DMA Form

DEFENSE MINERALS ADMINISTRATION
Control Slip

CONTROLLED DOCUMENT

DMA Docket No. 932

DO NOT DETACH THIS SLIP

Action on this document is recorded and controlled in Reports and Records Branch. Any movement of this document between divisions or offices of DMA or movement outside DMA must be reported to the Reports and Records Branch. Actions taken that affect status of the case must also be reported.

This document has been recorded as

Exploration Loan

Any action taken to change the type of request for assistance must be promptly reported to the Reports and Records Branch. Use DMA Form 2 for submitting these reports.

Routing Slip

To: Reports & Records Br. Date JUL 24 1951

To: _____ Date _____

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DO NOT DETACH

TROLLED DOCUMENT

H., D.C.

988

Bat (2)

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUL 6 1959

DATE		
7-6	gad	220
7-7	~~copy~~	~~300~~
7-8	gad	225

No. 157 Howard Street
Spokane 4, Washington

June 30, 1959

Mr. T. E. McKoin, Treasurer
Chelan County
Wenatchee, Washington

Dear Mr. McKoin:

Thank you for your thoughtful letter of June 22, 1959 and for the enclosed Distraint Notice regarding the Government's possible financial interest in the properties of Horseshoe Basin Mining and Development Company.

We received an application for Government assistance to explore this property but it did not result in a contract. Therefore, the Government has no financial interest in the property.

Sincerely yours,

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

cc: OME (2) w/Distraint Notice & 1 cy
USBM (2)
USBM

Docket No. DMA-932X (Lead-Zinc)
Horseshoe Basin Mining & Development Co.
Chelan County, Washington
(Denied)

Co. 157 Howard Street
Spokane 4, Washington

June 30, 1959

Mr. T. E. McKoin, Treasurer
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Wenatchee, Washington

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Field Team, Region I

cc: OME (2) w/Distraint Notice & 1 cy
USBM (2)
USBM

Docket No. DMA-932X (Lead-Zinc)
Horseshoe Basin Mining & Development Co.
Chelan County, Washington
(Denied)

T R E A S U R E R S O F F I C E

STATE OF WASHINGTON - WENATCHEE

June 22, 1959

Defense Minerals Exploration Administration
Executive Officer
U. S. Geological Survey
S 157 Howard St.
Spokane, Washington

Dear Sirs:

In Reference to the enclosed notice.....

we have heard that you had, a few years ago, made a loan or a grant to the Horseshoe Basin Mining and Development Co. and consequently may have a financial interest in the properties of this company. We therefore as a courtesy to you are sending you a copy of a Distraint Notice issued by our office on June 22, 1959.

Thank you and if we can be of service to you please let us know.

Sincerely

T. E. McKoin, Treasurer

By M. F. McFadden, Deputy

TRICK & MURRAY, SEATTLE, WASH. STANDARD PRINTERS 92469

DISTRAINT NOTICE

STATE OF WASHINGTON, } ss.
County of Chelan

IN THE MATTER OF DELINQUENT TAXES levied for the years 1952 & 1953 to be collected in 1953 & 1954 upon personal property assessed to

Manzanita Basin Mining & Development Co.

DESCRIPTION OF PROPERTY:

Personal Property Detail List - No. 978 - 1952
- No. 1021 - 1953

Classification No. 15
Contractors' and Mining Machinery & Equipment, Pile Drivers, Hoisting Engines, Power Shovels, Concrete Mixers, Graders, Ditch-diggers, etc. located in Chelan County.

Assessed Valuation: $ 5,000.00

Amount of tax for year 1953	$ 177.10	
Amount of tax for year 1954	$ 176.70	
Accrued interest	$ 37.36	-1953
Costs to date	$ 12.12	-1954
	50.30	
Total due	$ 563.03	

To Manzanita Basin Mining & Development Co., owner or reputed owner of the above described property:

You are hereby notified that in accordance with the revenue Laws of the State of Washington (Chapter 33, Laws of 1933), I, T. E. McKain, Treasurer of Chelan County, have levied upon and taken possession of the property, hereinabove described, and you are hereby distrained from disposing of said goods or chattels, or any part thereof, until all taxes, interest, costs and accruing costs have been paid in full.

Witness my hand and seal this 22nd day of June, 19 59.

T E McKain
County Treasurer.

By M. L. McFadden
Deputy.

RECEIVED
JUN 29 1959
U. S. G. S.
SPOKANE, WASH.

No.....

DISTRAINT NOTICE
OF
PERSONAL PROPERTY

.....
County Treasurer

TO

.....

.....

COUNTY TREASURER'S OFFICE

Filed for record.....19.....

at..... o'clock and.....

Minutes.....M., at the request

.....and

recorded in Book.....

of Chelan County, Washington, at page.....

.....19.....

.....
County Auditor

By.....Deputy

DISTRAINT NOTICE

STATE OF WASHINGTON, } ss.
County of Chelan

IN THE MATTER OF DELINQUENT TAXES levied for the years 1952 & 1953 to be collected in 1953 & 1954 upon personal property assessed to [illegible]

DESCRIPTION OF PROPERTY:

[illegible] property stall dist - No. [illegible] — 1952
- No. [illegible] - 1953

[illegible] No. 15
[illegible] and [illegible] equipment, [illegible] drivers, [illegible], power shovels, concrete [illegible], trucks, ditch-digger, [illegible] in Chelan County.

Assessed Valuation: $ [illegible]

Amount of tax for year	1953	$ 177.10
Amount of tax for year	1954	$ 176.70
Accrued interest		$ 87.[illegible] -1953
Costs to date		$ 72.72 -1954
		[illegible]
Total due		$ [illegible]

To [illegible], owner or reputed owner of the above described property:

[illegible] hereby notified that in accordance with the revenue Laws of the State of Washington (Chapter [illegible], Treasurer of Chelan County, have levied [illegible] described, and you are hereby distrained [illegible] laws and accord[illegible]

[illegible] this [illegible] day of [illegible]

T R E A S U R E R ' S O F F I C E

June 22, 1959

Defense Minerals Exploration Administration
Executive Officer
U. S. Geological Survey
S 157 Howard St.
Spokane, Washington

Dear Sirs:

In Reference to the enclosed notice.....

We have heard that you had, a few years ago, made a loan or a grant to the Horseshoe Basin Mining and Development Co. and consequently may have a financial interest in the properties of this company. We therefore as a courtesy to you are sending you a copy of a Distraint Notice issued by our office on June 22, 1959.

Thank you and if we can be of service to you please let us know.

Sincerely

T. E. McKoin, Treasurer

By M. F. McFadden, Deputy

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

So. 157 Howard Street
Spokane 4, Washington

Dmea July 26, 1952
932

Mr. Martin A. Morrison
Horseshoe Basin Mining & Development Company
619 Fourth Street
Bremerton, Washington

Dear Mr. Morrison:

Our field men have been in the vicinity of your property this last week, but since their schedule is quite full and in view of your wish to do some preliminary work before examination they will not attempt to visit the property. The next regular trip to the vicinity will be in a month or six weeks. Before leaving we will contact you and make arrangements for examining the property if you so desire.

In the first paragraph of your letter you state, "It is our understanding now that the exploration loan is exploration only in the sense that it will help after a property has been explored and has found commercial ore." This obviously represents a misunderstanding on your part of the DMEA program. The Defense Minerals Exploration Administration requires only that a feasible program be presented and that there be a reasonable chance of making a discovery commensurate with the costs of exploration. Contrary to what you state, the exploration cannot go beyond "a reasonable delineation in sampling of the ore and shall not include work prosecuted primarily for mining or preparation for mining."

Although we do not usually make an examination in advance of the submission of a formal application, because of the short season and the difficulty of accessibility of your property, we would be glad to examine it early this fall if you so desire.

Sincerely yours,

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

cc: USBM
DMEA

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

So. 157 Howard Street
Spokane 4, Washington

July 26, 1952

Mr. Martin A. Morrison
Horseshoe Basin Mining & Development Company
619 Fourth Street
Bremerton, Washington

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Although we do not usually make an examination in advance of the submission of a formal application, because of the short season and the difficulty of accessibility of your property, we would be glad to examine it early this fall if you so desire.

Sincerely yours,

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

cc: USBM
DMEA

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.
So. 157 Howard Street
Spokane 1, Washington

Dmea - 932

July 21, 1952

Mr. Martin A. Morrison
Horseshoe Basin Mining Development Company
218-219 Fourth Street Building
Wenatchee, Washington

Dear Mr. Morrison:

You will recall a letter from this office dated November 6, 1951, which discussed various phases of your application for a DMA contract on your Horseshoe Basin mining property. You will note in the last paragraph of that letter our mention of a visit to this office from Mr. John C. Ingdula who advised us of a recent ore discovery in your Horseshoe Basin property. At the time of Mr. Ingdula's visit we advised him to resubmit an application for exploration assistance on the Horseshoe Basin property, if, in his opinion, the discovery materially affected the merits of the property.

This office has not received an application for a DMA contract on the Horseshoe Basin property since Mr. Ingdula's visit. We therefore wonder if you are still interested in such an application. In the event that you are, we would like to advise that a DMA examining team will be in the Horseshoe Basin area on July the 30th and 31st to examine the Black Warrior mine. This team will be glad to meet with you and to examine the recent work done on your property if you so desire. If you or one officer of your company are unable to be in the Horseshoe Basin, at the Black Warrior mine, on those dates, please advise and we will attempt to arrange another examination date. We should appreciate, however, that if you are interested in having your property examined, you arrange to have a representative at the Black Warrior mine on the above mentioned dates. As our mining teams are very busy, we cannot tell you for sure if we will have another party available to visit that area.

Should prior to this further inspection, we will assume that you are not interested in DMA assistance for your Horseshoe Basin property.

Yours truly,

Oscar L. Hildebrand
for: R. L. Weissenborn
Executive Officer, DMA
Field Team, Region II

cc: DMEA
DMA ✓

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.
No. 157 Howard Street
Spokane 1, Washington

July 21, 1952

Mr. Martin [illegible] Morrison
Horseshoe Basin Mining Development Company
218-219 Fourth Street Building
Stevenson, Washington

Dear Mr. Morrison:

On [illegible] received a letter from this office dated November 1, 1951, which discussed various phases of your application for a DMA contract on your Horseshoe Basin mining property. You will note in the first paragraph of that letter our mention of a visit to this office from Mr. Edward [illegible] Iglula who advised us of a recent ore discovery on your Horseshoe Basin property. At the time of Mr. Iglula's visit we advised him to resubmit an application for exploration assistance on the Horseshoe Basin property, if, in his opinion, the discovery materially affected the merits of the property.

This office has not received an application for a DMA contract on the Horseshoe Basin property since Mr. Iglula's visit. We therefore wonder if you are still interested in such an application. In the event that you are, we would like to advise that a DMA committee will be in the Horseshoe Basin area on July the 30th and 31st to examine the black carbonate ore. This board will be glad to meet with you and to see the recent workings on your property if you so desire. If you or any other of your partners are unable to be in the Horseshoe Basin, [illegible] on these dates, please advise [illegible] other examination date. It should be noted, however, that [illegible] interest in having your property examined, [illegible] to be conducive at the black carbonate [illegible] dates. We are being [illegible] your property available for [illegible] examination.

[illegible] your early arrival, we [illegible] that you [illegible] for your Horseshoe Basin property.

Yours truly,

[illegible] Mills Ward
[illegible] Schsenborn
Executive Officer, DMA
[illegible], Section II

cc: [illegible]

500

FILE COPY
SURNAME:

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

JUN 20 1952

Hon. Hugh B. Mitchell
House of Representatives
Washington 25, D. C.

Re: Docket No. DMA-932X
Horseshoe Basin Mining
& Development Company

My dear Mr. Mitchell:

This is to acknowledge your letter of June 14, 1952 concerning the letter of Mr. John C. Migdula in reference to the subject application.

There has been considerable correspondence about the denial of this application with the Honorable Walt Horan. For your information and files, we are enclosing a copy of our letter to him on January 24, 1952.

Although Mr. Migdula apparently is connected with the Horseshoe Basin Mining and Development Company, there is no information either in the application or subsequent correspondence to indicate that he is entitled to confidential information concerning the application.

Mr. Migdula informs you in his letter, that the applicant is awaiting a favorable opportunity to present its case in the near future. If the applicant has additional data concerning his property which would alter our opinion on the merits of the exploration project he proposed, we would be pleased to reconsider the application in the light of that information.

As requested in your letter, we are returning Mr. Migdula's letter, of which, we have made a copy for our files.

We trust that the information contained herein will enable you to answer your constituent to your satisfaction.

Sincerely yours,

C. O. Mittendorf (fw)

Acting Administrator

6-20-52

Enclosures

HFKeller/mef
6/19/52
cc to: Adm. R. File
Docket File
Mr. Keller

C
O
P
Y

P.O. Box 282
Tacoma, Washington
May 9, 1952

Hon. Hugh B. Mitchell
House of Representatives
Congress of the United States
Washington, D. C.

Dear Congressman Mitchell:

Thank you for your investigation concerning the rejection of a DMEA loan for the Horseshoe Basin Mining & Development Co. I believe that the rejection was not justified for the reasons given by DMEA officials.

Quoting what the agency said concerning the loan application "nothing in the Horseshoe Basin Mining Company's present showing warranted a loan". - This does not bear out the facts. It is my understanding that the Horseshoe Basin Company's figures were the same as those that are quoted in the prospectus. To my knowledge any one of these assays, which have to be converted to present day prices, are far higher than the official figures presented by the Washington State mineral survey of approximately twenty-seven dollars per ton for the adjoining Black Warrior property.

The DMEA officials, according to your letter of April 22, granted a loan on a basis of "private reports" presented by the Black Warrior Mine. It would be interesting to me to know what the claims were of this mine company in their assay reports to obtain the loan. In refutation to the DMEA claims I maintain that Horseshoe Basin Mining Co. ore has far higher contents of copper, lead, zinc, and silver, on the average, than the adjoining Black Warrior. I would like to make it clear that I am not against the adjoining mining company having a government loan, but I do not think that Horseshoe Basin Mining Co. was treated fairly by being refused a loan. Future workings will prove that Horseshoe Basin Co. has by far the greatest potential in zinc, lead, copper, and silver both as to quantity and quality.

It is true that Horseshoe Basin Co. has not filed an appeal on the loan rejection as the firm is awaiting a favorable opportunity to present its case in the very near future.

When I visited the DMEA office last January they stated then that more than one of the agency's engineers visited the Horseshoe Basin Co. property to make a report on the loan application. According to my information only one DMEA or Bureau of Mines engineers ever officially visited the property. This individual engineer was the same in both cases, i.e., before the DMA program and since its enactment.

It is true that the adjoining Black Warrior mine is at the end of a mine to market road, however, Horseshoe Basin Co. uses the same road to within

a short distance of theBlack Warrior. To one company the road is accessible and to the other it is inaccessible. Weather conditions for both companies are the same. The distance from the mine to market road for Horseshoe Basin Co. to its portal is about 6500 feet, but this transportation problem has been solved by erecting a temporary highline which can transport any supplies needed and also ore to and from the portal. A permanent highline is in the planning stage which would completely eliminate the road between the junction of Basin Creek and Stehekin River, and where the road connects with the beginning of our present highline. These highlines are very practical in this type of country and are being used in many places up to lengths of 14 miles. The permanent highline of Horseshoe Basin Co. in another location will be about two miles long. It would eliminate expensive road maintenance in the future.

Enclosed are two pictures which I hope will describe the operations of the temporary highline. In picture No. 1 the length of the line is approximately 2200 feet, extending from the mine to market road to what we call the lip of the upper basin. On the right some distance away from the base of the line is located the Black Warrior portal. In picture No. 2 is the continuation of the highline from the lip to the portal of Horseshoe Basin Co., about 4200 feet.

When necessary supplies can be transported either up or down in an operation such as this, I cannot conceive how it can be considered inaccessible.

At the moment it is my desire to have the following question answered. What were the assay values submitted by Horseshoe Basin Co. and Black Warrior Co. in their respective loan applications?

With every good wish.

Sincerely yours,

/s/ John C. Migdula
John C. Migdula

Hugh B. Mitchell
1st District, Washington
Seattle and Kitsap County

Office Address:
1420 House Office Building

Congress of the United States
House of Representatives
Washington, D. C.

