DMA Form 1

DEFENSE MINERALS ADMINISTRATION
Control Slip

CONTROLLED DOCUMENT

DMA Docket No. 3417

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 Assistance

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:	400	Date	7/14/54
To:	Oper Comm	Date	8-11-54
To:	Oper Comm	Date	8-25-54
To:	Oper Comm	Date	10-3-54
To:	Oper Comm	Date	12-1-54
To:	130	Date	3-29-57
To:	110	Date	3-29-57
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DO NOT DETACH

CONTROLLED DOCUMENT

DOCKET
SURNAME

Rutledge
Martin

FEB 8 1955

Mr. Howard V. Doherty
Attorney at Law
Aldwell Building
Port Angeles, Washington

Re: Docket No. DMEA 3417 - Manganese
Victor Sherg, Hugh Gowen, and
E. R. Gehrke, Jr., Partners
Bear Creek Mines
Clallam County, Washington

Dear Mr. Doherty:

Reference is made to the above-docketed application for exploration assistance and your letter of January 20, 1955, to Mr. A. E. Weissenborn, Executive Officer, DMEA Field Team, Region I, Northwest District.

The subject application is being withdrawn at your request and the docket closed.

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

Sincerely yours,

C. O. Mittendorf

Administrator

FARutledge:foc
2-8-55
cc to: Docket
Code 400
Adm. Reading File
Operating Comm.
FT. REG. 1 - Northwest Dist.
Gilbert DeRuff, USBM
Thor H. Kiilsgaard, USGS

R.C.S.

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB - 3 1955

Copy retained 400

January 28, 1955

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

WSM

Re: Docket No. DMEA-3417 (manganese)
Victor Oberg, Hugh Govan, and
E. R. Gehrke, Jr., Partners
Bear Creek Mines
Clallam County, Washington

Dear Mr. Selfridge:

Enclosed are six copies of the subject contract with copies of a letter dated January 20, 1955, from Mr. Dougherty, attorney for Mr. Oberg, explaining why his client is unable to accept the contract.

Apparently Mr. Oberg's partners are not willing to participate in the contract, and Mr. Oberg has not been successful in obtaining financial assistance from other sources to do the work.

It is obvious that in all probability the contract can never be accepted by Mr. Oberg, and therefore we recommend that the docket be closed.

By Field Team, Region I.
Northwest District

For: Thomas E Howard
Wing G. Agnew, Acting Exec. Officer
U. S. Bureau of Mines

John S. Vhay
John S. Vhay, Acting Member
U. S. Geological Survey

Copy retained 400

cc: USBM (2)
Puffett

HOWARD V. DOHERTY
ATTORNEY-AT-LAW

TELEPHONE 3586
ALDWELL BUILDING
PORT ANGELES, WASHINGTON

January 20, 1955

U. S. Department of the Interior
D M E A
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA-3417 (manganese
Victor Oberg, Hugh Govan, and
E. R. Gehrke, Jr., Partners
Bear Creek Mines
Clallam County, Washington

ATTENTION: A. E. WEISSENBORN, Executive Officer, DMEA
Field Team, Region II

Dear Mr. Weissenborn:

With the profuse apologies of Mr. Oberg and myself I am returning ~~under separate cover~~ herewith the six copies of the DMEA contract forwarded to us in early December.

I ~~stress the~~ apologies because I appreciate what your agency and you, yourself, have done to accommodate my clients, including even the granting of a continuance and the reissuance of the proposed contracts, and can only explain that Mr. Oberg's partners feel, for some reason not disclosed to me, that they cannot at this time proceed with the exploration.

Mr. Oberg himself is yet most eager to proceed but unable to do so without the assistance of the others and I sincerely hope this unfortunate conclusion to our application will not prejudice his future position with your group. We have known for some while that the other partners were undisposed or undecided about proceeding but Mr. Oberg, in good faith, has attempted to interest other private parties to join with him in the exploration under your proposed loan and I know you will credit him with good faith. In fact, I am confident the others also entered into the application in the same mind but that some turn of their personal affairs prevented their completing the project. Our delay which prompted your recent request of January 11th that we give the matter our immediate attention is explained by Mr. Oberg's having taken those several additional weeks to attempt to secure this other private assistance.

