; | amended Bk. 4, p. 362 |
| Oak Grove Butte | Bk. 4, p. 99; | amended Bk. 4, p. 363 |
| Irene | Bk. 4, p. 67; | amended Bk. 4, p. 362 |
| Portland | Bk. 4, p. 101 | |
| Mt. Mitchell | Bk. 4, p. 102 | |
| Lake | Bk. 4, p. 13 | |
| Triangle | Bk. 4, p. 72 | |

Applicant has started patent application for the Oak Grove, Oak Grove Butte, and Irene claims. The official mineral survey has been ordered by the land office and the Deputy Mineral Surveyor (Leslie C. Richards) appointed.

Applicant has under lease an adjoining group of claims known as the Kiggins Group recorded in the Clackamas County Courthouse as follows:

| | |
|---|---|
| Vermillion | Bk. 4, p. 97 |
| Vermillion #2 | Bk. 4, p. 100 |
| Slide | Bk. 4, p. 103 |
| Bear | Bk. 4, p. 105 |
| Fraction | Bk. 4, p. 106 |

The Kiggins Group is not a part of this application because (a) The term of lease is too short. (b) The property is too far away from the proposed development project to benefit from it.

Item 2 (c) Not applicable.

Item 3 (a) The only mining or exploration operations have been shallow trenches and tunnels driven by hand-steel and wheelbarrow.

In 1943 a U.S. Bureau of Mines - U.S. Geological Survey team sampled and mapped the property. A copy of the map by R. E. Brown and G. W. Walker is attached.

All production has come from small-scale retorting and from a "homemade" shaft furnace which still stands, but is not serviceable.

Item 3 (b) None.

Item 3 (c) When the applicant first examined the property in 1939, the production was estimated to be 150 to 170 76 lb. flasks. A lessee, Oregon Quicksilver, Inc., produced 66 flasks in 1940-41. These were shipped to Quicksilver Producers, Inc., 407 Sansome Street, San Francisco, Cal. A copy of the settlement summary is attached.

Item 3 (d) There are no "reserves" of ore. Because of the hand-to-mouth nature of the mining, the lenses of ore were removed as found. Brown and Walker (see report and map attached) state,

> "The occurrence of cinnabar in six known veins and mineralized zones, none of which is fully explored, indicate that considerably more ore may be expected. The amount and grade of ore treated (estimated 1000 tons of 10 to 15 lbs. quicksilver per ton) suggests that undiscovered ore may continue to be of the same grade."

Item 3 (e) See accompanying report by applicant.

Item 3 (f) See accompanying report by applicant.

Item 3 (g) Two copies each of the Brown and Walker map and report, applicant's report and claim map accompany this application. Please return.

Item 4 (a) The applicant, A. O. Bartell, 5115 S.W. Northwood Ave., Portland, 'phone CH 6-3765, will accompany the O.M.E. representative to the property.

The property is reached as follows: At the town of Estacada, take the Clackamas River road up the Clackamas River past the new North Fork dam, past the 3 Lynx power plant and on to Timothy Lake. Some 26 miles from Estacada at the U.S.F.S. Ranger Station at Ripplebrook take the left fork of the road to Lake Harriet. Follow this 4 miles to the Lake Harriet dam. The mine workings are a half a mile downstream from the dam. Ask the watchman at the dam (cream colored house) for directions.

Item 4 (b) Portland, the supply and shipping point, is 60 miles from the property. The road is hard-surfaced and designed for heavy duty haulage. Elevation of the mine workings is only 2000 feet. Winters are mild and what occasional snow does fall is immediately plowed by the County and by the Portland General Electric Company to the Lake Harriet dam. Electric power is available at the mine site.

Item 5 (a) Applicant proposes to sink a near-vertical shaft on the dip of the Oak Grove vein for a depth of 300 feet on the dip. Shaft will be two compartments, 4 ft. x 4 ft. 6 in. and 3 ft. x 4 ft. 6 in. clear inside measurement. Posts, side plates and end plates will be 8 in. x 8 in. structural grade douglas fir. Rock dimensions will be 6 ft. x 9 ft. minimum. Location of the proposed shaft is marked on the enclosed U.S.G.S. "Nisbet Mine" map.

Laterally from the shaft it is proposed to drive a total of 400 feet of drift on the vein. Lengths of the individual drifts and their horozontal interval would be governed by the geology and ground conditions as exposed by the shaft. Drifts would be timbered where necessary with standard sets of structural grade douglas fir and would have a minimum clear cross section of 4 ft. by 6-1/2 ft.

From the drifts it is proposed to do 3000 feet of percussion "long-hole" drilling. Location and direction of the drill holes would be by mutual agreement of the O.M.E. and the applicant.

Item 5 (b) The proposed 1100 ft. access road is shown on the accompanying "claim" map. This would connect the Estacada-Timothy Lake road with the shaft site. This location, the only one available from the main hard-surfaced road, is on very steep terrain and much of the road bed will have to be blasted from solid rock. Trees would be cut and bucked with a gasoline powered chain saw. Drilling would be by portable 105 CFM compressor and jackhammer. A D4 "cat" with a 12 foot blade is available at $13.50 per hour rental and would be used to construct the grade. Road bed would be 12 feet minimum width and have maximum 15% grade. An alternate location is being considered from the Lake Harriet road. There would be little rock work encountered, but the road would be some 3000 ft. long and a bridge would have to be built. It is estimated that construction costs would be the same from either location. The alternate location is also sketched on the map.

Item 5 (c) Work could be started on the project October 1st, 1960. It is hoped that the access road could be put in before this date. Time schedule is as follows: New installations Item 7 (f) 2 months; shaft sinking 300 ft., 10

months at the rate of 1.5 ft. per day; drifting 400 ft., 5 months at the rate of 4 ft. per day; drilling concurrently with drifting and 1 month additional at the rate of 40 ft. per day.

It is anticipated that barring unforseen difficulties, the project can be completed in 18 months working time. It is proposed to conduct the work on the following schedule: Oct. 1, 1960 - April 1, 1961, road and surface installations, begin shaft to 100 ft.; Oct. 1, 1961 - April 1, 1962, deepen shaft and commence drifting; Oct. 1, 1962 - April 1, 1963, complete shaft, complete drifting, drill.

The foregoing 6 months-at-a-time schedule is proposed because the applicant makes his living by offering consulting engineering and geological services and mining contracting. Practically all of this type of work comes in the spring and summer months. The proposed schedule will allow the applicant to personally conduct the project. A side benefit of such a schedule is that ground water circulation is at a minimum during the winter months. Since the shaft site is on the river bank, water is going to be a real hazard at best.

Item 6 The applicant is a geologist (Oregon State College B.S. 1938) and a mining engineer (Oregon Registration No. 2216) with 20 years of experience in the fields of mining, geology and engineering. He has been an underground miner, a lessee, and a contractor as well as having responsible technical positions. As field geologist and later chief engineer for Horse Heaven Mines of the Sun Oil Co. (now the Cordero Mining Co.) he made the original examination and recommendation of lease of the Cordero quicksilver mine at McDermitt, Nevada, and was in charge of the exploration and initial development of the Cordero.

The applicant has held the posts of: Chairman of the Oregon Section, A.I.M.E., President of the Oregon Technical Council, Western Vice-Chairman of the Industrial Minerals Division of the A.I.M.E., and Advisor to the Western Governor Mining Advisory Council.

Item 7 (a) None.

Item 7 (b) Personal Services:

Supervision, engineering, geological and procurement $900.00/month x 18 months $16,200.00.

Labor: Shaftmen @ $3.00/hour.
Surface @ $2.50/hour.
Labor by unit:
300 ft. of shaft @ $59.00/ft. $17,700.00
300 ft. of timbered drift @ $20.00/ft. $6,000.00
100 ft. of untimbered drift @ $14.00/ft. $1,400.00
3000 ft. of "long hole" drilling @ $.90/ft. $2,700.00

Labor and services are available.

Item 7 (c)1

| | Supplies | Cost per Ft. | Total |
|---|---|---|---|
| Shaft | Explosives | $ 7.00 | $ 2,100. |
| | Power, fuel | 2.00 | 600. |
| | Steel and bits | 1.60 | 480. |
| | Timber, Wedges & hangers | 10.00 | 3,000. |
| | Vent and air pipe | 2.10 | 630. |
| | Misc. - hand tools, cable, cable rollers lube, etc. | 1.40 | 420. |
| | | 24.10 | 7,230 |

7 (c)2

| | | | |
|---|---|---|---|
| Drift | Rail | 1.30 | 520. |
| | Ties | .14 | 64. |
| | Spikes & fish plates | .10 | 40. |
| | Vent, air & water pipe | 2.10 | 840. |
| | Power and fuel | 1.80 | 720. |
| | Explosives | 3.50 | 1,400. |
| | Steel and bits | 1.50 | 600. |
| | Timber & wedges | 3.80 (300' only) | 1,140. |
| | Misc. - picks, shovels, pipe hangers, lube, etc. | .80 | 320. |
| | | 15.04 | 5,644 |

7 (c)3

Long-hole Drilling:

| | | |
|---|---|---|
| Steel and bits | .20 | 600. |

7 (c)4

Gasoline and lube for rolling stock, gas air compressor:

| | | |
|---|---|---|
| 200 gals./month @ | .40 x 18 mo. | 1,440. |
| Lube | 11.50 x 18 mo. | 207. |

Item 7 (d) Operating Equipment

| Item | Value |
|---|---|
| LeRoi Model 105 G1 Air Compressor | 2,000. |
| Ingersoll Rand JHM Wagon Drill | 600. |
| Ingersoll Rand 3½" Screw feed drifter & shell | 250. |
| Gardner Denver 50# sinker | 150. |
| Cleveland H111 65# sinker | 350. |
| Atlas Copco 50# jackhammer w/pusher leg | 400. |
| 2-Joy Class E112 slushers @ $350.00 | 700. |
| Thor pneumatic sump pump | 250. |
| 50' new class "A" 2-1/2" fire hose for above and couplings | 60. |
| Ingersoll Rand J33 Multivane drill | 125. |
| Chicago pneumatic chipper with moils | 55. |
| 3 - automatic line oilers | 75. |
| 5 - 50' lengths air hose and couplers | 150. |
| 14 cu. ft. mine car | 100. |
| 10 H.P. electric 2 stage pump with wiring & starting switch | 500. |
| 250' 4" pipe & couplers, foot valve, etc., for above | 200. |
| 10 H.P. electric motor, gear reducer and mine hoist | 600. |

Item 7 (d) continued

| | |
|---|---|
| Concrete mixer | 60. |
| Vent. blower, No. 300 Buffalo | 60. |
| Allis Chalmers 7.5 HP motor & starting switch for above | 90. |
| 3 - shop motors, 1 HP, 5 HP, 10 HP | 180. |
| Koehler 1500 Watt emergency light plant | 175. |
| Gas welding equipment | 100. |
| Blacksmith forge, anvil, vise & tools | 150. |
| Blasting galvonometer & dynamo | 60. |
| McCulloch gas chain saw with spares | 150. |
| Misc. hand and power driven shop tools | 400. |
| 4 WD Jeep | 500. |
| '59 Plymouth Station Wagon | 2,500. |
| Cook and bunkhouse equipment | 400. |
| | $11,330. |

The above listed equipment will be furnished by the applicant. All items are in used, excellent condition. Prices listed are used market value.

The following items need to be purchased:

| | |
|---|---|
| 210 cu. ft. electric air compressor (used) | 2,000. |
| Electric welder and equipment (used) | 400. |
| Sinking bucket | 500. |
| Hoist and slusher cable | 500. |
| "Hecla" clamshell | 1,000. |
| Slusher blocks & tackle | 150. |
| Slusher scraper | 350. |
| 10 HP Starting switch (used) | 50. |
| 40 HP " " " | 75. |
| 350' of 3 conductor No. 10 rubber covered wire for pump | 105. |
| | $5,130. |

Item 7 (e) None.

Item 7 (f) Road

| | | |
|---|---|---|
| 1100 ft. of road with 2 switchbacks from main thoroughfare to shaft site. Max. 15% grade, min. 12' road bed. | | |
| 300' to be cleared, drilled, shot and leveled. | | |
| Labor, explosives and supplies @ $2.52/ft. | | 756. |
| 800' clearing and "cat" work only 1.67/ft. | | 1,336. |
| | | $2,092. |

Site Preparation

| | | |
|---|---|---|
| Tree falling, bucking and slash burning 4 man days @ $24.00 plus 17% | | 112. |
| Removal of old installations 4 man days @ $20.00 plus 17% | | 94. |
| Drilling and shooting | | |
| 4 man days @ $24.00 plus 17% | $112.00 | |
| Compressor gas & lube @ $5.00/day | 20.00 | |
| Explosives | 23.00 | 155. |
| Leveling - "Cat" rental @ $13.50, 8 hours | | 108. |
| | | $ 469. |

Shop

Frame and galvanized corr. sheet construction 20 ft. x 25 ft. @ $2.00 per sq. ft. (Labor and materials) 1,000.

Power Installation

Shaft site is 700 feet from PGE power line. Installation to be 440 Volt 3 phase, 65 HP with 110-220 single phase for shop current and lights. Will use existing trees, cross arms, and pole hardware.

| | |
|---|---|
| Labor - 10 man days @ $24.00 plus 17% | 281. |
| 2300 ft. #2 RHW wire @ $208/M | 480. |
| Fused disconnect 200 Amp, 600 Volt (used) | 65. |
| Conduit, weatherhead, insulation & fittings | 125. |
| Transformer 10 KVA, 440 V. 3 phase to 220-110 Volt 1 phase (used) | 150. |
| 2 - fused disconnects 90 amp, 600 V. (used) | 50. |
| Fused disconnect 100 amp, 220-110 V. (used) | 10. |
| No. 6 to No. 14 wire (used) | 25. |
| Sockets, fuses, boxes, 110 Volt | 25. |
| | $1,211. |

Sinking Head Frame

"A" frame, 24' high, 15' sills

| | |
|---|---|
| Lumber - 1340 Bd. ft. @ $90/M | 120. |
| Tie rods, bolts, washers | 90. |
| Sheave wheel & bearings | 75. |
| Erection labor | 125. |
| Galvanized iron roofing | 55. |
| 1/2 keg nails | 7. |
| Bucket dumping hardware | 150. |
| Track to dump - 200' @ $1.54 | 308. |
| Preservative paint | 10. |
| Signal bell, cord, over-run alarm | 35. |
| | $ 975. |

Item 7 (g) Miscellaneous

| | |
|---|---|
| Estimated cost of repairs, parts, equipment 7 (d) | 1,646. |
| Assays @ $5.00 - 175 samples | 875. |
| Accounting, record keeping - 18 mo. @ $100.00 | 1,800. |
| Workmen's compensation & miscellaneous labor taxes - 17% of Item 7 (b) "Labor" | 4,726. |
| Contingencies, such as "heavy" ground and excessive water in shaft | 10,000. |
| | $19,047. |

Total of Costs

| | | | |
|---|---|---|---|
| Item 7 (b) | Supervision & technical service | | $ 16,200. |
| | Labor -- shaft, drift and drilling | | 27,800. |
| Item 7 (c) | Supplies | | |
| | Shaft | $ 7,230. | |
| | Drift | 5,644. | |
| | Drilling | 600. | |
| | | $13,474. | |
| | Surface gasoline & lube | 1,647. | 15,121. |
| Item 7 (d) | Operating Equipment | | |
| | Furnished by applicant | 11,330. | |
| | To be purchased | 5,130 | 16,460. |
| Item 7 (f) | New Installations | | |
| | Road, labor and supplies | 2,092. | |
| | Site preparation | 469. | |
| | Shop | 1,000. | |
| | Power | 1,211 | |
| | Head frame | 975. | 5,747. |
| Item 7 (g) | Miscellaneous | | 19,047. |
| | Contingencies | | 10,000. |
| | Total | | $100,375. |

## ITEM 7 - ESTIMATE OF COSTS EXPRESSED AS COSTS PER UNIT OF WORK

### Apportionment for some expenses total cost to cost per unit

| | Time Est. | Superv. & Tech. 7(b) | Supplies 7 (c) 4 | Operat. Eq. 7(d) | Repairs Parts 7 (g) | Account. & Records |
|---|---|---|---|---|---|---|
| New Installations 7 (f) | 2 mo. | $ 1,800. | $ 184. | $ 1,829. | $ 183. | $ 200. |
| Shaft Sinking 300 ft. | 10 mo. | 9,000. | 915. | 9,144. | 914. | 1,000. |
| Drifting 400 ft. | 5 mo. | 2,250. | 228. | 2,286. | 229. | 250. |
| Drilling 2500 ft. | | 2,250. | 228. | 2,286. | 229. | 250. |
| Drilling 500 ft. | 1 mo. | 900. | 92. | 914. | 91. | 100. |
| Totals | 18 mo. | 16,200. | 1,647. | 16,460. | 1,646. | 1,800. |

### New Installations 7(f) by unit, including apportioned expenses

| Unit | Direct Cost 7 (f) | Time | Apportioned Expenses | Total Unit Cost |
|---|---|---|---|---|
| Road | $ 2,092. | 4 Weeks | $ 2,098. | $ 4,190. ✓ 11.08% = 30.81% |
| Site Preparation | 469. | 1.5 Weeks | 787. | 1,256. ✓ |
| Shop | 1,000. | 1 Week | 524. | 1,524. ✓ |
| Power | 1,211. | 1 Week | 525. | 1,736. ✓ |
| Head Frame | 975. | 0.5 Weeks | 262. | 1,237. ✓ |
| Totals | $ 5,747. | 2 Months | $ 4,196. | $ 9,943. |

Item 7 - Costs per Unit of Work (continued)

| | Cost/ft. | Cost/300 ft. |
|---|---|---|
| **SHAFT SINKING** | | |
| Labor | 59.00 | $ 17,700. |
| Labor taxes & comp. | 10.03 | 3,009. |
| Supplies | 27.15 | 8,145. |
| Superv. & tech. | 30.00 | 9,000. |
| Repairs, parts | 3.05 | 915. |
| Equipment | 30.48 | 9,144. |
| Assays | 0.97 | 291. |
| Accounting & records | 3.33 | 1,000. |
| Total per foot | $164.01 | $49,204. |
| **DRIFTING TIMBERED** | | |
| Labor | 20.00 | 6,000. |
| Labor taxes & comp. | 3.40 | 1,020. |
| Supplies | 15.64 | 4,691 |
| Supervis. & tech. | 5.63 | 1,688. |
| Repairs, parts | .57 | 172. |
| Equipment | 5.72 | 1,715. |
| Assays | 0.97 | 291. |
| Accounting & records | 0.62 | 187. |
| Total per foot | $ 52.55 | $15,764. |
| **DRIFTING UNTIMBERED** | | Cost/100 ft. |
| Labor | 14.00 | 1,400. |
| Labor taxes & comp. | 2.38 | 238. |
| Supplies | 11.81 | 1,181. |
| Superv. & tech. | 5.62 | 562. |
| Repairs, parts | .57 | 57. |
| Equipment | 5.71 | 571. |
| Assays | 0.97 | 97. |
| Accounting & records | 0.63 | 63. |
| | $ 41.69 | $ 4,169. |
| **LONG-HOLE DRILLING** | | Cost/3000 ft. |
| Labor | 0.90 | 2,700. |
| Labor taxes & comp. | 0.15 | 459. |
| Supplies | .31 | 920. |
| Superv. & tech. | 1.05 | 3,150. |
| Repairs, parts | .11 | 320. |
| Equipment | 1.07 | 3,200. |
| Assays | .07 | 196. |
| Accounting records | .11 | 350. |
| | $ 3.77 | $11,295. |

APPENDIX

Exhibits

| | |
|---|---|
| Bank Correspondence | 1 (a) |
| U.S.G.S. Mine Map (in pocket) | 3 (a) |
| Settlement Summary | 3 (c) |
| U.S.G.S. Report | 3 (d) |
| Applicant's Report (accompanying) | 3 (e,f,g) |
| Claim Map (in pocket) | 5 (b) |

The FIRST National Bank of Oregon

SIXTH AND MORRISON

March 11, 960

Mr. A. O. Bartell
5115 S. W. Northwood Avenue
Portland 1, Oregon

Dear Mr. Bartell:

We have for acknowledgment your letter of March 10 in which you make application to our bank for a loan in the amount of $49,833 the proceeds of such a loan to be used in sinking a shaft and otherwise exploring a mineral deposit which you own in Clackamas County, Oregon, specifically known as the Nisbit Mine.

Since this operation is highly speculative in nature and one from which no definite repayment program to the bank can be offered, in our judgment it is not a loan to be handled by a commercial bank. We therefore regret very much that we are unable to comply with your request. We shall be pleased, however, to entertain applications for loans for any other legitimate business requirements.

Sincerely yours,

O. N. Larvik
Assistant Vice President

ONL:eh

No repayment period
No offer of collateral?
No reasonable offer of repayment
? ? Jackson 3/10/60

Banks
Feb 1960

A. O. BARTELL, E. M.
REGISTERED PROFESSIONAL ENGINEER
5115 S.W. Northwood Avenue
Portland 1, Oregon

March 10, 1960

Mr. O. N. Larvik
Assistant Vice-President
The First National Bank of Oregon
Sixth and Morrison Branch
Portland, Oregon

Dear Mr. Larvik:

This is to request a loan in the amount of $49,883.00, which will be used in sinking a shaft and otherwise exploring a mineral deposit which I own.

Total cost of the project, which includes sinking a two-compartment shaft 300 feet in depth, driving 400 feet of lateral tunnel, drilling 3000 feet of exploratory holes, building a road and other surface improvements, is $99,765.00 (including $10,000.00 for contingencies). Of this amount I will be prepared to contribute as follows: Services $16,200.00, equipment $11,330.00, cash $22,353.00; leaving the above-requested balance of $49,883.00.

I propose to repay the loan from the proceeds of the ore reserves developed by this exploration program at the rate of 5% of the gross return.

The property, known as the Nisbet Mine, consisting of the Nisbet group of unpatented mining claims in Clackamas County, Oregon, is owned in the entirety by the applicant, and is offered as collateral.

Sincerely,

A. O. Bartell

AOB:mb

# The Multnomah Bank

Portland, Oregon

BARBUR BLVD. BRANCH
6414 S. W. BARBUR BLVD.
HILLSDALE BRANCH
6251 S. W. CAPITOL HIGHWAY
MULTNOMAH BRANCH
7840 S. W. CAPITOL HIGHWAY

March 11, 1960

A. O. Bartell, E.M.
5115 S. W. Northwood
Portland 1, Oregon

Dear Sir:

We are writing regarding your letter of March 10th requesting a loan in the amount of $49,883.00 for a mining exploration. The collateral which you offer, consisting of the Nisbet Mine, is, according to your description, basically unimproved property and therefore does not legally qualify as collateral for a bank loan.

The amount of loan applied for is considerably above our maximum legal loan limit and could only be handled on a participation loan basis which we normally do not do.

We are very sorry that we are unable to help you in this situation. However, if we can be of service to you in the future please do not hesitate to call on us.

Yours very truly,

John D. Bauer

John D. Bauer
Assistant Vice President

hw

A. O. BARTELL, E.M.
REGISTERED PROFESSIONAL ENGINEER
5115 S.W. Northwood Ave.
Portland 1, Oregon

March 10, 1960

Mr. John D. Bauer
Assistant Vice-President
The Multnomah Bank
Portland, Oregon

Dear Mr. Bauer:

This is to request a loan in the amount of $49,883.00, which will be used in sinking a shaft and otherwise exploring a mineral deposit which I own.

Total cost of the project, which includes sinking a two-compartment shaft 300 feet in depth, driving 400 feet of lateral tunnel, drilling 3000 feet of exploratory holes, building a road and other surface improvements, is $99,765.00 (including $10,000.00 for contingencies). Of this amount I will be prepared to contribute as follows: Services $16,200.00, equipment $11,330.00, cash $22,353.00; leaving the above requested balance of $49,883.00.

I propose to repay the loan from the proceeds of the ore reserves developed by this exploration program at the rate of 5% of the gross return.

The property, known as the Nisbet Mine, consisting of the Nisbet group of unpatented mining claims in Clackamas County, Oregon, is owned in the entirety by the applicant, and is offered as collateral.

Sincerely,

A. O. Bartell

AOB:mb

Exhibit Item 9 (c)

SUMMARY OF SHIPMENTS TO QUICKSILVER PRODUCERS ASSN., INC.

| | | | Net Amount Pd. |
|---|---|---|---|
| #1 | May 13, 1940 | 5 flask | $825.00 |
| #2 | 20, 1940 | 2 flask | 330.00 |
| #3 | 27, 1940 | 3 flask | 540.00 |
| #4 | June 3, 1940 | 3 flask | 540.00 |
| #5 | 10, 1940 | 2 flask | 366.00 |
| #6 | 18, 1940 | 1 flask | 183.00 |
| #7 | 24, 1940 | 1 flask | 185.00 |
| #8 | 27, 1940 | 1 flask | 185.00 |
| #9 | 28, 1940 | 1 flask | 185.00 |
| #10 | July 2, 1940 | 1 flask | 185.00 |
| #11 | 5, 1940 | 1 flask | 185.00 |
| #12 | 12, 1940 | 1 flask | 183.00 |
| #13 | 15, 1940 | 1 flask | 183.00 |
| #14 | 16, 1940 | 1 flask | 183.00 |
| #15 | 19, 1940 | 1 flask | 181.80 |
| #16 | 25, 1940 | 1 flask | 178.50 |
| #17 | 31, 1940 | 1 flask | 175.00 |
| * | | | |
| #19 | Aug. 12, 1940 | 2 flask | 330.00 |
| #20 | 16, 1940 | 1 flask | 165.00 |
| #21 | 21, 1940 | 1 flask | 165.00 |
| #22 | 26, 1940 | 1 flask | 165.00 |
| #23 | 28, 1940 | 1 flask | 165.00 |
| #24 | Sept. 3, 1940 | 2 flask | 330.00 |
| #25 | 12, 1940 | 2 flask | 330.00 |
| #26 | 17, 1940 | 1 flask | 160.00 |
| #27 | 23, 1940 | 1 flask | 160.00 |
| #28 | 30, 1940 | 1 flask | 158.46 |
| #29 | Oct. 11, 1940 | 1 flask | 158.46 |
| #30 | 16, 1940 | 1 flask | 158.60 |
| #31 | 18, 1940 | 1 flask | 158.56 |
| #32 | 23, 1940 | 1 flask | 156.08 |
| #33 | 28, 1940 | 1 flask | 153.55 |
| #34 | 29, 1940 | 1 flask | 153.43 |
| #35 | Nov. 4, 1940 | 1 flask | 155.93 |
| #36 | 13, 1940 | 1 flask | 156.05 |
| #37 | 15, 1940 | 1 flask | 156.06 |
| #38 | 18, 1940 | 1 flask | 156.05 |
| #39 | 27, 1940 | 1 flask | 153.65 |
| #40 | 29, 1940 | 1 flask | 153.58 |
| #41 | Dec. 7, 1940 | 1 flask | 153.55 |
| #42 | 10, 1940 | 74 1/4# | 150.01 |
| #43 | 12, 1940 | 1 flask | 153.55 |
| #44 | 16, 1940 | 1 flask | 153.56 |
| OREGON QUICKSILVER, INC. - TRUSTEE | | | |
| #45 | Dec. 27, 1940 | 1 flask | 153.44 |
| #46 | Jan. 13, 1941 | 1 flask | 153.46 |
| #47 | 29, 1941 | 1 flask | 153.58 |

| | | | Net Amount Paid |
|---|---|---|---|
| #48 | Feb. 5, 1941 | 1 flask | $ 156.44 |
| #49 | 7, 1941 | 2 flask | 313.51 |
| #50 | 17, 1941 | 73½# | 151.35 |
| H. BARTON - TRUSTEE | | | |
| #51 | Mar. 14, 1941 | 1 flask | 166.55 |
| #52 | 25, 1941 | 1 flask | 168.44 |
| #53 | Apr. 14, 1941 | 1 flask | 170.19 |
| | | 65 flasks | $10,989.39 |
| | | 71-3/4# | |

ton.