Rules
Committee

Ancil H. Payne
Executive Assistant

June 14, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 16 1952

Mr. O. C. Mittendorf, Acting Administrator
Defense Minerals Exploration Administration
Department of Interior
Washington, D. C.

Dear Mr. Mittendorf:

The enclosed letter outlines a problem in which your office has an interest. In view of this, I should greatly appreciate your consideration of the points made by my constituent.

An early reply, either from you or from the official having direct jurisdiction, giving me as full information as possible would be appreciated. Please return my enclosure with this reply.

With thanks and best of wishes,

Sincerely yours,

Hugh B. Mitchell

Hugh B. Mitchell
Member of Congress

HBM:as
Encl.

FILE COPY
SURNAME: 100

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

JAN 28 1952

Mr. A. E. Weissenborn
Executive Officer, Field Team
Region II
Defense Minerals Exploration Administration
South 157 Howard Street
Spokane 4, Washington

Re: DMA-9321
Horseshoe Basin Mining Co.

Dear Mr. Weissenborn:

We are transmitting for your information the attached correspondence relative to the application for exploration project assistance by the Horseshoe Basin Mining Company.

This project was denied by letter under date of July 20, but we understand that the company is considering a new application as is indicated in letter to Congressman Mitchell.

Sincerely yours,

C. O. Mittendorf (fw)

Acting Administrator
Defense Minerals Exploration
Administration

Enclosures

/meh
DEMoulds/fw

cc: Admr. Reading File
Mr. Moulds
Docket file 1-28
J.D.

Miss Smith, Congressman Mitchell's office - T.190,
X605

wants to check on DMA-932, Horseshoe Basin Mng.

She knows it was denied, but wants to talk to theperson who handled it.

She also wants to ask about the cases of other applicants in the same ~~region~~ area who received exploration aid. Horseshoe people are asking Cong. Mitchell to find out why the others got aid and they were denied.

fw

Called 4/18/50

FILE COPY
SURNAME:

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

JAN 24 1952

Hon. Walt Horan
House of Representatives
Washington 25, D.C.

DMA-952X

My dear Mr. Horan:

This is in reply to your letter dated January 2, 1952 which transmitted a copy of a letter by Mr. Martin A. Morrison, President of the Horseshoe Basin Mining and Development Company and addressed to the Honorable Hugh B. Mitchell.

Mr. Morrison has protested the action taken on his application for Government assistance for his exploration project and you have indicated that we might wish to review the application in light of the contents of his letter. You have also requested information regarding what further action we may take in the matter. A complete review of the docket in this case has been made by Mr. Donald E. Moulds, Acting Chief of the Base Metals Division of the Defense Minerals Exploration Administration, who, I understand, has since discussed his findings with Congressman Henry M. Jackson, who has also displayed interest in the application. The results of the investigation of the files may be summarized as follows:

The Horseshoe Basin, in Chelan County, in which Mr. Morrison's mine is located, is traversed by two nearly parallel shear zones in the granitic gneiss. These two shear zones are approximately 9500 feet apart horizontally. One zone outcrops at an elevation of 4500 feet and can be reached at the terminus of a mine-to-market road. The other shear zone outcrops approximately a mile farther up the Basin and 3000 feet higher in elevation. Mining activities on the lower zone are being conducted by the Black Warrior Mining Company, while the Horseshoe Basin Mining and Development Company is interested in the upper zone. Both of these companies applied for exploration project assistance and the cost of each project was estimated in excess of $100,000.

Information provided by the applicants, and from all other sources presently available, indicated that the lenses of vein material included in both zones were similar with respect to being highly irregular in width, continuity, and mineralization. The Defense Minerals Administration, which preceded the Defense Minerals Exploration Administration, approved the application made by the Black Warrior Mining Company for certain exploratory work which would cost

approximately one-half the total sum requested. That agency subsequently denied the application made by the Horseshoe Basin Mining and Development Company, and Mr. Harrison has taken exception to that action.

In considering the two projects, each on an independent basis, it was the opinion of the consulting engineers that the project proposed by the Horseshoe Basin Mining and Development Company did not indicate that additional information of a favorable nature, geologically or economically, would result. This opinion was based largely on the fact that considerable exploration work had been done on a lower horizon without encouraging results. The project was, therefore, denied. On the other hand, the project proposed by the Black Warrior Mining Company indicated that a limited amount of additional exploration on that particular shear zone might possibly disclose ore of a better grade and width than had been shown by previous exploration work. It was on that premise that a contract for a moderate amount of drifting and drilling was approved for the Black Warrior Mining Company.

By direct comparison it was considered that the Black Warrior project was better situated as to elevation and accessibility than the Horseshoe Basin project. It was felt that the work approved would explore the regional vein system approximately 3600 feet below the elevation of the Horseshoe Basin project and would, therefore, be of benefit to the entire region.

We have no record of Mr. Harrison having appealed the action taken in his case directly to this agency. If additional information and a definite program based thereon, as suggested in his letter, are available, they should be presented directly to the Defense Minerals Exploration Administration for review and consideration.

I trust that the information contained herein will clarify the position taken by the Defense Minerals Administration on the two applications received from the Horseshoe Basin area. In accordance with your request, I am returning the attached correspondence for your files.

Sincerely yours,

C. O. Mittendorf (for)

Acting Administrator
Defense Minerals Exploration
Administration

Enclosures-2

Copy to Hon. Henry M. Jackson

DEMoulds/COMittendorf/fw
cc: Admr. Reading File
Hon. Henry M. Jackson
Mr. Moulds
Ma8ls & Files
Field Team, Reg. II

MaS PR

WALT HORAN
5TH DIST. OF WASHINGTON

COUNTIES:
SPOKANE CHELAN
STEVENS OKANOGAN
PEND OREILLE DOUGLAS
FERRY LINCOLN

MEMBER:
APPROPRIATIONS
SUBCOMMITTEE ON AGRICULTURE

Congress of the United States
House of Representatives
Washington, D. C.

January 2, 1952

Mr. John J. Forbes, Administrator
Defense Minerals Administration
Department of the Interior
Interior Building
Washington, D.C.

Dear Mr. Forbes:

I am attaching a letter from Mr. Martin A Morrison, President-Treasurer of the Horseshoe Basin Mining and Development Company, Bremerton, Washington, and a copy of a letter to the Honorable Hugh Mitchell, Representative in the Congress for the 1st District, State of Washington, both concerning an exploration loan that was refused this Company by the Defense Minerals Administration.

If Mr. Morrison's analysis of the situation, as expressed in his letter to Representative Mitchell, is correct, there would seem to have been some inconsistency in the policies of the DMA, and it may be that the possibility of reviewing the Company's application could be explored, as suggested by Mr. Morrison.

I would be appreciative of your courtesy in informing me of any action you may decide to take in the matter.

Kindest regards and best wishes.

Sincerely,

Walt Horan

ck

Walt Horan, M.C.

P.S. Please return the attached correspondence with your reply so that I may keep my files complete

~~DRAFT~~

January 10, 1951

Memorandum

To: Mr. C. O. Mittendorf, Acting Administrator

From: D. E. Moulds

Subject: Review of Docket 699X, Black Warrior Mining Company, and Docket 932X, Horseshoe Basin Mining & Development Company

The Horseshoe Basin situated in Chelan County, Washington is a rugged cirque basin still occupied in part by glaciers. Elevations range from 3000 feet to 9000 feet at the divide. The country rock is granite gneiss and local intruded diabase dikes. Two essentially parallel shear zones traverse the basin approximately ~~3500~~ 4500 feet apart horizontally. These shear zones, ranging from 15 to 30 feet in width and well defined except where covered by glacial detritus or ice, can be traced for up to a mile. The shear zones contain quartz fissure veins variable in width, location within the shear zone and sulfide mineralization.

The lower shear zone, known as the Black Warrior, lies at an elevation of 4500 feet and at the terminal of a mine to market road. This zone has been explored by a 250-foot crosscut and approximately 720 feet of drift and raise on the zone. The upper shear zone, known as the Glacier-Davenport, outcrops at an elevation of 7600 feet in the glacier-ice vicinity and has been explored by a 975-foot crosscut and 1300 feet of drifting on the shear zone at a portal elevation of 6600 feet.

Operations on the Black Warrior shear zone are being conducted by the Black Warrior Mining Company while the Glacier-Davenport shear zone is under lease and option by the Horseshoe Basin Mining & Development Company. Both companies applies for exploration project assistance in excess of $100,000 each for the purpose of exploring for and developing ore in the respective shear zones. Each project was examined individually by DMEA representatives in Washington and in the Spokane Region on the basis of

information furnished by the applicants and information available from Government and private sources. The recommendations for the projects are as follows:

Horseshoe Basin Mining & Development Company

The proposed exploration consisted of 75 to 80 feet of crosscut to the shear zone and approximately 600 feet of drifting on the shear zone at a portal elevation of 7135 feet and on the Glacier Claim. The estimated total cost of the project, $100,810.36.

Assays of the outcrop in the vicinity of the proposed work supplied by the applicant indicated a vein width on the Glacier ranging from less than ½ foot to 2 feet and two samples which, adjusted to a 5-foot mining width, averaged 2.82 oz. silver, 2.13% lead, 2.3% zinc, and 0.26% copper. The average of six samples taken on the adjoining Davenport, adjusted to 5-foot mining width, was 2.95 oz. silver, 0.22% lead, 4.8% zinc, and 0.04% copper. An open cut on the outcrop produced about 4 tons of ore. The Region review indicates that the exposed ore lense is about 330-feet long with an indicated metal content of 6.5oz. silver, 212% lead, 7.0% zinc (estimated by applicant) and 0.3% copper.

Between 1910 and 1921 the Davenport claim was explored by crosscutting and drifting at a distance of 400-1000 feet below the outcrop and approximately 900 feet of the drift on the shear zone was examined in 1949. This drift indicates only scattered pods of quartz and pyrite and was not encouraging. The western 400 feet of the drift approaching the ore shoot shown on the surface was not accessible.

The proposed work would be at a level almost 500 feet above the old work, and, in the estimation of the Region Office, drifting from the proposed crosscut to the West would surface in about 150 feet and drifting to the East would be in that part of the shear zone found barren in the old workings.

Consideration of the ~~proposed~~ above data indicated that the proposed exploration would prove little more than is known at the present time and that geologically the property did not substantiate the possibility of discovery and eventual production of worthwhile strategic minerals. The application was thus declined by DMA.

Black Warrior Mining Company:

The initial application was for a development loan in the amount of $425,000 to expand facilities, construct mill, and accomplish mine development. This application was withdrawn and an application for exploration project assistance submitted. The exploration to consist of approximately 1375 feet of drifting, 525 feet of raising, and 300 feet of diamond drilling. The total estimated cost of the project, $116,850.

Review of the information supplied by the applicant indicated that the property had been opened by approximately 250 feet of crosscut and 720 feet of drift and raise on the shear zone at an elevation 200 to 300 feet below the outcrop. Sampling done by W. C. Gans in 1949 indicated a weighted average of 2.1% copper, 3.1% zinc, 1.8% lead and 11.6 oz. silver over an average width of 5.3 feet. The Region Office indicated that the project did not rate very high in possibilities of discovery and development but that independent evidence from previous examinations indicated that the surface showings improve somewhat to the east and west of the present underground openings. Whether there will be a corresponding and significant increase in grade and thickness of the ore at depths under these outcrops can be determined only by further work. The Region, therefore, recommended a small amount of work sufficient to further evaluate the possibilities of the projedt.

Upon this premise an exploration project contract was negotiated with the Black Warrior Company for 485 feet of drifting, 1500 feet of long-hole drilling and 600 feet of diamond drilling at a total estimated cost of $34,147.50. This contract was later amended to provide for 400 feet of raising or sinking at a cost of $16,600 provided mineralization disclosed by the drifting and drilling warranted further exploration. The work on this contract is now in effect.

Review of the above two projects indicates that the area is, in general, extremely marginal in mineralization, mining width and ore continuity. Information on both projects indicates that possibilities of improvement in ore potential are small.

The Horseshoe project appeared to be especially unfavorable due to the previous exploration accomplished, the small area of exploration possible to the West, and duplication of the proposed and past exploration to the East.

The Black Warrior has not been as extensively explored and independent examiners have indicated that there is a possibility of improvement in ore potential in adjacent unexplored areas of the shear zone. The Black Warrior was, therefore, approved for limited exploration assistance.

In addition to the above independent evaluations, a general plan of exploration for the Horseshoe area should take into consideration the accessibility of the project in terms of exploration accomplished for money expended. Geologically the parallel shear zones, while not entirely similar, should both be benefited by exploration at the lowest possible horizon which in this case is the Black Warrior, approximately 2635 feet below the proposed Horseshoe project.

It appears that the denial of the Horseshoe project on the basis of unfavorable geological possibilities was warranted by the information presently available.

In event the Horseshoe Basin Mining & Development Company has additional information on a modified program such as is indicated in the letter to Congressman Horan, the applicant should transmit this information direct to the DMEA for consideration.

D. E. Moulds

COPY

HORSESHOE BASIN MINING AND DEVELOPMENT COMPANY

201 - 245 Fourth Street Building Bremerton, Washington

December 29, 1951

Hon. Walt Horan
House of Representatives
Washington, D. C.

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Yours truly,

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Our company made its first contact with the U. S. Bureau of Mines, by letter, with the Regional Office, Albany Oregon. For two years straight we requested an inspection of our property in an effort to qualify for the then core drill-program. This was not successful, so we wrote you and several other congressmen. Then in 1949 the U. S. Bureau of Mines sent an engineer to inspect the properties of the Horseshoe Basin.

This engineer, upon arrival in 1949, let us know how he felt about people who wrote their congressmen and thus forcing inspections. The engineer spent about a day going over our property, and just before he left he told us that he was going to recommend our property, under the core drill program. You will find in your correspondence, a letter to that effect written by this company.

This inspection took place in mid-summer of 1949 and in March of 1950, we received a letter addressed to you, written by Dr. Boyd, giving the opinion that we could not qualify for the core drill program. In December of 1950 we began to hear about the coming DMA program so we went to Spokane to attend the Mining convention and to talk to the engineer who had made the inspection of our property in 1949. We wanted to find out more about the DMA program and to learn from the engineer the contents of his findings to see whether we would be justified, in the light of his report, in trying to qualify under DMA. The engineer did not give us any information or offer to let us see his report but instead, told us that we had put him on the spot by writing you that he had recommended our property for the core drilling program. He went on to deny that he had said any such thing to use to that effect. We learned from another source that he had been reprimanded for making any recommendations and was told by his supervisors that he was to make inspections only.

We are indeed sorry about this situation, but it directly implies that we fabricated the statement of this recommendation, and we want to make sure that the record shows our flat denial of any such fabrication. We are at a complete loss in trying to understand this situation, and we yet fail to see how we might gain anything by committing such a fabrication. Here is a young engineer who for reasons yet unaccounted for, told us that he was going to recommend our property for the core drill program - that is in July of 1949 and we wrote you about the good news shortly after that date, believing it to be true. Your return letter indicated that you had turned this letter over to Dr. Boyd. According to the engineer, he had to wait until the winter months before he could work up his field notes and make his assays. The point is this - that before he got to the work of writing up this report he was called on the carpet for an over step in authority. We learn of this situation some nine months after it has happened and the engineer, as we have stated, felt very keenly about it when we talked to him in Spokane, in December of 1950. It raises the grave question in our minds about the engineers ability to operate, in making up his written report, without prejudice.

We want to refer now to the action taken as a result of this examination as it was reported to you in a letter of March 14, 1951, by Dr. James Boyd. Quoting from that letter, Dr. Boyd writes, " I am informed by Mr. Stephen M. Shelton, Regional Director, Region II, U. S. Bureau of Mines, Albany, Oregon, that all available data assembled in connection with the Horseshoe Basin area have been carefully reviewed. It is the opinion of our engineers that the area does not offer sufficient possibilities of materially increasing the national reserve of strategic or critical minerals to warrant its selection as the site of a Bureau Development Project."