These sincere thanks of all concerned and myself, too, go with this for your many kindnesses.

Very truly yours,

HOWARD V. DOHERTY

HVD:eb

DMEA

Copy retained 400

RECEIVED
JAN 24 1955
U. S. G. S.
SPOKANE, WASH.

DEPT. OF THE INTERIOR
Bureau of Mines Administration
RECEIVED
FEB - 3 1955

XXXXXXXXXXXXXXXXX
No. 157 Howard Street
Spokane 4, Washington

January 28, 1955

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

Re: Docket No. DMEA-5817 (manganese)
Victor Oberg, Hugh Gowan, and
E. R. Gehrke, Jr., Partners
Bear Creek Mines
Clallam County, Washington

Dear Mr. Selfridge:

Enclosed are six copies of the subject contract with copies of a letter dated January 20, 1955, from Mr. Dougherty, attorney for Mr. Oberg, explaining why his client is unable to accept the contract.

Apparently Mr. Oberg's partners are not willing to participate in the contract, and Mr. Oberg has not been successful in obtaining financial assistance from other sources to do the work.

It is obvious that in all probability the contract can never be accepted by Mr. Oberg, and therefore we recommend that the docket be closed.

By Field Team, Region I
Northwest District

Wing O. Armew, Acting Exec. Officer
U. S. Bureau of Mines

John B. Vhay, Acting Member
U. S. Geological Survey

cc: USBM (2)
Duffett

HOWARD V. DOHERTY
ATTORNEY-AT-LAW

TELEPHONE 5555
ALDWELL BUILDING
PORT ANGELES, WASHINGTON

January 20, 1955

U. S. Department of the Interior
D M E A
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA-3417 (manganese
Victor Oberg, Hugh Govan, and
E. R. Gehrke, Jr., Partners
Bear Creek Mines
Clallam County, Washington

ATTENTION: A. E. WEISSENBORN, Executive Officer, DMEA
Field Team, Region II

Dear Mr. Weissenborn:

With the profuse apologies of Mr. Oberg and myself I am returning ~~under separate cover~~ herewith the six copies of the DMEA contract forwarded to us in early December.

I stress the apologies because I appreciate what your agency and you, yourself, have done to accommodate my clients, including even the granting of a continuance and the reissuance of the proposed contracts, and can only explain that Mr. Oberg's partners feel, for some reason not disclosed to me, that they cannot at this time proceed with the exploration.

Mr. Oberg himself is yet most eager to proceed but unable to do so without the assistance of the others and I sincerely hope this unfortunate conclusion to our application will not prejudice his future position with your group. We have known for some while that the other partners were undisposed or undecided about proceeding but Mr. Oberg, in good faith, has attempted to interest other private parties to join with him in the exploration under your proposed loan and I know you will credit him with good faith. In fact, I am confident the others also entered into the application in the same mind but that some turn of their personal affairs prevented their completing the project. Our delay which prompted your recent request of January 11th that we give the matter our immediate attention is explained by Mr. Oberg's having taken those several additional weeks to attempt to secure this other private assistance.

These sincere thanks of all concerned and myself, too, go with this for your many kindnesses.

Very truly yours,

Howard V. Doherty

HOWARD V. DOHERTY

HVD:eb

RECEIVED
JAN 24 1955
U. S. G. S.
SPOKANE, WASH.

Docket 1

JAN 14 1955

xxxxxxxxxxxxxxxxxx
So. 157 Howard Street
Spokane 4, Washington

January 11, 1955

WSM

Mr. Howard V. Doherty
Attorney at Law
Aldwell Building
Port Angeles, Washington

Re: Docket No. DMEA-3417 (manganese)
Victor Oberg, Hugh Govan, and
E. R. Gehrke, Jr., Partners
Bear Creek Mines
Clallam County, Washington

Dear Mr. Doherty:

On December 9, 1954, we forwarded to you six copies of a DMEA contract and asked that you present this contract to your clients, Messrs. Oberg, Govan, and Gehrke, and if it is satisfactory, we requested that you have them sign it.