[illegible] the lower Oak Grove adit and the Zeolite V[illegible] line to the ore bin above the furnace.

## Possibilities of the Area

### Recommendations

No ore is blocked out in the present workings. A small amount of ore is in sight and can be mined from the pillars and edges of the Ben Vein stope, from the pillars and the south edge of the Zeolite Vein stope, and from the lower Oak Grove adit. The Zeolite Vein workings are caved and the vein cannot be mined from the present workings. Further development of the vein will require a new adit, preferably south of and below the present caved adit.

The occurrence of cinnabar in six known veins and mineralized zones, none of which is fully explored, indicates that considerably more ore may be expected. The amount and grade of ore treated (estimated 1000 tons of 10 to 15 lbs. quicksilver per ton) suggests that undiscovered ore may continue to be of the same grade.

A surface prospecting and exploration program should be undertaken. Most of the veins are mineralized at or near the surface. Surface trenches, pits and shallow test holes will give definite information with low cost, on the extension and grade of the Ben Vein orebody to the north, the trace of the Zeolite Vein, and the ore showings northwest of the adits in the open cuts.

Underground exploration on the Sluice Vein and Oak Grove Vein is not recommended because none of the ore shoots in the veins are of consistent stoping width. The present price of quicksilver ($120 a flask) and the future outlook makes underground exploration of doubtful worth. The depth to which the mine can be developed is limited, because the lower Oak Grove adit is only a few feet above river level. Exploration work below the river level is not economical in view of the tonnage and grade of ore mined elsewhere in the vein and in view of the increased costs of mining below river level. The best possibilities for ore in the area are well above river level, however.

No road extends to the mine. All equipment used at the mine must be carried across the river or transported by cable from the northeast bank of the river. Surface mining cannot be done in winter owing to the heavy rain and snowfall. With a small capital investment, an assured steady price for quicksilver, and careful management, the mine may be expected to operate successfully as a small-scale producer.

Randall E. Brown

George W. Walker
December, 1943

# Cosmopolitan Hotel

HOST OF THE WEST - - DENVER, COLORADO

*Home of the Imperial Room*

# United States Department of the Interior

GEOLOGICAL SURVEY

OFFICE OF MINERALS EXPLORATION
656 U. S. Court House
Spokane, Wash., 99201

September 21, 1971

MEMORANDUM

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: OME-6086 (Mercury)
A. O. Bartell
Nisbet Mine
Clackamas County, Oregon
Contract 2120

I tried to learn on Sept. 10, 1971, if there had been any recent production from the Nisbet mine. The lady near the Lake Harriet dam told me that some bulldozing had been done in the general area recently but was not sure if it was at the Nisbet or Kiggins mine. The Bartell cabin is somewhat dilapidated and has been used but little recently. Access roads near the cabin are in part overgrown with brush. I concluded that there had been no recent production from the mine. The royalty period expired on Aug. 31, 1971.

Willard P. Puffett
Willard P. Puffett

cc: Director

# United States Department of the Interior

GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

IN REPLY REFER TO: Office of Minerals Exploration

August 30, 1971

Mr. A. O. Bartell
5115 S. W. Westwood Lane
Portland, Oregon 97201

Re: OME-6086 (Mercury)
A. O. Bartell
Nisbet Mine
Clackamas County, Oregon
Contract 2120

Dear Mr. Bartell:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

OFFICIAL
COPY
O. M. E.
RECEIVED
SEP 23 1971

| INITIALS | CODE |
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| gla | 130 |
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copy to R-I

Form MME 63
(May 1970)

# REQUEST FOR INFORMATION ON CERTIFIED PROJECT OR PROJECT UNDER ROYALTY AGREEMENT

1. Since August 9, 1970, has there been a change in ownership, lease, or sublease? *If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before.* Yes ☐ No ☑

2. Since August 9, 1970, has there been any production from the land subject to the contract? Yes ☐ No ☑

A. If so and it was shipped, give quantity, value, and name and address of purchaser.

| Purchaser *(name and address)* | Quantity | Value |
|---|---|---|
| | | |

B. If stockpiled awaiting sale, state quantity, grade, and location.

| Type | Quantity *(tons)* | Estimated Grade | Location |
|---|---|---|---|
| Ore | | 0 | |
| Concentrates | | | |
| Other | | | |

3. Since workings *(see* , has any production been transported through *of contract)*? Yes ☐ No ☐

*If so, state quantity, value, and disposition of material.*

| Disposition of Material | Quantity | Value |
|---|---|---|
| | | |

Submitted by:

| Name | Title |
|---|---|
| Ed Burlell | Owner |
| **Address** | **Date** |
| 5115 SW Westwood Ln | 10/20/71 |

# United States Department of the Interior

GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION
656 U. S. Court House
Spokane, Wash., 99201

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SEP 7 1971

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| gla | 130 |
| | 120 |
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| | 220 |

September 3, 1971

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: OME-6086 (Mercury)
A. O. Bartell
Nisbet Mine
Clackamas County, Oregon
Contract 2120

Today I unsuccessfully tried to telephone Mr. Bartell to learn if there has been recent activity at the Nisbet mine. I will visit the property on my next trip to Oregon, which will be some time this month. As of now, I have no reason to expect that any ore has been mined from the Nisbet mine this year.

Willard P. Puffett

Willard P. Puffett

MME Form 7
(2/63)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 8/30/71 | | 120 |
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| | | 220 |
| | | |
| | | 130 |
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| | | |
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SEP 1 1971

Memorandum

To: Field Officer, Region I

From: Chief, Office of Minerals Exploration

Subject: OME-6086 (Mercury)
A. O. Bartell
Nisbet Mine
Clackamas County, Oregon
Contract 2120

The royalty expiration date of the subject contract is August 31, 1971. We would appreciate receiving any comments you may have before we close the contract.

Harold Kirkemo

Harold Kirkemo

cc: Director's Reading File
Mineral Resources
Docket File
OME Reading File
Mr. Kirkemo
130

GLAult/a 7-23-71

# United States Department of the Interior

GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

IN REPLY REFER TO: Office of Minerals Exploration

August 24, 1970

OFFICIAL COPY
O. M. E.
RECEIVED
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Ala | 130
AK | 120
220

Mr. A. O. Bartell
5115 S. W. Westwood Lane
Portland, Oregon 97201

Re: OME-6086 (Mercury)
A. O. Bartell
Nisbet Mine
Clackamas County, Oregon
Contract 2120

Dear Mr. Bartell:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

Copy to R-I

Form MME 63
(May 1970)

# REQUEST FOR INFORMATION ON CERTIFIED PROJECT OR PROJECT UNDER ROYALTY AGREEMENT

1. Since August 19, 1969, has there been a change in ownership, lease, or sublease? *If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before.* Yes ☐ No ☑

2. Since August 19, 1969, has there been any production from the land subject to the contract? Yes ☐ No ☑

A. If so and it was shipped, give quantity, value, and name and address of purchaser.

| Purchaser *(name and address)* | Quantity | Value |
|---|---|---|
| | | |

B. If stockpiled awaiting sale, state quantity, grade, and location.

| Type | Quantity *(tons)* | Estimated Grade | Location |
|---|---|---|---|
| Ore | | | |
| Concentrates | | | |
| Other | | | |

3. Since workings *(see* , has any production been transported through *of contract)*? Yes ☐ No ☑

*If so, state quantity, value, and disposition of material.*

| Disposition of Material | Quantity | Value |
|---|---|---|
| | | |

Submitted by:

| | |
|---|---|
| Name [illegible] | Title Owner |
| Address 5115 SW Westwood Ln Portland Ore. | Date Aug 9, 1970 |

IN REPLY REFER TO:
Office of Minerals Exploration

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

AUG 13 1969

Mr. A. O. Bartell
5115 S. W. Westwood Lane
Portland, Oregon 97201

Re: OME-6086 (Mercury)
A. O. Bartell
Nisbet Mine
Clackamas County, Oregon
Contract 2120

Dear Mr. Bartell:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

OFFICIAL
COPY
O. M. E.
RECEIVED
AUG 25 1969

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| | 220 |

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MME Form 63
Revised 7-65

# REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since September 1968, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☑

2. Since September 1968, has there been any production from the land subject to the contract? Yes ☐ No ☑

   A. If so and it was shipped, give quantity, value, and name and address of purchaser.

| | Quantity | Value |
|---|---|---|
| | | |

   B. If stockpiled awaiting sale, state quantity, grade, and location.

| Type | Quantity | | Estimated Grade | Location |
|---|---|---|---|---|
| Ore | | Tons | | |
| Concentrates | | Tons | | |
| Other | | Tons | | |

3. Since , has any production been transported through workings (see of contract)? Yes ☐ No ☑

   If so, state quantity, value, and disposition of material.

| Disposition of Material | Quantity | Value |
|---|---|---|
| | | |

Submitted by:

Name [illegible] Title Owner

Address 5115 SW Westwood Dr. Date 8/19/69

Portland 97201

IN REPLY REFER TO:
Office of Minerals Exploration

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

August 29, 1968

Mr. A. O. Bartell
5115 S. W. ~~Northwood Avenue~~ Westwood Lane
Portland, Oregon 97201

Re: OME-6086 (Mercury)
A. O. Bartell
Nisbet Mine
Clarkamas County, Oregon
Contract 2120

OFFICIAL COPY
O. M. E.
RECEIVED
OCT 1 1968

| INITIALS | CODE |
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| | 130 |
| | 140 |
| | |
| | |
| | 220 |

Dear Mr. Bartell:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

Copy to R-I

MME Form 63
Revised 7-65

# REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since October 20, 1967, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☑

2. Since October 20, 1967, has there been any production from the land subject to the contract? Yes ☐ No ☑

   A. If so and it was shipped, give quantity, value, and name and address of purchaser.

| | Quantity | Value |
|---|---|---|
| | | |

   B. If stockpiled awaiting sale, state quantity, grade, and location.

| Type | Quantity | | Estimated Grade | Location |
|---|---|---|---|---|
| Ore | | Tons | | |
| Concentrates | | Tons | | |
| Other | | Tons | | |

3. Since , has any production been transported through workings (see of contract)? Yes ☐ No ☑

   If so, state quantity, value, and disposition of material.

| Disposition of Material | Quantity | Value |
|---|---|---|
| | | |

Submitted by:

Name A W Barlett Title Owner

Address 5115 S.W. Westwood Dr. Date 9/24/68

Portland 97201

IN REPLY REFER TO:
Office of Minerals Exploration

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

October 16, 1967

Mr. A. O. Bartell
5115 S. W. Northwood Avenue
Portland, Oregon 97201

Re: OME-6086 (Mercury)
A. O. Bartell
Nisbet Mine
Clarkamas County, Oregon
Contract 2120

RECEIVED
OCT 23 1967

| INITIALS | CODE |
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| gla | 130 |
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| | ~~110~~ |
| | 150 |
| | 220 |

Dear Mr. Bartell:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

Frank E. Johnson

Frank E. Johnson
Chief, Office of
Minerals Exploration

Copy to P-I

MME Form 63
Revised 7-65

# REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since August 1966, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☑

2. Since August 1966, has there been any production from the land subject to the contract? Yes ☐ No ☑

   A. If so and it was shipped, give quantity, value, and name and address of purchaser.

| | Quantity | Value |
|---|---|---|
| | | |
| | | |

   B. If stockpiled awaiting sale, state quantity, grade, and location.

| Type | Quantity | | Estimated Grade | Location |
|---|---|---|---|---|
| Ore | | Tons | | |
| Concentrates | | Tons | | |
| Other | | Tons | | |

3. Since , has any production been transported through workings (see of contract)? Yes ☐ No ☐

   If so, state quantity, value, and disposition of material.

| Disposition of Material | Quantity | Value |
|---|---|---|
| | | |

Submitted by:

Name [signature] Title Owner

Address Date 10/20/67

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

**August 17, 1966**

**Mr. A. O. Bartell**
**5115 S.W. Northwood Avenue**
**Portland, Oregon 97201**

OFFICIAL COPY
O. M. E.
RECEIVED
AUG 30 1966

| INITIALS | CODE |
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| 8/30 m | 120 |
| FJ | 110 |
| HK | 120 |
| | |
| | 720 |

Re: **OME-6086 (Mercury)**
**A. O. Bartell**
**Nisbet Mine**
**Clackamas County, Oregon**
**Contract 2120**

**Dear Mr. Bartell:**

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

**Sincerely yours,**

FRANK E. JOHNSON

**Frank E. Johnson**
**Chief, Office of**
**Minerals Exploration**

MME Form 63
Revised 7-65

# REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since **February 1965**, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☑

2. Since **February 1965**, has there been any production from the land subject to the contract? Yes ☐ No ☑

   A. If so and it was shipped, give quantity, value, and name and address of purchaser.

   | | Quantity | Value |
   |---|---|---|
   | | | |
   | | | |

   B. If stockpiled awaiting sale, state quantity, grade, and location.

   | Type | Quantity | Estimated Grade | Location |
   |---|---|---|---|
   | Ore | Tons | | |
   | Concentrates | Tons | | |
   | Other | Tons | | |

3. Since , has any production been transported through workings (see of contract)? Yes ☐ No ☐

   If so, state quantity, value, and disposition of material.

   | Disposition of Material | Quantity | Value |
   |---|---|---|
   | | | |

Submitted by:

Name [signature] Title Owner

Address Date 8/23/66

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

February 8, 1965

Re: OME-6086 (Mercury)
A. O. Bartell
Nisbet Mine
Clackamas County, Oregon
Contract 2120

Mr. A. O. Bartell
5115 S.W. Northwood Avenue
Portland 1, Oregon

Dear Sir:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

George C. Selfridge

George C. Selfridge, Chief
Division of Exploration Operations

OFFICIAL COPY
O. M. E.
RECEIVED
MAR 8 1965

| INITIALS | CODE |
|---|---|
| | [redacted] |
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| | 120 |

ama 800

MME Form 63
Revised 3-62

OME-6086
2120

# REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since April 1962 , has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☑

2. Since April 1962 , has there been any production from the land subject to the contract? Yes ☐ No ☑

   A. If so and it was shipped, give quantity, value, and name and address of purchaser.

| | Quantity | Value |
|---|---|---|
| | | |

   B. If stockpiled awaiting sale, state quantity, grade, and location.

| Type | Quantity | Estimated Grade | Location |
|---|---|---|---|
| Ore | Tons | | |
| Concentrates | Tons | | |
| Other | Tons | | |

3. Since , has any production been transported through workings (see of contract)? Yes ☐ No ☑

   A. If so, state quantity, value, and disposition of material.

| Disposition of Material | Quantity | Value |
|---|---|---|
| | | |

Submitted by:

Name A. Bartell Title Owner

Address 5115 SW Northwood Date 3/1/65
Portland 97201

4511

DOCKET

# PROJECT SUMMARY REPORT

By W. R. Griswold July 12, 1963

1. OME-6086 (Mercury)
   Contract 2120

   Operator - A. O. Bartell
   5115 S. W. Northwood Avenue
   Portland 1, Oregon

   Property - Nisbet Mine
   Clackamas County, Oregon

   Operator's Property Rights - Owner

2. Contract dated August 31, 1960 (Short Form)

   Work Authorized -

| | |
|---|---|
| Construction of access road 1,570 ft. @ $1.00/ft. | $1,570.00 |
| Diamond core drilling, AX size, 1,500 ft. @ $8.70/ft. | 13,050.00 |
| 48 wooden core boxes @ $3.50 | 168.00 |
| Assays for mercury, 33 @ $4.00 | 132.00 |
| Total Cost of Project | $14,920.00 |
| Government share at 50% | $7,460.00 |

   Amendments -

   No. 1, dated March 6, 1961, changes pattern of drill holes.

   No. 2, dated March 29, 1961, extends completion time from 6 to 10 months from contract date. Makes further change in hole locations.

   No. 3, dated July 26, 1961, extends completion time to 16 months; extends royalty period to 11 years.

   No. 4, dated February 27, 1962, extends completion period to 20 months; contains royalty agreement.

Work completed -

| | |
|---|---|
| Access road | $1,570.00 |
| Diamond drilling, | |
| AX core | |
| 1,012.9 ft. @ $8.70/ft. | 8,812.23 |
| Noncore | |
| 185.1 ft. @ $5.80/ft. | 1,073.58 |
| Core boxes, 33 @ $3.50 | 115.50 |
| Total Cost of Project | $11,571.31 |
| Government share at 50% | $5,762.16 |

Work ended April, 1962.

Report of Review, June 14, 1962.
Operator's final report received June 4, 1962.
Final Field Report received June 3, 1963.

4. Certification of possible production - None. Royalty agreement in Amendment No. 4, dated February 27, 1962, is effective.

Ore estimate - None.

Comments:

All drilling was disappointing; only a few grains of cinnabar were encountered - results were, in effect, completely negative.

While the work progressed slowly, nevertheless it was done in a reasonably satisfactory manner.

There would be no reason for the Government to enter into other exploration projects on this property.

W. R. Griswold, Chief
Division of Minerals

cc: Docket
Mr. Johnson
Code 500
Director's Reading File

MME Form 17
Mar. 59

OFFICE OF MINERALS EXPLORATION

(Royalty Agreement)

WORK COMPLETED ANALYSIS

___ Certified No

After final audit or review report is received, prepare in duplicate. File original in official docket. Send copy to Code 210.

Operator: A. O. Bartell

Actual Cost

State: Oregon

Agreed Unit Cost: X

Final Report of Audit

Commodity: mercury

Docket No.: OME 6086

Final Report of Review: 6/14/62

Contract No.: 2120

| Type of Work (Use these categories only) | Authorized by Contract and Amendments | | Completed and Paid for | | Net cost after sale of Gov't. Property |
|---|---|---|---|---|---|
| | Units | Cost 1/ | Units | Cost 1/ | |
| Drifting & Crosscutting | | | | | |
| Raising | | | | | |
| Shafts | | | | | |
| Winzes | | | | | |
| Diamond Drilling (Specify) Core | 1500' | 8.70 | 1012.9 | 8.70 | 8812.23 |
| Non core | | 5.80 | 185.1 | 5.80 | 1073.58 |
| Surface Excavation | | | | | |
| Underground Excavation | | | | | |
| Roads and Trails | | 1570 | | 1570 | 1570 |
| Operating Equipment Purchased | | | | | |
| Surface Rehabilitation & Repairs | | | | | |
| Underground Rehabilitation | | | | | |
| Core Boxes | 48 | 3.50 | | 33 | 115.50 |
| ~~New Building, Improvements, etc.~~ | | | | | |
| Other (Specify) Assaying Hg. | 33 | 4.00 | | | |
| Totals | | 14,920 | | | 2/ 11,571.31 |
| Government's share | | | | | 5762.16 |

1/ Round off to dollars.
2/ Net cost total must agree with final report of audit or review.

Prepared by [illegible] Date 7/12/63

526 16

UNITED STATES

DEPARTMENT OF THE INTERIOR

OFFICE OF MINERALS EXPLORATION

REGION I

OFFICIAL FILE COPY
O. M. E
RECEIVED JUN 3 1963
DATE | INITIALS | CODE

# FINAL REPORT

Contract 2120

by

Donald R. MacLaren

Geologist

U. S. Geological Survey

A. O. BARTELL
5115 S. W. Northwood Avenue
Portland 1, Oregon

| | |
|---|---|
| Docket No.: | OME-6086 |
| Commodity: | Mercury |
| Contract date: | August 31, 1960 |
| Termination date: | April 30, 1962 |

FINAL REPORT

NISBET MINE
Nisbet Quicksilver District
Clackamas County, Oregon
Mt. Hood National Forest

Spokane, Washington

May, 1963

CONTENTS


| | Page |
|---|---|
| INTRODUCTION | 1 |
| Summary | 1 |
| Recommendations | 1 |
| LOCATION AND ACCESSIBILITY | 2 |
| PROPERTY | 2 |
| GEOLOGY | 2 |
| THE PROJECT | 4 |
| Contract Provisions | 4 |
| Work and Results | 5 |
| Summary of Factual Data | 7 |


ILLUSTRATIONS


| | In Pocket |
|---|---|
| Figure 1. Plans and sections showing Y and C veins | |
| 2. Plan and sections showing drilling, Oak Grove vein | |
| Plate 1. Sketch, Nisbet Claim Group, showing property boundary, proposed access road location, and proposed diamond drill station locations | |

# FINAL REPORT

A. O. BARTELL
Nisbet Mine
Nisbet Quicksilver District
Clackamas County, Oregon
Mt. Hood National Forest

Contract OME-6086

* * * * *

## INTRODUCTION

This report describes a project carried out jointly by the Office of Minerals Exploration and A. O. Bartell at the Nisbet Mine, Clackamas County, Oregon. The purpose of the project was to explore for mercury deposits on each of three veins by diamond drilling from the surface.

### Summary

Work completed under the terms of the contract included the following:

| | |
|---|---|
| Construction of access roads | 1,570.0 feet |
| Diamond core drilling, AX size | 1,012.9 feet |
| Noncore drilling, AX size | 185.1 feet |

The total cost of the completed project approved by audit was $11,571.31, of which the Government's share at 50 percent was $5,785.65.

Under a single stage, the contract provided for construction of access roads and diamond drilling eight holes with AX or larger size coring bits. Subsequently the contract was amended to reduce the number of holes to six and permit part of the drilling to be done with AX or larger size noncoring bits.

### Recommendations

Where intersected by the drill holes, the veins were principally silica and calcite with many small specks of pyrite and only an occasional flake or paper-thin seam of cinnabar. Sludge from each five-foot section of hole was panned. The pannings showed considerable fresh pyrite but little or no cinnabar. It is, therefore, recommended that no certification of discovery be made and that, on the basis of presently available information, further exploration of this property with Government funds is not warranted.

## LOCATION AND ACCESSIBILITY

The property may be reached from the village of Sandy on U. S. Highway 26, by following Stage Highway 211 southerly for 13 miles to Estacada, then turning left and following the Clackamas River road for 26 miles southeasterly to the Ripplebrook Ranger Station; thence turn left and follow the Lake Harriet Dam road for 3.5 miles to Mr. Bartell's cabin, which is about 50 feet from the road on the right hand side.

From Sandy to Estacada, the road is paved and is kept open the year round by the State Highway Department. From Estacada to the property, the road is gravel surfaced and is kept open throughout the year by the county as far as the ranger station, and by the Portland General Electric Company from there to the property.

## PROPERTY

The property subordinated to the contract comprises seven unpatented claims located in sec. 5, T. 6 S., R. 7 E., Willamette Meridian, Clackamas County, Oregon. The claim locations are recorded in the county courthouse at Oregon City, Oregon, as follows:

| Claim | Book | Page | | Book | Page |
|---|---|---|---|---|---|
| Oak Grove | 4 | 98 | Amended location | 4 | 362 |
| Oak Grove Butte | 4 | 99 | do | 4 | 363 |
| Ireneq | 4 | 67 | do | 4 | 362 |
| Portland | 4 | 101 | | | |
| Mt. Mitchell | 4 | 102 | | | |
| Lake | 4 | 13 | | | |
| Triangle | 4 | 72 | | | |

A small area at the south end of the Mt. Mitchell claim is in conflict with the Vermilion claim, which was staked and recorded prior to the Mt. Mitchell claim. The Operator owns all of the contract ground except for the small area just mentioned.

## GEOLOGY

The geology of the area is described briefly in an unpublished report by Randall E. Brown and George W. Walker of the U. S. Geological Survey, and a more detailed geologic description of the area and the property is given in an unpublished report by A. O. Bartell. A copy of each report is in docket OME-6086. The geology of the property is also described by M. Meredith Sheets in "Contributions to the Geology of the Cascade Mountains in the vicinity of Mount Hood": Univ. of Ore. Thesis, June 1932. Material from these reports will be used in the following discussion.

Rocks in the area are sedimentary beds, breccia deposits, and andesitic flows of the Warrendale series, overlain by what was originally classified as basalt; later petrographic studies have shown it to be more probably andesite. Because of common usage on the property, the term basalt(?) will be used in this report. There is some question as to whether the basalt(?) is part of the Columbia River formation, or whether it is older. It is probably Upper Oligocene to Lower Miocene in age.

According to Sheets, the uppermost portion of the Warrendale series ranges from fine conglomerates to thick layers of homogeneous breccia and conglomerate. Occasionally, beds of carbonaceous shale have been found in the finer sediments. Several beds of the Warrendale series contain calcite. Outcrops of the Warrendale rocks have been found from the junction of the Oak Grove Fork with the Clackamas River to the approximate center of the Portland claim, where they are seen only in the river bed. The latter exposure was not seen by this writer, but it is described by Sheets as a flow breccia that looks like an agglomerate. Drill holes put down at the toe of the Lake Harriet dam, prior to its construction about 1,600 feet upstream from the south side line of the property, passed through 45 feet of blocky basalt(?) into a "green tuff" which is believed to be the top of the Warrendale series.

Except for the western part of the Portland claim, the entire surface of the property is covered by basalt(?) which is mostly blocky to massive, is generally amygdaloidal and is frequently cut by stringers and veinlets of calcite, in places accompanied by cinnabar. The basalt(?) is black when fresh, lighter gray to brownish when weathered, and has a glassy to aphanitic texture.

Several veins on the property are described by Brown and Walker and by Bartell, but the writer only examined six of them: the Falls vein, the Cedar Tree vein, the Yew Tree vein, the Oak Grove Butte vein, the Fir Tree vein, and the Oak Grove vein (plate 1).

The Falls vein, which lies mostly in the Oak Grove Fork of the Clackamas River, strikes about N. 18° W. and dips vertically. Somewhat softer than the enclosing basalt(?), the vein has been eroded by the river and, for about 350 feet of its length, occupies a narrow gorge 3 to 10 feet wide and 10 to 20 feet deep. Downstream from the gorge, the river bed widens abruptly to about 50 feet and is filled with boulders that completely hide the vein. The vein filling is mostly calcite with numerous ribs of chalcedony and cinnabar. The cinnabar-bearing streaks are discontinuous and overlapping, averaging a few feet long and ranging up to two or three inches wide. There appears to be little, if any, wall rock alteration.

The Cedar Tree vein strikes about N. 73° W. and dips 83° N.E. It forms a rib about two to three feet wide that stands out from the steep west

side of the Oak Grove Fork. It is more siliceous than the Falls vein, and only one or two small hairlike streaks of cinnabar were seen. The wall rock has been slightly bleached and altered for up to six inches on each side of the vein.

The Yew Tree vein strikes N. 76° W. and dips vertically. It is similar in size and appearance to the Cedar Tree vein but contains considerably more cinnabar.

The Oak Grove Butte vein strikes about N. 50° W. and dips vertically. It contains less chalcedony and more calcite than either the Cedar Tree or Yew Tree veins and does not stand out from the stream bank. A small streak of cinnabar was seen in the outcrop of this vein.

The Fir Tree vein strikes about N. 85° W. and dips vertically. It is three to four feet wide and closely resembles the Falls Creek vein in texture and mineral content except that only one or two narrow streaks of cinnabar were observed.

The Oak Grove vein is exposed in the steep westerly bank of the stream. It strikes N. 88° W. and dips 77° N.E. Although the outcrop of the vein is heavily covered with moss, it was found to be at least eight or nine feet wide. Vein material is mostly calcite and chalcedony with at least two zones one to two feet wide containing cinnabar-rich bands ranging in width up to an inch or more.

## THE PROJECT

From past operations and the observations described above, it was apparent that relatively small scattered pods and lenses of minable cinnabar had been deposited in the basalt(?). There was a good chance that the upper part of the Warrendale series, ranging from fine-grained conglomerates to thick layers of homogeneous breccia and agglomerate, would constitute a better host rock for the deposition of mercury ore and that the chance of deposition there would be greater because of the denser overlying basalt(?). That the basalt(?)-Warrendale contact was at a relatively shallow depth was indicated by drill holes at the toe of the Lake Harriet dam and the outcroppings of the Warrendale near the center of the Portland claim. It was, therefore, decided that a modest diamond drilling program to explore the Oak Grove, Yew Tree, Cedar Tree, and Falls veins was justified, and a contract to carry out this project in one stage was executed.