"This decision should not be construed as an adverse reflection on current mining ventures or prospecting possibilities in the area. The Bureau of Mines endeavors to confine its development work to potentially large, but apparently noncommercial deposits in which private investmant probably would not be justified. Such deposits, if proved to be large, constitute national reserves, or stockpiles in place, which probably will not be extracted except in an emergency when economic conditions are of secondary importance." End of quote.

You will note that an inspection was made of the Horseshoe Basin area which includes all the mining properties and apparently none of the mining properties qualified. We want to bring to your attention, too, the first sentence in the last paragraph, of the above letter and we quote, "This decision should not be construed as an adverse reflection on current mining ventures or prospecting possibilities in the area." We want to point out that there has been only this one inspection and from this inspection one company in the Basin has qualified under DMA.

We not only did not qualify, under the DMA, but we want to stress the contents of the letter that we received in answer to our status and we quote here the entire contents of the letter, written by Mr. Tom Lyon, Director Supply Division, DMA, Washington, D. C.

"Your application for a loan of $100,810.36 to explore the Davenport and Glacier Claims in Horseshoe Basin has been reviewed by the Defense Minerals Administration. We have a report prepared by Field representatives based upon an examination in the area made in 1949.

"Based upon ~~the~~ our study of this report, we must conclude that the chances of finding any significant amount of new zinc, lead or copper, by the exploration that you propose, are not favorable enough to justify an expenditure of public funds that have been appropriated for national defense. The geologic occurrence is not favorable for very large bodies of these metals, and previous exploration along the vein has not been successful enough to offer any encouragement. Considering the remote location, inaccessibility and unfavorable climate, the mining width grade is too low to be of economic value, and the chances of finding larger and richer ore shoots in the segments of the vein that you propose to explore, are not good. Under these conditions, we do not feel justified in approving an expenditure of the Government funds for the exploration that you propose." End of Quote.

Remember that the decisions and the reporting in both of the letters that we have quoted were taken from one and the same report made in 1949. In the letter from Mr. Lyon there is a great deal more information, conclusive information. The geologic occurrence is not favorable, the mining width is too low grade to be of economic value and the chances of finding anything better at depth, are not good. This is given as conclusive as though they were reading the answers from a core drill sample sheet. We, again, want to point out that this is an opinion taken from a one day inspection trip. If the findings as Mr. Lyons has them listed are true, then Dr. Boyd's interpretation of this same 1949 report and his reporting to us was a dis-service to us and the public, because the public is our stockholders or becomes our stockholders. We have an engineer. A graduate of Washington State College and a man of many years experience, having plied his trade in many parts of this and other countries and reportedly a very fine geologist. These findings as Mr. Lyons has them listed are in complete contridiction of the findings of our engineer. It can be proven, if such proof is necessary, that our engineer has as much to lose as anyone by making incorrect recommendations.

To understand fully the points that we want to make now, it will be necessary for you to understand that there are two mining companies in the Horseshoe Basin and that the other company received a loan under DMA. The other company and ours must use Lake Chelan to Stehekin and from there go by road some 24 miles up the Stehekin Valley. The only difference is that after both companies have gone to the extreme end of the road that ends in the lower Horseshoe Basin, we use an aerial Hi-line that reaches our property up at the 7000 ft. level. With this in mind we want to refer to the other reasons given by Mr. Lyon for not granting us a loan. Remote location, inaccessibility and unfavorable climate. It would have made as much sense to us if he had said that, "when the sun is shining it shines on only a selected few." We have not been able, yet, to see how the loan, to the other company is going to help them escape these same obstacles, if they are real obstacles, or unusual when it comes to mining.

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reflection that is not founded on fact, or justified by any of the confusion, that we have pointed out in this brief.

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In a brief summary - we ask for an examination of our property and got it in 1949 we fail to qualify, but we are told that this has no reflection on the current prospecting ventures. (We do not think that it would be fair to rationalize this part of our contentions because Dr. Boyd is no longer with the department.) We file for an exploration loan and the same 1949 report condems our engineer, our property and company. We get an engineer from the government that tells us one thing and his supervisors another, and this has created some mighty poor public relations for both sides. We feel that we have every reason to mistrust the whole affair because of these entanglements. We are told that one property can operate in a remote area, with inaccessibility and unfavorable climate and the other cannot.

In view of these contentions, we feel that we are justified in asking that the present findings as they are reported by Mr. Tom Lyons, be set aside and our application be reviewed. Since, as we have said in this brief, we put in our first cross-cut this year and are now ready to explore the vein, this would reduce the amount of matching money a great deal over the original sum as it now stands in our application. A sum not in excess of $40,000.00 of about ore at depth, and we have every reason to believe that it is deserving of that opportunity.

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Again, we feel that we have been placed in unjustified jeopardy and we respectfully ask that you give this matter the attention that is needed to correct it.

Yours truly,

/s/ Martin A. Morrison

President, Horseshoe Basin Mining and Development Company.

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CONGRESS OF THE UNITED STATES

House of Representatives

Washington, D. C.

January 2, 1952

Mr. John J. Forbes, Administrator
Defense Minerals Administration
Department of the Interior
Interior Building
Washington, D. C.

Dear Mr. Forbes:

I am attaching a letter from Mr. Martin A Morrison, President-Treasurer of the Horseshoe Basin Mining and Development Company, Bremerton, Washington, and a copy of a letter to the Honorable Hugh Mitchell, Representative in the Congress for the 1st District, State of Washington, both concerning an exploration loan that was refused this Company by the Defense Minerals Administration.

If Mr. Morrison's analysis of the situation, as expressed in his letter to Representative Mitchell, is correct, there would seem to have been some inconsistency in the policies of the DMA, and it may be that the possibility of reviewing the Company's application could be explored, as suggested by Mr. Morrison.

I would be appreciative of your courtesy in informing me of any action you may decide to take in the matter.

Kindest regards and best wishes.

Sincerely,

s/ Walt Horan

Walt Horan, M.C.

ck

P.S. Please return the attached correspondence with your reply so that I may keep my files complete.

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President, Horseshoe Basin Mining and Development Co.

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CONGRESS OF THE UNITED STATES

House of Representatives

Washington, D. C.

January 2, 1952

Mr. John J. Forbes, Administrator
Defense Minerals Administration
Department of the Interior
Interior Building
Washington, D. C.

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This engineer, upon arrival in 1949, let us know how he felt about people who wrote their congressmen and thus forcing inspections. The engineer spent about a day going over our property, and just before he left he told us that he was going to recommend our property, under the core drill program. You will find in your correspondence, a letter to that effect written by this company.

This inspection took place in mid-summer of 1949 and in March of 1950, we received a letter addressed to you, written by Dr. Boyd, giving the opinion that we could not qualify for the core drill program. In December of 1950 we began to hear about the coming DMA program, so we went to Spokane to attend the Mining convention and to talk to the engineer who had made the inspection of our property, in 1949. We wanted to find out more about the DMA program and to learn from the engineer the contents of his findings to see whether we would be justified, in light of his report, in trying to qualify under DMA. The engineer did not give us any information or offer to let us see his report but instead, told us that we had put him on the spot by writing you that he had recommended our property for the core drilling program. He went on to deny that he had said any such thing to use to that effect. We learned from another source that he had been reprimanded for making any recommendations and was told by his supervisors that he was to make inspections only.

We are indeed sorry about this situation, but it directly implies that we fabricated the statement of this recommendation, and we want to make sure that the record shows our flat denial of any such fabrication. We are at a complete loss in trying to understand this situation, and we yet fail to see how we might gain anything by committing such a fabrication. Here is a young engineer who for reasons yet unaccounted for, told us that he was going to recommend our property for the core drill program - that is in July of 1949 and we wrote you about the good news shortly after that date, believing it to be true. Your return letter indicated that you had turned this letter over to Dr. Boyd. According to the engineer, he had to wait until the winter months before he could work up his field notes and make his assays. The point is this - that before he got to the work of writing up this report he was called on the carpet for an over step in authority. We learn of this situation some nine months after it has happened and the engineer, as we have stated, felt very keenly about it when we talked to him in Spokane, in December of 1950. It raises the grave question in our minds about the engineers ability to operate, in making up his written report, without prejudice.

We want to refer now to the action taken as a result of this examination as it was reported to you in a letter of March 14, 1951, by Dr. James Boyd. Quoting from that letter Dr. Boyd writes, "I am informed by Mr. Stephen M. Shelton, Regional Director, Region II, U.S. Bureau of Mines, Albany, Oregon, that all available data assembled in connection with the Horseshoe Basin area have been carefully reviewed. It is the opinion of our engineers that the area does not offer sufficient possibilities of materially increasing the national reserve of strategic or critical minerals to warrant its selection as the site of a Bureau Development Project."

" This decision should not be construed as an adverse reflection on current mining ventures or prospecting possibilities in the area. The Bureau of Mines endeavors to confine its development work to potentially large, but apparently noncommercial deposits in which private investment probably would not be justified. Such deposits, if proved to be large, constitute national reserves, or stockpiles in place, which probably will not be extracted except in an emergency when economic conditions are of secondary importance." End of quote.

You will note that an inspection was made of the Horseshoe Basin area which includes all the mining properties and apparently none of the mining properties qualified. We want to bring to your attention, too, the first sentence in the last paragraph, of the above letter and we quote, " This decision should not be construed as an adverse relection on current mining ventures or prospecting possibilities in the area." We want to point out that there has been only this one inspection and from this inspection one company in the Basin, has qualified under DMA.

We not only did not qualify, under the DMA, but we want to stress the contents of the letter that we received in answer to our status and we quote here the entire contents of the letter, written by Mr. Tom Lyon, Director Supply Division, DMA, Washington, D.C.

"Your application for a loan of $100,810.36 to explore the Davenport and Glacier Claims in Horseshoe Basin has been reviewed by the Defense Minerals Administration. We have a report prepared by field representatives based upon an examination in the area made in 1949.

"Based upon our study of this report, we must conclude that the chances of finding any significant amount of new zinc, lead or copper, by the exploration that you propose, are not favorable enough to justify an expenditure of public funds that have been appropriated for national defense. The geologic occurrence is not favorable for very large bodies of these metals, and previous exploration along the vein has not been successful enough to offer any encouragement. Considering the remote location, inaccessibility and unfavorable climate, the mining width grade is too low to be of economic value, and the chances of finding larger and richer ore shoots in the segments of the vein that you propose to explore, are not good. Under these conditions, we do not feel justified in approving an expenditure of the Government funds for the exploration that you propose." End of Quote.

Remember that the decisions and the reporting in both of the letters that we have quoted were taken from one and the same report made in 1949. In the letter from Mr. Lyon there is a great deal more information, conclusive information. The geologic occurrence is not favorable, the mining width is too low grade to be of economic value and the chances of finding anything better at depth, are not good. This is given as conclusive as though they were reading the answers from a core drill sample sheet. We, again, want to point out that this is an opinion taken from a one day inspection trip. If the findings as Mr. Lyons has them listed are true, then Dr. Boyd's interpertation of this same 1949 report and his reporting to us was a dis-service to us and the public, because the public is our stockholders or becomes our stockholders. We have an engineer. A graduate of Washington State College and a man of many years experience, having plied his trade in many parts of this and other countries and reportedly a very fine geologist. These findings as Mr. Lyons has them listed are in complete contridiction of the findings of our engineer. It can be proven, if such proof is necessary, that our engineer has as much to loose as anyone by making incorrect recommendations.

To understand fully the points that we want to make now, it will be necessary for you to understand that there are two mining companies in the Horseshoe Basin and that the other company received a loan under DMA. The other company and ours must use Lake Chelan to Stehekin and from there go by road some 24 miles up the Stehekin Valley. The only difference is that after both companies have gone to the extreme end of the road that ends in the lower Horseshoe Basin, we use an aerial hi-line that reaches our property up at the 7000 ft. level. With this in mind we want to refer to the other reasons given by Mr. Lyon for not granting us a loan. Remote location, inaccessibility and unfavorable climate. It would have made as much sense to us if he had said that, "when the sun is shining it shines on only a selected few." We have not been able, yet, to see how the loan, to the other company is going to help them escape these same obstacles, if they are real obstacles, or unusual when it comes to mining.

The Horseshoe Basin is a very small place. In fact, because it is so small and there are only two companies operating there, there is a great deal of confusion about which company is which. It is understandable then that the public should think that there is something wrong with the company that did not get the loan. It has case a reflection on our engineer, the property and our company, a

reflection that is not founded on fact, or justified by any of the confusion, that we have pointed out in this brief.

Here is what is doing to our company. We have spent quite a sum of money and time getting equipment into place so that we could drift under our outcrop and get conclusive proof of the worth of the property. We put in our first cross-cut, through the country rock, this year, and contacted the vein. Just before we reached the vein the news broke that the other company got the loan. The impact on us was nearly immediate. The interst and support fell off, so that there is serious doubt now about our being able to explore some 500 or 600 feet of vein that is deserving of a "look-see." We would like to add that the only way to be sure of what is underground is to get underground.

In a brief summary-we ask for an examination of our property and got it in 1949, we fail to qualify, but we are told that this has no reflection on the current prospecting ventures. (We do not think that it would be fair to rationalize this part of our contentions because Dr. Boyd is no longer with the department.) We file for an exploration loan and the same 1949 report condems our engineer, our property and company. We get an engineer from the government that tells us one thing and his supervisors another, and this has created some mighty poor public relations for both sides. We feel that we have every reason to mistrust the whole affair because of these entanglements. We are told that one property can operate in a remote area, with inaccessibility and unfavorable climate and the other cannot.

In view of these contentions, we feel that we are justified in asking that the present findings as they are reported by Mr. Tom Lyons, be set aside and our application be reviewed. Since, as we have said in this brief, we put in our first cross-cut this year and are now ready to explore the vein, this would reduce the amount of matching money a great deal over the original sum as it now stands in our application. A sum not in excess of $40,000.00 of which $20,000.00 would be the matching sum, would tell everyone the facts about ore at depth, and we have every reason to believe that it is deserving of that opportunity.

In the case of the engineer that is mentioned, we do not want to make any issue of it. As he has pointed out to us, he has been reprimanded and it is not our desire to add to that or have the case mentioned again in any connection, unless, it has a bearing on the life or death of our company. It is not to be construed or implied that we object to the loan that has been granted to the other company or that the remarks in this brief are motivated by jealousy or any thought on our part that we are entitled to a loan simply because the other company received one.

Again, we feel that we have been placed in unjustified jeopardy and we respectfully ask that you give this matter the attention that is needed to correct it.

Yours truly,

/s/ Martin A. Morrison

President, Horseshoe Basin Mining and Development Co.

July 20, 1951

Re: DEA-952

Horseshoe Basin Mining and
Development Company
619 Fourth Street
Bremerton, Washington

Gentlemen:

Your application for a loan of $100,810.36 to explore the Davenport and Glacier Claims in Horseshoe Basin has been reviewed by the Defense Minerals Administration. We have a report prepared by field representatives based upon an examination in the area made in 1949.

Based upon our study of this report, we must conclude that the chances of finding any significant amount of new zinc, lead, or copper, by the exploration that you propose, are not favorable enough to justify an expenditure of public funds that have been appropriated for national defense. The geologic occurrence is not favorable for very large bodies of these metals, and previous exploration along the vein has not been successful enough to offer any encouragement. Considering the remote location, inaccessibility and unfavorable climate, the mining width grade is too low to be of economic value, and the chances of finding larger and richer ore shoots in the segments of the vein that you propose to explore, are not good. Under these conditions, we do not feel justified in approving an expenditure of Government funds for the exploration that you propose.

We wish to thank you for bringing this property to our attention.

Very truly yours,

Tom Lyon

Tom Lyon, Director
Supply Division

EEMcKnight:emp
G 7-20-51
Copies to: A. E. Weissenborn Region II (2)
Chief, Lead-Zinc Br.
E. F. McKnight 4204 GSA
R. H. Sote
Reports & Records
Directors r. file 4214 GSA
Br. r. file 4214 GSA

JEB

JUL 24 1951

2

FILE COPY
SURNAME:

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

McKnight
Billings
O'Leary
(Fonmore)

July 20, 1951

Re: DMA-932
Horseshoe Basin Mining & Development Company
Davenport and Glacier Claims
Chelan County, Washington
Exploration loan $100,810
Zinc, Lead, Copper

Memorandum

To: Reports and Records Unit
Administrative Management Div.