As we have not received the signed contract, we ask that you give this matter your immediate attention.

Sincerely yours,

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

cc: DMEA(2)
USSM(2)
Puffet

Copy [illegible]

DOCKET

xxxxxxxxxxxxxxxxxx
So. 157 Howard Street
Spokane 4, Washington

December 9, 1954

WSM

Mr. Howard V. Doherty
Attorney at Law
Aldwell Building
Port Angeles, Washington

Re: Docket No. DMEA-3417 (manganese)
Victor Oberg, Hugh Goven, and
E. R. Gehrke, Jr., Partners
Bear Creek Mines
Clallam County, Washington

Dear Mr. Doherty:

We are enclosing 6 copies of a DMEA contract which was returned to this office from Washington in accordance with the request in your letter to us of November 15, 1954. This is the identical contract which was formerly presented to Mr. Oberg and partners in September, but which he delayed signing pending the outcome of negotiations for sale of the property.

Will you present this contract to your clients, Messrs. Oberg, Goven, and Gehrke, and if it is satisfactory, have them sign all copies, retain that copy marked for the Operator and return the rest to this office. In Article 3 of the contract, the starting date has been left blank as we are not certain how soon the exploration can be started. The usual delay granted in starting a contract is 30, 60, or 90 days. If Mr. Oberg and partners are of the opinion that the work can be started within such a time period, fill in this blank on your contract, and pencil the information on the copies of the contract you return to us; we'll type in the information.

Mr. Magill of the U. S. Bureau of Mines has discussed the contract with Mr. Oberg and partners at the property and it is believed that they understand all the pertinent features in it. If they should require more information before beginning the exploration work, it is suggested that they contact Mr. Magill in Seattle, Washington. His telephone number is Mutual 3300.

cc: DMEA (2)
UMBM (2)
Puffett

Sincerely yours,

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

Enclosure

DOCKET
SURNAME
Rutledge
Martin
Chamberlin
Selfridge
Johnson
Rutledge

400

DEC - 2 1954

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

Re: Docket No. DMEA 3417 - Manganese
Victor Oberg, Hugh Gowen, and
E. R. Cameron, Jr. - Partners
Bear Creek mine
Clallam County, Washington

Dear Mr. Weissenborn:

This will acknowledge your letter of November 22, 1954, recommending reinstatement of a proposed contract covering the above-docketed application for exploration assistance, and the attached request from Mr. Howard V. Doherty, Attorney at Law, Port Angeles, Washington, for the referenced reinstatement.

We are, therefore, enclosing the original and five copies of the proposed contract for an exploration program at the above-referenced property, signed by the Administrator for the Government, together with Exhibit "A" (2 pages), Annex I (3 pages), and one map.

If the terms and conditions of the proposed contract are satisfactory to you and the Operator, all six copies should be signed and the usual distribution made.

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

Under Article 3, the starting date has been left blank and is to be filled in when the contract is signed by the Operator.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GHB)

Enclosures

APPROVED:

J. H. Hedges
Director, Bureau of Mines (GHB)

Thor H. Kiilsgaard
Director, Geological Survey (GHB)

R.C.S.

cc to: Operating Comm.
FT. RMQ. II
Gilbert DeRuff, USBM
Thor H. Kiilsgaard, USGS

RMRutledge:fce 12/1/54
cc to: Docket
Code 400
Adm. Reading File

Docket

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

November 22, 1954

Air Mail

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

Re: Docket No. DMEA-3417 (manganese)
Victor Oberg, Hugh Govan, and
E. R. Gehrke, Jr., Partners
Bear Creek Mine
Clallam County, Washington

Dear Mr. Selfridge:

We are enclosing two copies of a letter dated November 15, 1954, from Mr. Howard V. Doherty, attorney for the partnership of Oberg, Govan, and Gehrke. In this letter, Mr. Doherty requests the return of their DMEA contract. We had recently returned this unsigned contract to your office, with the applicant's request that it be held in abeyance for 90 days (January 1, 1955) pending the outcome of an agreement the partnership was making with Pittsburg Steel Company to do work on the Bear Creek claims.