### Contract Provisions

The work provided for in the contract was essentially the same as that proposed by the applicant. It included provision for construction of 1,570 feet of access road and the diamond drilling of 1,500 feet of hole as follows:

| | | |
|---|---|---|
| Cedar Tree vein | 1 hole | 150 feet |
| Yew Tree vein | 1 hole | 150 feet |
| Oak Grove vein | 6 holes | 1,200 feet |

The contract specified that all holes should be drilled with AX or larger coring bits, except that EX coring bits could be used if necessary to complete a hole, and at the Oak Grove drill site limited the lengths of two holes to 100 feet, two holes to 200 feet, and two holes to 300 feet. Amendment No. 1 provided for changes in some of these limitations and permitted, under certain conditions, the use of noncoring bits. Amendment No. 2 made additional changes in the specifications pertinent to drilling the Oak Grove vein. Amendments Nos. 3 and 4 extended the time within which the drilling should be completed and extended the royalty period. Amendment No. 4 also provided for the termination of the contract and a pseudocertification in the event that the contract work was not completed within the time allowed.

## Work and Results

Work started November 1, 1960, with the construction of an access road to the drill sites. Soft boglike ground at the intended starting point for the road, the result of heavy rainfall, made it impossible and inexpedient to follow the original plan. The route followed required considerably more timber removal and blasting than was estimated for the originally intended route and was about 200 feet longer than the 1,570 feet allowed by the contract. The approximate location of the road as constructed is shown on plate 1.

The access road was completed to all three drill sites and drilling was started at the Yew Tree vein during November; by the end of the month hole Y had been drilled to a depth of 42 feet. During December, this hole was completed to a depth of 150 feet, and drill hole C at the Cedar Tree vein was completed to a depth of 155.5 feet. Both holes were in basalt(?) throughout.

Hole Y, drilled at about -70°, cut the Yew Tree vein from 35 to 47 feet and the Falls vein(?) from 77 to 80 feet. Hole C, drilled at about -75°, cut the Cedar Tree vein from 35 to 52 feet and a zone probably representing the Falls vein from 70 to 95 feet. Correcting for the angle of intersection, the drill holes indicated a width of 5 feet for the Yew Tree vein, 7 feet for the Cedar Tree vein, and from 5 to 10 feet for the Falls vein. The zone representing the Falls vein, which was cut by hole C, contained three bands of calcite and silica, respectively, 2 feet, 1 foot, and 1.5 feet wide, separated by bands of basalt(?) 1.5 and 4 feet wide. Each of the veins was similar to its respective outcrop and comprised calcite and silica with more stilbite and much more pyrite. No cinnabar was noted in the core from either hole, but usually there was a selvage of light green to gray altered basalt a few inches thick along each vein wall (fig. 1).

Four holes were drilled from one station to explore the Oak Grove vein, A-1, A-2, B-1, and B-3 (fig. 2). Hole A-1 was drilled on a bearing of S. 52° W. at -46° to a depth of 148 feet. The hole was in altered to fresh breccia(?) except where it cut the Oak Grove vein. At about

70 feet, the hole cut a 6-inch calcite vein that contained only one or two small specks of cinnabar. The main Oak Grove vein zone was cut from about 88 feet to 123 feet. The vein dips about 80° within this hole segment; thus it is about 27 feet thick. It comprises altered basalt(?) breccia that has been cemented with silica and calcite and contains veins of calcite with silica ribs. Pannings of ground-up core and of sludge showed considerable fine specks of pyrite but only an occasional speck of cinnabar.

Hole A-2 was drilled on a bearing of S. 52° W. at -80° to a depth of 251.5 feet. For about 243 feet the hole was in altered to fresh basalt(?) and at that depth entered the Warrendale agglomerate. Before cutting the Oak Grove vein, four calcite veins were cut; the first at 98 feet is 6 inches wide with no visible cinnabar; the second at 137 feet is 4 inches wide and contains a few small cinnabar flecks; the third at 159 feet is 6 inches wide with no cinnabar; and the fourth at 177 feet is 18 inches wide with no cinnabar. The Oak Grove vein zone was cut from 207 to 229 feet but is broken by a horse of basalt(?) from 216 feet to 222 feet. The total width of the zone, including the horse, is about 15 feet. The vein material is similar to that cut by hole A-1, and pannings of crushed core and cuttings contained occasional flakes of cinnabar.

Hole B-1 was drilled on a bearing of S. 40° E. at -45° to a depth of 154 feet. Drilled entirely in altered to fresh basalt(?), this hole cut two zones of basalt(?) breccia that were laced with calcite stringers, one from 66 to 86 feet, the other from 96 to 127 feet. From 127 to 136 feet, the hole cut a vein of calcite that contained a few flecks of cinnabar.

Hole B-3 was drilled vertically S. 52° W. at -88° to a depth of 339 feet. From 0 to 185.1 feet, the hole was drilled with a noncore bit and from 185.1 to 339 feet with AX size core bit. The hole was in basalt(?) to a depth of 251 feet, where the Warrendale contact was crossed. At 280 feet an unconsolidated stratum within the Warrendale was penetrated and below this point, except for a solid stratum from 331 to 336 feet, the formation acted like a quicksand, making the drilling advance exceptionally difficult to impossible.

In view of the numerous, though small, pods and streaks of cinnabar that were seen in the basalt(?) at the surface, the results of the drilling program were most disappointing. This is particularly true of the Oak Grove vein, where two zones 1 to 2 feet wide containing cinnabar-rich bands up to an inch or more were seen in an outcrop of calcite and chalcedony 8 to 9 feet wide. Drill holes A-1, A-2, and B-1 each went through the downward projection of this zone, but in no case were more than a few specks of cinnabar found in the core or sludge pannings.

## Summary of Factual Data

Work completed was:

| Item | Units Authorized | Units Completed | Unit Cost | Total Cost |
|---|---|---|---|---|
| Access road | 1,570 ft. | 1,570 ft. | $1.00/ft. | $ 1,570.00 |
| Diamond core drilling | 1,500 ft. | 1,012.9 ft.* | $8.70/ft. | 8,812.23* |
| Noncore drilling | 200 ft.** | 185.1 ft. | $5.80/ft. | 1,073.58 |
| Core boxes | 48 ea. | 33 ea. | $3.50/ea. | 115.50 |
| Assays for mercury | 33 | -- | $4.00/ea. | -- |
| | | | Total | $11,571.31* |

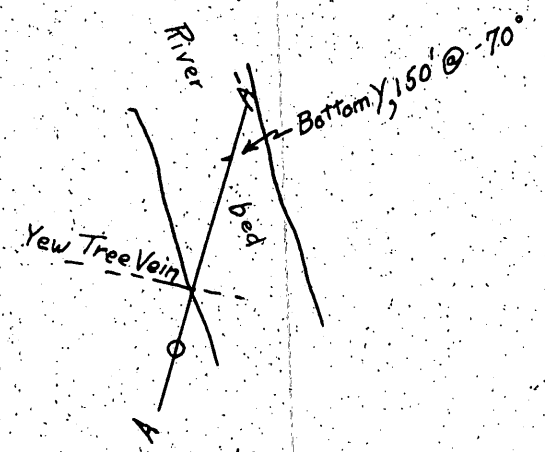
| | |
|---|---|
| Total amount of contract | $14,920.00 |
| Government participation at 50 percent | 7,460.00 |
| Total amount spent | 11,571.31* |
| Government participation | 5,785.65*** |
| Total amount unexpended | 3,301.71 |
| Government share unexpended | 1,630.86 |

*Less 5.4 ft. costing $46.98 which was not vouchered by Operator.
**May be substituted for core drilling--total not to exceed 1,500 ft.
***Less 50 percent of $46.98, or $23.49, which was not vouchered by Operator.

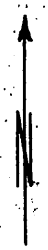
The Government has no equity in equipment used on the project. No ore was produced during the period the contract was in effect, and no royalty is due the Government.

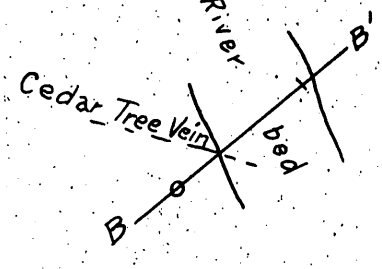
D. R. MacLaren

Distribution:
OME(3)
Docket
MacLaren
USGS(SRO)

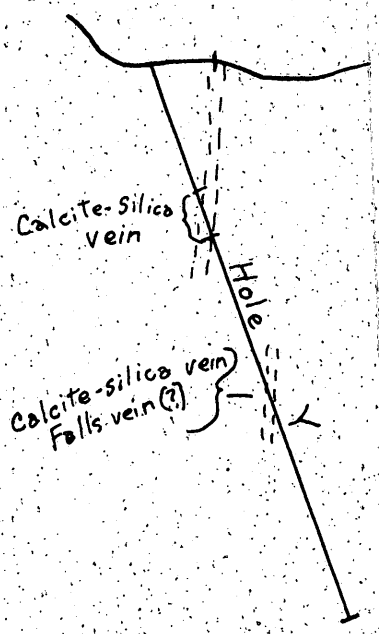



Plan Y vein

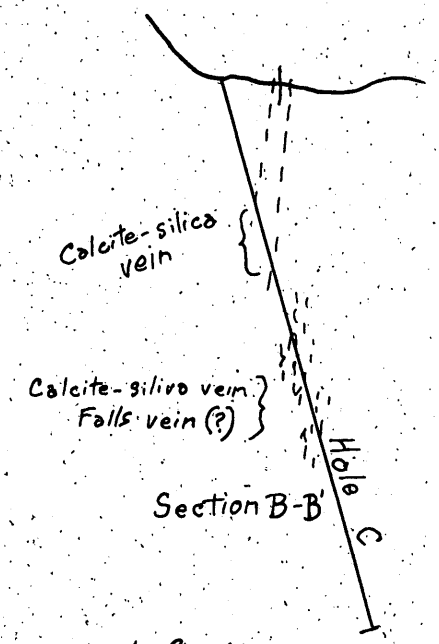



Plan C vein




Section A-A'




Section B-B'

Plans and Sections
Showing Y and C veins
A. O. Bartell
Nisbet Mine
Clackamas County, Oregon

50 25 0 50 Feet

fig. 1

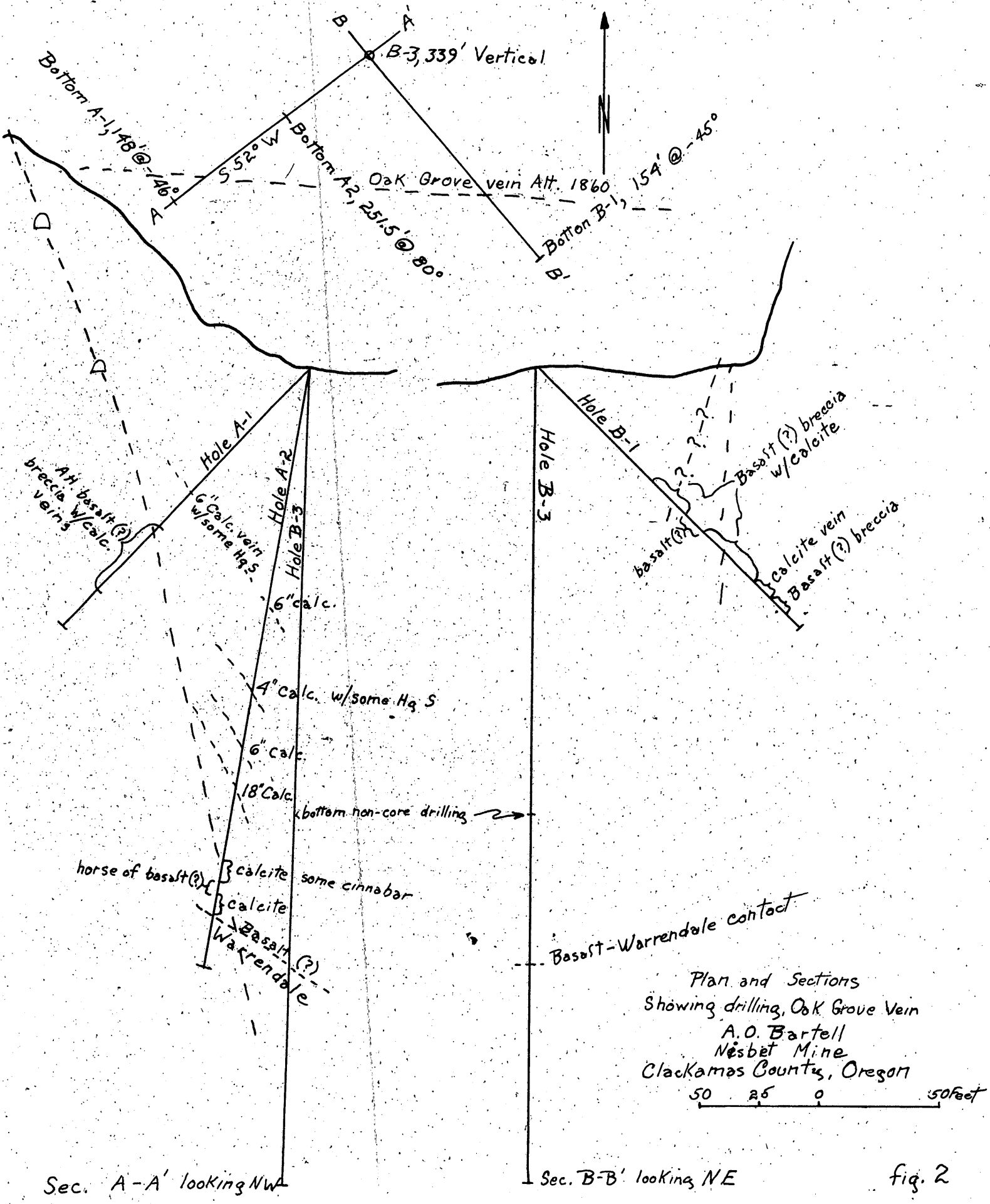

B
A'
B-3, 339' Vertical
N
Bottom A-1, 148' @ -46°
S 52° W
Bottom A2, 251.5' @ 80°
Oak Grove vein Alt. 1860
Bottom B-1, 154' @ -45°
A
B
Hole A-1
Hole A-2
Hole B-3
Hole B-1
Hole B-3
A.H. basalt (?) breccia w/calc. veins
6" Calc. vein w/some Hg S
6" calc.
4" calc. w/some Hg S
6" calc.
18" Calc.
bottom non-core drilling
horse of basalt (?)
calcite some cinnabar
calcite
Basalt (?)
Warrendale
Basalt (?) breccia w/calcite
basalt (?)
calcite vein
Basalt (?) breccia
Basalt-Warrendale contact
Plan and Sections
Showing drilling, Oak Grove Vein
A.O. Bartell
Nesbet Mine
Clackamas County, Oregon
50 25 0 50 feet
Sec. A-A' looking NW
Sec. B-B' looking NE

fig. 2

# UNITED STATES
# DEPARTMENT OF THE INTERIOR
## OFFICE OF MINERALS EXPLORATION

So. 157 Howard Street
Spokane 4, Washington
September 7, 1962

OFFICIAL FILE COPY
O. M. E
RECEIVED SEP 10 1962

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| 9/10 | | 800 |
| | | 500 |
| 9/11 | | 500 |

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: OME-6086 (Mercury)
A. O. Bartell
Nisbet Mine
Clackamas County, Oregon
Contract 2120

This refers to your letter of August 27, 1962, regarding a final report on the subject property. I cannot say when I will get to this final, but no recommendation for certification will be made.

At the present time, there are three examination reports to be written, four pending application examinations which have been referred to the field, plus one in Alaska, and three applications with referral pending. The Bartell final will not be much of a job when I can get to it, early in the winter I hope. The A.S.& R. East Page final will take considerable time, but I hope to get started on it as soon as I finish Bartell and probably by that time Emerald Empire, Musick mine.

D. R. MacLaren

MME Form 7
(10-58)

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|---|---|---|
| 8/27 | Holt | 500 |
| | Hansen | 500 |
| 8/27 | Talbot | 800 |
| 8/27 | [illegible] | 130 |
| 8/27 | on leave | 110 |
| 8/27 | Tomek | 100 |
| 8/27 | Coe | 220 |
| | | 500 |
| | | |

AUG 27 1962

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Field Operations

Subject: OME-6086 (Mercury)
A. O. Bartell
Nisbet Mine
Clackamas County, Oregon
Contract 2120

Since the Operator's final report on the subject contract was received in the Field Office May 28, 1962, and OME regulations require that the Operator be notified as promptly as possible thereafter whether or not certification will be made, we are anxious to make such notification in the near future.

Please, therefore, inform us approximately when we may expect to receive your final report of this project. If you will not be able to submit the report very soon, we will appreciate your informing us whether or not you intend to recommend certification.

George C. Selfridge

(pk)

SPHolt/gla
8-27-62
cc to: Director's Reading File
Review Committee
Docket

43683

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 6/14 | [illegible] | 220 |
| 6/14 | [illegible] | 220 |
| 6/19 | [illegible] | 500 |
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JUN 14 1962

Memorandum

To: Acting Field Officer, Region I

From: E. D. Talbert, Acting Chief (Signed) E. D. Talbert
Contract Administration and Audit Division

Subject: OME-6086 (Mercury)
A. D. Bartell
Nisbet Mine
Clackamas County, Oregon
Contract 2120

As requested by your June 1 memorandum, a Report of Review on the subject contract has been prepared. The original and two copies, together with the original of the last (April 1962) MME Form 60, are enclosed.

If you concur in the facts stated in this Report of Review, please make the distribution authorized by section 4 of OME Circular 2 dated February 17, 1960. If for any reason you do not concur, please return the original and both copies to this Division with your comments.

The drilling footage found acceptable has been based on your June 11 reply to my June 5 memorandum. However, I have assumed that all six holes were completed to the geological objective, although your reply specifically confirms only hole B3. If my assumption is incorrect, please return the original and both copies of the Report of Review for revision.

It is to be noted that the additional amount of $23.49 payable to the Operator may be approved for payment and submitted to the Department's Fiscal Section <u>only</u> upon receipt from the Operator of a claim, by supplemental MME Form 60 or letter, for the additional $46.98 in acceptable costs. Such claim, of course, should not be solicited; a copy of the Report of Review is notice to the Operator that the amount may be claimed.

Enclosures

EDTalbert/ama
6-14-62

cc: Docket
Director's Reading File
CA & A Division
Fiscal Section
Mr. Talbert

43683

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane 4, Washington
June 11, 1962

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUN 13 1962
DATE | CODE
6/13 | 800
6/14 | 500
6/14 | 500

Memorandum

To: E. D. Talbert, Acting Chief
Contract Administration and Audit Division

Subject: OME-6086 (Mercury)
A. O. Bartell
Nisbet Mine
Clackamas County, Oregon
Contract 2120

This refers to your memorandum of June 5, 1962. I made an interim inspection March 2, 1961, at which time the following footages were verified as reported in my memorandum dated March 13, 1961:

| Hole | Feet |
|---|---|
| Y | 150 |
| C | 155.5 |
| A-1 | 148 |
| A-2 | 251.5 |
| B-1 | 154 |
| Total | 859.0 |

At that time, according to the Operator, hole B-3 had been drilled noncore to a depth of 188 feet; however, he also used the figure 185 in referring to this hole and was asked to check the depth when he resumed drilling. In his narrative for March, the Operator stated that hole B-3 had been advanced from 185 to 293 feet by AX core drilling. Therefore, the 185.1 feet of noncore drilling claimed in his March voucher is accepted. The remaining 107.9 feet was drilled AX core. No advance was reported for May, but 5 feet advance AX core drilling was completed in June. The next narrative covered July, August, and September, during which an advance of 10 feet was made. The total drilling completed through September, 1961, therefore, is:

| | |
|---|---|
| AX noncore | 185.1 ft. |
| AX core | 1,007.9 ft. |
| Total | 1,193.0 ft. |

I am unable to account for the difference of 0.4 feet between the 1,007.5 given in my June 1 memorandum and the above figure of 1,007.9, but on rechecking the latter is correct. The depth of hole B-3 at the end of September was 334 feet. I overlooked in the Operator's final narrative and his final report that this hole was drilled AX core an additional 5 feet to a total depth of 339 feet, increasing the total AX core drilling to 1,012.9 feet, which is accepted as correct.

The objective of hole B-3 was to intersect the Oak Grove vein in the Warrendale formation. The last 88 feet of the hole was in the Warrendale. Projecting the Oak Grove vein from the surface through hole B-1, it should have been cut by hole B-3 about 70 feet above the bottom of the hole. However, another projection of the vein from the surface through holes A-1 and A-2 suggests that the Oak Grove vein has steepened and should pass within 5 feet of the bottom of hole B-3. Had it passed that close to the bottom of the hole, there should have been some evidence of its existence because of the nature of the Warrendale as a host rock. Because of the uncertainty of the persistence of the vein dip as observed at the surface and in holes A-1 and A-2, Amendment 2 authorized drilling hole B-3 to a depth of not to exceed 500 feet. Although drilling problems prevented drilling the hole to the maximum depth, it was drilled to or beyond where the objective should have been.

D. R. MacLaren

D. R. MacLaren

MME Form 7
(10-58)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 6-5 | [illegible] | 500 |
| 6/5 | [illegible] | 120 |
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JUN 5 1962

Memorandum

To: Acting Field Officer, Region I

From: E. D. Talbert, Acting Chief (Signed) E. D. Talbert
Contract Administration and Audit Division

Subject: OME-6086 (Mercury)
A. O. Bartell
Nisbet Mine
Clackamas County, Oregon
Contract 2120

As requested in your June 1 memorandum, a Report of Review is being prepared on the subject contract. The number of units of drilling work performed, however, apparently requires clarification.

The Operator's final (April 1962) MME Forms 60 and 61 claim and you have approved a total of 1,192.6 feet of diamond drilling. On the other hand, although no logs have been submitted to the Washington office, the Operator's monthly narratives indicate the following footages drilled:

| Hole | Feet |
|---|---|
| Y | 150 |
| C | 155.5 |
| A1 | 148 |
| A2 | 251.5 |
| B1 | 154 |
| B3 | 339 (including 185.1' non-core) |
| Total | 1,198 |

In view of the above, your confirmation of the actual footage in each hole acceptably completed will be appreciated. Also, inasmuch as the contract specifically provides that no contribution will be made to incomplete holes, your affirmative statement that all six holes were completed to the geological objective is solicited.

EDTalbert/ama 6-5-62

cc:
Docket
Director's Reading File
CA & A Division
Mr. Talbert

43683

extra

~~OFFICIAL~~ FILE COPY
O. M. E
RECEIVED JUN 4 1962

| DATE | INITIALS | CODE |
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| 6/4 | Received Hoet | 500 |

So. 157 Howard Street
Spokane 4, Washington
June 1, 1962

Memorandum

To: Contract Administration and Audit Division, OME

From: Acting Field Officer, Region I

Subject: OME-6086 (Mercury)
A. O. Bartell
Kisbet Mine
Clackamas County, Oregon
Contract 2120

Work under the subject contract was terminated effective May 1, 1962, in accordance with par. 2(i)(1) of Amendment No. 4, dated February 27, 1962.

The number of units of work completed by the Operator and accepted by the Acting Field Officer as conforming to contract specifications were:

| | |
|---|---|
| Constructing access roads | 1,570.0 ft. |
| Diamond core drilling, AX size | 1,007.5 ft. |
| Memcore drilling, AX size | 185.1 ft. |
| Wooden core boxes | 33 |

An acceptable final engineering and geological report was received from the Operator on May 31, 1962.

A Report of Review, in lieu of a final audit, is in order and is requested. For this purpose the original copies of the final (April, 1962) MME-60 and MME-61, together with supporting documentation, are attached.

D. R. MacLaren

Attachments

DRMacLaren:my
cc: OME
Reading copies to:
Nolan
Hobbs
Guild

A. O. BARTELL, E. M.
REGISTERED PROFESSIONAL ENGINEER
5115 S.W. Northwood Ave.
Portland 1, Oregon

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUN 4 1962
DATE | NUMBER | AMOUNT
6/5 | 807 | 800
6/6 | Refund | 500
S.T.H. | 300

May 28, 1962

Mr. D. R. McLaren, Field Officer
Office of Minerals Exploration
S. 157 Howard Street
Spokane 4, Washington

Subject: OME-6086 Nisbet Mine, Contract 2120
Final Report, Letter of Transmittal

Dear Mr. McLaren:

In accordance with Article 5-C of Contract 2120, I am herewith submitting a final report concerning the diamond drilling project at the Nisbet Quicksilver mine, Clackamas County, Oregon.

The report contains a summary of the work done, evaluation of the results, and sketches showing the direction of the holes and geological formations and conditions encountered.

The final paragraph has suggestions for further exploration.

Respectfully submitted,

A. O. Bartell

A. O. Bartell

AOB:mb
Encls.

RECEIVED
MAY 3
SPOKANE

# FINAL REPORT DIAMOND DRILLING CONTRACT 2120
## NISBET QUICKSILVER MINE

Summary of Work

Work began on the project November, 1960, and continued until April, 1962. 1,570 lineal feet of access road were constructed at a fixed unit cost of $1.00 a foot. Six diamond drill holes were drilled with AX size equipment. 1,007.5 feet were core drilled at a fixed unit cost of $8.70 per foot. 185.1 feet were drilled non-core at a fixed unit cost of $5.80 per foot. Total cost of the project on the fixed unit basis is $11,524.33.

Drill Hole Y on the Yew Tree vein and Drill Hole C on the Cedar Tree vein were completed as scheduled, and as shown on the sketches that accompany this report. The Yew Tree and Cedar Tree veins were intersected approximately as expected, and both holes penetrated what is believed to be an extension of the Falls vein. The veins where intersected at depth, were identical in size and in mineralization to the surface exposures except pyrite was common, and cinnabar was not visible. The country rock was entirely basalt, containing frequent amygdules of calcite-silica.

The other four holes drilled from Station 76, which is in front of the portal of the river level tunnel on the Oak Grove vein, were drilled as shown on the accompanying plan and section sketches. Holes A1, A2 and B1 all intersected the vein system. The point of intersection shows that the Oak Grove vein steepened somewhat at depth. The cores from the vein zone penetrated by all three holes showed that the Oak Grove vein is actually two veins separated by a horse of basalt breccia that has been cemented with calcite and minor amounts of pyrite and silica. The two veins themselves were large ribs of calcite with pyrite and silica. Cinnabar was visible in the veins, but was not found in amount sufficient to justify an assay.

Hole B3 was drilled nearly vertically, and should have reached an intersection with the Oak Grove vein at about 330 feet. Instead, at 280 feet at depth, it went into an unconsolidated phase of the Warrendale formation, which behaved as a caving quicksand. Advance was made in this material only by repeated pressure grouting with Lumnite cement. At 331 feet solid Warrendale formation was again encountered. Hoping that this might be the end of the caving ground, efforts were redoubled, and the ground was secured that had kept caving in above this point. This solid rock proved to be just a layer, and the drill again entered caving ground at 336 feet. In spite of the heavy 100% crankcase and gear oil drilling fluid, the drill ceased to advance and was jammed by the caving formation at 339 feet. It is believed that the hole or the vein, or both, have deviated. Since at this point intersection with the Oak Grove vein should have been imminent, one would expect the formation to be a mineralized breccia as encountered before vein intersection in the other holes. Instead, the core recovered was a pebbly mud with absolutely no evidence of mineralization. Drilling was stopped at 339 feet.

RECEIVED
MAY 3 1 1962
U. S. G. S.
SPOKANE, WASH.

Engineering Evaluation

The drill used on this project was a Sullivan 12 with a hydraulic swivel head equipped with a 12 h.p. gasoline motor and an alternate 10 h.p. electric motor. Maximum size the swivel head would accommodate is EX casing. For most of the work, a Diamond Drill Contracting Co. AXHW full-swivel core barrel with a low discharge bit was used. The pump was a Boyles Brothers mud pump, Model PB47, operating at 180 pounds per square inch, with a 10 h.p. motor. This equipment all performed very well, and was adequate for the job until the caving ground was encountered in Hole B3. Rod vibration was a problem, but this was kept under control by the use of Texaco Marfak No. 2 Heavy-Duty wheel bearing grease. Grease was applied below the swivel head to one foot of each ten foot section of rod as it was lowered in the hole. Core recovery with the above-mentioned core barrel was excellent. One hundred percent core recovery was common.