From: Chief, Lead-Zinc Branch

Subject: Denial of loan

Reasons for denial of this loan are well presented in the 2 page memorandum from the field team which is attached. The Lead-Zinc Branch concurs with the recommendation.

Returned herewith are 2 copies of the application on Form MF-103, with several supporting pages; 2 copies of an earlier application on NSRB Form 146; 3 sets of 6 photostatic illustrations; 2 copies each of 2 contracts for sale of mining property; 2 folios of printed pictures showing various phases of the operation; 1 mortgagors subordination agreement; various transmittal letters including the original of the letter transmitting the docket to the field team; and a carbon copy of the field team's report (no other copies of this report have reached the Lead-Zinc Branch).

T. P. Billings, Chief
Lead-Zinc Branch

Approved:

Tom Lyon
Director, Supply Division

ETMcKnight:emp G 7-20-51
Copies to: A. E. Weissenborn Region II (2)
Chief, Lead-Zinc Br.
E. T. McKnight 4204 GSA
R. H. Mote
Reports & Records
Directors r. file 4214 GSA
Br. r. file 4214 GSA
Files

FILE COPY
SURNAME:

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

Defense Mineral Administration
Expenses of Defense Production
Executive Office of the President (allot. to Interior) 1951 10.1

McKnight
O'Leary
(Cpl Mote)
Herres

STRAIGHT WIRE

JULY 16, 1951
WASHINGTON, D. C.

Mr. A. E. Weissenborn
Geological Survey
South 157 Howard Street
Spokane 8, Washington

PLEASE FORWARD DOCKET 932 HORSESHOE BASIN MINING COMPANY SO IT CAN BE OFFICIALLY DENIED.

Otto Herres

OTTO HERRES, CHIEF
LEAD-ZINC BRANCH

ETMcKNIGHT:emp
G 7/16/51
Copies to: Chief, Lead-Zinc Br.
E. T. McKnight 4204 GSA
R. H. Mote
L. F. Strobel
Directors r. file 4214 GSA
Br. r. file 4214 GSA
Files

DMA 932

Defense Minerals Administration
14-1110037 Expenses of Defense Production
Executive Office of the President (Pilot. to Interior) 1951 10.1

STRAIGHT WIRE

JULY 16, 1951
WASHINGTON, D. C.

Mr. F. L. Weissenborn
Geological Survey
South 157 Howard Street
Spokane 8, Washington

[illegible] 952 [illegible] COMPANY [illegible] BR

[illegible]

Otto Herres

[illegible], CHIEF
[illegible] BRANCH

KTMcKNIGHT:emp
G 7/16/51
Copies to: Chief, Lead-Zinc Br.
K. T. McKnight 4204 GSA
R. H. Mote
L. [illegible] Strobel
Directors r. file 4214, GSA
Br. r. file 4214 GSA
Files

CLASS OF SERVICE

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

WESTERN UNION

(57)

W. P. MARSHALL, PRESIDENT

1201

SYMBOLS

NL=Night Letter

LT=Int'l Letter Telegram

VLT=Int'l Victory Ltr.

Mr. Strobel

Mr. [illegible]

Rec 3618

The filing time shown in the date line on telegrams and day letters is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination.

1951 JUL 16 PM 3 58

WP130 GOVT DL PD=SOKANE WASH 16 1126A=

OTTO HERRES, CHIEF LEAD ZINC BRANCH DEFENSE

MINERALS ADMN DEPT OF INTERIOR WASHDC=

No Reply needed - TPB

DOCKET 932, HORSESHOE BASIN MINING COMPANY, FORWARDED

JULY 9 THROUGH L F STROBEL=

A E WEISSENBORN EXECUTIVE OFFICER DMA FIELD TEAM

REGION II=

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 17 1951
9:15 AM
LANDON F. STROBEL
Executive Secretary

932 9=

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

JUL 17 1951

5

BUREAU OF MINES
MAIL ROOM
WASHINGTON, D. C.
JUL 17 7 51 AM '51

WALT HORAN
5TH DIST. OF WASHINGTON
COUNTIES:
SPOKANE CHELAN
STEVENS OKANOGAN
PEND OREILLE DOUGLAS
FERRY LINCOLN

~~LANDON R. SCHEBEL~~ DMA file
~~Mr. House~~

MEMBER:
APPROPRIATIONS
SUBCOMMITTEE ON AGRICULTURE

Congress of the United States
House of Representatives
Washington, D. C.

noted
O'Herron
7/6/51

July 3, 1951

Mr. James Boyd, Administrator
Defense Minerals Administration
U. S. Department of the Interior
Washington 25, D. C.

Dear Mr. Boyd:

This will acknowledge your letter of June 26 concerning the application of the Horseshoe Basin Mining and Development Company, Bremerton, Washington, DMA 932.

Thank you very much for your promise to call me when a report is received from the Field Office in Spokane.

I shall be expecting to hear from you.

Sincerely,

Walt Horan

k

Walt Horan, M.C.

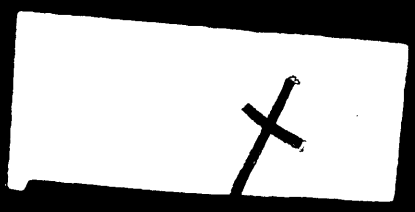
5

BUREAU OF MINES
WASHINGTON, D. C.

1951 JUL 5 PM 1 49

DEPARTMENT OF THE INTERIOR
Bureau of Mines, Rehabilitation
RECEIVED
JUL 6 - 1951

LANDON F. STROBEL
Executive Secretary



DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 5 - 1951
LANDON F. STROBEL
Executive Secretary

to Hewes

FILE COPY
SURNAME:

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

Herres
McKnight
Strobel 6/28

June 26, 1951

Hon. Walt Horan
House of Representatives
Washington, D. C.

My dear Mr. Horan:

This will acknowledge receipt of your letter of June 18 confirming the telephone conversation with Otto Herres of the Lead-Zinc Branch relative to the application of the Horseshoe Basin Mining and Development Company, Bremerton, Washington, DMA 932.

In accordance with your request, we shall be pleased to telephone you promptly when a report on this application is received from the Region II Field Office at Spokane.

In case I can be of further assistance to you at any time, please let me know.

Sincerely yours,

JAMES BOYD

Administrator

W

OHerres'lm

cc: Administrator
Strobel
Mote
McKnight
Herres
Files

Congress of the United States

House of Representatives

Washington, D. C.

Mr. Otto Herres, Chief
Lead Mine Branch
Strategic Minerals Administration
U. S. Department of Interior
18th and C Sts., N.W.
Washington, D.C.

Dear Mr. Herres:

This will confirm our telephone conversation of today concerning the application of the Horseshoe Basin Mining and Development Company, Bremerton, Washington.

I will appreciate it very much if you will telephone me promptly when you receive this application from the Spokane office where you sent it for further information.

As I advised you, I am very keenly interested in this application and trust you will keep me advised concerning it.

Sincerely,

Walt Horan

Walt Horan, M.C.

6/20/51
Have — action

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 2 0 1951
LANDON F. STROBEL
Executive Secretary

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

So. 157 Howard Street
Spokane 4, Washington

June 20, 1951

Memorandum

To: Tom Lyon, Chairman, Coordinating Committee, Defense Minerals Administration, Department of the Interior, Washington 25, D.C.

From: Field Team, Region II

Subject: Exploration loan application of the Horseshoe Basin Mining and Development Company, Chelan County, Washington. DMA Docket No. ~~393~~ 732-Commodity--zinc-lead.

It is recommended that the application of the Horseshoe Basin Mining and Development Company for an exploration loan on their Davenport and Glacier claims, Chelan County, Washington, be denied. The location of the deposit, its size, and the grade of ore make the possibility of profitably operating the property extremely questionable. Exploration already done has been discouraging. Furthermore, the exploration proposed, if correctly interpreted, is poorly planned as it will mostly explore ground already found barren below.

A report of the U. S. Bureau of Mines, Examination of the Davenport, Galena, and Black Warrior Lead-Zinc-Copper Deposits of the Horseshoe Basin, Chelan County, Washington, by John W. Taber, 1949, concludes:

> "The hopes of developing a profitable mining venture in the Horseshoe Basin rest almost entirely on the optimistic view that extensive exploration would disclose vastly larger ore bodies than are now apparent. Actually the evidence suggests no reason to suppose that larger concealed ore bodies exist. Extended exploration probably would increase the reserve, but in the case of the Davenport and Galena prospects, it is doubtful that the increase would be enough to justify the cost of the exploration."

The location, accessibility, and climate are all detrimental factors to the property. It lies in a rugged cirque basin partially

occupied by a glacier and the cost of getting materials in and ore out would be high. Any ore mined would probably be handled in the following manner to reach a smelter. It would go from the deposit to the planned mill by a two-mile long, two-stage highline; the concentrates would then be trucked 25 miles to Lake Chelan, then barged 50 miles on the lake, then trucked four miles to the railroad, and then shipped by railway to a smelter. It is estimated that the ore transportation costs alone would amount to around $5.00. Annual precipitation is over 100 inches a year, which falls mostly in the form of snow. This would cause the maintenance of roads and supply routes to be costly and difficult.

To surmount these handicaps a deposit should be large or high-grade; but the Davenport is neither. The deposit is a fissure vein within a shear zone. The shear can be traced for a possible 5,000 feet, but for about half of this distance the shear is hidden by a glacier. The exposed ore shoot in the fissure is about 330 feet long where it averages about three feet in width. Assays of the applicant (9) and of the Bureau of Mines (3) indicate an ore tenor of Au 0.06 oz., Ag 6.5 oz., Pb 2.2 percent, Zn 7.0 percent (zinc content estimated by applicant), Cu 0.3 percent, and As 1.5 percent.

Between 1910 and 1921 the eastern part of the fissure was drifted along for about 1,300 feet. This drift is from about 400 to 1,000 feet below the outcrop. Unfortunately, the western 400 feet of this drift is now caved; this portion of the adit underlies the ore shoot exposed on the surface. The remaining 900 feet is accessible and shows only scattered pods of quartz and pyrite in the shear. This exploration is far from encouraging.

If the plan is interpreted correctly, the exploration now proposed by the applicant would be at a level almost 500 feet above the old drift. Drifting to the west from the proposed crosscut at this level would surface in about 150 feet, and any exploration to the east would be in that part of the shear already found to be barren below. It appears that this exploration would prove little more than is known now.

No field examination was made of the property, as the surface is still snow covered. Furthermore, it was believed that the deposit had been described quite adequately in the Bureau of Mines report, and the above conclusions are based on that report, plus the data submitted by the applicant.

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

cc: U.S.B.M., Spokane

~~Bunsetter~~
G.E.C -

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

So. 157 Howard Street
Spokane 4, Washington

June 20, 1951

932

Memorandum

To: Tom Lyon, Chairman, Coordinating Committee, Defense Minerals Administration, Department of the Interior, Washington 25, D.C.

From: Field Team, Region II

Subject: Exploration loan application of the Horseshoe Basin Mining and Development Company, Chelan County, Washington. DMA Docket No. 399-Commodity--zinc-lead.

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No field examination was made of the property, as the surface is still snow covered. Furthermore, it was believed that the deposit had been described quite adequately in the Bureau of Mines report, and the above conclusions are based on that report, plus the data submitted by the applicant.

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

cc: U.S.B.M., Spokane

WALT HORAN
5TH DIST. OF WASHINGTON

COUNTIES:
SPOKANE, CHELAN
STEVENS, OKANOGAN
PEND OREILLE, DOUGLAS
FERRY, LINCOLN

[redacted]

MEMBER:
APPROPRIATIONS
SUBCOMMITTEE ON AGRICULTURE

Congress of the United States
House of Representatives
Washington, D. C.

March - Copy Control
No attachments

June 18, 1951

replied 6/26/51
O Herres/lm

Mr. Otto Herres, Chief
Lead Zinc Branch
Defense Minerals Administration
U. S. Department of Interior
18th and C Sts., N.W.
Washington, D.C.

Dear Mr. Herres:

This will confirm our telephone conversation of today concerning the application of the Horseshoe Basin Mining and Development Company, Bremerton, Washington.

I will appreciate it very much if you will telephone me promptly when you receive this application from the Spokane office where you sent it for further information.

As I advised you, I am very keenly interested in this application and trust you will keep me advised concerning it.

Sincerely,

Walt. Horan.

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Walt Horan, M.C.

BUREAU OF MINES
MAIL ROOM
WASHINGTON, D.C.
JUN 19 3 00 PM '51

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 20 1951
[illegible]
Executive Secretary

JUN 25 1951

d

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

May 25 1951

Mr. A. E. Weissenborn
Geological Survey
South 157 Howard Street
Spokane 8, Washington

Re: Docket DMA-932
Horseshoe Basin Mining & Development Company
619 Fourth Street
Bremerton, Washington

Dear Mr. Weissenborn:

The Lead-Zinc Branch has reviewed the application submitted by the Horseshoe Basin Mining and Development Company for a loan to explore the Glacier and Davenport claims in the northwest part of Chelan County, Washington.

The deposit consists of a shear zone, about 15 feet wide, in granite gneiss. The ore shoot, 1 to 4 feet in width, is developed along one or the other peripheries of the shear zone. About 270 feet of the deposit is concealed beneath the Davenport Glacier. That part east of the glacier is called the Davenport lode and the part west, the Glacier lode.

The average of six assays of samples taken over a length of 180 feet of the Davenport deposit and adjusted to a 5 foot width is: 0.026 oz. Au, 2.95 oz. Ag, 0.22% Pb (average of only two samples), 4.8% Zn (zinc content estimated), and 0.04% Cu, (average of only two samples). The average of two samples taken about 25 feet apart on the Glacier deposit and adjusted to a 5 foot width is: 0.0225 oz. Au, 2.82 oz. Ag, 2.13% Pb, 2.37% Zn, and 0.262% Cu.

The company proposes to drive a 70 or 80 foot tunnel to the shear zone and drift along the shear zone driving crosscuts and raises where necessary. The program will take 12 months to complete and is expected to open up about 1800 feet of ground. Total cost of the program is estimated at $100,810.36.

The Lead-Zinc Branch recommends that the application be reviewed by the field team to determine if it should be recommended for approval. If the project is considered feasible from a geologic viewpoint, an investigation should be made of methods and costs. If the project is then considered warranted, negotiations necessary to complete the contract, such as rental value of equipment, etc., should be entered into.

Very truly yours,

Tom Lyon

Tom Lyon, Chairman
Coordinating Committee

Approved:

Lowell B. Moon
Member, Bureau of Mines

T. P. Thayer
Member, Geological Survey

FILE COPY
SURNAME:

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

File Sent To 5/25/57

May 16, 1951

Mr. A. E. Weissenborn
Geological Survey
South 157 Howard Street
Spokane 8, Washington

Re: Docket DMA-932
Horseshoe Basin Mining & Development Company

Dear Mr. Weissenborn:

The Lead-Zinc Branch has reviewed the application submitted by the Horseshoe Basin Mining and Development Company for a loan to explore the Glacier and Davenport claims in the northwest part of Chelan County, Washington.

The deposit consists of a shear zone, about 15 feet wide, in granite gneiss. The ore shoot, 1 to 4 feet in width, is developed along one or the other peripheries of the shear zone. About 270 feet of the deposit is concealed beneath the Davenport Glacier. That part east of the glacier is called the Davenport lode and the part west, the Glacier lode.

The average of six assays of samples taken over a length of 180 feet of the Davenport deposit and adjusted to a 5 foot width is: 0.026 oz. Au, 2.95 oz. Ag, 0.22% Pb (average of only two samples); 4.8% Zn (zinc content estimated), and 0.04% Cu, (average of only two samples). The average of two samples taken about 25 feet apart on the Glacier deposit and adjusted to a 5 foot width is: 0.0225 oz. Au, 2.82 oz. Ag, 2.13% Pb, 2.37% Zn, and 0.262%.Cu.

The company proposes to drive a 70 or 80 foot tunnel to the shear zone and drift along the shear zone driving crosscuts and raises where necessary. The program will take 12 months to complete and is expected to open up about 1000 feet of ground. Total cost of the program is estimated at $100,810.36.