In your letter of November 4, 1954, you state that the contract was being cancelled immediately for administrative reasons. You also state that a new contract can be considered later, on our recommendations. We wrote the applicant informing him of your decision but before our letter got into the mails we received Mr. Doherty's letter.

The contract was cancelled for administrative reasons, but as the operators state that they are now ready to undertake the work specified in the contract we recommend that it be reinstated in its identical form if this be possible.

We will appreciate hearing from you immediately so that we can inform Mr. Doherty of your decision. In the meantime we are writing Mr. Doherty (copies enclosed) that his request has been forwarded to you.

By Field Team, Region II

A. E. Weissenborn

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

Wing G. Agnew

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

Enclosure

cc: USBM (2)
Puffett

XXXXXXXXXXXXXXXXX
So. 137 Howard Street
Spokane 4, Washington

November 22, 1954

Mr. Howard V. Doherty
Attorney at Law
Aldwell Building
Port Angeles, Washington

Dear Mr. Doherty:

With reference to your letter of November 15, 1954, this is to advise you that we have returned the Bear Creek mine contract to our Washington office together with your request that the contract be held open until January 1. We were informed that it would not be practicable to hold the contract in abeyance and that it was being cancelled effective immediately. It was suggested, however, that the case could be reopened later and considered on its merits.

We regard your letter of November 15 as a request that the contract be reopened and are sending it to Washington for their decision.

Sincerely yours,

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

cc: USBM (2)
DMEA (2)
Puffett

HOWARD V. DOHERTY
ATTORNEY-AT-LAW

TELEPHONE 9588
ALDWELL BUILDING
PORT ANGELES, WASHINGTON

RECEIVED
NOV 26 1954

November 15, 1954

REFER TO	REPLY	NOTED	DATE
ANSWERED			

Mr. A. E. Weissenborn, Executive Officer
U. S. Geological Survey
So. 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA-3417 (manganese)
Proposed exploration project contract
Bear Creek Mines
Clallam County, Washington

Dear Mr. Weissenborn:

On September 23, 1954, I wrote Mr. Magill on behalf of Mr. Oberg and his associates requesting an extension of time within which to resolve their plans concerning the proposed exploration loan and in turn have the courtesy of your acknowledgements and recent request that we advise you of my clients' plans.

It appears most improbable that the option and sale will be effected and my clients felt that no purpose will be served by their waiting further and are determined to proceed on their own behalf under the transaction previously arranged with your agency.

Will you please forward to Mr. Oberg through this office the DMEA exploration contract and my clients hope with your kind assistance to carry the transaction on from the point at which we last left off.

Very truly yours,

Howard V. Doherty
HOWARD V. DOHERTY

HVD:eb
CC to E. A. Magill
818 Federal Building
Seattle, Washington

RECEIVED
NOV 17 1954
U. S. G. S.
SPOKANE, WASH.

DOCKET
Surname:

Martin
Selfridge
Matheudof

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

NOV 4 - 1954

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

Re: Docket No. DMEA 3417 -
Manganese
Victor Oberg, Hugh Govan, &
E.R. Gehrke, Jr. - Partners
Bear Creek Mine
Clallam County, Washington

Dear Mr. Weissenborn:

This will acknowledge receipt of your letter of October 28, 1954, returning all copies of the subject contract.

We note your recommendation that the contract be held open until January 1, 1955, or until you hear again from Mr. Oberg as to the disposition of the property. For administrative reasons, we do not favor thus holding a contract in abeyance. We are, therefore, cancelling the subject contract, effective immediately.