The behavior of the unconsolidated material found from 280 feet to the bottom of Hole B3 is unique in the writer's experience. Diamond drilling manufacturers were consulted; the literature was perused; all suggestions that were feasible with the equipment on hand were tried. Bentonite, oil-emulsion, and 100% oil drilling fluids in various viscosities were experimented with, with very little success. The problem was not just holding the ground open, but drilling it at all. The finer sizes of sand (which were clayey particles rather than silicious), would pump up between the annular space between the hole and the core barrel, jam and stall the drill, and make recovery of the drill string sometimes extremely difficult. Various lengths of core barrels were tried, including a bit-to-rod adapter with no barrel at all. Even with this combination, and a heavy emulsion drilling fluid, sand to split pea size particles would pump up between the rods and the hole and stall the drill.

The writer does not believe that normal casing methods would have solved the problem. In any event, since the drill head would only accommodate EX casing, casing procedures were out of the question because the small bore of EX rods and equipment would not pass the thick drilling emulsions that were required.

The 59 foot advance from 280 feet to the bottom of the hole was made by advancing as far as possible (a foot or two) with a heavy oil drilling emulsion; pulling out the string of tools; replacing the core barrel with a chopping bit; clearing the oil from the hole; working the chopping bit back down to the bottom; and pumping water sometimes for a full day to get rid of the clay and sand and create a pothole of boulders around the bit. When this boulder-filled pothole was created, then Lumnite cement was applied under pressure through the chopping bit to fill the interstices in the pothole. After allowing 16 hours for the cement to cure, this pothole was drilled through with a diamond bit and barrel, and the process repeated. Often, in trying to pump out the new pothole below the one just consolidated, the upper one would break loose, and the ground thus gained would be lost. In the area between 280 feet and 339 feet, some thirty cement jobs were necessary, at an average use of one and one-half bags of Lumnite per cementing.

On one occasion, caving commenced while the cement was being pumped in, making the recovery of the drill string so difficult that the cement had set up in the entire 330 feet of rods by the time they were out of the hole. A week of work was required to drill out the rods with a tungsten carbide bit.

Based on past experience, the writer believes the next attempt on this ground should be made with A size flush joint casing and a diamond casing bit, running through a stuffing box, so that a heavy drilling oil could be pumped down on the outside of the casing to return through the inside. When the casing had advanced to refusal, the material on the inside of the casing could be chopped and washed out with a chopping bit operating as a churn drill from a Cathead winch. The casing could then be advanced as before.

Geological Evaluation

The information gained by this diamond drilling program will have an important bearing on future exploration of this mineral property. First, it has shown that the veins are persistent in depth as well as surface extent. Second, it has shown that there is a persistent parallelism in the occurrence of the veins. Third, it has shown that there is a hiatus in the geological formations at the mine site that were unsuspected. Heretofore, it has been thought that the basalt lay more or less horizontally on top of the Warrendale formation and, that judging from core drilling at the damsite and from exposures of the Warrendale formation in the creek bed less than a quarter of a mile below the mine workings, that the contact between the two formations would be less than 50 feet below the creek level at the mine site. The drilling has shown that in the vicinity of the Cedar Tree and Yew Tree veins, the basalt is at least 150 feet thick, and at Station 76 at the Oak Grove vein workings, the basalt-Warrendale contact is at 251 feet below the level of the creek bed.

The basalt encountered in the drill holes is the same hard black basalt found on the surface. It is brickbat fractured, and the fractures have been healed with calcite and minor amounts of pyrite and silica. The Warrendale formation at depth is identical to the outcropping above and below the falls in the creek bed a quarter of a mile below Station 76. The drill cores often showed hair-line streaks of carbonaceous matter. In the unconsolidated material beyond 280 feet in Hole B3 the sludge often showed as much as one percent small fragments of coal. These fragments would actually burn, leaving a high-ash residue.

Conclusions and Recommendations For Further Exploration

While it is regrettable that the drill holes that penetrated the Oak Grove vein showed only traces of cinnabar rather than commercial ore, it would have been remarkable, considering the small size of the core and the extent and depth of the vein, if an ore shoot had been penetrated. The fact that the vein does persist in depth as well as in length on the surface, makes further drilling worthwhile, especially since all three intersections showed visible cinnabar in the core.

All three drill hole intersections on the Oak Grove vein showed

that the vein was double with a horse of basalt between. Judging from this, it is probable that the Sluice vein, which was mined on the surface and thought to be a branch of the Oak Grove vein, is actually the foot-wall vein of the Oak Grove vein. In the search for more easily minable surface ore shoots, this parallelism should be kept in mind: for example, in the area between the Ben vein (see U.S.G.S. Topographic Sketch Map previously submitted) and the outcrop of the Oak Grove vein along the riverbank upstream from Station 76. Further, some long-hole percussion drilling should be done along this same outcrop of the Oak Grove vein in the creek. If this outcrop is as it now appears to be, just the hanging wall part of the Oak Grove vein, then its parallel member should be investigated. The extension of the crosscut in the river level tunnel is justified for the same reason.

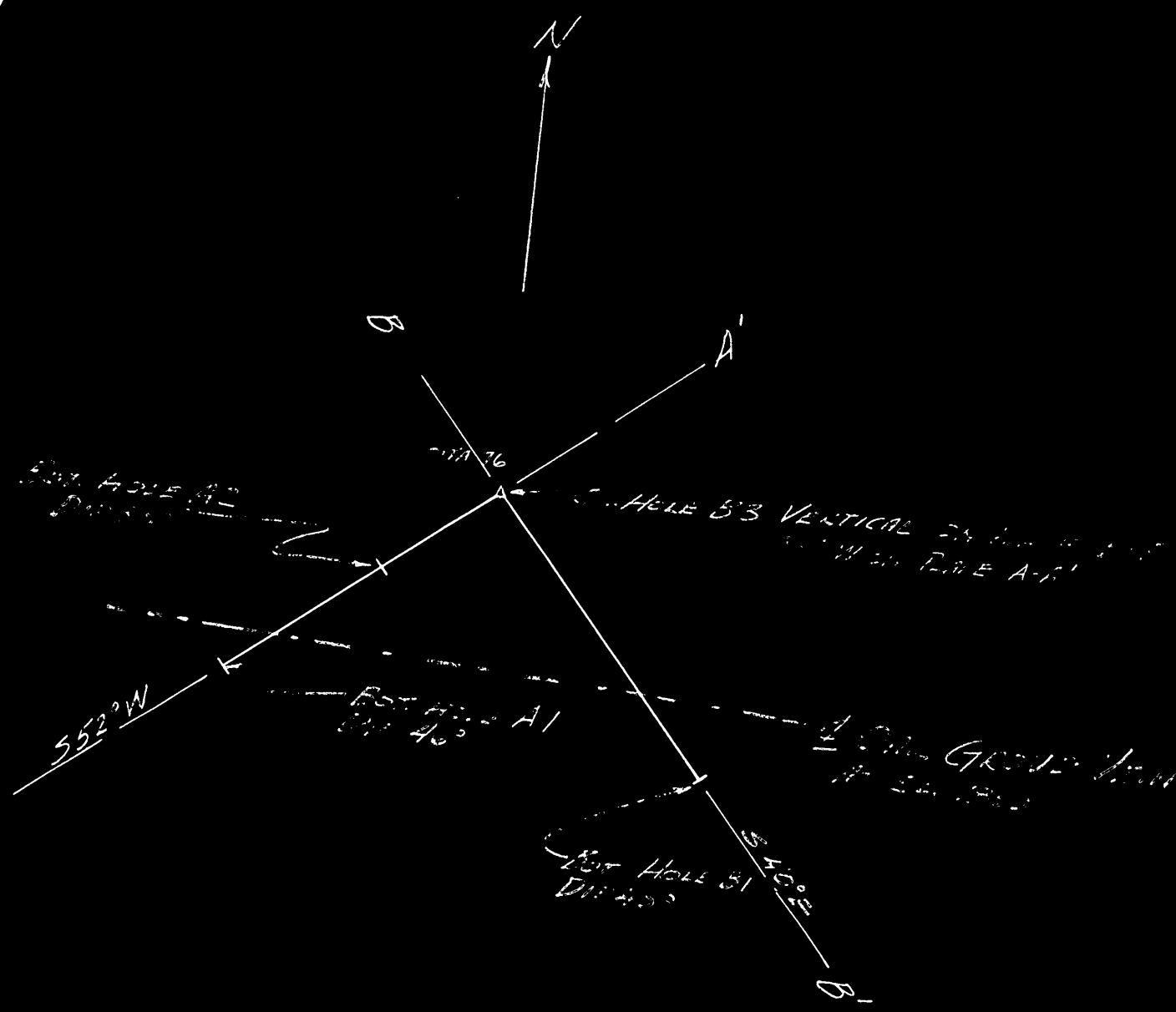
The area out under the creek to the East of Station 76 which is covered with creek gravels and surficial landslide material, should be checked with a drill hole to see if there are other possible veins parallel to the Oak Grove vein. The drill is still bolted to the bedrock at Station 76. As soon as the Spring high water period is past, it is the writer's intention to turn the drill around and put out a hole on Plane A-A', direction N 52° E. dip 45°, approximate length 150 feet. When this hole is completed, the writer will be glad to make the log available to the OME. Cores will be kept, and will be available for inspection.

Respectfully submitted,

A. O. Bartell

A. O. Bartell

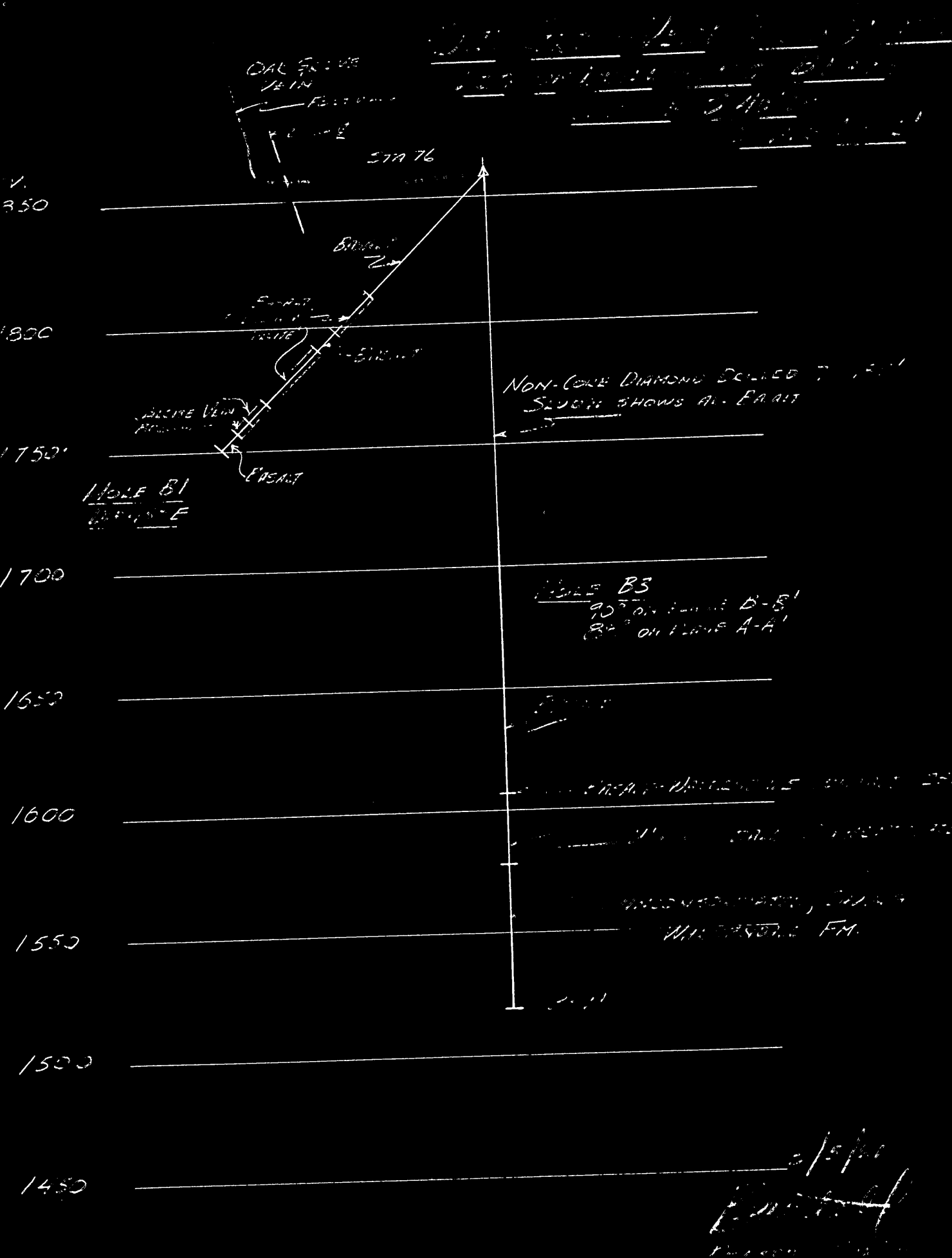
AOB:mb




OAK GROVE VEIN, PLAN
SHOWING COURSE OF VEIN & HOLES
SCALE 1"=50'

5/5/81

Drafted


STA 76
1850
1800
1750'
1700
1650
1600
1550
1500
1450
NON-CORE DIAMOND DRILLED
SLUDGE SHOWS AL. FRAIT
HOLE B1
HOLE B3
90° ON LINE B-B'
80° ON LINE A-A'
FM.

OFFICIAL FILE COPY
O. M. E
RECEIVED MAY 7 1962

| DATE | | |
|---|---|---|
| 5/7 | | 800 |
| 5/8 | ~~Claimed~~ | 500 |
| 5/9 | Hart S.P.H. | 500 |

So. 157 Howard Street
Spokane 4, Washington
May 3, 1962

Mr. A. O.Bartell
5115 S.W. Northwood Avenue
Portland 1, Oregon

Re: OME-6086 (Mercury)
Nisbet Mine
Clackamas County, Oregon
Contract 2120

Dear Mr. Bartell:

We have received your letter of April 30, 1962, and the accompanying voucher. We regret that it was not possible to complete hole B-3.

Under the terms of amendment No. 4, item 2(i)(1), the contract automatically terminated effective May 1, 1962, and subitems 2, 3, 4, and 5 become effective.

As soon as we receive an acceptable operator's final report, we will request a Report of Review in lieu of a final audit, after which the balance of any funds due will be released for payment. It is customary to withhold a portion of the amount claimed in a final voucher until the operator's final report has been received. In this case, the amount claimed is so close to the amount to be withheld that I will hold your voucher until your report is received.

It is not necessary for you to drill another hole as you propose, the cost of which would be for your sole account, prior to submitting your final report. Rather than wait until July, we would prefer to receive your report as soon as you can conveniently complete it so that we can close our books on this project.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OME
Region I

DRMacLaren:my
cc: OME w/copy incoming
Reading copies to:
Nolan
Hobbs
Guild

* Books cannot be closed in view of subitem (3) Failure 5/7/62

A. O. BARTELL, E.M.
REGISTERED PROFESSIONAL ENGINEER
3125 S. W. Northwood Ave.
Portland 1, Oregon

April 20, 1962

Mr. D. R. McLaren
Office of Minerals Exploration
South 107 Howard Street
Spokane 4, Washington

Subj: Narrative Report GMX 6086 - 2120
Nisbet Quicksilver Mine

Dear Mr. McLaren:

As reported to you on the telephone earlier this month hole #3 was stopped at 357 feet.

Since my report dated January 17, 1962, I spent seven weeks at the drill site cleaning and redrilling to return the caving ground above 281 feet. The hard rock encountered at 281 feet--which, it was hoped, marked the end of the unconsolidated ground--proved to be just a layer and the drill again entered caving ground at 326 feet. In spite of a heavy, 1000 gallon and gear oil drilling fluid, the drill caved to refusal and was jammed by the loose formation at 357 feet.

As can be seen on the accompanying sketch we had advanced into the area where contact with the [illegible] vein should occur. If it had been even near the vein it is reasonable to expect the formation to be cooked and consolidated with silica-silicate solutions. The core recovered was a pebbly sand with absolutely no evidence of mineralization. The hole or the vein or both have deviated. Together elsewhere in the mountains until other drill holes give more information on the attitude of the vein and until a drill with a headroom of 600 feet or more is available at least 45 cubic is obtained.

While I have the drill on the site I intend to drill and [illegible] the sand into unknown ground to [illegible] mineral and geological conditions. A 300 foot hole is [illegible] dip is planned. According to my contract, [illegible] I must submit a final report with a geological evaluation. The information to be gained by this prospect hole will be of value in such an appraisal. If you can make [illegible] for the final report will include the results of the new drilling. Please advise.

Respectfully submitted,

A. O. Bartell

AOB:rc

Sc. 157 Howard Street
Spokane 4, Washington
March 5, 1962

MAR

3/9

800
500

Mr. A. O. Bartell
5115 S. W. Northwood Avenue
Portland 1, Oregon

Re: OME-6086 (Mercury)
Wisbet Mine
Clackamas County, Oregon
Contract #120

Dear Mr. Bartell:

Enclosed are the original and four copies of a proposed Amendment No. 4 (two pages) to the cited contract, signed by the Director for the Government.

This amendment has been prepared along the lines outlined in your letter of January 17, 1962. However, due to previous delays caused by heavy winter and spring rains to the work on the project, it was thought best to allow another month's time and set the termination date as May 1, 1962, instead of March 31, 1962.

If the proposed amendment is satisfactory to you, please sign all copies, retain the Operator's Copy and return the others to this office. If any part of the amendment does not meet with your approval, please return all copies unsigned to this office with your comments.

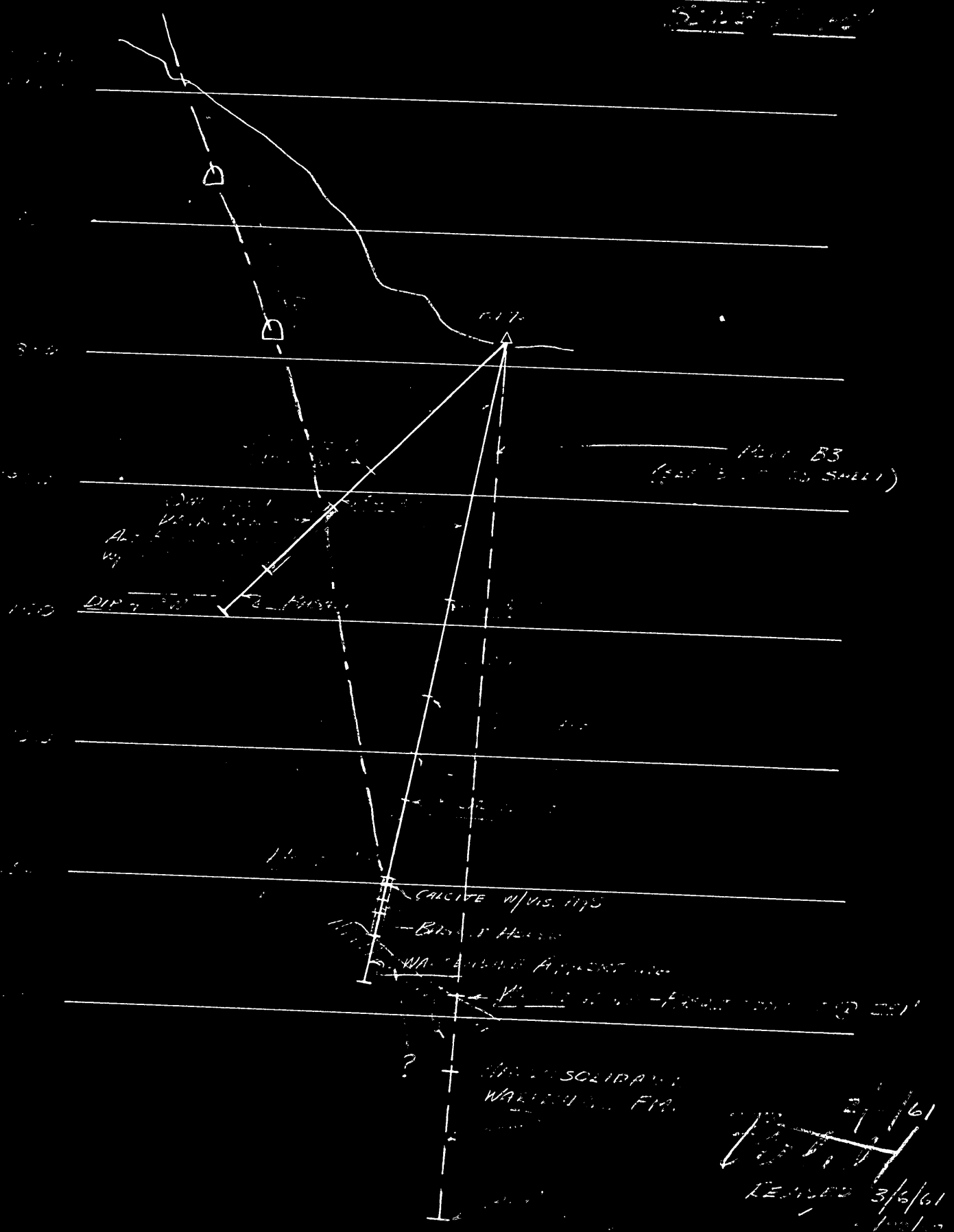
Sincerely yours,

D. R. Maclaren
Acting Field Officer, OME
Region I

Enclosures

DRMaclaren:mls
cc: OME; Maclaren
Reading copies to:
Nolan
Hobbs
Guild

# [illegible] Vein, Cross Section
## Log of Drill Holes A1 & A2



Re: DME-6086

If, as of 1/17/62, the operator was still drilling on his sixth hole, how can completion of the eight holes under contract be expected by 4/30/62?

He started work in Nov. 1960

Too late [illegible]?

Probably yes. S.P.H.

Talbot
2/27/62

ME Form 7
(10-58)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 2/27 | Holt | 500 |
| | Russell | 500 |
| 2/27 | Talbut | 800 |
| 2/27 | [illegible] | 130 |
| " | Johnson | 110 |
| 2-27 | Fenech | 100 |
| 2/28 | Coe | 220 |
| | | 500 |
| | | |

FEB 28 1962

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Field Operations

Subject: OME-6086 (Mercury)
A. O. Bartell
Nisbet Mine
Clackamas County, Oregon
Contract 2120

Enclosed are original and four copies of a proposed Amendment No. 4 (two pages) to the cited contract, signed by the Director for the Government. An extra copy of the amendment is enclosed for your use.

This proposed amendment has been prepared substantially in accordance with the recommendations in your memorandum of January 24, 1962, except that, due to previous delays caused by heavy winter and spring rains to the work on this project, we thought it best to allow another month's time and set the termination date as May 1, 1962, instead of March 31, 1962.

If the proposed amendment is satisfactory to you and the Operator, all five copies should be signed by the Operator. The Operator should retain his copy, you should retain the Field Office's copy, and the Government's, Audit's, and Fiscal Section's copies should be returned to this office.

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

George C. Selfridge

Enclosures
SPHolt/gla
2-27-62
cc to: Director's Reading File
Review Committee
Docket

43683

pay to the Government the royalty on production provided for in the contract in the same manner and amount, for the same period, and subject to the same conditions as if a certification of discovery or development had been made, such certification being hereby waived.

(d) The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of the contract, except as otherwise provided in this Amendment No. 4.

(e) All rights of the Government provided for in the contract with respect to audits, maintenance of records, reports, certification of discovery or development, percentage royalty and liens for its payment, and recovery of any overpayment, are preserved.

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

Executed the day and year first above written.

THE UNITED STATES OF AMERICA

By_____
Director, Office of Minerals Exploration

_____
A. O. Bartell

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane 4, Washington
January 24, 1962

OFFICIAL FILE COPY
RECEIVED JAN 26 1962

| DATE | | |
|---|---|---|
| 1/26 | cae | 210 |
| | | ~~120~~ |
| 1/29 | ~~Received~~ | 500 |
| " | ~~Noted~~ S.T.H. | 300 |

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: OME-6086 (Mercury)
A. O. Bartell
Nisbet Mine
Clackamas County, Oregon
Contract 2120

I sent you copies of the Operator's Narrative Report dated December 21, 1961, and a letter dated January 4, 1962, which I wrote to A. O. Bartell. Enclosed are two Thermofax copies of his reply dated January 17, 1962.

It is recommended that an amendment be prepared to extend to March 31, 1962, the time to complete the project and to provide that if the project is not completed by that date the contract will automatically terminate.

D R MacLaren
D. R. MacLaren

Enclosures

A. O. BARTELL, E. M.
REGISTERED PROFESSIONAL ENGINEER
5115 S.W. Northwood Ave.
Portland 1, Oregon

January 17, 1962

Mr. D. R. MacLaren
Acting Field Officer, ONR
No. 157 Howard Street
Spokane 4, Washington

Dear Mr. MacLaren:

The vouchers are correct. My statement in the June Narrative Report is ambiguous. It should have read "Core has been recovered from 324 feet in depth in Hole B3". Unfortunately, the depth from which core has been recovered and the depth where the drill is currently working are not the same. For example, on September 29 I managed to drill down to and recover core from 334 feet. I am now at 327 feet, trying to consolidate a large quicksand pocket which started caving in after it was drilled. Since September 29 I have put in 31 working days which, in essence, is logged as follows:

Sept. 29 - Drilling with 30 lbs. bentonite and 10 gal. oil per barrel. Very difficult to keep circulation. Soft drilling to 331 feet, changing to hard rock. Core block at 334 feet. Core shows 1 - 3 feet solid Warrendale formation.

Sept. 30 - Lost circulation. Burned liner and pistons out of pump.

Oct. 22 - Repaired pump.

Oct. 23 - Added 1 H.P. centrifugal pump to piston pump section. Steel down hole.

Oct. 24 - Hole caving at 325 - 327 feet. Lost circulation, burned up diamond coring bit.

Nov. 25 - Repaired Jeep.

Nov. 26 - Repaired power line after storm.

Dec. 6 - Cut wood.

Dec. 7 - Steel down hole. Pumping caving ground at 325-327 feet.

Dec. 8 - Pumping cave.

Dec. 9 - Pumping cave.

[illegible] - [illegible]

[illegible] 15 - Cement at 32[illegible] feet.

[illegible] 1[illegible] - Drill[illegible] out cement.

Dec. 17 - Pumping caving ground at 329 feet.

Dec. 2[illegible] - Cleaning after flood. Cut wood.

Dec. 27 - Pumping cave. Steel stuck at 270 feet.

Dec. 2[illegible] - Stuck steel.

Dec. 29 - Stuck steel.

Dec. 30 - Stuck steel.

Dec. 31 - Stuck steel.

[illegible] - Steel out. Hanging [illegible] to barrel thread [illegible] and overhauling casing [illegible] to top of barrel. Steel [illegible] caving of sand at 327-3[illegible] feet as before.

[illegible] - Caving at [illegible] feet. Pumping cave in [illegible] [illegible].

[illegible] - Pumping. Caving at 115.5.

[illegible] 7 - Flooded out. River over drill deck.

Jan. 11 - Pumping caving sand.

Jan. 12 - Cemented at 32[illegible] feet. Ground refused cement after [illegible] 16 hours.

Jan. 13 - Drilling out cement. Solid at 31[illegible] feet.

Jan. 1[illegible] - Drilling cement. Vibration very bad in spite of [illegible] grease.

To sum up this tale of agony: I intend to stick with this 'til I have cemented and can hold the ground in the caving area 325 to [illegible] feet. Core showed solid formation [illegible] to 334. If the ground [illegible] solid, I will try for a vein intersection, to a limit of [illegible] feet (to the limit of my equipment.) If the ground changes from hard for back to quicksand I will regard this as positive evidence that a vein intersection is nowhere close, and further effort is useless with the equipment and funds that I have. I suggest an absolute time limit of the 31st of March.