The Lead-Zinc Branch recommends that the application be reviewed by the field team to determine if it should be recommended for approval. If the project is considered feasible from a geologic viewpoint, an investigation should be made of methods and costs. If the project is then considered warranted, negotiations necessary to complete the contract, such as rental value of equipment, etc., should be entered into.

Very truly yours,

Tom Lyon

Tom Lyon, Chairman
Coordinating Committee

Member, Geological Survey

Approved:
Lowell B. Moon
Member, Bureau of Mines

EJLyons:emp 5-16-51
Copies to: Chief, Lead-Zinc B.
E. T. McKnight 4204 GSA
L. B. Moon
R. H. Mote
F. Strobel
Tom Lyon

Directors reading file 4214 GSA
Br. reading file 4214 GSA
Files

FILE COPY
SURNAME:

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

By cm
McKnight
Verser
Moon
Thayer

May 16, 1951

Re: Docket DMA-932

Horseshoe Basin Mining and Development Company
619 Fourth Street
Bremerton, Washington

Gentlemen:

The Lead-Zinc Branch has reviewed your application, submitted April 27, for a loan to be used to explore the Glacier and Davenport claims, Chelan County, Washington. The application together with the supporting data has been sent to Mr. A. E. Weissenborn, Executive Officer of the Field Team, S. 157 Howard Street, Spokane 8, Washington, for further information and advice.

Very truly yours,

Tom Lyon, Director
Supply Division

EJLyons:emp G 5/16/51
Copies to: Chief, Lead-Zinc Br.
A. E. Weissenborn Region II (2)
E. T. McKnight 4204 GSA
L. B. Moon
R. H. Mote
L. F. Strobel
Tom Lyon
Directors reading fiel 4214 GSA
Br. reading file 4214 GSA
Files

DMA 932

ANDON F. STROBEL

HORSESHOE BASIN MINING AND DEVELOPMENT COMPANY

619
~~201-245~~ FOURTH STREET BUILDING

BREMERTON, WASHINGTON

BOARD OF DIRECTORS

Martin A. Morrison, President-Treasurer
Robert A. Rukke, Vice-President-Secretary
Norman D. Lindsley, Engineer
G. W. Winter
C. T. Stephenson
J. J. Simmons

April 27, 1951

Mr. Otto Herres, Chief
Lead-Zinc Branch
Defense Minerals Administration
Washington 25, D. C.

Dear Mr. Herres:

Re: DMA-932

This will acknowledge receipt of your letter dated April 12, 1951. In this letter you ask us to indicate our willingness to provide our share of the funds needed to carry out a proposed exploration program.

As is indicated in the other literature which accompanied your letter, a lead-zinc property is required to match on a 50-50 basis. We are willing to comply on that basis.

Also, from the new literature, we found that exploration loans can be made for periods up to two years. Because of this new information, we have revised our budget. The new increased budget figure is within our ability to do and match and this will tell us a great deal more about our property.

We have enclosed four (4) copies of Form MF-103 and have answered those questions not already answered in Form NSRB-146. With reference to Item 23 (g), of the enclosed form, we have listed again the major items of equipment that we own, but we have not set a rental. We have called the machinery rental houses and find that their price is about 10% per month of the cost price. This is complicated by the inclusion of trucks, bulldozer, sawmill and exploration hi-line.

Everything that we own is at your disposal and it is our intent here to say that we want to be fair in the negotiation of their use.

Very truly yours,

Martin A. Morrison

Martin A. Morrison,
President-Treasurer

MAY 1 1951

5

BUREAU OF MINES
WASHINGTON, D. C.

APR 30 9 52 PM '51

FILE COPY
SURNAME:

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

APR 12 1951

Brokaw
Lee Rogers
Herres
Hale

Mr. Martin A. Morrison
Horseshoe Basin Mining and Development Co.
619 Fourth Street
Bremerton, Washington

In reply please refer to DMA-932

Dear Mr. Morrison:

One of the purposes of the Defense Production Act of 1950 is the encouragement of exploration, development and mining of strategic minerals and metals. Where an applicant has proven reserves of strategic materials, Federal aid in mining can be given through procurement contracts for such materials as are in short supply. On the strength of these contracts, the applicant can obtain primate financing in most instances.

The program recently approved for encouragement of exploration of strategic materials calls for participation on the part of the applicant. For zinc, lead and copper deposits it will be necessary to match Government funds on an equal basis. Funds advanced by the Government will be considered a loan, to be repaid if the exploration is profitable, but to be canceled if unsuccessful. The details of the plan, explaining the projects that will be eligible for assistance, the terms and schedules of financing, repayment, and other pertinent information, are enclosed.

A review of your application (DMA-932) for financial aid in the exploration of your properties in the Horseshoe Basin District indicates that your proposal may be considered under this exploration program. Details concerning expenditures that will be considered chargeable to exploration aid will be subject to a final determination by negotiation, but as a preliminary appraisal, we believe that the program will apply to the total amount of your application, $40,000.

Before we can proceed further with consideration of your application, which may or may not require a field examination, please indicate your willingness to provide your share of the funds needed to carry out the proposed exploration. Any modification of your orinal proposal that you may wish to make will be considered, but you should be specific concerning the work you wish to undertake.

ALBrokaw:emp
G 4/10/51

Very truly yours,

Copies to: A.E. Weissenborn Region II (2)
Chief, Lead-Zinc Br.
E. T. McKnight 4204 GSA
L. B. Moon
R. H. Mote
L. F. Strobel
C. O. Mittendorf

Otto Herres

OTTO HERRES, Chief
Lead-Zinc Branch

Enclosures

Files

FILE COPY
SURNAME:

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

April 5, 1951

Mr. Martin A. Morrison
Horseshoe Basin Mining & Development Co.
619-4th Street
Bremerton, Washington

Subject: DMA-932

My dear Mr. Morrison:

Receipt is acknowledged of your application and attachments of March 29, for a Government loan under the Defense Production Act of 1950.

The application was assigned docket number 932 and referred to Mr. Otto Herres, Chief, Lead-Zinc Branch, on April 4.

In any future correspondence relating to your application, kindly refer to DMA-932.

Sincerely yours,

LANDON F. STROBEL

Landon F. Strobel
Executive Secretary

LFSTROBEL:bh

Copy to: Strobel(2)
Files ✓
Mr. Herres
Mr. Lyon

MF-201

MORTGAGOR'S SUBORDINATION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the owner is the holder of a mortgage, claim, lien, or encumbrance dated August 30th, 1946, recorded in Book 380, page 378, of the records of the county of Chelan, State of Washington, upon that certain parcel of ground described in a certain Exploration Project Contract dated _____, 195__, between _____, the owner of said property and the United States of America;

NOW, THEREFORE, the undersigned does by these presents subordinate all of his right, title, and interest in said mortgage, claim, lien, or encumbrance to the right, title, and interest of the United States of America under the provisions of said Exploration Project Contract, and agrees that the lien and claim of the United States of America under the provisions of said contract shall be prior to the undersigned's rights under the provisions of said mortgage, claim, lien, or encumbrance; and

The undersigned agrees to commit no act nor assert any right, title, or interest under said mortgage, claim, lien, or encumbrance that might contravene or conflict with the prior lien and claim of the United States of America under the provisions of said Exploration Project Contract.

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

Dated this _____ day of _____, 195__

L. L. Stinson

U. S. GOVERNMENT PRINTING OFFICE 940767

Form MF-103
(April 1951)

DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.
Approval expires 6-30-51.

APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5, UNDER DEFENSE PRODUCTION ACT OF 1950

DO NOT FILL IN THIS BLOCK

Docket No. DMA 932

Date received 4-30-51

Participation

Horseshoe Basin Mining & Development Co.
619 Fourth Street
Bremerton, Washington

Name and address of applicant

Date April 27, 1951

FILL IN THIS BLOCK

Date of application April 27, 1951

Estimated cost $100,810.36

Mineral or metal Zinc, lead, copper

Percentage of Government participation 50%

Location of mine Northwest Corner of Chelan County, Washington.

Date of filing ~~MF-100~~ NSRB-146, 4-4-51

DMA Docket Number, if available 932

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four signed copies of the application to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive officer thereof, with your name and address on each sheet of the application and all accompanying papers. If any question is inapplicable, or if you cannot answer it, so state on the form. Where the space provided for answer is insufficient, answer on a separate sheet, annex it to the application form, and refer to it in space for answer. If the application is approved, you will be presented with an exploration project contract on Form MF-200, for your signature.

THE APPLICANT

*1. Is applicant an individual, partnership, or corporation?
*2. If a partnership, state names and addresses of partners.
*3. If a corporation, state names and addresses of officers, directors, and five largest stockholders.
*4. Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who will manage the project.
*5. Are you the owner or the lessee of the property?
6. If owner, state what claims, liens, or encumbrances, if any, are against the property.
7. If lessee, attach a copy of the lease and state if it is in good standing.

NOTE.—It will be necessary to procure and attach to the exploration project contract agreements of claimants, lienors, encumbrances and lessors subordinating their interests in the property to the interest of the Government under the contract.

8. Furnish current financial statement, showing assets and liabilities, and a profit and loss statement.
9. How much money is applicant prepared to invest in proposed project? Is it sufficient to pay your part of the cost of the project as detailed in question 23 of this application form, in accordance with the regulations on Government participation (Section 9 of Mineral Order 5)?

*If you have already answered these questions on MF-100, you are not required to answer the questions for this application.

16—64067-1

JUL 18 1951

THE PROPERTY

10. (*a*) Give a description of the real property that will be in any way involved in the exploration project, including any existing mine or operating property.
    (*b*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted.

    NOTE.—If both areas are the same, so state. The only obligation to repay the Government is from the net earnings from any commercial discovery made in the area specified in (*b*) above in which the exploration is to be conducted, and the expenditure of funds which may be charged as costs of the project must be limited to that area or to work necessary to perform the exploration in that area.

*11. State the present and former names of the property, if any.
*12. State, in detail, the location of the property with reference to towns, railroads, roads, shipping points, including distances and directions and kinds and conditions of roads.
*13. State source and quantity of water available for operations and its sufficiency at all seasons.
State amount of power to be used, rate per hour or other cost, and source.
*14. Describe any existing useable facilities, equipment, buildings, or structure now on the property that will be devoted to the exploration work.
15. State in detail how the ore could be shipped and how and where milled.
*16. History:
    (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for any past suspensions of operations.
    (*b*) State briefly the known history and production of adjoining and neighboring properties.
    (*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.
*17. Production:
    (*a*) If mine is in production, furnish the following information:

	Tons per day	*Grade or analysis*	*Cost per ton*	*Net value per ton*
(1) Mining				
(2) Milling				
(3) Shipped or sold				

*18. Ore or mineral reserves: (If property is or has been operating.)
    (*a*) Describe the ore or mineral deposits briefly.
    (*b*) Submit available maps and assay data.
    (*c*) Give estimated tonnage and grade of each class of ore reserves.
19. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

THE EXPLORATION

20. For what mineral or minerals and for what types of deposits and ores will the exploration be conducted?
21. Describe briefly, but concisely, the proposed work and the estimated time required to complete it.

    NOTE.—The Government will not participate in a project that will require more than 2 years to complete.
22. Furnish statement of the geological basis of the project with particular emphasis on factors leading the operator to expect the finding of commercial ore bodies. This statement should be accompanied by supporting maps such as geological maps, maps of the proposed openings and assay maps, sample lists, and other pertinent data.

THE REQUIREMENTS AND COSTS

23. Tabulate in the form of an itemized statement with a sum for each item the estimated requirements and costs of the project so that the total will give the estimated cost of the project in which the Government will participate, as follows:
    (*a*) Labor, by numbers and classes (miners, muckers, millmen, etc.), with wages of each.
    (*b*) Supervisors, by numbers and positions, with salaries of each.
    (*c*) Cost of necessary repairs to existing facilities, structures, and buildings.
    (*d*) Cost of necessary installation or construction of additional facilities, structures, and buildings.
    (*e*) Cost of items of equipment, not now owned by the applicant which must be purchased for operations at a cost of $50 or more each.
    (*f*) Cost of rental for equipment which the operator proposes to rent.
    (*g*) Rental value of items of equipment which the operator now owns and which will be devoted to the work.
    (*h*) Cost of materials and supplies, including items of equipment costing less than $50 each.
    (*i*) Cost of power, water, utilities, and any other items not provided for above.
24. Furnish a time schedule of the project, stated in terms of months after project is approved, showing progress expected to be accomplished and the money expected to be spent.

CERTIFICATION

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this form and accompanying papers is correct and complete to the best of their knowledge and belief.

HORSESHOE BASIN MINING & DEVELOPMENT CO. By Martin A. Norman
(Name of company) (Signature of authorized official)

April 27, 1951 President-Treasurer
(Date) (Title)

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

*Same as footnote on page 1.

16—64067-1 U. S. GOVERNMENT PRINTING OFFICE

Horseshoe Basin Mining &
Development Co.
619 Fourth Street
Bremerton, Washington

THE APPLICANT

1. Not applicable.

2. Not applicable.

3. Answered on Form NSRB-146, filed 4-4-51, Docket No. 932.

4. " " " " " " " " " "

5. " " " " " " " " " "

6. " " " " " " " " " "

7. With reference to Item 6, we should like to point out that under Schedule 1 (Notes Payable) of NSRB-146, Item No. 1 has been paid in full and Item 2 has been reduced from $3,216.50 to $1,577.00.

Under Schedule 2 (Mortgage Debt) of NSRB-146, Item No. 1 has been reduced to $40,650.00 and the second item has been paid in full.

7. See attached copies of purchase contract and the signed Mortgagor's Subordination Agreement.

8. Answered on Form NSRB-146, Docket No. 932, with modification as given above.

9. We are prepared to put up $10,000.00 immediately. This sum is in hand and in the bank. There is also $4,194.99, at this date of accounts receivable, under time payment purchase contracts of stock. From our past experience, as evidenced by the uninterrupted work that has been done and as has been indicated by a spot-check of our present stockholders, we have every reason to believe that we will be able to fulfill our matching part of this proposed exploration program.

THE PROPERTY

10 (a) The proposed exploration will be conducted entirely upon the Glacier Lode and Davenport Lode claims shown on Figure No. 3 (as appears in NSRB-146), which are also referred to as Claims 3 and 4 on Figure No. 2.

These claims are in unsurveyed land in Horseshoe Basin at the head of the Stehekin Valley, in the extreme northwest corner of Chelan County, Washington.

Photostatic copies of maps were attached to NSRB-146, which were not numbered. Therefore, an additional set is attached hereto, on which numbers have been placed to facilitate reference.

Horseshoe Basin Mining & Development Co
619 Fourth Street
Bremerton, Washington

10 (b) Same as 10(a). Refer also to the contract for sale of mining property attached.

11. Answered on Form NSRB-146, filed 4-4-51, Docket No. 932.

12. " " " " " " " " " "

13. An unnamed stream with ample year-round flow passes within forty feet of portal. This water is available for our use. In addition to this, in the event of future requirements for milling, there are some eighteen (18) falls rolling over the upper Horseshoe Basin. The falls converge into Basin Creek, which flows down the lower Horseshoe Basin. Basin Creek empties, by way of one large falls, about 100 ft. drop, into the Stehekin Valley and merges with the Stehekin River. To our knowledge, the amount of water has not been measured.

100 H.P. Red Seal gasoline engine with power compressor, 3000 watt portable light plant (gasoline) will be furnished; Diesel winch present power for upper hi-line is also available. This winch has served its intended purpose, but is too slow for efficient operation. We have included in this application under 23(d) a new winch.

14. Main camp facilities for 16 men, complete; trucks, bulldozer, one and one-third miles hi-line, portal quarters, can immediately house seven men--more when structure is completed. See also supplement to NSRB-146, illustrated, for more details.

15. Small lots of ore can be moved from mine to proposed mill site (distance from portal to proposed mill site, two miles by full tram) in Stehekin Valley by exploration tram already installed. For efficient operation on larger scale, a new tram from portal to mill site will be constructed.

Concentrates will be trucked to Stehekin a distance of 26 miles, thence by barge to Chelan, a distance of 55 miles, thence by truck, five miles to Great Northern Railway at Chelan Falls.

16. (a) Answered on Form NSRB-146, filed 4-4-51, Docket No. 932, see Item No. 3 and 13.

(b) The Glacier Lode and Davenport Lode claims are about ~~nine~~ nineteen air miles north of the Holden Mine of Howe Sound Mining Company, Washington, largest producer of copper and gold and one of the state's largest producers of zinc. The Black Warrior Mining Company is at present developing base metals in parallel structure in the lower Horseshoe Basin, about one mile south of the Glacier and Davenport Lode Claims.

(c) See Item 3 and Figure 1-6 included with NSRB-146, filed 4-4-51, Docket 932.

Horseshoe Basin Mining & Development Co.
619 Fourth Street
Bremerton, Washington

17. Answered on Form NSRB-146, filed 4-4-51, Docket No. 932.

18. (a) See Item No. 3, NSRB-146. The ore consists of sulfides of lead, zinc and copper with some silver and gold in solicified lenses.

(b) See Figures 1 to 6, NSRB-146.

(c) No basis for estimate until exploration work proposed herein has been undertaken.

19. The existence of the outcrops in the Horseshoe Basin has been known for many years. Through the assistance of the Mine-to-Market Commission of this state a road was put through. This project was completed in 1946. This made it possible to move heavy equipment to the property for the first time.

20. The strategic materials are, in order of importance: zinc, lead and copper. The minerals occur in solicified lenses within a major shear zone,

21. Cross cut from portal, estimated 70 to 80 feet to ore zone, thence drifting along the shear zone both east and west, with cross cuts to foot and hanging walls at intervals to be determined with exploration work proceeds, with a maximum of raises and winzes necessary to explore for ore bodies or if drifting in ore bodies the minimum of raises and winzes to determine the extent and tenor of ore bodies. It is proposed that 1800 ft. of ground will be opened up. The estimated time to complete this proposed exploration is twelve months.

22. Answered on Form NSRB-146, Item 3, Figures 1-6, filed 4-4-51, Docket No. 932.

REQUIREMENTS & COSTS

23. (a)	1	Working foreman, mine	$16.00	day
	3	miners @ $14.00 per day	42.00	"
	2	carpenters @ $14.00 per day	28.00	"
	2	cooks @ $14.00 per day (1 upper camp; 1 lower camp	28.00	"
	1	Foreman, surface, bulldozer operator, winch operator	16.00	"
	1	Truck driver, handyman, mechanic	14.00	"

If it is found that considerable timber will be needed in the mine, then it is proposed:

*	2	Falling crew @ $14.00 per day	28.00	"
*	2	Mill crew @ $14.00 per day	28.00	"

* Not included in budget.

Horseshoe Basin Mining & Development Co.
619 Fourth Street
Bremerton, Washington

23. (b) Manager	$400.00	month
Engineer - consulting basis with stated trips, possibly every two weeks	200.00	"
Accountant	30.00	"
(c) Complete building at portal, which houses crew and machinery		$5000.00
(d) 2 additional towers for upper hi-line		200.00
Storage rooms along and in the walls of new adit		500.00
(e) Air-mucking machine		3500.00
drifter 3½"		1050.00
2 propane cook stoves		600.00
powered winch for upper hi-line		2500.00
communications (radio)		2000.00
(f) None contemplated.		
(g) (On separate sheet), to be included here when figured.		(attached)
(h) dynamite (estimated)		2800.00
wirecaps "		200.00
1600', 20 lb. rail, spikes, fishplates		952.00
800', 2" triple strength pipe		295.00
1000' ventilation pipe (galvanized) 6"		750.00
gasoline (estimated)		5610.00
bits and steel		3780.00
ties		500.00
stove, diesel oil, propane		1580.00
barging		2800.00
travel		650.00
telephone, telegraph		250.00
postage		48.00
Company contribution to taxes:		
employees compensation		1950.70
Industrial Insurance, Medical Aid		1901.60
1½% on gross wages		1032.06
Repair, maintenance, replacement		1200.00
(i) None.		

Horseshoe Basin Mining & Development Co.
619 Fourth Street
Bremerton, Washington

23. ¢g)

	Cost at Mine	Monthly Rental Rate Agreed	Local Rental Rate
Bulldozer	$6917.00		$10.00 hr.
Welding machine	430.00		
2 ore cars	243.22		
Chevrolet 4x4 truck	860.12		2.00 hr.
Survey instruments	145.34		
Diesel winch	1091.99		
Chevrolet 4x4 truck	750.00		2.00 hr.
Air-cooled gas motor	54.70		
Gas jackhammer	570.00		
Air-cooled gas motor	112.00		
Electric bench saw	135.00		
Light plant	456.91		
Portable compressor, motor	4890.00		
2 chain falls	227.00		
Electric drill	92.73		
2½ ton Federal truck	1753.00		2.50 hr.
Stopar	638.05		
Light plant	715.00		
Drifter	245.00		
Gas winch	1728.02		
Jackhammer	260.00		
2 acetylene outfits	80.00		
Small tools	350.00		
Portable sawmill	2780.00		
Chain saw	375.00		
Exploratory Hi-line	23807.13		
	$49,707.21		

Horseshoe Basin Mining & Development Co.
619 Fourth Street
Bremerton, Washington

24.

	1st Month	2nd Month	3rd Month	4th-12th Month
Mining - 4-man crew (includes foreman)				
Drifting (est. 150' advance) labor	$1740.00	$1740.00	$1740.00	$1740.00
Rail	292.00	60.00	60.00	60.00
Ties	80.00	40.00	38.00	38.00
Pipe, 2" for airline	85.00	85.00	85.00	-
Ventilation pipe, 6"	-	250.00	50.00	50.00
Gasoline	250.00	260.00	260.00	260.00
Powder, caps	270.00	250.00	248.00	248.00
Bits and steel	315.00	315.00	315.00	315.00
Oil-heating; propane-cooking	150.00	75.00	75.00	75.00
Extra storage rooms, new adit	500.00	-	-	-
Surface crew at portal (3 men)	1260.00	1260.00	1260.00	1260.00
Lumber, nails	900.00	790.00	790.00	-
2 extra towers in hi-line	200.00	-	-	-
Surface crew-main camp (4 men) (plus 1 accountant, 1 engineer)	1950.00	1950.00	1950.00	1950.00
Oil-cooking, heating	50.00	55.00	55.00	55.00
Barging and freight	765.00	185.00	185.00	185.00
Gas, oil	300.00	200.00	200.00	200.00
Replacement, repair, maintenance (cat., trucks, hi-line)	100.00	100.00	100.00	100.00
Telephone, travel, postage	79.00	79.00	79.00	79.00
Taxes, Company's contribution: Employee's Compensation, Industrial Insurance, Gross wage	407.53	407.53	407.53	407.53
Miscellaneous (including assaying)	125.00	125.00	125.00	125.00
Purchases - Additional Equipment				
Winch (upper exploratory hi-line	2500.00			
Mucking machine	3500.00			
3½ drifter	1050.00			
2 propane cook stoves	600.00			
2-way radio communication	2000.00			
3% state sales tax (on above)	765.00			
	$20,233.53	$8,226.53	$8,022.53	$7,147.53

Total Cost of Job (Estimated)

1st Month	$ 20,233.53
2nd Month	8,226.53
3rd Month	8,022.53
4th-12th Months	64,327.77
	$100,810.36

Form MF-103
(April 1951)

DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.
Approval expires 6-30-51.

APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5, UNDER DEFENSE PRODUCTION ACT OF 1950

DO NOT FILL IN THIS BLOCK

Docket No. dma 932

Date received 4-30-51

Participation

Horseshoe Basin Mining & Development Co.
619 Fourth Street
Bremerton, Washington

Name and address of applicant

Date April 27, 1951

FILL IN THIS BLOCK

Date of application April 27, 1951

Estimated cost $100,810.36

Mineral or metal Zinc, lead, copper

Percentage of Government participation 50%

Location of mine Northwest Corner of Chelan County, Washington.

Date of filing ~~MR-80~~ NSRB-146, 4-4-51

DMA Docket Number, if available 932

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four signed copies of the application to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive officer thereof, with your name and address on each sheet of the application and all accompanying papers. If any question is inapplicable, or if you cannot answer it, so state on the form. Where the space provided for answer is insufficient, answer on a separate sheet, annex it to the application form, and refer to it in space for answer. If the application is approved, you will be presented with an exploration project contract on Form MF-200, for your signature.

THE APPLICANT

*1. Is applicant an individual, partnership, or corporation?
*2. If a partnership, state names and addresses of partners.
*3. If a corporation, state names and addresses of officers, directors, and five largest stockholders.
*4. Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who will manage the project.
*5. Are you the owner or the lessee of the property?
6. If owner, state what claims, liens, or encumbrances, if any, are against the property.
7. If lessee, attach a copy of the lease and state if it is in good standing.

NOTE.—It will be necessary to procure and attach to the exploration project contract agreements of claimants, lienors, encumbrances and lessors subordinating their interests in the property to the interest of the Government under the contract.

8. Furnish current financial statement, showing assets and liabilities, and a profit and loss statement.
9. How much money is applicant prepared to invest in proposed project? Is it sufficient to pay your part of the cost of the project as detailed in question 23 of this application form, in accordance with the regulations on Government participation (Section 9 of Mineral Order 5)?

*If you have already answered these questions on MF-100, you are not required to answer the questions for this application.

16—64067-1

THE PROPERTY

10. (*a*) Give a description of the real property that will be in any way involved in the exploration project, including any existing mine or operating property.
    (*b*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted.

    NOTE.—If both areas are the same, so state. The only obligation to repay the Government is from the net earnings from any commercial discovery made in the area specified in (*b*) above in which the exploration is to be conducted, and the expenditure of funds which may be charged as costs of the project must be limited to that area or to work necessary to perform the exploration in that area.

*11. State the present and former names of the property, if any.
*12. State, in detail, the location of the property with reference to towns, railroads, roads, shipping points, including distances and directions and kinds and conditions of roads.
*13. State source and quantity of water available for operations and its sufficiency at all seasons.
State amount of power to be used, rate per hour or other cost, and source.
*14. Describe any existing useable facilities, equipment, buildings, or structure now on the property that will be devoted to the exploration work.
15. State in detail how the ore could be shipped and how and where milled.
*16. History:
    (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for any past suspensions of operations.
    (*b*) State briefly the known history and production of adjoining and neighboring properties.
    (*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.
*17. Production:
    (*a*) If mine is in production, furnish the following information:

	Tons per day	*Grade or analysis*	*Cost per ton*	*Net value per ton*
(1) Mining				
(2) Milling				
(3) Shipped or sold				

*18. Ore or mineral reserves: (If property is or has been operating.)
    (*a*) Describe the ore or mineral deposits briefly.
    (*b*) Submit available maps and assay data.
    (*c*) Give estimated tonnage and grade of each class of ore reserves.
19. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

THE EXPLORATION

20. For what mineral or minerals and for what types of deposits and ores will the exploration be conducted?
21. Describe briefly, but concisely, the proposed work and the estimated time required to complete it.

    NOTE.—The Government will not participate in a project that will require more than 2 years to complete.

22. Furnish statement of the geological basis of the project with particular emphasis on factors leading the operator to expect the finding of commercial ore bodies. This statement should be accompanied by supporting maps such as geological maps, maps of the proposed openings and assay maps, sample lists, and other pertinent data.

THE REQUIREMENTS AND COSTS

23. Tabulate in the form of an itemized statement with a sum for each item the estimated requirements and costs of the project so that the total will give the estimated cost of the project in which the Government will participate, as follows:
    (*a*) Labor, by numbers and classes (miners, muckers, millmen, etc.), with wages of each.
    (*b*) Supervisors, by numbers and positions, with salaries of each.
    (*c*) Cost of necessary repairs to existing facilities, structures, and buildings.
    (*d*) Cost of necessary installation or construction of additional facilities, structures, and buildings.
    (*e*) Cost of items of equipment, not now owned by the applicant which must be purchased for operations at a cost of $50 or more each.
    (*f*) Cost of rental for equipment which the operator proposes to rent.
    (*g*) Rental value of items of equipment which the operator now owns and which will be devoted to the work.
    (*h*) Cost of materials and supplies, including items of equipment costing less than $50 each.
    (*i*) Cost of power, water, utilities, and any other items not provided for above.
24. Furnish a time schedule of the project, stated in terms of months after project is approved, showing progress expected to be accomplished and the money expected to be spent.

CERTIFICATION

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this form and accompanying papers is correct and complete to the best of their knowledge and belief.

HORSESHOE BASIN MINING & DEVELOPMENT CO. By Martin A. Monsson
(Name of company) (Signature of authorized official)

April 27, 1951 President-Treasurer
(Date) (Title)

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

*Same as footnote on page 1.

16—64067-1 U. S. GOVERNMENT PRINTING OFFICE

Horseshoe Basin Mining &
Development Co.
619 Fourth Street
Bremerton, Washington

THE APPLICANT

1. Not applicable.

2. Not applicable.

3. Answered on Form NSRB-146, filed 4-4-51, Docket No. 932.

4. " " " " " " " " " "

5. " " " " " " " " " "

6. " " " " " " " " " "

With reference to Item 6, we should like to point out that under Schedule 1 (Notes Payable) of NSRB-146, Item No. 1 has been paid in full and Item 2 has been reduced from $3,216.50 to $1,577.00.

Under Schedule 2 (Mortgage Debt) of NSRB-146, Item No. 1 has been reduced to $40,650.00 and the second item has been paid in full.

7. See attached copies of purchase contract and the signed Mortgagor's Subordination Agreement.

8. Answered on Form NSRB-146, Docket No. 932, with modification as given above.

9. We are prepared to put up $10,000.00 immediately. This sum is in hand and in the bank. There is also $4,194.99, at this date of accounts receivable, under time payment purchase contracts of stock. From our past experience, as evidenced by the uninterrupted work that has been done and as has been indicated by a spot-check of our present stockholders, we have every reason to believe that we will be able to fulfill our matching part of this proposed exploration program.

THE PROPERTY

10 (a) The proposed exploration will be conducted entirely upon the Glacier Lode and Davenport Lode claims shown on Figure No. 3(as appears in NSRB-146), which are also referred to as Claims 3 and 4 on Figure No. 2.

These claims are in unsurveyed land in Horseshoe Basin at the head of the Stehekin Valley, in the extreme northwest corner of Chelan County, Washington.

Photostatic copies of maps were attached to NSRB-146, which were not numbered. Therefore, an additional set is attached hereto, on which numbers have been placed to facilitate reference.

Horseshoe Basin Mining & Development Co
619 Fourth Street
Bremerton, Washington

10 (b) Same as 10(a). Refer also to the contract for sale of mining property attached.

11. Answered on Form NSRB-146, filed 4-4-51, Docket No. 932.

12. " " " " " " " " " "

13. An unnamed stream with ample year-round flow passes within forty feet of portal. This water is available for our use. In addition to this, in the event of future requirements for milling, there are some eighteen (18) falls rolling over the upper Horseshoe Basin. The falls converge into Basin Creek, which flows down the lower Horseshoe Basin. Basin Creek empties, by way of one large falls, about 100 ft. drop, into the Stehekin Valley and merges with the Stehekin River. To our knowledge, the amount of water has not been measured.

100 H.P. Red Seal gasoline engine with power compressor, 3000 watt portable light plant (gasoline) will be furnished; Diesel winch present power for upper hi-line is also available. This winch has served its intended purpose, but is too slow for efficient operation. We have included in this application under 23(d) a new winch.

14. Main camp facilities for 16 men, complete; trucks, bulldozer, one and one-third miles hi-line, portal quarters, can immediately house seven men--more when structure is completed. See also supplement to NSRB-146, illustrated, for more details.

15. Small lots of ore can be moved from mine to proposed mill site (distance from portal to proposed mill site, two miles by full tram) in Stehekin Valley by exploration tram already installed. For efficient operation on larger scale, a new tram from portal to mill site will be constructed.

Concentrates will be trucked to Stehekin a distance of 26 miles, thence by barge to Chelan, a distance of 55 miles, thence by truck, five miles to Great Northern Railway at Chelan Falls.

16. (a) Answered on Form NSRB-146, filed 4-4-51, Docket No. 932, see Item No. 3 and 13.