My very best regards,

A. [illegible] Bertoli

[illegible]

OME

OFFICIAL FILE COPY
O. M. E
RECEIVED JAN 8 1962

| DATE | | |
|---|---|---|
| 1/8 | | 800 |
| " | | 500 |

So. 157 Howard Street
Spokane 4, Washington
January 4, 1962

Mr. A. O. Bartell
5115 S. W. Northwood Avenue
Portland 1, Oregon

Re: OME-6086 (Mercury)
Bisbee Mine
Clackamas County, Oregon
Contract 2120

Dear Mr. Bartell:

At the time of my last on-site inspection of the property, March 2, 1961, holes Y, C, A-1, A-2, and B-1 had been completed with AX size coring bit, for a total of 899 feet of drilling. Your last voucher, submitted for work completed through April 1961, claimed 987.5 feet of AX core drilling and 185.1 feet of AX non-core drilling. Thus, at that date hole B-3 had been put down a total of 313.6 feet, of which 185.1 feet was non-core and 128.5 feet was core drilled.

Narrative reports for May and June 1961 indicate a total advance of only 5 feet for those 2 months. The next narrative report received, for work done during July, August, and September 1961, states that hole B-3 had reached a depth of 33¼ feet or a total advance of only 15.4 feet for those 3 months. The narrative for October does not indicate any advance for that month, nor does the narrative for November 1961.

I am somewhat confused by apparently contradictory statements in narrative reports for March and June 1961. The former indicates that hole B-3 was drilled 185 feet with non-coring bit; the latter states: "Core has been recovered from 38¼ feet in Hole B-3." As the present depth of the hole is only 33¼ feet, the quotation could mean that only 10 feet was drilled non core which conflicts with the 185 feet of non core previously reported or it could mean that only 10 feet was drilled with coring bit which conflicts with the April voucher for 128.5 feet of core drilling. Please clarify by stating the number of feet of core and non-core drilling that has been completed in hole B-3 as of November 30, 1961.

During the 7-month period of May through November, the total drilling advance as indicated above was only 20.4 feet, an average of less than 3 feet per month. The vein apparently steepened between

(See Narrative Report Dec. 21, 1961 in Folder #2)

the intersections of holes A-1 and A-2. Therefore, it may well require another 100 to 150 feet for B-3 to intersect the vein. At an average rate of only 3 feet advance per month, an extension of roughly 33 months might be required. That such an extension of time would be considered is most doubtful.

I appreciate the difficulty you have had getting the hole down, but one thing the narratives do not make clear is how much time during the 7-month period was actually spent trying to get the hole down. Possibly, the average rate of advance in terms of actual work periods may be considerably more than 3 feet per month.

Please consider the above comments and set a reasonable time within which you expect to complete the hole. I will then forward your request for an extension of time to our Washington, D. C. office for their consideration.

Sincerely yours,

D. R. Maclaren
Acting Field Officer, OME
Region I

DRMacLaren:mls
cc: OME w/Orig.&2 copies Operator's
Narrative Report dated 12/21/61
Maclaren do.
Reading copies to:
Nolan
Hobbs
Guild

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 2 1961

| DATE | INITIALS | CODE |
|---|---|---|
| 10/2 | [illegible] | 600 |
| " | Greenbalt | 700 |
| | Hoet | 700 |
| | | |
| | | |
| | | |
| | | |

So. 157 Howard Street
Spokane 4, Washington
September 29, 1961

Mr. A. O. Bartell
5115 S. W. Northwood Avenue
Portland 1, Oregon

Re: OME-6086 (Mercury)
Hisbet Mine
Clackamas County, Oregon
Contract 2120

Dear Mr. Bartell:

We would appreciate hearing from you as to the status of work at the Hisbet mine. The last report we have received was your June narrative report dated July 12, 1961.

Except during periods of recess a narrative report should be submitted each month whether or not it is accompanied by a voucher.

I sincerely hope you have been having better luck drilling than you were having when we last heard from you.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OME
Region I

DRMacLaren:mls
cc: OME
MacLaren
Reading copies to:
Nolan
Hobbs
Guild

Reply - Narrative report
see folder #2

DRAFT
2/19/62
SPHolt/gla

Copy of draft for docket

EXPLORATION CONTRACT
A. O. BARTELL
OME-6086

AMENDMENT NO. 4

It is agreed this _____ day of _____, 1962, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter referred to as the "Government," and A. O. Bartell, hereinafter referred to as the "Operator," that Contract No. 2120 (OME-6086), dated August 31, 1960, as amended, is further amended, effective December 31, 1961, as follows:

1. In Article 1 of the contract, as amended, the period for completion of the work is changed from "within 16 months from the date of the contract" to "within 20 months of the date of the contract."

2. It is of the essence of this contract that the work be completed on or before the termination of the period herein fixed for completion; and if it is not so completed, in a manner required to bring the project to completion as required by the contract, the following provisions shall thereupon become effective:

(a) The contract and all obligations of the parties thereunder, except as hereinafter provided, shall be and are hereby terminated effective May 1, 1962.

(b) The Government shall contribute only to the fixed unit costs of work performed prior to said effective date.

(c) The Operator, as principal if the Operator is the producer or as surety if the Operator is not the producer, shall

None

OFFICIAL FILE COPY
O. M. E
RECEIVED AUG 17 1961

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| 8/17 | [illegible] | 800 |
| " | [illegible] | 500 |
| " | [illegible] | 500 |
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| | | |
| | | |

So. 157 Howard Street
Spokane 4, Washington
August 15, 1961

Mr. A. O. Bartell
5115 S. W. Northwood Avenue
Portland 1, Oregon

Re: OME-6086 (Mercury)
Hiebet Mine
Clackamas County, Oregon
Contract 2120

Dear Mr. Bartell:

Enclosed are the original and four copies of a proposed Amendment No. 3 (one page) to the cited contract, signed by the Director for the Government.

This amendment has been prepared along the lines outlined in your letter of July 12, 1961, in which briefly you describe the difficulties you were having in attempting to complete your last drill hole and in which you requested an extension of time to complete the contract. You will note that the time for completion of the contract has been extended from "within 10 months from the date of the contract" to "within 16 months from the date of the contract."

If the proposed amendment is satisfactory to you, please sign all copies, retain the Operator's Copy and return the others to this office. If any part of the amendment does not meet with your approval, please return all copies unsigned to this office with your comments.

Sincerely yours,

D. R. Maclaren
Acting Field Officer, OME
Region I

Enclosures

Mailing copies to: Hulet, Hobbs, Guild

DRMaclaren:mls
cc: OME
Maclaren

MME Form 7
(10-58)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 8/8 | Hoff | 500 |
| | Wisnoll | 500 |
| 8/10 | Talbut | 800 |
| 8/10 | GLA | 130 |
| " | Johnson | 110 |
| 8-10 | Kimch | 100 |
| 8-10 | gad | 220 |
| | | 500 |
| | | |

AUG 1 0 1961

Memorandum

To: Acting Field Officer, Region I

Attention: Miss Mary L. Smelser

From: Chief, Division of Field Operations

Subject: OME-6086 (Mercury)
A. O. Bartell
Nisbet Mine
Clackamas County, Oregon
Contract 2120

We are in receipt of the Government's, Audit's, Operator's, and Fiscal Section's copies of proposed Amendment No. 3, dated July 26, 1961, returned with your route slip of July 31, 1961. The route slip bore the notation, "Transmittal of Amendment No. 3 signed by the Operator in accordance with your memo of July 26, 1961."

As the copies returned were not signed by the Operator, as stated, the original and three copies mentioned above are returned with the request that they be presented to the Operator for signature. We presume you retained the Field Office's copy of the amendment in your files.

When the amendment has been signed by the Operator, kindly return the usual number of copies to us.

/s/ George C. Selfridge

Enclosures

GLAult/a
8-8-61
cc to: Director's Reading File
Review Committee
Docket

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 7/24 | Holt | 500 |
| | Miami | 500 |
| 7/24 | Talbert | 800 |
| 7/25 | GLS | 130 |
| " | Johnson | 110 |
| 7-26 | Kinnich | 100 |
| 7-26 | gad | 220 |
| | | 500 |
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JUL 2 6 1961

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Field Operations

Subject: OME-6086 (Mercury)
A. O. Bartell
Nisbet Mine
Clackamas County, Oregon
Contract 2120

In accordance with your memorandum of July 13, 1961, we are enclosing the original and four copies of a proposed Amendment No. 3 (one page) to the cited contract, signed by the Director for the Government.

If the proposed amendment is satisfactory to you and the Operator, all five copies should be signed by the Operator. The Operator should retain his copy, you should retain the Field Office's copy, and the Government's, Audit's, and Fiscal Section's copies should be returned to this office.

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

/s/ George C. Selfridge

(SHB)

Enclosures

SPHolt/gla
7-24-61
cc to: Director's Reading File
Review Committee
Docket

43683

NMS Form 7
(10-58)

OFFICIAL FILE COPY

| Date | Surname | Code |
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| 7/27 | S.M.H. | 500 |
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| | ~~Murphy~~ | |
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July 25, 1961

NOTE TO FILES

Mr. Selfridge has discussed with Mr. Soller the inclusions of E.O. 10925 to replace the present N.D. clause.

It was determined that unless the amendment was for a substantial change in the contract E.O. 10925 would not be included.

The amendment provides for only a minor change in the contract by extending the time to complete one drill hole. The work is done under an independent contract.

Frank E. Johnson

43683

DRAFT 7/18/61
SPHolt/gla

EXPLORATION CONTRACT
A. O. BARTELL
OME-6086

Docket copy

AMENDMENT NO. 3

It is agreed this _____ day of _____, 1961, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter referred to as the "Government," and A. O. Bartell, hereinafter referred to as the "Operator," that Contract No. 2120 (OME-6086), dated August 31, 1960, as amended, is further amended, effective June 30, 1961, as follows:

1. In Article 1 of the contract, as amended, the period for completion of the work is changed from "within 10 months from the date of the contract" to "within 16 months from the date of the contract."

2. In Article 6(b)(2) of the contract the period for repayment is changed from ten years to eleven years from the date of the contract.

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

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By_____
Director, Office of Minerals Exploration

_____
A. O. Bartell

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane 4, Washington
July 13, 1961

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUL 17 1961

| DATE | INITIALS | CODE |
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| 7-17 | gad | 110 |
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| | Hoeft | 500 |

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: OME-6086 (Mercury)
A. O. Bartell
Nisbet Mine
Clackamas County, Oregon
Contract 2120

Enclosed are two copies of a letter dated July 12, 1961, in which Mr. Bartell briefly describes the difficulties he has been having in attempting to complete his last drill hole and requests an extension of time to complete the contract.

Mr. Bartell has been diligently fighting the bad ground for the past 2 months although he has only been able to advance 5 feet in that time. There is no way of knowing how much more bad ground may lie ahead, but this hole offers the only remaining chance of making a discovery. In view of this fact and the Operator's willingness to continue in spite of his difficulties of the past 2 months, it is recommended that the request to extend the contract period to September 30, 1961, be approved.

D. R. MacLaren

D. R. MacLaren

Enclosures

See folder #1 July '61 Newsletter report

Mre (3)

OFFICIAL FILE COPY
O. M. E
RECEIVED APR 14 1961

| DATE | INITIALS | |
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| 4-14 | gad | vvo |
| 4/14 | | 800 |
| " | | 500 |
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No. 157 Howard Street
Spokane 4, Washington
April 12, 1961

Mr. A. O. Bartell
5115 S. W. Northwood Avenue
Portland 1, Oregon

Re: OME-6086 (Mercury)
Hisbet Mine
Clackamas County, Oregon
Contract 2220

Dear Mr. Bartell:

As the date for completion of the referenced contract is 6 months from the date of the contract or February 28, 1961, your March voucher cannot be processed until we receive the signed copies of Amendment No. 2. Also, if you sign Amendment No. 2, it will be necessary in your voucher to show a breakdown under drilling which will indicate the number of feet drilled AX non-core at $5.80 per foot and the number of feet drilled AX core at $8.70 per foot.

I am returning the March voucher and an extra set of forms, MME-60 and MME-61, so that you can prepare a voucher in accordance with the terms of Amendment No. 2. Also enclosed are the two sets of forms which you requested.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OME
Region I

Enclosures

cc: OME(3)
Voucher File
MacLaren
Director
Econ. Geol.
B&FM

OFFICIAL FILE COPY
O. M. E
RECEIVED APR 13 1961

| DATE | INITIALS | CODE |
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| 4-13 | gad | VVO |
| 4/13 | [illegible] | 800 |
| " | ~~Holeb~~ S.P.H. | 500 |

Doc (2)

No. 157 Bennett Street
Spokane 4, Washington
April 10, 1961

Mr. A. O. Bartell
5115 S. W. Northwest Avenue
Portland 1, Oregon

Re: OME-6086 (Mercury)
Rocket Mine
Clackamas County, Oregon
Contract 2189

Dear Mr. Bartell:

Enclosed are the original and four copies of a proposed Amendment No. 2 (one page) to your OME contract, signed by the Acting Director for the Government.

This amendment was prepared along the lines we discussed during my visit to the property on March 2, 1961. You will note that the time for completion of the contract has been extended from February 28 to June 30, 1961, that hole D-6 has been deleted as have items 3 and 4 of Amendment No. 1, and that hole D-3 may be drilled to a depth not to exceed 500 feet, of which the first 200 feet may be drilled non-core.

If the proposed amendment is satisfactory to you, please sign all copies, retain the Operator's copy, and return the others to this office. If any part of the amendment does not meet with your approval, please return all copies unsigned.

Sincerely yours,

D. R. Mackeson
Acting Field Officer, OME
Region I

Enclosures

cc: OME(E); Director
Mackeson Exp. Geol.

MME Form 7
(10-58)

OFFICIAL FILE COPY

| Date | Surname | Code |
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| 3/28 | Holt | 500 |
| | Yuanold | 500 |
| 3/29 | Talbert | 800 |
| 3/29 | GCS | 130 |
| " | Johnson | 110 |
| 3/29 | Lee | 220 |
| | | 500 |
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MAR 2 9 1961

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Field Operations

Subject: OME-6086 (Mercury)
A. O. Bartell
Nisbet Mine
Clackamas County, Oregon
Contract 2120

In accordance with your memorandum of March 14, 1961, we are enclosing the original and four copies of a proposed Amendment No. 2 (one page) to the cited contract, signed by the Acting Director for the Government.

If the proposed amendment is satisfactory to you and the Operator, all five copies should be signed by the Operator. The Operator should retain his copy, you should retain the Field Office's copy, and the Government's, Audit's, and Fiscal Section's copies should be returned to this office.

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

/s/ George C. Selfridge

Enclosures

SPHolt/gla
3-28-61
cc to: Director's Reading File
Review Committee
Docket

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

| Date | Surname | Code |
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| 3/21 | Holt | 500 |
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March 21, 1961

Memorandum

To: Associate Solicitor, Division of Mineral Resources

From: W. R. Griswold, Chief, Division of Minerals

Subject: OME-6086 (Mercury)
A. O. Bartell
Nisbet Mine
Clackamas County, Oregon
Contract 2120

Attached is a draft of a proposed Amendment No. 2 to the above-captioned contract for your use in preparing it in final form.

Attachment

SPHolt/gla
3-21-61
cc to: Docket

43683

DRAFT
SPHolt/gla
3/21/61

Docket copy

EXPLORATION CONTRACT
A. O. BARTELL
OME-6086

AMENDMENT NO. 2

It is agreed this _____ day of _____, 1961, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter referred to as the "Government," and A. O. Bartell, hereinafter referred to as the "Operator," that Contract No. 2120 (OME-6086), dated August 31, 1960, as amended, is further amended, effective February 1, 1961, as follows:

1. In Article 1 of the contract the period for completion of the work is changed from "within 6 months from the date of the contract" to "within 10 months from the date of the contract."

2. Drill hole B-2, shown on maps, Figures 2 and 3 attached to the contract, shall not be drilled.

3. Items 3 and 4 of Amendment No. 1 are deleted in their entirety.

4. Drill hole B-3, shown on maps, Figures 2 and 3 attached to the contract, may be drilled to a depth of not to exceed 500 feet. This hole B-3 may be drilled with non-coring bits to the depth of 200 feet, and shall then be completed by core drilling.

5. In the fourth line of Item 5 of Amendment No. 1, the figures 120 are changed to 200.

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

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By_____
Acting Director, Office of
Minerals Exploration

_____
A. O. Bartell

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane 4, Washington
March 14, 1961

OFFICIAL FILE COPY
O. M. E
RECEIVED MAR 17 1961

| DATE | INITIALS | |
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| 3-17 | gad | vvo |
| | | 130 |
| 3/20 | ~~Holt~~ SPH | ~~500~~ |

Air Mail

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: OME-6086 (Mercury)
A. O. Bartell
Nisbet Mine
Clackamas County, Oregon
Contract 2120

The time for completion of the subject contract expired February 28, 1961. An inspection was made March 2, 1961, and the interim inspection report, the original and two copies of which are enclosed, describe the results of the drilling to that date. The results of the drilling have been disappointing. However, the Warrendale agglomerate in which it was hoped to find ore bodies larger than those found in the basalt has been deeper than was indicated by holes drilled at the toe of the Lake Harriet dam. The only hole to enter this formation was A-2 drilled from station 76, and this hole cut the Oak Grove vein above the contact. Hole B-3 is now being drilled from station 76 and at the time of the inspection has reached a depth of 188 feet. This hole should pass into the Warrendale at about 240 feet at which point it will be about 20-30 feet from the vein. It should cut the Oak Grove vein at about 450 feet and pass through it within 500 feet.

In order to avoid duplicating core in the basalt so close to that taken from holes A-1, A-2, and B-1, the Operator has drilled this hole with an AX size non-coring bit. As he nears the probable position of the Warrendale, he will change to an AX coring bit and use it to the footwall side of the vein, where the hole will be stopped. This hole should be completed by the end of March.

It is recommended that the contract be amended to extend the time for completion of the contract to May 15, 1961, to delete the drilling of hole B-2 and to permit drilling hole B-3 to a depth of 500 feet; 200 feet with an AX non-coring bit at a cost of $5.80 per foot, and 300 feet with an AX coring bit at $8.70 per foot. This amendment with Amendment No. 1 will result in a

reduction of the total drilling cost from $13,050.00 to $11,243.30, a saving to the Government as follows:

| | | | |
|---|---|---|---|
| Contract authorized 1,500 ft of AX core drilling at $8.70/ft | | | $13,050.00 |
| Holes completed with AX coring bit: | | | |
| Y | 150.0 ft | | |
| C | 155.5 ft | | |
| A-1 | 148.0 ft | | |
| A-2 | 251.5 ft | | |
| B-1 | 154.0 ft | | |
| Total | 859.0 ft at $8.70/ft | $7,473.30 | |

Amendment No. 1 deleted hole A-3 and hole A-4 will not be drilled.

Proposed Amendment No. 2 will authorize that hole B-3 be drilled.

| | | |
|---|---|---|
| 200 ft AX non-core at $5.80/ft | $1,160.00 | |
| 300 ft AX core at $8.70/ft | 2,610.00 | |
| | | 11,243.30 |
| Reduction in original estimated cost | | $ 1,806.70 |

D R MacLaren

D. R. MacLaren

Enclosures
cc

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O. M. E
RECEIVED MAR 13 1961

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| 3-13 | Gad | VVO |
| 3/13 | [illegible] | 800 |
| 1a | [illegible] | 500 |

No. 157 Howard Street
Spokane 4, Washington
March 10, 1961

Mr. A. O. Bartell
5115 S. W. Northwest Avenue
Portland 1, Oregon

Re: OME-6086 (Mercury)
Nickel Mine
Clackamas County, Oregon
Contract 2120

Dear Mr. Bartell:

Enclosed are the original and four copies of a proposed Amendment No. 1 (two pages) to your OME contract, signed by the Acting Director for the Government.

This amendment was prepared in accordance with our telephone conversation and your letter of February 6, 1961. Although the mixture has changed somewhat since your request, the proposed amendment relieves you of any obligation to drill hole A-3 and confirms my Work Authorization for you to drill A-2 in excess of 200 feet indicated in figure 3 accompanying the contract. Since A-2 has cut the vein, there is no need to drill A-4 or to deepen A-2. The provision for non-core drilling is limited to hole A-4 which will not now be drilled.

If the proposed amendment is satisfactory to you, please sign all copies, retain the Operator's Copy, and return the others to this office. If any part of the amendment does not meet with your approval, please return all copies unsigned.

I have received your voucher for February and will process it for partial payment as soon as I receive the signed copies of Amendment No. 1. However, I will have to withhold payment on the 123.4 feet allowed for hole A-3 as it was drilled non-core, but I shall request an amendment to authorize the less costly drilling. This drilling may be reclaimed if the amendment is approved.

Sincerely yours,

D. E. Mathesen
Acting Field Officer, OME
Region I

Enclosures

cc: OME(2)
Voucher File
Director
Reg. Geol.
MWK

MME Form 7
(10-58)

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MAR 6 1961

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Field Operations

Subject: OME-6086 (Mercury)
A. O. Bartell
Nisbet Mine
Clackamas County, Oregon
Contract 2120

In accordance with your memorandum of February 9, 1961, we are enclosing the original and four copies of a proposed Amendment No. 1 (two pages) to the cited contract, signed by the Acting Director for the Government.

If the proposed amendment is satisfactory to you and the Operator, all five copies should be signed by the Operator. The Operator should retain his copy, you should retain the Field Office's copy, and the Government's, Audit's, and Fiscal Section's copies should be returned to this office.

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

/s/ George C. Selbridge (2/2)

Enclosures

SPHolt/gla
3-3-61
cc to: Director's Reading File
Review Committee
Docket
Chron

43683

Mre (2)

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Sa. 157 Howard Street
Spokane 4, Washington
February 20, 1961

Mr. A. O. Bartell
5115 S. W. Northwood Avenue
Portland 1, Oregon

Re: OME-6086 (Mercury)
Hiebet Mine
Clackamas County, Oregon
Contract EI80

Dear Mr. Bartell:

I will be in Oregon the week starting February 27, 1961, and will visit the Hiebet mine to inspect the new access road and the drill core.

Although it is difficult to say how long my first job will take, I imagine I will arrive in Portland the afternoon of February 28 or March 1. I will call you at CH 6-3765 the evening of February 28 in any case to make definite arrangements to meet you, if this is satisfactory. If I cannot reach you by phone, I will go to the property either March 1 or 2, depending on how things work out.

Sincerely yours,

D. R. Mackenzie
Acting Field Officer, OME
Region I

cc: OME(2)
Director
Econ. Geol.
BAFM

MME Form 7
(10-58)

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INTERIOR DEPT.
FEB 20 1961
SOLICITOR

February 17, 1961

Memorandum

To: Associate Solicitor, Division of Mineral Resources

From: W. R. Griswold, Chief, Division of Minerals

Subject: OME-6086 (Mercury)
A. O. Bartell
Nisbet Mine
Clackamas County, Oregon
Contract 2120

Attached is a rough draft of a proposed Amendment No. 1 to the above-captioned contract for your use in preparing it in final form.

/s/ W. R. Griswold

Attachment

SPHolt/gla
2-17-61

43683

DRAFT
2/17/61
SPHolt/gla

EXPLORATION CONTRACT
A. O. BARTELL
OME-6086

AMENDMENT NO. 1

It is agreed this _____ day of _____, 1961, between the United States of America, Acting through the Department of the Interior, Office of Minerals Exploration, hereinafter referred to as the "Government," and A. O. Bartell, hereinafter referred to as the "Operator," that Contract No. 2120 (OME-6086), dated August 31, 1960, is amended, effective February 6, 1961, as follows:

1. Hole No. A-3, shown on map, Figure 3, attached to the contract, shall not be drilled.

2. Hole No. A-2, shown on Figure 3, may be drilled until it intersects the ore zone cut in Hole A-1, or to a depth of 300 feet, whichever occurs first.

3. Should hole A-2 not cut the ore zone within the 300-foot depth authorized above, a third hole, A-4, may be drilled from the same location (Station 76), in the same direction as holes A-1 and A-2, with an inclination of -73°, to a depth of not to exceed 180 feet. This hole A-4 may be drilled with non-coring bits to the ore zone, or to the depth of 120 feet, whichever occurs first, and shall then be completed by core drilling.

4. If the ore zone between its intercept in hole A-1 and that in hole A-4 is found to be vertical or nearly so, hole A-2 may be deepened to a total depth not to exceed 380 feet. If no ore zone is encountered in this hole A-2, no further drilling of the A-Series shall be done.

5. In Exhibit A, Estimated Costs, second item, Diamond core drilling, place a double asterisk (**) after the single asterisk (*), and add a footnote to read "** Non-coring drilling @ $5.80/ft."

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

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By_____
Acting Director, Office of
Minerals Exploration

_____
A. O. Bartell

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane 4, Washington
February 9, 1961

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Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: OME-6086 (Mercury)
A. O. Bartell
Nisbet Mine
Clackamas County, Oregon
Contract 2120

Enclosed are two copies of a letter dated February 8, 1961, from A. O. Bartell in which he proposes that noncore diamond drilling be done, instead of core drilling where the taking of core would be an unnecessary duplication, at a cost equal to two-thirds of the cost of diamond drilling.

Hole A-1 has been drilled to a depth of 100 feet and is in an ore zone from 85 feet to 100 feet. Hole A-2 has been drilled to a depth of 200 feet but has not yet encountered the ore zone cut in Hole A-1. Neither hole has passed from basalt to the Warrendale formation. At Bartell's telephone request he was authorized February 6, 1961, to continue Hole A-2 to cut the ore zone indicated in Hole A-1 or to a depth not to exceed 300 feet, whichever occurs first. yes - Amend file, 1

Either the ore zone in Hole A-1 died out at an altitude above where its projection would be intersected by Hole A-2 or it has steepened. If the structure has steepened to 90° at the Hole A-1 intercept, Hole A-2 might require as much as 340 feet to reach it. If it is not cut by A-2 after 300 feet of drilling, I would suggest a third hole at 73° which should reach the vein 160-180 feet if it has steepened to 90° and would justify drilling Hole A-2 deeper than 300 feet. If this hole did not reach the ore zone at 200 feet, I would recommend abandoning the A-Series and drill Holes B-1 and B-2. In any case, it is doubtful that drilling Hole A-3 would be of any value.

The section accompanying the Narrative Report for January indicates that Hole A-2 has cut 4 calcite veins. It is quite possible that a 4-inch calcite vein with visible cinnabar cut at a depth of about 137 feet, or an 18-inch calcite vein with no visible cinnabar cut

at about 177 feet could represent the downward extension of the vein. However, Mr. Bartell does not believe that they are, and I agree with him that we will not know until Hole A-2 has been drilled deeper.

In the event that Hole A-2 does not cut the ore zone within 300 feet and the 73° hole is drilled, the core from the first 120 feet would duplicate that from Holes A-1 and A-2 and will not be of any particular value. If this 120 feet were drilled AX size, noncore, at $5.80 per foot, it would cost $696.00. If the vein proved to be vertical between the A-1 and the 73° holes, this would permit Hole A-2 to be deepened to 380 feet with no increase in total cost. This should be ample footage to permit Hole A-2 to reach the vein at a depth of about 430 feet below the outcrop measured along the vein.

To provide for this eventuality it is recommended that an amendment be prepared along the following lines: Hole A-3 shown on figure 3 shall not be drilled. Instead, should DDH A-2 not cut the vein within the 300 feet of drilling specified in a Work Authorization dated February 6, 1961, a hole AX in size shall be drilled from Station 76 at the same bearing as Holes A-1 and A-2 and at an inclination of 73° to a depth of 180 feet. This hole may be drilled noncore to a depth of 120 feet or to the ore zone whichever occurs first and shall be completed by core drilling. The cost of noncore drilling will be two-thirds that of core drilling or $5.80 per foot. If the ore zone between the intercept in this hole and that in Hole A-1 is found to be vertical or nearly so, Hole A-2 may be drilled to a total depth not to exceed 380. If no ore zone is encountered in this hole, no further drilling of the A-Series holes shall be done.