(b) The Glacier Lode and Davenport Lode claims are about ~~nine~~ nineteen air miles north of the Holden Mine of Howe Sound Mining Company, Washington, largest producer of copper and gold and one of the state's largest producers of zinc. The Black Warrior Mining Company is at present developing base metals in parallel structure in the lower Horseshoe Basin, about one mile south of the Glacier and Davenport Lode Claims.

(c) See Item 3 and Figure 1-6 included with NSRB-146, filed 4-4-51, Docket 932.

17. Answered on Form NSRB-146, filed 4-4-51, Docket No. 932.

18. (a) See Item No. 3, NSRB-146. The ore consists of sulfides of lead, zinc and copper with some silver and gold in solicified lenses.

(b) See Figures 1 to 6, NSRB-146.

(c) No basis for estimate until exploration work proposed herein has been undertaken.

19. The existence of the outcrops in the Horseshoe Basin has been known for many years. Through the assistance of the Mine-to-Market Commission of this state a road was put through. This project was completed in 1946. This made it possible to move heavy equipment to the property for the first time.

20. The strategic materials are, in order of importance: zinc, lead and copper. The minerals occur in solicified lenses within a major shear zone,

21. Cross cut from portal, estimated 70 to 80 feet to ore zone, thence drifting along the shear zone both east and west, with cross cuts to foot and hanging walls at intervals to be determined with exploration work proceeds, with a maximum of raises and winzes necessary to explore for ore bodies or if drifting in ore bodies the minimum of raises and winzes to determine the extent and tenor of ore bodies. It is proposed that 1800 ft. of ground will be opened up. The estimated time to complete this proposed exploration is twelve months.

22. Answered on Form NSRB-146, Item 3, Figures 1-6, filed 4-4-51, Docket No. 932.

REQUIREMENTS & COSTS

23. (a)	1	Working foreman, mine	$16.00	day
	3	miners @ $14.00 per day	42.00	"
	2	carpenters @ $14.00 per day	28.00	"
	2	cooks @ $14.00 per day (1 upper camp; 1 lower camp	28.00	"
	1	Foreman, surface, bulldozer operator, winch operator	16.00	"
	1	Truck driver, handyman, mechanic	14.00	"

If it is found that considerable timber will be needed in the mine, then it is proposed:

*	2	Falling crew @ $14.00 per day	28.00	"
*	2	Mill crew @ $14.00 per day	28.00	"

* Not included in budget.

Horseshoe Basin Mining & Development Co.
619 Fourth Street
Bremerton, Washington

23. (b) Manager $400.00 month
Engineer - consulting basis with stated trips, possibly every two weeks 200.00 "
Accountant 30.00 "

(c) Complete building at portal, which houses crew and machinery $5000.00

(d) 2 additional towers for upper hi-line 200.00
Storage rooms along and in the walls of new adit 500.00

(e) Air-mucking machine 3500.00
drifter 3½" 1050.00
2 propane cook stoves 600.00
powered winch for upper hi-line 2500.00
communications (radio) 2000.00

(f) None contemplated.

(g) (On separate sheet), to be included here when figured. (attached)

(h) dynamite (estimated) 2800.00
wirecaps " 200.00
1600', 20 lb. rail, spikes, fishplates 952.00
800', 2" triple strength pipe 295.00
1000' ventilation pipe (galvanized) 6" 750.00
gasoline (estimated) 5610.00
bits and steel 3780.00
ties 500.00
stove, diesel oil, propane 1580.00
barging 2800.00
travel 650.00
telephone, telegraph 250.00
postage 48.00

Company contribution to taxes:
employees compensation 1950.70
Industrial Insurance, Medical Aid 1901.60
1½% on gross wages 1032.06
Repair, maintenance, replacement 1200.00

(i) None.

Horseshoe Basin Mining & Development Co.
619 Fourth Street
Bremerton, Washington

23. (g)

	Cost at Mine	Monthly Rental Rate Agreed	Local Rental Rate
Bulldozer	$6917.00		$10.00 hr.
Welding machine	430.00		
2 ore cars	243.22		
Chevrolet 4x4 truck	860.12		2.00 hr.
Survey instruments	145.34		
Diesel winch	1091.99		
Chevrolet 4x4 truck	750.00		2.00 hr.
Air-cooled gas motor	54.70		
Gas jackhammer	570.00		
Air-cooled gas motor	112.00		
Electric bench saw	135.00		
Light plant	456.91		
Portable compressor, motor	4890.00		
2 chain falls	227.00		
Electric drill	92.73		
2½ ton Federal truck	1753.00		2.50 hr.
Stoper	638.05		
Light plant	715.00		
Drifter	245.00		
Gas winch	1728.02		
Jackhammer	260.00		
2 acetylene outfits	80.00		
Small tools	350.00		
Portable sawmill	2780.00		
Chain saw	375.00		
Exploratory Hi-line	23807.13		
	$49,707.21		

Horseshoe Basin Mining & Development Co.
619 Fourth Street
Bremerton, Washington

24.

	1st Month	2nd Month	3rd Month	4th-12th Month
Mining - 4-man crew (includes foreman)				
Drifting (est. 150' advance) labor	$1740.00	$1740.00	$1740.00	$1740.00
Rail	292.00	60.00	60.00	60.00
Ties	80.00	40.00	38.00	38.00
Pipe, 2" for airline	85.00	85.00	85.00	-
Ventilation pipe, 6"	-	250.00	50.00	50.00
Gasoline	250.00	260.00	260.00	260.00
Powder, caps	270.00	250.00	248.00	248.00
Bits and steel	315.00	315.00	315.00	315.00
Oil-heating; propane-cooking	150.00	75.00	75.00	75.00
Extra storage rooms, new adit	500.00	-	-	-
Surface crew at portal (3 men)	1260.00	1260.00	1260.00	1260.00
Lumber, nails	900.00	790.00	790.00	-
2 extra towers in hi-line	200.00	-	-	-
Surface crew-main camp (4 men) (plus 1 accountant, 1 engineer)	1950.00	1950.00	1950.00	1950.00
Oil-cooking, heating	50.00	55.00	55.00	55.00
Barging and freight	765.00	185,00	185.00	185.00
Gas, oil	300.00	200.00	200.00	200.00
Replacement, repair, maintenance (cat., trucks, hi-line)	100.00	100.00	100.00	100.00
Telephone, travel, postage	79.00	79.00	79.00	79.00
Taxes, Company's contribution: Employee's Compensation, Industrial Insurance, Gross wage	407.53	407.53	407.53	407.53
Miscellaneous (including assaying)	125.00	125.00	125.00	125.00
Purchases - Additional Equipment				
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Total Cost of Job (Estimated)

1st Month	$ 20,233.53
2nd Month	8,226.53
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4th-12th Months	64,327.77
	$100,810.36

Form MF-103
(April 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.
Approval expires 6-30-51.

APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5, UNDER DEFENSE PRODUCTION ACT OF 1950

DO NOT FILL IN THIS BLOCK

Docket No. dma 932

Date received 4-30-51

Participation

Horseshoe Basin Mining & Development Co.
619 Fourth Street
Bremerton, Washington

Name and address of applicant

Date April 27, 1951

FILL IN THIS BLOCK

Date of application April 27, 1951

Estimated cost $100,010.36

Mineral or metal Zinc, lead, copper

Percentage of Government participation 60%

Location of mine Northwest Corner of Chelan County, Washington.

Date of filing MF-100 1323-166, 4-4-51

DMA Docket Number, if available 932

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four signed copies of the application to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive officer thereof, with your name and address on each sheet of the application and all accompanying papers. If any question is inapplicable, or if you cannot answer it, so state on the form. Where the space provided for answer is insufficient, answer on a separate sheet, annex it to the application form, and refer to it in space for answer. If the application is approved, you will be presented with an exploration project contract on Form MF-200, for your signature.

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*1. Is applicant an individual, partnership, or corporation?
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6. If owner, state what claims, liens, or encumbrances, if any, are against the property.
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NOTE.—It will be necessary to procure and attach to the exploration project contract agreements of claimants, lienors, encumbrances and lessors subordinating their interests in the property to the interest of the Government under the contract.

8. Furnish current financial statement, showing assets and liabilities, and a profit and loss statement.
9. How much money is applicant prepared to invest in proposed project? Is it sufficient to pay your part of the cost of the project as detailed in question 23 of this application form, in accordance with the regulations on Government participation (Section 9 of Mineral Order 5)?

*If you have already answered these questions on MF-100, you are not required to answer the questions for this application.

16—64067-1

THE PROPERTY

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State amount of power to be used, rate per hour or other cost, and source.
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    (*a*) If mine is in production, furnish the following information:

	Tons per day	*Grade or analysis*	*Cost per ton*	*Net value per ton*
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*18. Ore or mineral reserves: (If property is or has been operating.)
    (*a*) Describe the ore or mineral deposits briefly.
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19. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

THE EXPLORATION

20. For what mineral or minerals and for what types of deposits and ores will the exploration be conducted?
21. Describe briefly, but concisely, the proposed work and the estimated time required to complete it.

    NOTE.—The Government will not participate in a project that will require more than 2 years to complete.
22. Furnish statement of the geological basis of the project with particular emphasis on factors leading the operator to expect the finding of commercial ore bodies. This statement should be accompanied by supporting maps such as geological maps, maps of the proposed openings and assay maps, sample lists, and other pertinent data.

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    (*g*) Rental value of items of equipment which the operator now owns and which will be devoted to the work.
    (*h*) Cost of materials and supplies, including items of equipment costing less than $50 each.
    (*i*) Cost of power, water, utilities, and any other items not provided for above.
24. Furnish a time schedule of the project, stated in terms of months after project is approved, showing progress expected to be accomplished and the money expected to be spent.

CERTIFICATION

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this form and accompanying papers is correct and complete to the best of their knowledge and belief.

[illegible] Basin Mining & Development Co. By Martin A. Monroe
(Name of company) (Signature of authorized official)

April 27, 1951 President-Treasurer
(Date) (Title)

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

*Same as footnote on page 1.

16—64067-1 U. S. GOVERNMENT PRINTING OFFICE

Horseshoe Basin Mining &
Development Co.
619 Fourth Street
Bremerton, Washington

THE APPLICANT

1. Not applicable.

2. Not applicable.

3. Answered on Form NSRB-146, filed 4-4-51, Docket No. 932.

4. " " " " " " " " " "

5. " " " " " " " " " "

6. " " " " " " " " " "

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Under Schedule 2 (Mortgage Debt) of NSRB-146, Item No. 1 has been reduced to $40,650.00 and the second item has been paid in full.

7. See attached copies of purchase contract and the signed Mortgagor's Subordination Agreement.

8. Answered on Form NSRB-146, Docket No. 932, with modification as given above.

9. We are prepared to put up $10,000.00 immediately. This sum is in hand and in the bank. There is also $4,194.99, at this date of accounts receivable, under time payment purchase contracts of stock. From our past experience, as evidenced by the uninterrupted work that has been done and as has been indicated by a spot-check of our present stockholders, we have every reason to believe that we will be able to fulfill our matching part of this proposed exploration program.

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These claims are in unsurveyed land in Horseshoe Basin at the head of the Stehekin Valley, in the extreme northwest corner of Chelan County, Washington.

Photostatic copies of maps were attached to NSRB-146, which were not numbered. Therefore, an additional set is attached hereto, on which numbers have been placed to facilitate reference.

Docket 932 (Exp.)

856

Horseshoe Basin Mining & Development Co
619 Fourth Street
Bremerton, Washington

10 (b) Same as 10(a). Refer also to the contract for sale of mining property attached.

11. Answered on Form NSRB-146, filed 4-4-51, Docket No. 932.

12. " " " " " " " " " "

13. An unnamed stream with ample year-round flow passes within forty feet of portal. This water is available for our use. In addition to this, in the event of future requirements for milling, there are some eighteen (18) falls rolling over the upper Horseshoe Basin. The falls converge into Basin Creek, which flows down the lower Horseshoe Basin. Basin Creek empties, by way of one large falls, about 100 ft. drop, into the Stehekin Valley and merges with the Stehekin River. To our knowledge, the amount of water has not been measured.

100 H.P. Red Seal gasoline engine with power compressor, 3000 watt portable light plant (gasoline) will be furnished; Diesel winch present power for upper hi-line is also available. This winch has served its intended purpose, but is too slow for efficient operation. We have included in this application under 23(d) a new winch.

14. Main camp facilities for 16 men, complete; trucks, bulldozer, one and one-third miles hi-line, portal quarters, can immediately house seven men--more when structure is completed. See also supplement to NSRB-146, illustrated, for more details.

15. Small lots of ore can be moved from mine to proposed mill site (distance from portal to proposed mill site, two miles by full tram) in Stehekin Valley by exploration tram already installed. For efficient operation on larger scale, a new tram from portal to mill site will be constructed.

Concentrates will be trucked to Stehekin a distance of 26 miles, thence by barge to Chelan, a distance of 55 miles, thence by truck, five miles to Great Northern Railway at Chelan Falls.

16. (a) Answered on Form NSRB-146, filed 4-4-51, Docket No. 932, see Item No. 3 and 13.

(b) The Glacier Lode and Davenport Lode claims are about ~~nine~~ nineteen air miles north of the Holden Mine of Howe Sound Mining Company, Washington, largest producer of copper and gold and one of the state's largest producers of zinc. The Black Warrior Mining Company is at present developing base metals in parallel structure in the lower Horseshoe Basin, about one mile south of the Glacier and Davenport Lode Claims.

(c) See Item 3 and Figure 1-6 included with NSRB-146, filed 4-4-51, Docket 932.

Horseshoe Basin Mining & Development Co.
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Bremerton, Washington

17. Answered on Form NSRB-146, filed 4-4-51, Docket No. 932.

18. (a) See Item No. 3, NSRB-146. The ore consists of sulfides of lead, zinc and copper with some silver and gold in solicified lenses.

(b) See Figures 1 to 6, NSRB-146.

(c) No basis for estimate until exploration work proposed herein has been undertaken.

19. The existence of the outcrops in the Horseshoe Basin has been known for many years. Through the assistance of the Mine-to-Market Commission of this state a road was put through. This project was completed in 1946. This made it possible to move heavy equipment to the property for the first time.

20. The strategic materials are, in order of importance: zinc, lead and copper. The minerals occur in solicified lenses within a major shear zone,

21. Cross cut from portal, estimated 70 to 80 feet to ore zone, thence drifting along the shear zone both east and west, with cross cuts to foot and hanging walls at intervals to be determined with exploration work proceeds, with a maximum of raises and winzes necessary to explore for ore bodies or if drifting in ore bodies the minimum of raises and winzes to determine the extent and tenor of ore bodies. It is proposed that 1800 ft. of ground will be opened up. The estimated time to complete this proposed exploration is twelve months.

22. Answered on Form NSRB-146, Item 3, Figures 1-6, filed 4-4-51, Docket No. 932.

REQUIREMENTS & COSTS

23. (a)	1	Working foreman, mine	$16.00	day
	3	miners @ $14.00 per day	42.00	"
	2	carpenters @ $14.00 per day	28.00	"
	2	cooks @ $14.00 per day (1 upper camp; 1 lower camp	28.00	"
	1	Foreman, surface, bulldozer operator, winch operator	16.00	"
	1	Truck driver, handyman, mechanic	14.00	"

If it is found that considerable timber will be needed in the mine, then it is proposed:

*	2	Falling crew @ $14.00 per day	28.00	"
*	2	Mill crew @ $14.00 per day	28.00	"

* Not included in budget.

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23. (b) Manager	$400.00	month
Engineer - consulting basis with stated trips, possibly every two weeks	200.00	"
Accountant	30.00	"
(c) Complete building at portal, which houses crew and machinery		$5000.00
(d) 2 additional towers for upper hi-line		200.00
Storage rooms along and in the walls of new adit		500.00
(e) Air-mucking machine		3500.00
drifter 3½"		1050.00
2 propane cook stoves		600.00
powered winch for upper hi-line		2500.00
communications (radio)		2000.00
(f) None contemplated.		
(g) (On separate sheet), to be included here when figured.		(attached)
(h) dynamite (estimated)		2800.00
wirecaps "		200.00
1600', 20 lb. rail, spikes, fishplates		952.00
800', 2" triple strength pipe		295.00
1000' ventilation pipe (galvanized) 6"		750.00
gasoline (estimated)		5610.00
bits and steel		3780.00
ties		500.00
stove, diesel oil, propane		1580.00
barging		2800.00
travel		650.00
telephone, telegraph		250.00
postage		48.00
Company contribution to taxes:		
employees compensation		1950.70
Industrial Insurance, Medical Aid		1901.60
1½% on gross wages		1032.06
Repair, maintenance, replacement		1200.00
(i) None.		