DRMacLaren

D. R. MacLaren

Enclosures
cc: Director
Econ. Geol.
B&FM

A. O. BARTELL, E.M.
REGISTERED PROFESSIONAL ENGINEER
5115 S.W. Northwood Ave.
Portland 1, Oregon

OFFICIAL FILE COPY
O. M. E
RECEIVED FEB 13 1961
DATE | INITIALS

February 6, 1961

Mr. D. R. MacLaren
Acting Field Officer, OME
Region I
So. 157 Howard Street
Spokane 4, Washington

Re: OME-6086 (Mercury)
Nisbet Mine
Clackamas Co., Ore.
Contract 2120

Dear Mr. McLaren:

This is to respectfully request a modification of my contract which, in brief, will result in more drilling with no increase in cost.

It is suggested that non-core diamond drilling be used instead of core drilling (as is specified in the contract), where the taking of core would be an unnecessary duplication. For example, at Station 76, Figure 3 of contract, it can be seen that at least the first hundred feet of Hole A3 will be an unnecessary duplication of core already obtained in Hole A2, only a few feet away.

It is proposed to do non-core drilling at two-thirds the contract unit cost for AX core drilling. This difference in unit cost could be applied to additional drilling such as that suggested at Holes A1 and A2 in my narrative report to you for January, 1961.

Sincerely,

A. O. Bartell

A. O. Bartell

AOB:mb

RECEIVED
FEB 8 1961
S.E.S.

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No. 137 Howard Street
Spokane 4, Washington
February 6, 1961

Mr. A. O. Bartell
5115 S. W. Northwood Avenue
Portland 1, Oregon

Re: Work Authorization
OME-[illegible] (Mercury)
Hobet Mine
Clackamas County, Oregon
Contract 2180

Dear Mr. Bartell:

In accordance with your telephone request of February 6, 1961, you are authorized to continue diamond drill hole A-1 to the footwall side of the ore zone encountered at a depth of 85 feet, and to drill hole A-2 to cut the ore zone indicated in hole A-1 or to a depth not to exceed 300 feet whichever occurs first.

Your request regarding the change from core to plug-bit drilling at a reduced cost per foot for a portion of hole A-3 will require an amendment to the contract. Your request should include an estimate of the number of feet of plug-bit drilling that will be done and the cost per foot. Whether this hole should be drilled at all will depend, of course, upon the results of hole A-2. However, to avoid any delay in drilling, the amendment should be requested now, as you will be drilling at your own risk until and unless an appropriate amendment is executed.

Sincerely yours,

D. R. Maclaren
Acting Field Officer, OME
Region I

cc: OME(3)
Director
Econ. Geol.
MAPM

C O P Y C O P Y

Mine (2)

A. O. BARTELL, E. M.

REGISTERED PROFESSIONAL ENGINEER

5115 S.W. Northwood Ave.
Portland 1, Oregon

Mr. D. R. MacLaren
Acting Field Officer, O. M. E.
So. 157 Howard Street
Spokane 4, Washington

Contract 2/120

Dear Mr. MacLaren:

I am writing you in regard to your letter of December 6 concerning OME-6086 Nisbet Mine, Clackamas County, Oregon because my husband is up at the mine.

We certainly do appreciate your consideration and suggestions concerning a postponement if necessary. Although we have had the highest water known here for 22 years, the road is in and the drilling started, and I believe almost to schedule. The progress report forms MME 60 and 61 are in the hands of the secretary and you should receive them in a day or so.

I personally would like to thank you for your interest and aid concerning this project.

Yours sincerely

VIRGINIA LEE BARTELL
(Mrs. A. O.)

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O. M. E. /s/
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So. 157 Howard Street
Spokane 4, Washington
December 6, 1960

Mr. A. O. Bartell
5115 S. W. Northwood Avenue
Portland 1, Oregon

Re: OME-6086 (Mercury)
Nisbet Mine
Clackamas County, Oregon
Contract 2120

Dear Mr. Bartell:

Presumably, work under the referenced contract was started on or before November 1, 1960, and possibly this letter will cross your November progress report and voucher. However, in view of the very heavy rains in that section during November, it occurs to me that you may have been able to make little, if any, progress.

If the work was not started by November 1 or if it was interrupted for any appreciable period of time, please request an appropriate amendment, either to postpone the starting date or to authorize a recess. Your request should include the reason for the delay, the date work ceased, should a recess be in order, and the date on or before which it will be resumed, or started should a postponement of the starting date be required.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OME
Region I

cc: OME(2)
Director
Econ. Geol.
B&FM
MacLaren

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So. 157 Howard Street
Spokane 4, Washington
September 21, 1960

Mr. A. O. Bartell
5115 S. W. Northwood Avenue
Portland 1, Oregon

Re: OME-6086 (Mercury)
Nisbet Mine
Clackamas County, Oregon
Contract 2120

Dear Mr. Bartell:

We are forwarding a 3-month supply of Operator's Monthly Voucher and Progress Report, MME Forms 60 and 61.

The completed report forms MME 60 and 61, as well as the narrative, maps, assays and all technical data, should be submitted in quadruplicate for each month in which costs have been incurred under the contract.

Delays in processing can be avoided if reports are submitted promptly to this office.

We are returning your report as requested on the fly page. As we mentioned in our letter of September 6 other reports are in Washington and will be returned from there.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OME
Region I

Enclosures

cc: OME(2)
DRF

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So. 157 Howard Street
Spokane 4, Washington
September 6, 1960

Mr. A. O. Bartell
5115 S.W. Norwood Avenue
Portland 1, Oregon

Re: OME 6086 (Mercury)
A. O. Bartell
Nisbet Mine
Clackamas County, Oregon

Dear Mr. Bartell:

Enclosed are the original and four copies of a proposed contract for the referenced project. The contract consists of MME Form 50 (Short Form), Annex I (one page), Exhibit A (two pages), and four maps.

If the terms and conditions of the proposed contract are satisfactory, please fill in the starting date in Article 1, sign all copies, keep the Operator's copy, and return the other copies to this office.

If the contract is not acceptable, please return all copies unsigned with your comments.

The interest rate of 6 percent mentioned in Article 1(c) accrues from the dates on which the individual payments are made by the Government and, like the principal, is repayable from royalty on production.

Our Washington office advises us that they will return the reports by Brown and Walker, and A. O. Bartell, and the claim map will be returned when they have served their purpose.

Sincerely,

D. R. MacLaren
Acting Field Officer, OME
Region I

Enclosures
cc: OME (2)
Docket
Dir's Reading File
Chrono File

DME-6086, A. O. Bartel

I have not summaried proposed contract because, in my opinion, the fixed unit price of $8.70/ft. for drilling is not adequately justified.

Computation of the low bid (Jamsen) has been made on basis of 150 days (average of 10 ft./day), whereas page 5 of application, as revised, indicates an estimate of 75 days and page 8 of on-site exam. report estimates 20 ft. per day.

Computation on basis of 20 ft/day results in a unit price of $6.43, plus say $1.00 incidentals, or $7.43/ft

Calc. on 20 ft/day basis $8.70 below lowest bid

summaried 8/11/60

Also, transmittal ltr. does not include reports and map for return to applicant, as requested.

Would be returned when proposal summaried

Talbut
8/26/60

sec 4
See 3-G

MME Form 7
(10-58)

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AUG 31 1960

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Field Operations

Subject: OME-6086 (Mercury)
A. O. Bartell
Nisbet Mine
Clackamas County, Oregon

Enclosed are the original and four copies of a proposed contract for the subject project. The contract consists of MME Form 51, Annex I (one page), Exhibit A (two pages), and four maps. All copies have been signed by the Acting Director for the Government.

Please advise the Applicant that the interest mentioned in Article 1(c) accrues from the dates on which the individual payments are made by the Government and like the principal is repayable from royalty on production. Under Article 1, the starting date has been left blank and is to be filled in when the contract is signed by the Operator.

If the proposed contract meets with your approval, please present it to the Applicant for signature. Otherwise, if any proposed changes lie beyond your delegated authority, please return all copies, unsigned, with your comments.

When it is executed, the Operator should retain his copy, the Field Office's copy should be retained by your office, and the Government's, Fiscal Section's and Audit's copies should be returned to this office.

/s/ George C. Selfridge (24/2)

Enclosures

SPHolt/gla
8-26-60
cc to: Director's Reading File
Review Committee
Docket
Chron

P. S. Reports by Brown and Walker, and A. O. Bartell, and Claim Map will be returned to the Applicant when they have served our purpose.

43683

DRAFT
8/23/60
SPHolt/gla

MME Form 51
Feb. 1959

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Docket Copy

EXPLORATION CONTRACT
(Short Form)

| Docket No. | Commodity | Contract No. | County | State |
|---|---|---|---|---|
| OME-6086 | Mercury | 14-23-090- | Clackamas | Oregon |

It is agreed _____ (Date), between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and

A. O. Bartell

Draft

whose mailing address is 5115 Northwood Avenue, Portland 1, Oregon, hereinafter called the "Operator," as follows:

ARTICLE I. Authority and scope.--(a) This contract, entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before _____ (Date), and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within 6 months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the work is $ 14,920.00 The Government will contribute 50 percent of the total fixed unit costs of the work performed, not in excess of $ 7,460.00 in accordance with the provisions of Articles 4 and 5.

(c) Interest computation.--Simple interest computed annually at the rate of _____ percent shall accrue from the dates Federal funds are made available until the period specified for payment of royalty expires, or until the amount of Federal funds contributed is fully repaid with interest.

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

ARTICLE 2. Operator's rights in land.--(a) The Operator represents and undertakes that Annex I correctly describes the land which is the subject of this contract and the nature of the Operator's right of property and possession therein (whether as owner, lessee, or otherwise), and that such right, title, or interest is subject only to the following claims, liens, or encumbrances:

None

(b) 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 Lien Agreement of any holder of the legal title of the land (lessor, seller, optionor, etc.) are attached as follows:

None

(c) The Operator shall preserve and maintain his right, title, or 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. 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 royalty on production and liens for the payment thereof. Two true copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 6 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

ARTICLE 3. Performance of the work.--(a) Operator's responsibility.--The work shall be performed diligently, efficiently, in a workmanlike manner in accordance with good mining standards, and in compliance with State laws governing health, safety, and liability insurance covering employment. The Operator shall provide suitable and adequate equipment, facilities, materials, supplies, and labor to complete the work as specified in Article 1(a).

(b) 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 production operations during the period that royalty is payable to the Government. The Operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 4. Contribution by the Government.--The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5(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 and the Operator's final report has been received, the Government may withhold such sums as are necessary to protect its interests. To the extent that amounts in excess of fixed unit costs or in excess of the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such amounts for his own account without contribution by the Government. The Government will not contribute to the cost of any work performed prior to the date of this contract. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

ARTICLE 5. Reports, accounts, audits.--(a) Operator's records.--The Operator shall keep suitable records and accounts of the units of 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. 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 all pertinent books, documents, papers, and records of the Operator.

(b) Monthly reports.--The Operator shall provide the Government with five copies of monthly reports in three sections as follows:

(1) Operator's Monthly Voucher claiming costs for work performed;

(2) Operator's Progress Report showing the number of units of the various types of work performed; 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 monthly report). 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 the unit costs thereof.

(d) Report of sales.--The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's 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 the Government determines that 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 preparation or completion of same 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 6. Repayment by Operator.--(a) Certification.--If the Government considers that mineral or metal production from the land covered by the contract may be possible as a result of the exploration work, it shall so certify in writing to the Operator at any time not later than six months after a sufficient final report and final accounting (see Article 5) have been furnished.

(b) Royalty on production.--The Operator, whether or not the producer (for example, if the Operator either transfers or does not retain his interest in the land), shall pay to the Government a royalty on all minerals and metals mined or produced from the land as follows:

(1) irrespective of any certification of possible production--from the date of the contract until the lapse of the time within which the Government may issue such certification or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first; or

(2) if the Government issues a certification of possible production--for a period of ten years from the date of the contract or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first.

(c) Payment of royalty.--(1) The Government's royalty shall be five percent of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrate, 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 (such as treatment processes performed by the buyer, sampling and assaying to determine the value of the production sold, and freight payable 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. No costs of the Operator are deductible in arriving at the "gross proceeds" as that term is here used.

The term "treatment processes" means those processes (such as milling, concentrating, smelting, refining, or equivalent, but excluding fabricating or manufacturing) applied to the crude ore or other production after it is extracted from the ground to put it into a commercially marketable form.

(2) 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.

(d) Unsold production.--If any production (ore, concentrate, 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, concentrate, 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 thereof in the form in which and at the time 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) Lien for payment.--To secure the payment of royalty (see Article 6(b)), the Operator hereby grants to the Government a lien upon his interest in the land and upon any production of minerals and metals therefrom until the royalty claim is extinguished by lapse of time or is fully paid.

(f) 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 Government, and this estimate shall be final and binding upon the Operator.

(g) No obligation to produce.--Nothing in this contract shall be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

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

ARTICLE 7. Termination of the Government's Obligations.--(a) If the Government determines that operations at any time have failed to achieve anticipated results and further work is not justified, the Government may give the Operator written notice thereof, and thereupon:

(1) the Government shall be free of all obligation to pay on account of units of work not then performed; and

(2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to final accounting and reporting.

(b) If the Government determines that the Operator is 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 pay on account of units of work not performed when the notice was given, and

(2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to final accounting and reporting.

The Government may also avail itself of any other remedy the law may provide for breach of contract, including the right to rescind the contract and to demand repayment of all moneys contributed by the Government under the contract.

(c) The giving of any notice by the Government under the provisions of this Article 7 shall not affect the Government's rights as provided for in the contract with respect to royalty and liens to secure the payment thereof, and such rights shall be fully preserved.

(d) The determinations of the Government are subject to appeal under Article 11.

ARTICLE 8. Notices to be given by the Government may be delivered to the Operator or may be sent by certified 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 9. 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 10. Nondiscrimination.--In connection with the performance of work under this contract, the Operator agrees not to discriminate against any employee or applicant for employment because of race, religion, color, or national origin. The aforesaid provision shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Operator agrees to post hereafter in conspicuous places, available for employees and applicants for employment, notices to be provided by the Government setting forth the provisions of the nondiscrimination clause.

The Operator further agrees to insert the foregoing provision in all subcontracts hereunder, except subcontracts for standard commercial supplies or raw materials.

ARTICLE 11. Disputes.--Any dispute arising under this contract which is not disposed of by agreement shall be decided by the Director, Office of Minerals Exploration, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Operator. The decision of the Director, Office of Minerals Exploration, shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the Operator mails or otherwise furnishes to the Director, Office of Minerals Exploration, a written appeal addressed to the Secretary. The decision of the Secretary or his duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence.

The term "Director, Office of Minerals Exploration," as used herein includes his duly authorized representative.

ARTICLE 12. Eight-Hour Law of 1912--Overtime compensation.--This contract, to the extent that it is of a character specified in the Eight-Hour Law of 1912, as amended (40 U. S. Code 324—326) and is not covered by the Walsh-Healey Public Contracts Act (41 U. S. Code 35—45), is subject to the following provisions and exceptions of said Eight-Hour Law of 1912, as amended, and to all other provisions and exceptions of said Law:

No laborer or mechanic doing any part of the work contemplated by this contract, in the employ of the Operator or any independent contractor contracting for any part of said work contemplated, shall be required or permitted to work more than eight hours in any one calendar day upon such work, except upon the condition that compensation is paid to such laborer or mechanic in accordance with the provisions of this clause. The wages of every laborer and mechanic employed by the Operator or any independent contractor engaged in the performance of this contract shall be computed on a basic day rate of eight hours per day; and work in excess of eight hours per day is permitted only upon the condition that every such laborer and mechanic shall be compensated for all hours worked in excess of eight hours per day at not less than one and one-half times the basic rate of pay. For each violation of the requirements of this clause a penalty of five dollars shall be imposed for each laborer or mechanic for every calendar day in which such employee is required or permitted to labor more than eight hours upon said work without receiving compensation computed in accordance with this clause, and all penalties thus imposed shall be withheld for the use and benefit of the Government.

ARTICLE 13. Copeland (Anti-Kickback) Act--Nonrebate of wages.--The regulations of the Secretary of Labor applicable to contractors and subcontractors (29 CFR, Part 3), made pursuant to the Copeland Act, as amended (40 U. S. C. 276c) and to aid in the enforcement of the Anti-Kickback Act (18 U. S. C. 874) are made a part of this contract by reference. The Operator will comply with these regulations and any amendments or modifications thereof and will be responsible for the submission of affidavits required of independent contractors thereunder. The foregoing shall apply except as the Secretary of Labor may specifically provide for reasonable limitations, variations, tolerances, and exemptions.

ARTICLE 14. Changes and added provisions.--

**In the event the Operator or any subsidiary thereof at any time during the period expiring 10 years from the date of this contract acquires any right, title or interest in or to any land, situate within 1,500 feet of the exterior boundaries of any land that is subject to this contract on the date of such acquisition, the Operator shall promptly notify the Government of such acquisition, furnishing a description of the land, the acreage involved, maps and other data that might be required by the Government, and such land automatically, without amendment of this contract, shall become subject to the provisions of this contract as of the date of acquisition.**

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

**A. O. BARTELL** (Operator)

By_____ By_____

Title_____

I,_____, certify that I am the
(Name)

_____secretary of the corporation named as Operator herein; that

_____, who signed this contract on behalf of the Operator, was then
(Name)

_____of said corporation; that said contract was duly signed for
(Title)

and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

[CORPORATE SEAL]



INT.-DUP. SEC., WASH., D.C. 52375

DRAFT
SFHolt/gla
8/23/60

EXPLORATION CONTRACT
A. O. BARTELL
ONR-6086

ANNEX I

The land, including all rights pertaining thereto, referred to in Article 2 of the contract is outlined in red color on the map, Figure 1, entitled, "Nisbet Quicksilver District, Clackmas County, Oreg. Mt. Hood National Forest."

The land comprises seven unpatented lode mining claims situated in secs. 4 and 5, T. 6 S., R. 7 E., Willamette Meridian, Clackamas County, Oregon, and recorded in the county courthouse at Oregon City, Oregon, as follows:

| Claim Name | Recorded Book | Recorded Page | | Recorded Book | Recorded Page |
|---|---|---|---|---|---|
| Oak Grove | 4 | 98 | Amended Location | 4 | 362 |
| Oak Grove Butte | 4 | 99 | " " | 4 | 363 |
| Irene | 4 | 67 | " " | 4 | 362 |
| Portland | 4 | 101 | | | |
| Mt. Mitchell | 4 | 102 | | | |
| Lake | 4 | 13 | | | |
| Triangle | 4 | 72 | | | |

A small area at the south end of the Mt. Mitchell claim (see Fig. 1) is in conflict with the Vermillion claim, which was staked and recorded prior to the Mt. Mitchell claim.

The Operator owns (except for the fraction noted as in conflict with the Vermillion claim) all of the above claims.

DRAFT
8/23/60
~~XXXXX~~
SFHolt/gla

EXPLORATION CONTRACT
A. O. BARTELL
OMR-6086

EXHIBIT A

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

Figure 1. Nisbet Quicksilver District, Clackamas County, Ore. Mt. Hood National Forest.

Figure 2. Topographic Sketch from USGS 1943, Oak Grove Vein, Nisbet Mine, Showing Planes of Proposed Drill Holes.

Figure 3. Oak Grove Vein, Cross Sections Proposed Drill Holes on Planes A-A', B-B'.

Figure 4. Plan and Section Views, Proposed Drill Holes, Yew Tree and Cedar Tree Veins, Nisbet Mine.

The objective of the project is to explore for mercury on the Nisbet Mine group of claims by means of diamond core drilling from surface to intersect the mercury-bearing mineralized zones.

General Conditions

Diamond core drilling shall be done with size AX or larger coring bits, except that EX size coring bits may be used in the event such use is necessary to complete a hole, and holes shall be reamed and cased, or cemented and redrilled, where necessary. All core shall be properly boxed and stored and made available to the Government for examination. All core sections showing significant mineralization shall be properly sampled and the samples shall be assayed for mercury.

Sludge samples shall be taken, and in significantly mineralized sections, where the core recovery is less than 60 percent, the sludges shall be assayed as above, in addition to the core segments which have been recovered. No sample, either of core or sludge, shall represent a hole interval greater than 5 feet.

All samples to be assayed shall first be split and one-half be made available to the Government.

All drill holes shall be logged geologically and copies of logs of completed holes, together with maps showing drill hole locations and sections, shall be furnished monthly to the Government.

No drilling shall be done at locations closer than 100 feet to property boundaries. The Government will not participate in the cost of incomplete holes.

The location, direction, inclination and extent of all drill holes shall be subject to prior approval of the Government.

Description of the Work

Construct not to exceed an aggregate total length of 1,570 feet of access road approximately as shown on map, Figure 1.

At the approximate locations indicated on the attached maps, Figures 1, 2, 3, and 4, drill not to exceed an aggregate total of 1,500 feet of diamond core drill holes. It is estimated that approximately 8 holes will be required.

## ESTIMATED COSTS

### Fixed Unit Costs

| | | |
|---|---|---|
| Constructing access roads, 1,570 lineal feet @ $1.00/ft. | $ 1,570.00 | |
| Diamond core drilling, 1,500 feet @ $8.70/ft. | 13,050.00 | |
| Wooden core boxes, 48 @ $3.50/each | 168.00 | |
| Assays for mercury, 33 @ $4.00/each | 132.00 | |
| Estimated total cost of project | | $14,920.00 |
| Government participation @ 50% | | $7,460.00 |

OME 608 G

A. O. Bartell - Nisbet Mine

Diamond Drill Bids -

A. Pettijohn Engineering Corporation -

Proposal I.

| | |
|---|---|
| 1. mobilization and demobilization | $500.00 |
| 2. Drilling 1,500 ft. labor & equipment | 22,500.00 |
| 3. Materials as needed, cement, casing, etc | 150.00 |
| | 23,150.00 |
| Equals | $15.43/ft. |

Proposal II.

| | |
|---|---|
| 1. mobilization and demobilization | 500.00 |
| 2. Furnish equipment and labor for drilling at $130.00 per crew day (estimated time (150 days). | 19,500.00 |
| 3. Bit cost @ 60¢/ft | 900.00 |
| 4. Material as needed, such as cement, casing etc at cost + 25% (estimated amount) | 150.00 |
| | $21,050.00 |
| Equals | $14.03/ft |

B. A.M. Jannsen Drilling Co.

| | |
|---|---|
| 1. Mobilization and de-mobilization | 350.00 |
| 2. Furnish drill with 2-man crew and all necessary drilling tools, $12.50/hr. (Use same time estimate as above, 150 days) | 15,000.00 |
| 3. Subsistence allowance, $5.00 per day per man, 150 days | 1,500.00 |
| 4. Lost or damaged down hole equipment, (my estimate) | 150.00 |
| 5. Bit cost, (use same as above, 60¢ ft.) | 900.00 |
| | 17,900.00 |
| Equals | $11.93/ft |

OME-6086
A.O. Bartell
2

Diamond Drill Bids, cont.

C. Haakon I. Bothner Drilling Co.

No. 1. Lump sum mobilization and de-mobilization and drill 1,500 ft. $17,750.00

Equals $11.83/ft.

No. 2, Footage

| | |
|---|---|
| Mobilization | 850.00 |
| Demobilization | 250.00 |
| Angle drilling, 1500 ft. @ 11.00/ft | 16,500.00 |
| | $17,600.00 |

Equals $11.73/ft.

No. 3 Hourly

| | |
|---|---|
| Mobilization | 850.00 |
| Demobilization | 250.00 |
| Moving to drill sites and drilling, 16.50/hr (Estimated time 1½ days same as A+B above) | 19,800.00 |
| | $20,900.00 |

Equals 13.93/ft.

D. A.O. Bartell (Applicant)

Estimate on p.6 of application $14,741.00 + 162.00 (extra cat. rental) − 300.00 (assays) $14,403.00

Equals $9.60/ft.

E. Acting Field Officer, Region I

Estimates (Memo of 8/11/60) $8.70/ft.
+ 162.00 bulldozing,
− 120.00 Assays
(cont.)

S.O.H. 8/19/60

OME-6086
A.O. Bartell

E. Acting Field Officer, Region I, cont.

Estimate in on-site Exam. Report, as modified by F.O. memo of 8/11/60 — Diamond drilling —

| | |
|---|---|
| Supervision, 3 mos. @ 650/mo. | 1,950.00 |
| Use of Jeep 3 mos. @ 50.00/mo. | 150.00 |
| Equipment Rented - Bulldozer for moving equipment and site preparation 24 hrs @ 13.50/hr. | 324.00 |
| " " Diamond drill & equip. 80 days @ 120.00/day | 9,600.00 |
| Supplies | 950.00 |
| Transportation | 78.00 |
| Total diamond drilling - | $13,052.00 |
| for 1500 feet = | $8.70/ft |

S. P. Holt
8/29/60

OME 6086
A.O. Bartell

Proposed Drilling -

1. Oak Grove Item -

| | |
|---|---|
| Hole A-1 | 100' |
| " A-2 | 200' |
| " A-3 | 300' |
| " B-1 | 100 |
| " B-2 | 200' |
| " B-3 | 300' |
| | 1200' |

2. Yew Tree Vein

| | |
|---|---|
| Hole Y | 150' |

3. Cedar Tree Vein

| | |
|---|---|
| Hole C | 150' |
| Total | 1500' |

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane 4, Washington
August 11, 1960

OFFICIAL FILE COPY
O. M. E.
RECEIVED AUG 15 1960

| DATE | INITIALS | CODE |
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| 8-15 | gad | VVO |
| 8-15 | [illegible] | 130 |
| " | Hall | 500 |
| | | |
| | | |
| | | |
| | | |

Memorandum

To: Chief, Division of Field Operations, OME

From: Acting Field Officer, Region I

Subject: OME-6086 (Mercury)
A. O. Bartell
Nisbet Mine
Clackamas County, Oregon

Enclosed are two copies each of a drilling bid dated August 4, 1960, from Pettijohn Engineering Company, Inc., pertaining to the subject application and a letter dated August 9, 1960, from the subject applicant.

My report and recommendations on the above application were typed, assembled, and ready to mail when these were received. I requested the breakdown on the costs of the completed Vermillion road as a check on the applicant's estimated cost of the proposed road. In view of the actual cost of the completed road it is quite possible that my estimate of $1.00 per foot is a little on the low side.

Pettijohn's bid for drilling, $15.43 per foot under his Proposal I and $14.03 per foot under Proposal II are considerably higher than the applicant's proposal to do the drilling at $9.49 per foot (deleting $500.00 for assaying from his estimate). In my estimate I have reduced the supervisor-engineer-sampler rate to $650.00 per month, deleted any allowance for board and reduced the number of assays to 30 which I believe will be more than sufficient. However, like the applicant, I did not include core boxes. Probably the bulldozer (cat) rental should be raised from 12 to 24 hours. Adding the two items would increase my estimated cost for drilling $0.23 from $8.67 per foot to $8.90 per foot.

D R MacLaren
D. R. MacLaren

Enclosures

Enclosure from Pettijohn Engineering Company, In c.
dated August 4, 1960, and
Copy Applicant's letter, dated August 9, 1960,
filed on left-hand side of docket

Supplement to on-site exam. report

5115 S.W. Northwood Ave.
Portland 1, Oregon

OFFICIAL FILE COPY
O. M. E.
RECEIVED AUG 15 1960
DATE | INITIALS | CODE

August 9, 1960

Mr. D. R. MacLaren
Office of Minerals Exploration
U.S. Department of the Interior
So. 157 Howard Street
Spokane 4, Washington

Ref: OME 6086 (Mercury)
A. O. Bartell
Mitchell Mine
Clackamas Co., Ore.