Horseshoe Main Mining & Development Co.
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23. (g)

	Cost at Mine	Monthly Rental Rate Agreed	Local Rental Rate
Bulldozer	$6917.00		$10.00 hr.
Welding machine	430.00		
2 ore cars	243.22		
Chevrolet 4x4 truck	860.12		2.00 hr.
Survey instruments	145.34		
Diesel winch	1091.99		
Chevrolet 4x4 truck	750.00		2.00 hr.
Air-cooled gas motor	54.70		
Gas jackhammer	570.00		
Air-cooled gas motor	112.00		
Electric bench saw	135.00		
Light plant	456.91		
Portable compressor, motor	4890.00		
2 chain falls	227.00		
Electric drill	92.73		
2½ ton Federal truck	1753.00		2.50 hr.
Stoper	638.05		
Light plant	715.00		
Drifter	245.00		
Gas winch	1728.02		
Jackhammer	260.00		
2 acetylene outfits	80.00		
Small tools	350.00		
Portable sawmill	2780.00		
Chain saw	375.00		
Exploratory Hi-line	23807.13		
	$49,707.21		

Horseshoe Basin Mining & Development Co.
619 Fourth Street
Bremerton, Washington

24.

	1st Month	2nd Month	3rd Month	4th-12th Month
Mining - 4-man crew (includes foreman)				
Drifting (est. 150' advance) labor	$1740.00	$1740.00	$1740.00	$1740.00
Rail	292.00	60.00	60.00	60.00
Ties	80.00	40.00	38.00	38.00
Pipe, 2" for airline	85.00	85.00	85.00	-
Ventilation pipe, 6"	-	250.00	50.00	50.00
Gasoline	250.00	260.00	260.00	260.00
Powder, caps	270.00	250.00	248.00	248.00
Bits and steel	315.00	315.00	315.00	315.00
Oil-heating; propane-cooking	150.00	75.00	75.00	75.00
Extra storage rooms, new adit	500.00	-	-	-
Surface crew at portal (3 men)	1260.00	1260.00	1260.00	1260.00
Lumber, nails	900.00	790.00	790.00	-
2 extra towers in hi-line	200.00	-	-	-
Surface crew-main camp (4 men) (plus 1 accountant, 1 engineer)	1950.00	1950.00	1950.00	1950.00
Oil-cooking, heating	50.00	55.00	55.00	55.00
Barging and freight	765.00	185.00	185.00	185.00
Gas, oil	300.00	200.00	200.00	200.00
Replacement, repair, maintenance (cat., trucks, hi-line)	100.00	100.00	100.00	100.00
Telephone, travel, postage	79.00	79.00	79.00	79.00
Taxes, Company's contribution: Employee's Compensation, Industrial Insurance, Gross wage	407.53	407.53	407.53	407.53
Miscellaneous (including assaying)	125.00	125.00	125.00	125.00
Purchases - Additional Equipment				
Winch (upper exploratory hi-line	2500.00			
Mucking machine	3500.00			
3½ drifter	1050.00			
2 propane cook stoves	600.00			
2-way radio communication	2000.00			
3% state sales tax (on above)	765.00			
	$20,233.53	$8,226.53	$8,022.53	$7,147.53

Total Cost of Job (Estimated)

1st Month	$ 20,233.53
2nd Month	8,226.53
3rd Month	8,022.53
4th-12th Months	64,327.77
	$100,810.36

No. 385815

CONTRACT FOR SALE OF MINING PROPERTY

THIS AGREEMENT made and entered into this 30 day of August, 1946, between S. J. STINSON and MARIE STINSON, his wife, hereinafter called the sellers, and MARTIN A. MORRISON, ROBERT A. RUKKE and G. V. WINTER, hereinafter called purchasers;

WITNESSETH, That the sellers agree to sell to purchasers and purchasers agree to purchase of sellers the following described property, with all appurtenances and rights therein and thereto, situate in the County of Chelan, State of Washington, to-wit: The lode mining claims located on Davenport Lodge, Stehekin Mining District, County of Chelan, Washington, known as: Summit Lode Mining Claim; Skagit Lode Mining Claim; Glacier Lode Mining Claim; Davenport Lode Mining Claim; Granite No. 1 Lode Mining Claim; Granite No. 2 Lode Mining Claim; Granite No. 3 Lode Mining Claim; Granite No. 4 Lode Mining Claim; Home Lode Mining Claim; Hub Lode Mining Claim; Twinfalls Lode Mining Claim; together with the located Davenport Mill Site and all water rights filed upon and appertaining to said mining property; as said mining claims and mill site are recorded in the mining records of Chelan County.

The terms and conditions of [illegible] are: The purchase price is FIFTY THOUSAND ($50,000.00) [illegible], [illegible] which the [illegible] of ONE THOUSAND ($1000.00) DOLLARS has been paid, [illegible] of which is hereby acknowledged, and the balance of said purchase price shall be paid as follows:

FIFTEEN HUNDRED ($1500.00) DOLLARS, or more, on or before thirty ([illegible]) days from date hereof; TWENTY-FIVE HUNDRED ($2500.00) DOLLARS, or more, on or before seven (7) months from date hereof; and the balance payable in successive annual installments (monthly, [illegible]) [illegible] per cent, or more, of the gross smelter returns on all ore and minerals taken from said premises during the first 1 year as hereinafter defined, provided however, that none of said annual payments shall be less than the sum of Twenty Five Hundred ($2500.00) Dollars. [illegible] payments shall [illegible] on the [illegible] day of the [illegible] fiscal year, [illegible] the last day of the [illegible] fiscal year, [illegible] amount due hereunder is fully paid [illegible].

For the purpose of this contract the fiscal year [illegible] to be from September 1st of one calendar year to August 31st of the following calendar year, both dates inclusive; the first fiscal year, no annual payment being payable therefor, being from date hereof to August 31, 1947, both dated inclusive.

No interest shall be charged on any of said amounts or payments hereinbefore set out, either before or after maturity.

Purchasers expressly reserve the right to convey and assign their interest in this contract to a mining corporation, and in the event such

mining corporation to whom purchasers assign and convey their interest in this contract, shall assume the obligations and liabilities of purchasers hereunder, then purchasers' obligations and liabilities hereunder shall cease, and purchasers shall be relieved from further liability and obligation hereunder.

The purchasers, or their assigns, shall be entitled to immediate possession of said property, the right to mine said property and to carry on thereon the business of mining in all of its branches, with such powers, permission and rights as are necessary therefor.

Purchasers agree to pay before delinquency all taxes and assessments that may as between sellers and purchasers hereafter become a lien on said property.

Purchasers assume all hazards of damage to or destruction of any improvements now on said property or hereafter to be placed thereon, and of the taking of said property or any part thereof for public use.

Purchasers agree, until full payment of said purchase price, to keep all buildings on said property insured to the full insurable value thereof against loss or damage by fire in some company acceptable to sellers and for sellers' benefit as interest may appear and to pay all premiums therefor and to deliver all policies and renewals thereof to sellers.

Purchasers agree that full inspection of said property has been made and that neither the sellers nor assigns shall be held to any covenants respecting the condition of any improvements on said property nor to any agreement for alterations, improvements or repairs, unless the covenent or agreement relied on be in writing and attached to and made a part of this contract.

Any act of God, snow slide, rock slide or other event occurring beyond the control of purchasers or their assigns, preventing purchasers, or their assigns, from fulfilling their obligations under this contract at the times specified herein, shall not constitute a breach of this contract until a reasonable length of time has elapsed after the happening of such act of God, snow slide, rock slide or other event occurring beyond the control of purchasers or their assigns, to enable purchasers or their assigns to repair the damage caused therefrom and fulfill their delinquent obligations hereunder.

Sellers agree within ten days from date hereof to furnish purchasers with good and sufficient proof of sellers right, title and interest in and to said property, and the mining rights therein, and the right to sell and assign the same. Sellers agree, on full payment of said purchase price in the manner hereinbefore specified, to make, execute and deliver to purchasers, or their assigns, a good and sufficient conveyance of said property.

Time is of the essence of this contract. In case the purchasers shall fail to make any payment of said purchase price promptly at the time the same shall fall due as hereinbefore specified, or promptly to perform any covenant or agreement aforesaid, the sellers may elect to declare forfeiture and cancellation of this contract and upon such election being made all rights of the purchasers hereunder shall cease and determine and any payments theretofore made hereunder shall be retained by the sellers in liquidation of all damages sustained by reason of such failure. No action shall be maintained hereunder for the purchase price or any part thereof, the only remedy of seller for breach hereof being the cancellation and forfeiture of this contract as aforesaid. Service of all demands, notices or other papers with respect to such declaration of forfeiture and cancellation may be made by registered mail to the purchasers, or their assigns, at such address as purchasers, or their assigns, will indicate in writing to sellers.

All mining fixtures and equipment placed on said property shall be and remain personal property and removable as such by purchasers or their assigns, whether or not the same is attached to the land.

IN WITNESS WHEREOF, the parties hereto have executed this instrument in triplicate the day and year first herein written.

S. J. Stinson (SEAL)

Marie Stinson (SEAL)

Martin A. Morrison (SEAL)

Robert A. Rukke (SEAL)

G. W. Winter (SEAL)

STATE OF WASHINGTON, "
" SS.
COUNTY OF Chelan "

On this day personally appeared before me S. J. Stinson and Marie Stinson, his wife, to me known to be the individuals described in and who executed the within and foregoing instrument, and acknowledged to me that they signed the same as their free and voluntary act and deed for the uses and purposes therein mentioned.

Given under my hand and official seal this 30 day of August, 1946.

LYLE B. HIGGINS COMMISSION EXPIRES AUG. 1, 1947 NOTARY PUBLIC STATE OF WASHINGTON

Lyle B. Higgins
Notary Public in and for the State of Washington residing at Chelan

STATE OF WASHINGTON, "
" SS.
COUNTY OF Kitsap, "

On this day personally appeared before me Martin A. Morrison, Robert A. Rukke and G. W. Winter, to me known to be the individuals described in and who executed the within and foregoing instrument and acknowledged to me that they signed the same as their free and voluntary act and deed for the uses and purposes therein mentioned.

Given under my hand and official seal this 6th day of ~~August~~ September, 1946.

ALVIN B. LEE COMMISSION EXPIRES NOTARY PUBLIC NOV. 15, 1949 STATE OF WASHINGTON

Alvin B. Lee
Notary Public in and for the State of Washington, residing at Seattle

CONTRACT FOR SALE OF MINING PROPERTY

THIS AGREEMENT made and entered into this 18 day of July, 1947, between S.J. STINSON and MARIE STINSON, his wife, hereinafter called the sellers, and the HORSESHOE BASIN MINING AND DEVELOPMENT CO., hereinafter called purchasers;

WITNESSETH, That the sellers agree to sell to purchasers and purchasers agree to purchase to sellers the following described property, with all appurtenances and rights therein and thereto, situate in the County of Chelan, State of Washington, to-wit: The lode mining claim, located in the Lower Horseshoe Basin, Stehekin Mining District, County of Chelan, Washington, known as; the Tiger Mining Claim; together with the Tiger Mill Site, which is located at Bridge Creek, and all water rights filed upon and appertaining to said property; as said mining claim and mill site are recorded in the mining records of Chelan County.

The terms and conditions of this contract are as follows: The purchase price is FIVE THOUSAND ($5,000) DOLLARS, of which the sum of SIX HUNDRED ($600) DOLLARS, has been paid, this amount constitutes the agreed down payment, receipt of which is hereby acknowledged, and the balance of said purchase price shall be paid as follows: The balance payable in one installment amounting to SIX HUNDRED ($600) DOLLARS, to be paid in 1948, and NINETEEN HUNDRED($1900) DOLLARS, to be paid in 1949 and the balance of NINETEEN HUNDRED ($1900) DOLLARS, to be paid in 1950. Payment dates shall correspond with the execution day of this contract, and continuing until the entire amount due here-under is fully paid and satisfied.

No interest shall be paid on any of said amount or payments hereinbefore set out, either before or after maturity.

The purchasers, shall be entitled to immediate possession of said property, the right to mine said property and to carry on thereon the business of mining in all of its branches, with such powers, permission and rights as are necessary therefor.

Purchasers agree to pay before delinquency all taxes and assessments that may as between sellers and purchasers hereafter become a lien on said property.

Purchasers assume all hazards of damage to or destruction of any improvements now on said property or hereafter to be placed thereon, and of the taking of said property or any part thereof for public use.

Purchasers agree, until full payment of said purchase price, to keep all buildings on said property insured of the full insurable value thereof against loss or damage by fire in some company acceptable to sellers and for sellers' benefit as interest may appear and to pay all premiums therefor and to deliver all policies and renewals thereof to sellers.

Purchasers agree, that full inspection of said property has been made and that neither the sellers nor assigns shall be held to any covenents respecting the condition of any improvements on said property nor to any agreement for alterations, improvements or repairs, unless the covenent or agreement relied on be in writing and attached to and made a part of this contract.

Any act of God, snow slide, rock slide or other event occurring beyond the control of purchasers or their assigns, preventing purchasers, or their assigns, from fulfilling their obligations under this contract at the times specified herein, shall not constitute a breach of this contract until a reasonable length of time has elapsed after the happening of such act of God, snow slide, rock slide, or other event occurring beyond the control of purchasers or their assigns, to enable purchasers or their assigns to repair the damage caused therefrom and fulfill their delinquent obligations hereunder.

Sellers agree within ten days from date hereof to furnish purchasers with good and sufficient proof of sellers right, title and interest in and to said propwrty, and the mining rights therein, and the right to sell and assign the same. Sellers agree, on full payment of said purchase price in the manner hereinbefore specified, to make, execute and deliver to purchasers, or their assigns, a good and sufficient conveyance of said property.

Time is of the essence of this contract. In case the purchasers shall fail to make any payment of said purchase price promptly at the time the same shall fall due as hereinbefore specified, or promptly to perform any covenant or agreement aforesaid, the sellers may elect to declare forfeiture and cancellation of this contract and upon such election being made all rights of the purchasers hereunder shall cease and determine and any payments theretofore made hereunder shall be retained by the sellers in liquidation of all damages sustained by reason of such failure. No action shall be maintained hereunder for the purchase price or any part thereof, the only remedy of seller for breach hereof being the cancellation and forfeiture of this contract as aforesaid. Service of all demands, notices or other papers with respect to such declaration of forfeiture and cancellation may be made by registered mail to the purchasers, or their assigns, at such address as purchasers, or their assigns, will indicate in writing to sellers.

All mining fixtures and equipment placed on said property shall be and remain personal property and removable as such by purchasers or their assigns, whether or not the same is attached to the land.

IN WITNESS WHEREOF, the parties hereto have executed this instrument in triplicate the day and year first herein written.

S. J. Stinson (SEAL)

Marie Stinson (SEAL)

Martin A. Morrison (SEAL)
Pres. Horseshoe Basin Mining and Development Co.

Robert A. Rukke (SEAL)
Sec., Treas. Horseshoe Basin Mining & Development Co.

STATE OF WASHINGTON, "
" SS
COUNTY OF Chelan "

On this day personally appeared before me S.J. Stinson and Marie Stinson, his wife, to me known to be the individuals described in and who executed the within and foregoing instrument, and acknowledged to me that they signed the same as their free and voluntary act and deed for the uses and purpose therein mentioned.

Given under my hand and official seal this 18 day of July, 1947.

Lyle B. Higgins
Notary Public in and for the State of Washington residing at Chelan

STATE OF WASHINGTON, "
" SS
COUNTY OF Kittitas ""

On this day personally appeared before me Martin A. Morrison and Robert A. Rukke, to me known to be the individuals described in and who executed the within and foregoing instrument and acknowledged to me that they signed the same as their free and voluntary act and deed for the uses and purposes therein mentioned.

Given under my hand and official seal this 24 day of July, 1947

J. A. Gooding
Notary Public in and for the State of Washington, residing at Ellensburg.