Dear Mr. MacLaren:

At our last meeting you asked for a breakdown of costs for the access road I built to the Vermillion claim last fall. For the 840 feet from the pipeline transition to the creek bed, the cost is $1333.00, or $1.587 per foot. Breakdown is as follows:

| | |
|---|---|
| Labor & supervision | $ 609. |
| Cat rental | 394. |
| Jeep rental | 62. |
| Chain saw & log tool rental | 55. |
| Air compressor & tool rental | 30. |
| Explosives | 20. |
| Board | 46. |
| Transportation | 117. |
| | $1333. |

For the proposed road to the Oak Grove vein drill site, I have estimated less ($1.149/foot -- per my application) because some of the route is in the creek bed and part is over comparatively flat ground.

If my application is being favorably considered, and it is not too late to amend my estimated costs, I would like to so do. After discussing move-in requirements with the drilling companies, I find that my estimate for cat rental for moving (page 6, Item 7, line 19 - Cat Rental @ $162.) should be doubled. Further, I have made no allowance for the cost of core boxes - 34 @ $5.00 = $170.

The drilling contractors I requested to bid have been slow in answering. At this time only Pettijohn has bid. I will hold this letter to you a couple of days more before mailing, in the hope that bids will come in. Copies of the bids will be enclosed.

My very best regards,

AOB

A. O. Bartell

RECEIVED
AUG 11 1960
U.S.G.S.
SPOKANE, WASH.

AOB:mb

See Mr. MacLaren's memorandum August 11, 1960

OFFICIAL FILE COPY
O. M. E.
RECEIVED AUG 15 1960

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| 8-15 | gad | VVO |
| 8-15 | [illegible] | 130 |
| " | [illegible] | 500 |

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane 4, Washington
August 8, 1960

Memorandum

To: Chief, Division of Field Operations, OME

From: Acting Field Officer, Region I

Subject: Application examination report, Docket No. OME-6086 (Mercury), A. O. Bartell, Nisbet Mine, Clackamas County, Oregon.

## INTRODUCTION

A. O. Bartell submitted an application for OME aid to explore for mercury ore on the Nisbet claims in Clackamas County, Oregon. The applicant originally proposed to sink a 300-foot shaft on the Oak Grove vein, to drive 400 feet of drifts from the shaft, and to drill 3,000 feet of long holes from the drifts. He also proposed to construct 1,100 feet of access road. The estimated total cost of this proposal was $100,375.

It was suggested to the applicant that, in view of the information in our file concerning the Nisbet mine, it would appear to be more prudent to limit his program to diamond drilling from the surface with a portable drill, which if encouraging, might lead to consideration of a second project involving sinking, drifting, and underground long-hole drilling.

The applicant agreed that the suggestion was sound but that for an adequate testing of the ground, holes should be drilled to a depth greater than a portable drill could reach. He submitted a revised program comprising 1,500 feet of surface diamond drilling to explore 3 veins and 1,360 feet of access road for getting in drilling equipment. The estimated cost of the revised program is $19,533, of which the Government's share would be $9,766.50.

The property was inspected July 21, 1960, in the company of Mr. Bartell. About 5 hours were spent examining outcrops of the Falls vein, the Cedar Tree vein, the Yew Tree vein, the Oak Grove Butte vein, the Fir Tree vein and the Oak Grove vein, and running out the proposed access road to determine its necessity and the amount of work involved.

It is concluded that the chance of making a significant discovery of mercury ore is sufficiently good to justify the work proposed in the revised program, and it is recommended that this program be approved.

## PROPERTY, LOCATION, AND ACCESSIBILITY

The Nisbet Claim Group comprises seven unpatented claims located in sec. 5, T. 6 S., R. 7 E., Willamette Meridian, Clackamas County, Oregon. The locations are recorded in the county courthouse at Oregon City, Oregon, as follows:

| Claim | Book | Page | | Book | Page |
|---|---|---|---|---|---|
| Oak Grove | 4 | 98 | Amended location | 4 | 362 |
| Oak Grove Butte | 4 | 99 | Do. | 4 | 363 |
| Irene | 4 | 67 | Do. | 4 | 362 |
| Portland | 4 | 101 | | | |
| Mt. Mitchell | 4 | 102 | | | |
| Lake | 4 | 13 | | | |
| Triangle | 4 | 72 | | | |

A small area at the south end of the Mt. Mitchell claim is in conflict with the Vermillion claim which the applicant has under lease from D. E. Kiggins. The Vermillion claim was staked and recorded prior to the Mt. Mitchell claim. The applicant is presently negotiating with Mr. Kiggins to trade the Marjorie J. claim for the Vermillion. The only known value of the Marjorie J. claim is an excellent stand of timber in which Mr. Kiggins is interested. The proposed drill hole to test the area of the Cedar Tree-Falls vein junction would be about 300 feet from the point where the Falls vein leaves the Mt. Mitchell claim.

Take in under 1500' clause?

The property may best be reached from Estacada by following the Clackamas River road for 26 miles southeasterly to the Ripplebrook Ranger Station, thence turn left and follow the Lake Harriet dam road for 3.5 miles to Mr. Bartell's cabin which is about 50 feet from the road on the right-hand side. From Estacada to the property the road is graveled and in fairly good condition, and is kept open the year round by the county and the Portland General Electric Company.

## GEOLOGY

A brief description of the geology of the area is given in an unpublished report by Randall E. Brown and George W. Walker of the U. S. Geological Survey, and a more detailed description is given in a report by the applicant. Copies of both reports accompany the application. I shall therefore only summarize what is in the reports in the light of what I saw during my limited examination.

Rocks in the area are a series of sedimentary beds, breccia deposits, and andesitic flows of the Warrendale series, overlain by basalt. There is some question as to whether the basalt is part of the Columbia River formation, or whether it is earlier. According Sheets (Sheets, M. Meredith, Contributions to the Geology of the Cascade Mountains in the vicinity of Mount Hood: Univ. of Ore. Thesis, June 1932) the uppermost portion of the Warrendale formation ranges from fine conglomerates to thick layers of very homogeneous breccia and conglomerate. Occasionally, beds of carbonaceous shale have been found in the finer sediments. Petrographic study of rocks of the Warrendale series have shown that several of the beds contain calcite. Outcrops of the Warrendale series are found from the junction of the Oak Grove fork with the Clackamas river to the center of the Portland claim, where it is exposed in the river bed. Sheets describes the latter exposure as a flow breccia that looks like an agglomerate. Drill holes put down at the toe of the Lake Harriet dam, about 1,600 feet up stream from the south side line of the property, passed through 45 feet of broken basalt into a "green tuff" which is believed to be the top of the Warrendale.

Except for the western part of the Portland claim the entire surface of the property is covered by basalt. The basalt is mostly blocky to massive and is generally amygdaloidal and frequently cut by calcite stringers and veinlets. It is dark gray to black when fresh, lighter gray to brownish when weathered and has a glassy to aphanitic texture.

There are several veins on the property, described by Brown and Walker and by Bartell, but I examined only six of them: the Falls vein, the Cedar Tree vein, the Yew Tree vein, the Oak Grove Butte vein, the Fir Tree vein and the Oak Grove vein (pl. 1). The Falls vein strikes about N. 18° W. and dips vertically. It lies mostly within the channel of the Oak Grove fork of the Clackamas River. Being somewhat softer than the enclosing basalt, the vein has been eroded by the river and, for abut 350 feet of its length, occupies a narrow gorge, 3 to 10 feet wide and 10 to 20 feet deep. Downstream from the gorge the river bed widens abruptly to about 50 feet and is filled with boulders making it impossible

to trace the vein farther with any certainty. The vein filling is composed essentially of calcite with numerous ribs of chalcedony and cinnabar. The cinnabar-bearing streaks are discontinuous and overlapping, averaging a few feet long and ranging up to 2 or 3 inches in width. Little, if any, wall rock alteration was noted.

The Cedar Tree vein strikes about N. 73° W. and dips 83° NE. It is about 2 to 3 feet wide and forms a rib projecting from the steep sides of the Oak Grove fork. It contains more siliceous material than the Falls vein, and only one or two small hairlike streaks of cinnabar were seen. The wall rock was slightly bleached and altered for up to 6 inches from the vein.

The Yew Tree vein strikes N. 76° W. and dips vertically. It is similar in size and appearance to the Cedar Tree vein but contains considerably more cinnabar.

The Oak Grove Butte vein strikes about N. 50° W. and dips vertically. It contains less chalcedony and more calcite than either the Cedar Tree or Yew Tree vein, and does not form a rib on the stream bank. A small streak of cinnabar was seen in this outcrop.

The Fir Tree vein strikes about N. 85° W. and dips vertically. It is 3 to 4 feet wide and closely resembles the Falls Creek vein in texture and mineral content except that only one or two narrow streaks of cinnabar were observed.

The Oak Grove vein is exposed in the steep westerly bank of the stream. It strikes N. 88° W. and dips 77° NE. The outcrop is heavily covered with moss but apparently the vein zone is 8 or 9 feet wide. Vein material is mostly calcite and chalcedony with at least two zones 1 to 2 feet wide containing cinnabar-rich bands ranging in width up to an inch or more.

## CONCLUSIONS

On the basis of what was observed during the examination and the history of past operations, it is apparent that cinnabar in minable amounts occurs in the basalt as relatively small scattered but fairly high-grade lenses and pods. The applicants theory of ore deposition as presented in his report accompanying the application was discussed, and the field evidence lends strong support to it. The upper part of the Warrendale series, which Sheets describes as ranging from fine conglomerates to thick layers of homogeneous breccia and agglomerate, is a potentially better host rock than the more dense overlying basalt. It is concluded that the chance of finding significant bodies of cinnabar ore, trapped in the upper part of the Warrendale series by the denser overlying basalt is good. It is further concluded that the basalt cover is relatively shallow, 170 to 200 feet, at the three proposed drill sites.

## ACCESS ROAD

The existing Vermillion road is completed but will require about half a day to clean up fallen timber and rock to point A (pl. 1). From point A to point C the road crosses a flat grass covered meadow and will need little, if any, work to make it passable by a jeep. From point B to the river bed the proposed road follows a gentle, slightly timbered slope and can be made passable in about half a day. The drill could be dragged along the river bottom to the proposed drill sites at the Yew Tree and Cedar Tree veins.

In the vicinity of the Fir Tree vein and along the river bottom between points D and E there are deep pools the width of the river bottom and the banks are steep bluffs of basalt 10 to 15 feet high so that it is impossible to drag the drill to the Oak Grove drill site along the river bed.

From point C to point D the terrane is densely wooded and slopes to as much as 20° before reaching the river bed at D, where the river can be forded. From point D to point E the terrane is essentially level but is densely wooded. In the wooded sections between points C and E the trees, mostly evergreens, average about 12 to 18 inches in diameter and for the most part are separated by only a few feet. A few larger trees will have to be cleared but most of these along the proposed route can be "dodged."

Of the 3,000 feet of road to be roughed in about 1,500 feet will be through dense timber, and 1,500 feet will be through flat grassy meadow or along the river bottom and will require only about 1 day's bulldozing, and a small amount of drilling and blasting of boulders.

## COSTS

### Access road

Of the approximate 3,000 feet of access road that will only be roughed in sufficiently to allow a skid-mounted diamond drill to be pulled into the drill sites by dozer, abut 1,430 feet will be through a flat meadow or along the river bottom. This will require about 1 day of bulldozing and a small amount of rock blasting where the trail enters the river bottom. The remaining 1,570 feet will require considerable tree-felling followed by bulldozing and possibly some stump-blasting. For this type of work the local lumbering companies pay helpers $2.75 per hour.

### Labor and supervision

| | |
|---|---|
| Supervisor & engineer, 3/4 mo. at $650/mo. | $487.50 |
| Helper 13 days at $2.50/hr. plus $2.00/day board | 286.00 |
| | $773.50 |
| FICA and other insurance 15% | 116.03 |
| | $889.53 |

### Equipment furnished by Operator

| | |
|---|---|
| Air compressor & tools, 3 days at $20/day | $ 60.00 |
| Jeep, 3/4 mo. at $50/mo. | 37.50 |
| Chain saw & logging tools, 10 days at $5/day | 50.00 |
| | $147.50 |

### Equipment rented

| | |
|---|---|
| Bulldozer, 34 hrs. at $13.50/hr. (incl. operator, fuel, etc.) | $459.00 |

### Supplies

| | |
|---|---|
| Fuel for jeep and compressor | $ 17.00 |
| Dynamite, fuse, caps | 30.00 |
| | $ 47.00 |

## Transportation

| | |
|---|---|
| 1 round trip--mine to Portland, Ore.--for supplies, food, etc., 260 miles at $0.10/mile | $ 26.00 |

## Recapitulation

| | |
|---|---|
| Labor and supervision | $ 889.53 |
| Equipment furnished | 147.50 |
| Equipment rented | 459.00 |
| Supplies | 47.00 |
| Transportation | 26.00 |
| | $1,569.03 |
| | say $1,569.00 |

1,570 ft. of road at $1,569 = $0.999, say $1/ft.

## Diamond drilling

The drilling "bids" submitted with the revised program were merely estimates made by the drilling contractors over the telephone. The applicant has written each of these contractors requesting formal bids, but as yet these have not been received.

In view of the remoteness of the property and the relatively small amount of drilling, it is highly probable that any bids will approach the applicant's proposed $9.83 per foot, renting the drill with operator maintenance and fuel included in the rental price, and including the cost of assaying.

However, as several of the items in the applicant's cost estimate appear high, the following costs are suggested:

Average advance 20 ft./day, 1,500 ft. will require 75 days + 5 days mobilization and moving

Labor and supervision

| | |
|---|---|
| Supervisor and engineer-sampler, 3 mos. at $650/mo. | $1,950.00 |

Equipment furnished by applicant

| | |
|---|---|
| Jeep - 3 mos. at $50/mo. | $150.00 |

Equipment rented

| | |
|---|---|
| Bulldozer, 12 hrs. at $13.50 (incl. operator, fuel, etc.) | $ 162.00 |
| Diamond drill rental, 80 days at $120/day | 9,600.00 |
| | $9,762.00 |

Supplies

| | |
|---|---|
| Fuel for jeep | $ 50.00 |
| Bit charges, $0.60/ft., 1,500 ft. | 900.00 |
| | $950.00 |

Transportation

| | |
|---|---|
| 3 round trips to Portland, Ore., for supplies, fuel, etc., 260 miles at $0.10/mile | $78.00 |

Assays

| | |
|---|---|
| 30 samples at $4 each | $120.00 |
| core boxes, 34 @ 5.00 | 170.00 |

## Recapitulation

| | |
|---|---|
| Labor and supervision | $ 1,950.00 |
| Equipment furnished by applicant | 150.00 |
| Equipment rented | 9,762.00 |
| Supplies | 930.00 |
| Transportation | 78.00 |
| Assaying | 120.00 |
| | $13,010.00 |

1,500 ft. diamond drilling at $13,010 - $8.67/ft.

1570.0
1,440.00 Road
132 bonus
15 | 113008.00
7.64
.23 Reserve FO
7.87

Enclosure
Distribution:
OME(3)
USGS(SRO)
Docket
Maclaren

OFFICIAL FILE COPY
O. M. E.
RECEIVED AUG 10 1960

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V
WCB044-
TWA080-WBK SP 11 I-GS-G
SPOKANE WASH 8-10-60 0810U
MR. W R GRISWOLD, ACTING CHIEF DIV OF FIELD OPERATIONS,
OFFICE OF MINERALS EXPLORATION, WASHINGTON DC
REURTEL 8-9 OME-6086, A.O. BARTELL, NISBET MINE. BIDS GIVEN IN BARTEL'S
LETTER OF 6-23-60 WERE TELEPHONED ESTIMATES ONLY. HE HAS REQUESTED
WRITTEN BIDS FROM EACH OF THE THREE CONTRACTORS AND HAS RECEIVED ONE
FROM PETTIJOHN WHICH HE WILL MAIL TODAY. BOTTNER HAS PROMISED TO
SUBMIT HIS BID TODAY AND JANNSEN HAS PROMISED TO GET HIS
IN THIS WEEK. WILL FORWARD BIDS AS THEY ARE RECEIVED. EXAMINATION REPORT
RECOMMDING APPROVAL IS BEING TYPED AND WILL BE MAILED TO YOU THIS
WEEK
D. R. MACLAREN, ACTING FIELD OFFICER
OME REGION 1
8-9 OME-6086 6-23-60
BJR 0921U

MME Form 7
(10-58)

OFFICE OF MINERALS EXPLORATION X
DEPARTMENT OF THE INTERIOR
WASHINGTON 25, D. C.
14X0108, Salaries and X
Expenses, OME, Interior

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 8/9 | Holt | 500 |
| | | ~~500~~ |
| | Absent | 130 |
| 8/9 | Johnson | 110 |
| 8/9 | gad | 225 |
| | | 500 |
| | | |
| | | |
| | | |

AUG 9 1960

TELETYPE

TO: MR. D. R. MACLAREN, ACTING FIELD OFFICER
OFFICE OF MINERALS EXPLORATION, REGION I
SOUTH 157 HOWARD STREET
SPOKANE 4, WASHINGTON

REOURMEMO JULY 11, 1960, OME 6086, A. O. BARTELL,

NISBET MINE. WHEN MAY WE EXPECT REQUESTED DIAMOND

DRILL BIDS?

/s/ W. R. Griswold (SPB)

W. R. GRISWOLD
Acting Chief,
Division of Field Operations

SPHolt:kb - August 9, 1960
cc to: Docket
Director's reading file
Review Committee
Code 800
Code 500
Chron.

CONFIRMATION TO OME FIELD TEAM REGION I

1 1

W. R. Griswold, Acting Chief, Div. of Field Operations RE 7-1820X2971 August 9, 1960 1:00 PM

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 7/15 | Hirowell | 500 |
| 7/15 | Selfridge | 120 |
| | | 110 |
| 7-15 | gad | 220 |
| | | 225 |
| | | |
| | | |
| | | |
| | | |

JUL 15 1960

AIR MAIL

Mr. A. O. Bartell
5115 S.W. Northwood Avenue
Portland 1, Oregon

Re: OME-6086 (Mercury)
A. O. Bartell
Nisbet Mine
Clackamas County, Oregon

Dear Mr. Bartell:

With reference to your financial eligibility for Federal assistance in exploration, it is necessary that we have additional information.

The letter of March 11, 1960, from The Multnomah Bank, Portland, Oregon, concerning your application for a loan does not meet our requirements since the bank states that the requested loan is considerably above its maximum legal loan limit. It is suggested that you write to another bank enclosing a copy of your financial statement and ask on what terms they would make you the required loan. Copies of your letter to the bank and its reply should be furnished this office.

In your financial statement you list machinery and equipment in the amount of $12,000, and furniture and fixtures in the amount of $7,000. Please furnish a breakdown and description of these items. We regret the necessity of asking for additional information at this time, but it is necessary to have it before we can complete the processing of your application.

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Director

FEJohnson/gla
7-15-60
cc to: Director's Reading File
Region I (2)
Docket
Chron
Mr. Kirkemo, USGS

(bb)

Bartell's reply with [illegible] Jacobs' comments [illegible]

43683

DRAFT - 7/14/60
FEJohnson/bih

Mr. A. O. Bartell
5115 S.W. Northwood Avenue
Portland, 1, Oregon

(1) - [illegible]
(2) - [illegible]
(3) - [illegible]
(4) - [illegible]

Re: OME-6086 (Mercury)
Nisbet Mine
Clackamas County, Oregon

Dear Mr. Bartell:

With reference to your financial eligibility for Federal assistance in ~~financing~~ exploration, it is necessary that we have additional information.

The letter of March 11, 1960, from the Multnomah Bank, Portland, Oregon, concerning your application for a loan does not meet our requirements since the bank states that the requested loan ~~was~~ is considerably above ~~their~~ its maximum legal loan limits. It is suggested that you write to another bank enclosing a copy of your financial statement and ask on what terms they would make you the required loan. Copies of your letter to the bank and its reply should be furnished this office.

In your financial statement you list machinery and equipment in the amount of $12,000, and furniture and fixtures in the amount of $7,000. Please furnish a breakdown and description of these items.

We regret the necessity of asking for additional information at this time, but it is necessary to have it before we can complete the processing of your application.

Sincerely yours,

Acting Director

During fiscal year 1958, the Survey did 55.55 man-years of work for DMEA, which was distributed as follows:

| Applications | Contracts | Other[1] | Total |
|---|---|---|---|
| 22.88 | 19.72 | 12.95 | 55.55 |

1/ Includes time spent interviewing applicants and people seeking information, supervision, final reports, annual and sick leave, etc.

The decrease in requested funds, from the amount allotted in fiscal 1958, has resulted largely from discontinuance of Barnaby radioactive-logging operations on the Colorado Plateau. Barnaby logging, during the past year, cost an estimated $21,000 and involved 2.5 man-years of time.

/s/ Arthur A. Baker

Acting Director

MME Form 7
(10-58)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 7/8 | Holt | 500 |
| | Friswold | 500 |
| 7/8 | Talbert | 800 |
| 7/8 | [illegible] | 130 |
| " | Johnson | 110 |
| 7-11 | gad | 220 |
| | | 500 |
| | | |
| | | |

JUL 11 1960

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Field Operations

Subject: OME-6086 (Mercury)
A. O. Bartell
Nisbet Mine
Clackamas County, Oregon

Supplementing our memorandum of July 1, 1960, if you consider recommending a contract for the cited project, please advise the Applicant that the mere notation of contractors' names and the prices they quote for diamond drilling, as shown in his letter to you of June 23, 1960, is not adequate for our use in processing the application. It will be necessary for him to submit the actual bids, either the original letters from the bidders or true copies thereof.

/s/ George C. Selfridge

(246)

SPHolt/fw-7/8/60
cc: Docket
Dir.Read.File
Review Committee
Mr. Kirkemo, USGS
Chron.

43683

MME Form 7
(10-58)

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| Date | Surname | Code |
|---|---|---|
| 7/1 | Holt | 500 |
| | Grunsud | 500 |
| | Fisher | 800 |
| 7/1 | GCS | 130 |
| " | Shum | 110 |
| 7/1 | Cox | 220 |
| | | 500 |
| | | |
| | | |

JUL 1 1960

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Field Operations

Subject: OME-6036 (Mercury)
A. O. Bartell
Nisbet Mine
Clackamas County, Oregon

The revised program for exploration of the Nisbet Mine (OME-6036) by the applicant, A. O. Bartell, also the requested financial statement of Mr. Bartell, were forwarded to this office with a memorandum of June 27, 1960, by Miss Smelzer of your office.

We would appreciate receiving, at the earliest possible moment, your comments and recommendation on this revised program.

/s/ George C. Selfridge

SPHolt:kb - 6/30/60
cc to: Director's reading file
Review Committee
Mr. Kirkemo, USGS
Docket
Chron.

43683

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

So. 157 Howard Street
Spokane 4, Washington
June 27, 1960

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUN 29 1960

| DATE | INITIALS | CODE |
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| 6-29 | Cae | 220 |
| 6-29 | Hoch S.T.H. | 500 |

Air Mail

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: OME-6086 (Mercury)
A. O. Bartell
Nisbet Mine
Clackamas County, Oregon

In Mr. MacLaren's absence I am forwarding to you the enclosed papers which A. O. Bartell has submitted to us in response to our letter to him of May 31 and a subsequent telephone conversation between Mr. MacLaren and him.

A financial statement is enclosed as requested in your memorandum of May 19 together with a proposed diamond drilling program. He has included his bids from independent contractors for the proposed drilling in the covering letter of June 23.

Mary L. Smelser
Mary L. Smelser
For: D. R. MacLaren

Enclosures

see left-hand side

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUN 3 1960

| DATE | INITIALS | CODE |
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| 6-3 | gad | VVO |
| " | Voet SMH | 500 |

So. 157 Howard Street
Spokane 4, Washington
May 31, 1960

Mr. A. O. Bartell, E. M.
5115 S.W. Northwood Avenue
Portland 1, Oregon

Re: Docket No. OME ~~6086 (Mercury)~~
Nisbet Mine
Clackamas County, Oregon

Dear Mr. Bartell:

Your application for OME assistance has been referred to me with the comments and suggestions of our Washington office.

I have made a careful study of your application and the accompanying report as well as reports in the files in the U. S. Geological Survey and the U. S. Bureau of Mines Spokane offices.

It appears that any exploration program involving sinking and drifting at this time would be more expensive than the apparent magnitude of the potential targets warrants. In the first place, it appears that there will be a considerable water problem as soon as the workings reach the level of the river. In the second place, the minable ore shoots that have been opened up in the past have been relatively small and most of them have been marginal to low grade in tenor.

Would you consider a drilling program with a portable core drilling machine such as Bucyrus Erie's Winkie drill or the "Prospector" drill put out by J. L. Havlick of Spokane or some similar drill? Such a drill could core to depths of about 100 feet plus. I suggest 4 to 6 holes at 150 to 200 foot intervals along the Oak Grove vein, so located as to cut the vein at a depth of 90 to 100 feet and possibly a few similarly placed holes along other promising structures. If the drilling should be sufficiently encouraging, we could then consider the advisability of additional underground work under a second contract.

If you find such a drilling program acceptable, it will be necessary for you to submit three bids, by independent contractors, for the drilling you propose. Also, if this suggestion is acceptable, please submit as promptly as possible a simple recent financial statement showing your assets, liabilities and net worth.

Should your drilling proposal be approved, work could not proceed in an intermittent manner but would have to proceed continuously until completed.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OME
Region I

cc: OME(2)
MacLaren
DRF

MME Form 7
(10-58)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 5/16 | Holt | 500 |
| | Amaral | 500 |
| 5/16 | Talbut | 800 |
| 5/19 | GCS | 130 |
| " | Johnson | 110 |
| 5-19 | gad | 220 |
| | | 500 |
| | | |
| | | |

MAY 19 1960

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Field Operations

Subject: OME-6086 (Mercury)
A. O. Bartell
Nisbet Mine
Clackamas County, Oregon

The subject application is being referred to you for review and consideration of a proposed revised exploration program.

We would not be willing to consider more than a moderate drilling program, perhaps using some type of small portable diamond drill.

Any exploration program involving shaft sinking and drifting would undoubtedly be more expensive than the apparent magnitude of the potential targets warrants.

Please advise the Applicant, if you approve and submit to him a drilling program and he approves it, that it will be necessary to submit three bids, by independent contractors, for the proposed diamond drilling. The Applicant should also be advised to submit, as promptly as possible, a simple recent financial statement showing his assets, liabilities, and net worth.

Copies of a memorandum, dated May 12, 1960, by Harold Kirkemo, USGS, are enclosed.

If you should recommend a contract, you should advise Bartell that work could not proceed in an intermittent manner but would have to proceed continuously until completed.

/S/ George C. Selfridge
(SPH)

Enclosures

SPHolt/gla
5-16-60
cc to: Director's Reading File
Review Committee
Harold Kirkemo, USGS
Docket
Chron

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 5/16 | Holt | 500 |
| | Dunne | 500 |
| 5/16 | Talbut | 800 |
| 5/19 | Selfridge | 130 |
| | | 110 |
| 5-19 | gad | 220 |
| | | 500 |
| | | |
| | | |

MAY 19 1960

Mr. A. O. Bartell
5115 S. W. Northwood Avenue
Portland 1, Oregon

Re: OME-6086 (Mercury)
A. O. Bartell
Nisbet Mine
Clackamas County, Oregon

Dear Mr. Bartell:

The application for assistance in exploring the subject property, under the captioned number, has been reviewed by the Division of Minerals of the Office of Minerals Exploration. It has been referred to Mr. D. R. MacLaren, Acting Field Officer, Region IX, South 157 Howard Street, Spokane 4, Washington.

The Regional Office will notify you in case additional information concerning the application is needed.

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Director

SPHolt/gla
5-16-60

cc to: Director's Reading File
Review Committee
Region I (2)
Docket
Chron

43683

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAY 12 1960
INITIALS
5-12 gad VVO
5-13 Hall VOO

IN REPLY REFER TO:

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

May 12, 1960
Re: OME 6086 (Mercury)
Nisbet mine
A. O. Bartell, E.M.
Clackamas County, Oregon

Memorandum

To: W. R. Griswold, Office of Minerals Exploration

From: Harold Kirkemo, U. S. Geological Survey

Subject: Review of application for exploration assistance

The Applicant proposes an underground exploration program consisting of shaft sinking, drilling and drifting to test the ore possibilities of cinnabar-bearing veins in basalt. Total cost of preparatory surface work and underground exploration is estimated to be about $100,400.

Would it not be advisable to first test the lateral and downward extensions of the veins by drilling from the surface before undertaking the extensive program proposed by the Applicant? Test holes to depths of 100 feet or more could be core drilled with a portable, hand-held drilling machine (e.g. Bucyrus-Erie's Winkie drill). No road building or expensive equipment installation would be necessary and no drainage problems would be encountered. Both the Applicant and Brown and Walker express concern about excess quantities of water that would be encountered in a shaft extended below the river level.

Apparently no work has been done on the property since Brown and Walker stated in 1943 that "the best possibilities for ore in the area are well above river level." If a low-cost, surface drilling program such as suggested above indicates worthwhile possibilities, a more extensive program might be warranted.

I recommend that the application be referred to the field for consideration.

Harold Kirkemo

Harold Kirkemo

OME 6086

A. C. Bartlett
Nashed Mem

OME 6086

Tarbert says bank letters not satisfactory, set up no reasonable terms for repayment plan, term of loan, interest, etc

Require financial statement from Applicant.

S.P.H.
5/10/00

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

May 6, 1960

Mr. A. O. Bartell
5115 S.W. Northwood Avenue
Portland 1, Oregon

Subject: OME-6086

Dear Mr. Bartell:

Your application for exploration assistance, dated April 29, 1960, submitted to our office at Spokane, Washington, has been assigned Docket Number OME-6086. Kindly identify all future correspondence relating to your application by this docket number.

Sincerely yours,

Allen S. Dakan, Chief
Division of Administrative
Management

Copy to: Region I

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane 4, Washington
May 3, 1960

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAY 6 1960

| DATE | INITIALS | CODE |
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| | | |
| | | |
| | | |

Memorandum

To: Chief, Division of Field Operations, OME

From: A. E. Weissenborn

Subject: Transmittal of application for quicksilver
A. O. Bartell, E. M.
Nisbet Mine
Clackamas, Oregon

In D. R. MacLaren's absence I am enclosing an application for exploration of the Nisbet quicksilver property in Clackamas County, Oregon, which was handed to me by A. O. Bartell during a recent visit to Portland to attend an A.I.M.E. meeting. Mr. MacLaren is in the field in Idaho and Montana and will be gone all week.

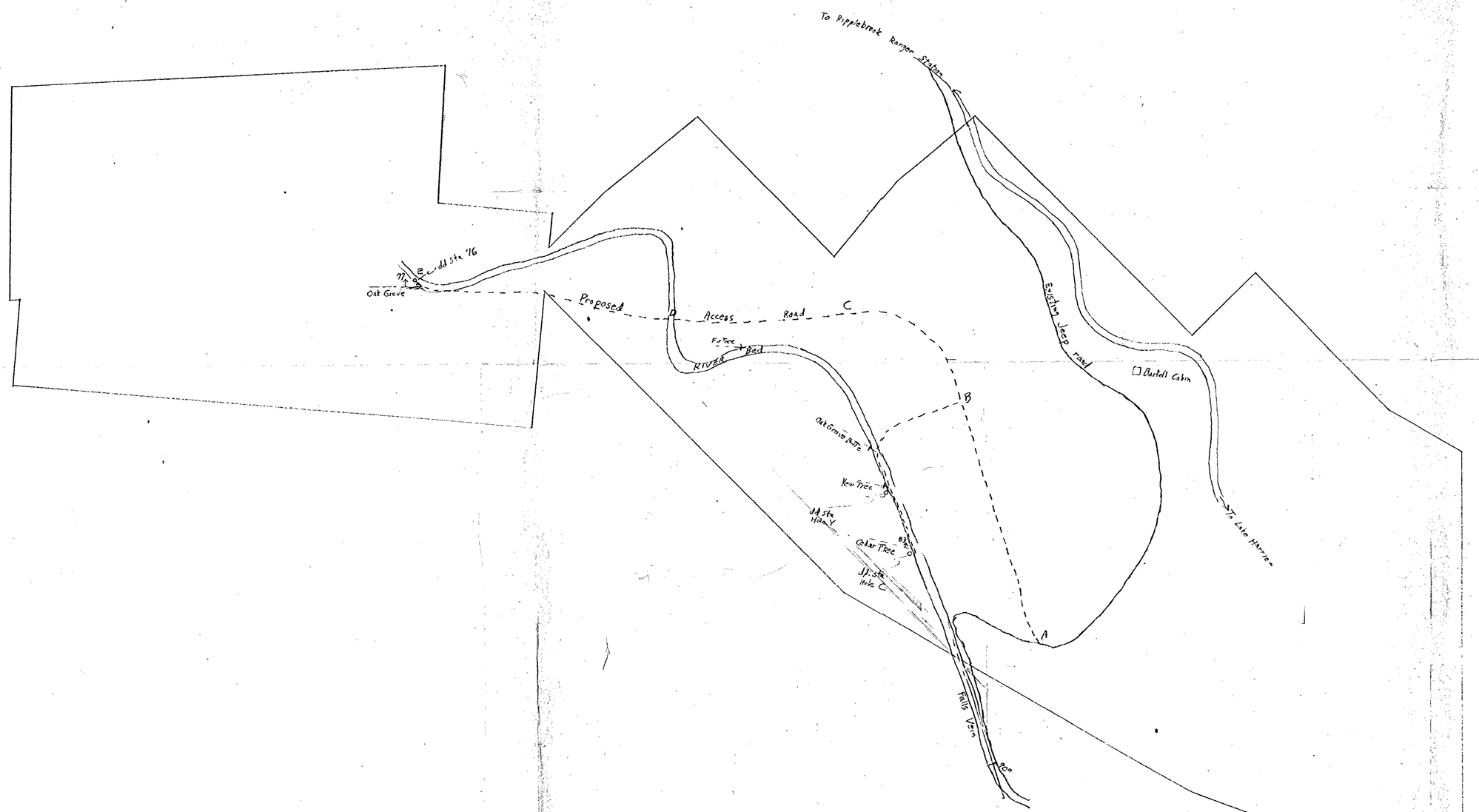
Only two copies of the application had maps attached so we are keeping one set here in case of a field referral. You will note that on Mr. Bartell's report entitled "A Proposal for Exploration of the Nisbet Quicksilver District" is written the notation "please return." We also received only two copies of this report and are keeping one for our files, on which is the same notation.

Enclosures

US Department of the Interior

Application examination report

Docket No OME 6086




Note: Base from Applicants map

Sketch
Nisbet Claim Group
showing
Property Boundary, proposed access road location
and proposed diamond drill station
locations
A.O. Bartell, Nesbit Mine Clackamas County Oregon
Scale
200 100 0 200 Feet

D.R. Nelson Pl. 1 July 1960

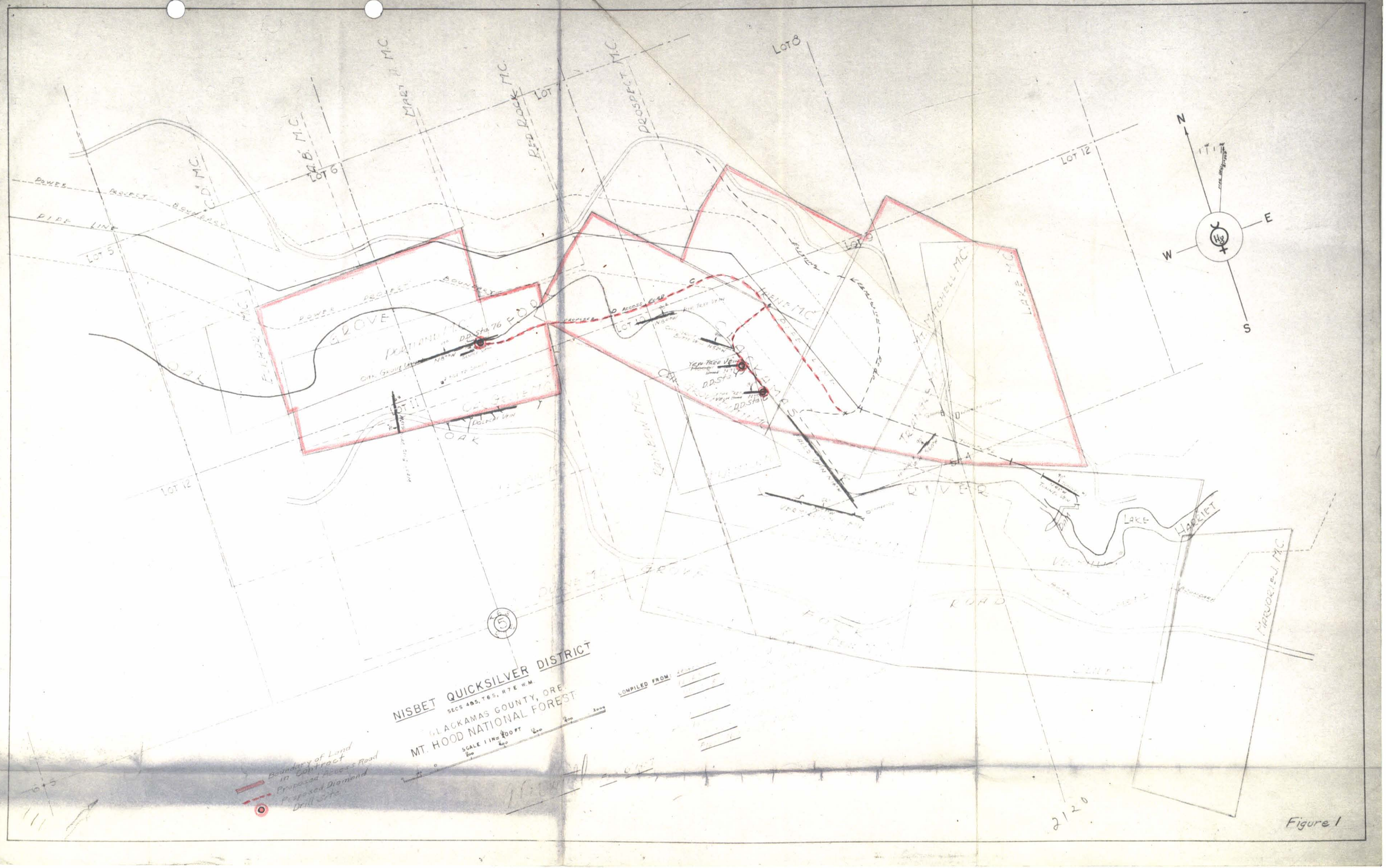
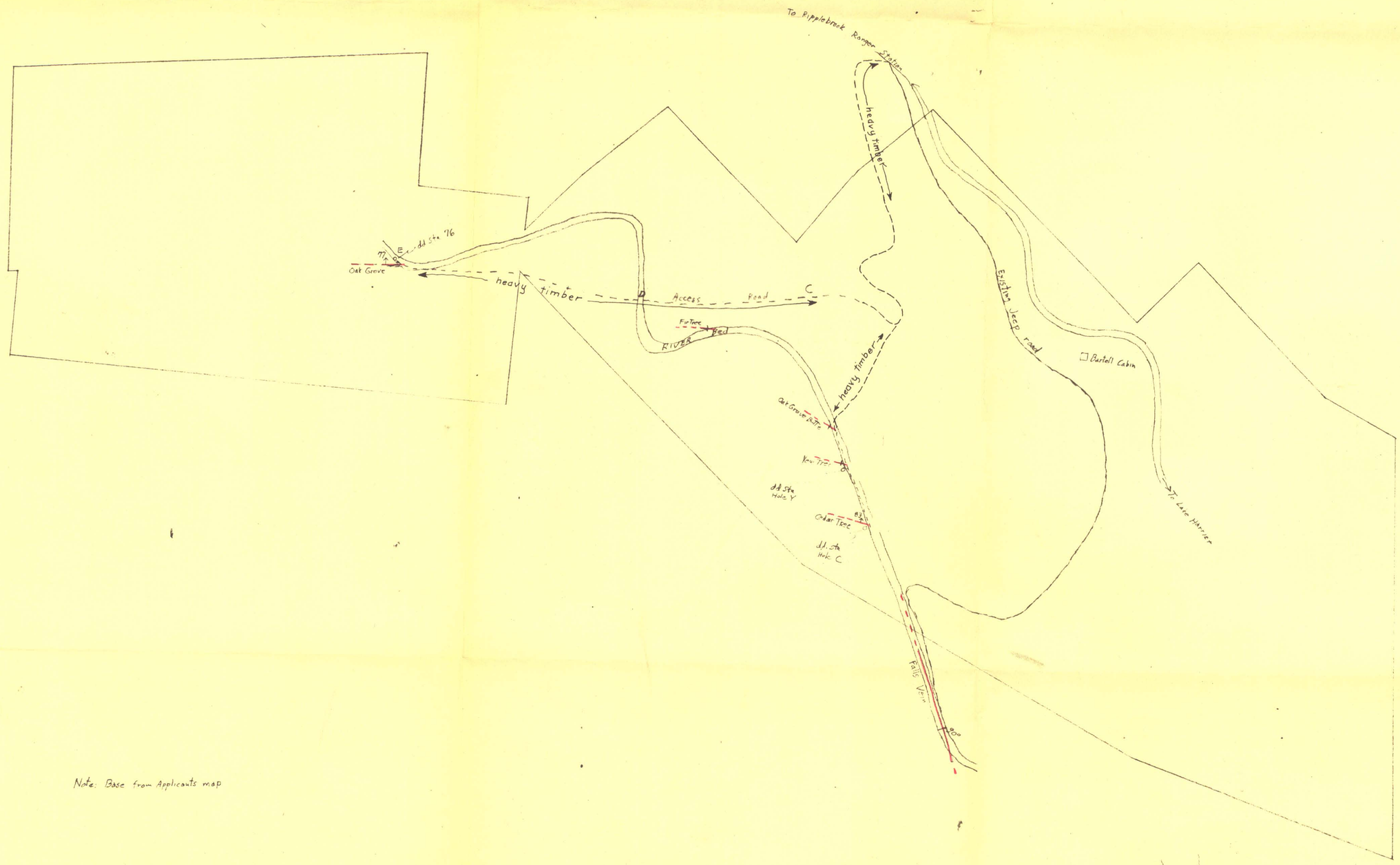

NISBET QUICKSILVER DISTRICT
SECS 4&5, T6S, R7E W.M.
CLACKAMAS COUNTY, ORE.
MT. HOOD NATIONAL FOREST
SCALE 1 IN = 400 FT
COMPILED FROM:
Boundary of Land in Contract
Proposed Access Road
Proposed Diamond Drill Site
POWER PROJECT BOUNDARY
PIPE LINE
LOT 5
LOT 6
LOT 7
LOT 8
LOT 9
LOT 12
RED ROCK M.C.
PROSPECT M.C.
MARY B. M.C.
MITCHELL M.C.
LAKE M.C.
MARGORIE J. M.C.
OAK GROVE
RIVER ROAD
Lake Harriet
D.D. Sta. 76
D.D. Sta. 0
D.D. Sta. 6
Yellow Tree Vein
Oak Grove Vein
Lake Vein
N
S
E
W
2120

Figure 1

US Department of the Interior

Final Report

Docket No OME 6086




Note: Base from Applicants map

Sketch
Nisbet Claim Group
showing
Property Boundary, proposed access road location
and proposed diamond drill station
locations

A.O. Bartell, Nesbit Mine Clackamas County Oregon

Scale
200 100 0 200 Feet

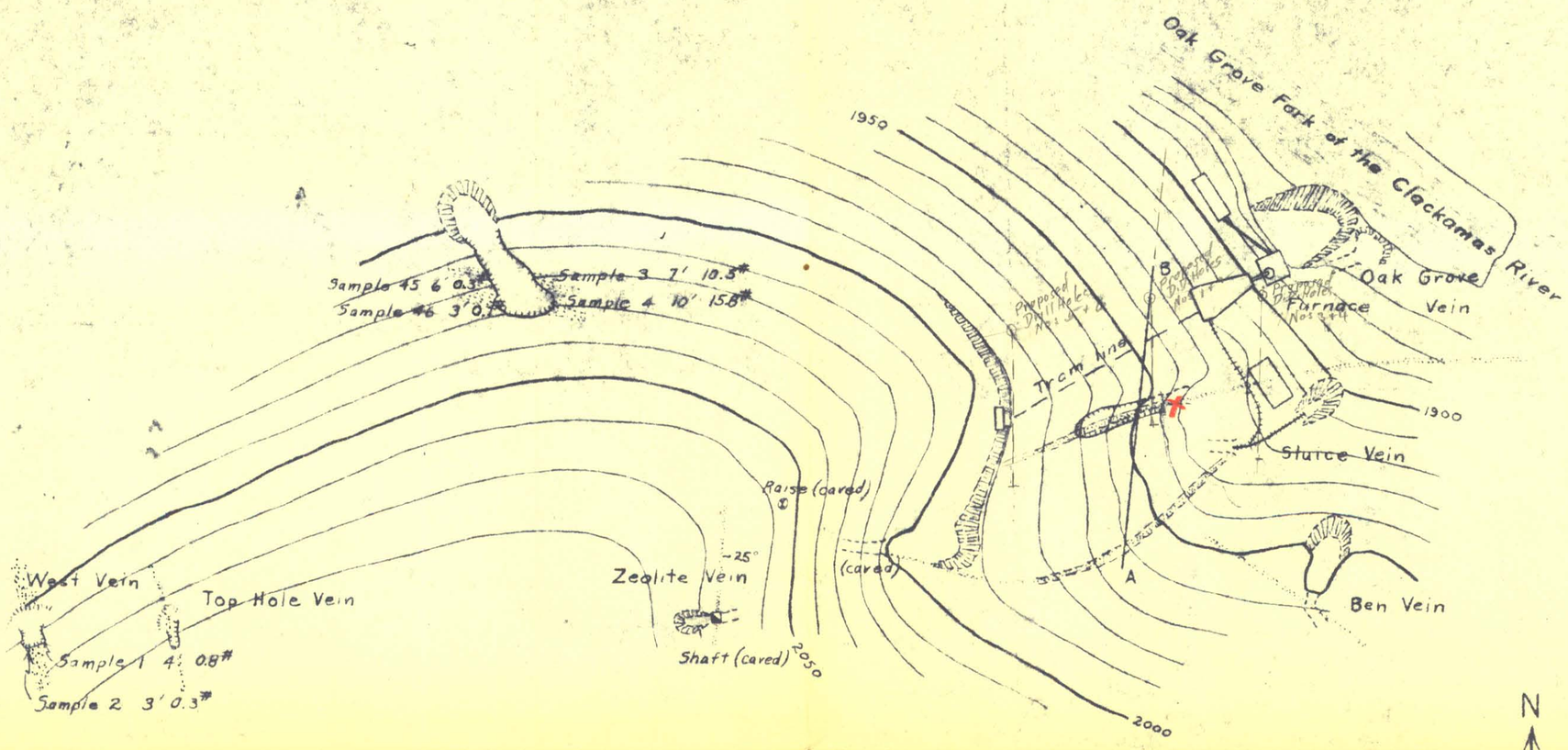
D.R. Maclaren

Pl. 1

March, 1963

OME-6086

U.S. Geological Survey




Topographic Sketch Map

# NISBET MINE AREA

CLACKAMAS DISTRICT, OREGON

Scale

50 0 50 100 150 200 Feet

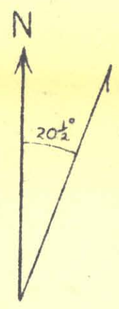
CONTOUR INTERVAL IS 10 FEET

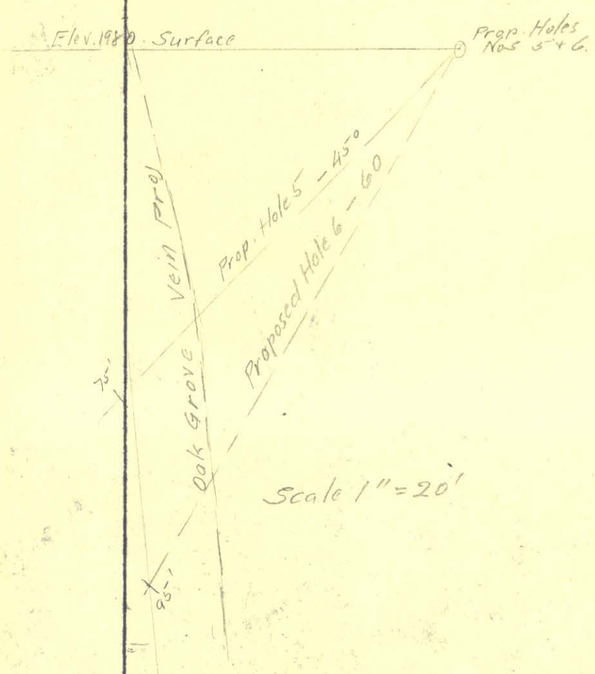
Datum is Approximately Mean Sea Level

EXPLANATION

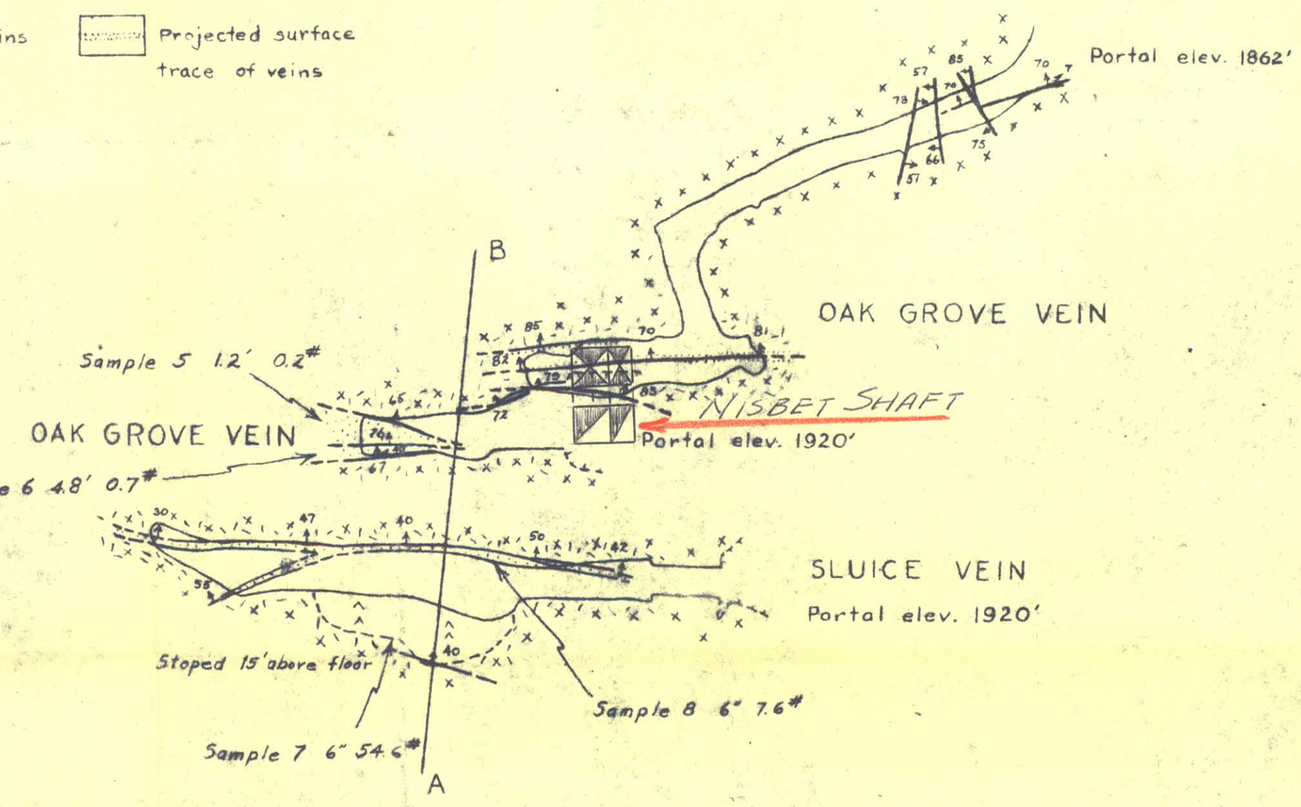
Surface trace of veins

Projected surface trace of veins

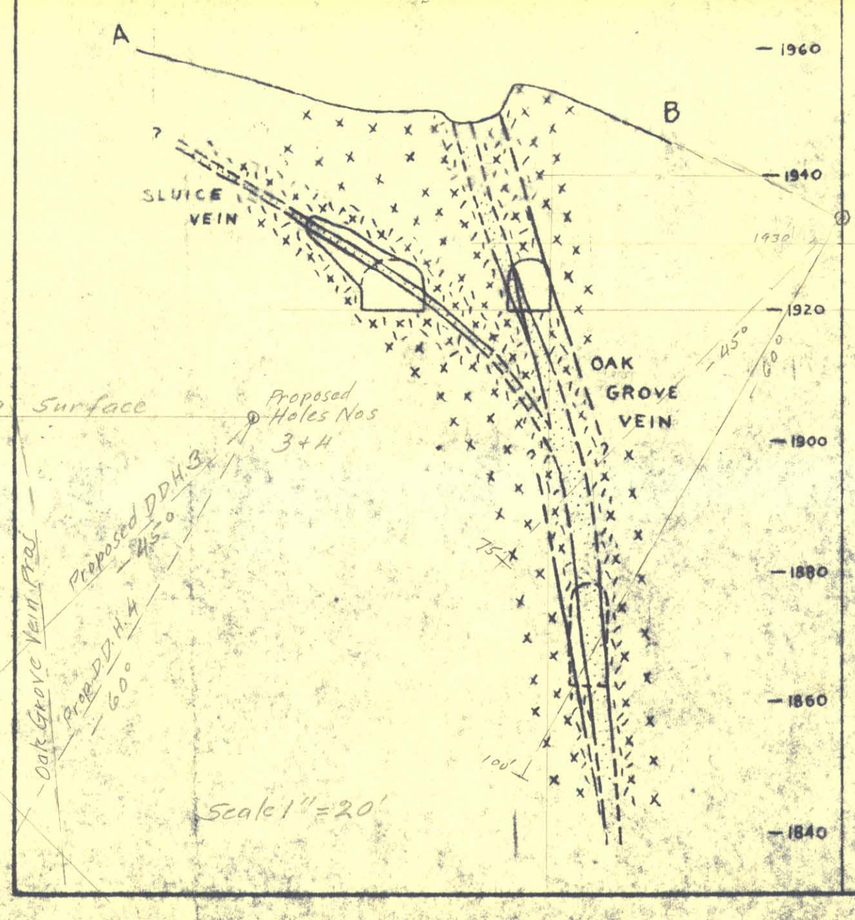



By R.E. Brown, G.W. Walker
December 1943




## CROSS SECTION A-B




Geologic Map

# NISBET MINE

Scale

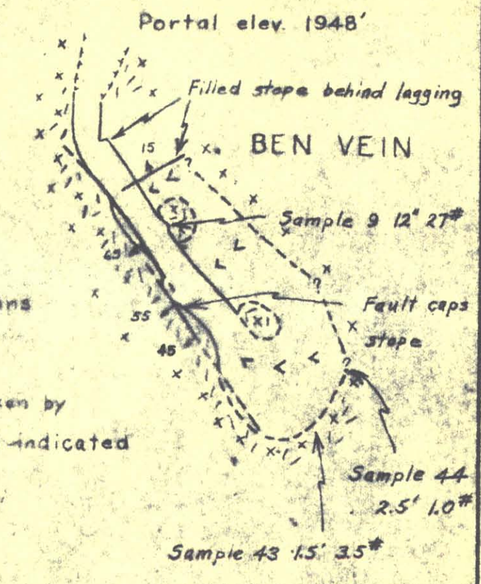
20 10 0 20 40 60 80 FEET

EXPLANATION

Columbia River basalt

Calcite veins (carry HgS)

Areas of hydrothermal alteration

Faults and veins

Samples indicated taken by U.S. Bureau of Mines indicated in lbs. Hg/ton