If you recommend a new contract later, we can consider the case on its merits at that time.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JHB)

Approved:

J. H. Hedges (JHB)
Member, Bureau of Mines

Thor H. Kiilsgaard (JHB)
Member, Geological Survey

cc: Docket
FT, Reg. 2
Code 400
Oper. Comm.
Adm. Read. File
G. DeHuff, USBM
Thor Kiilsgaard, USGS

WSMartin/ls
11-2-54

R.C.S.

MF-200 (A)
(February 1952)

DOCKET NO. DMEA 3417

COMMODITY Manganese

IDM - E - 700
Operator's Copy

RECEIVED
JAN 24 1955
U. S. G. S.
SPOKANE, WASH.

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

EXPLORATION PROJECT CONTRACT[1]

(Short Form)

IT IS AGREED this 1st day of December, 1954, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Victor Oberg, 711 East 6th Street, Port Angeles, Washington; Hugh Govan, Route 2, Sequim, Washington; and E. R. Gehrke, Jr., Box 308, Port Angeles, Washington - Partners

hereinafter called the "Operator," as set forth in Annex I, attached hereto and made a part hereof, and as follows:

ARTICLE 1. *Authority for contract.*—This agreement is entered into under the authority of the Defense Production Act of 1950, as amended, pursuant to DMEA Order 1 entitled "Government Aid in Defense Exploration Projects."

ARTICLE 2. *Operator's property rights.*—With respect to that certain land situated in the State of Washington, County of Clallam, described as follows:[3] The lode claims Bear Creek No. 1, Bear Creek No. 2, and Black Bear (Victory), all located in Sec. 24, T. 30 N., R. 12 W., W.M., Clallam County, Washington, and recorded in the Office of the Auditor of Clallam County, at Port Angeles, in Volume 9, at pages 304, 303, and 275, respectively,

the Operator represents and undertakes:[4]

(*a*) That the Operator is the owner, in possession and entitled to possession, and that the property is subject only to the following claims, liens, or encumbrances as to each of which the subordination agreement of the holder is attached:

(*b*) ~~That the Operator is a lessee, in possession and entitled to possession, and the Owner's Consent to Lien is attached~~

The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof.

ARTICLE 3. *Exploration project.*—The Operator, within ____ days from the date of this contract shall commence work on a project of exploration for[5] Manganese

in or upon the described land; and shall bring the project to completion within a period of Nine (9) months from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided. The work shall be performed by the Operator or by independent contractor or contractors efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmen's compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

ARTICLE 4. *Costs of the project.*—The agreed, estimated costs of performing the work, expressed in terms of units of work to be performed (per foot of drifting, per foot of drilling, per cubic yard of material to be moved, etc.) are set forth in Exhibit "A," attached hereto. The Government will pay 75 percent of these agreed, estimated costs, as they accrue, for units of work actually performed that conform with the description or specifications for the work set forth in this contract, in an aggregate total amount not in excess of $8,475.00, which is 75 percent of $11,300.00 the agreed, estimated total cost of the project in which the Government will participate: *Provided,* That until the Operator's final report and final accounting have been rendered to the Government and any final check or auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract. The Government may, as it sees fit, make payments direct to the Operator's independent contractors, if any, for the account of the Operator, rather than to the Operator.

ARTICLE 5. *Reports, accounts, audits.*—(*a*) *Progress reports.* The Operator shall provide the Government with monthly reports of units of work performed under the contract, in quintuplicate (five copies), upon forms provided by the Government. These progress reports shall be certified by the Operator, and shall constitute both the Operator's invoice of units of work performed on the project during the period covered by the report and his voucher for repayment by the Government, unless the Government requires the use of a standard voucher form with invoice attached. Progress reports shall include surface and/or underground engineering-geological maps or sketches showing the progress of the exploration, with assay-reports on samples taken concurrently with the advance in mineralized ground.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] State name, address, and nature of organization if any.
[3] Give legal description or enough to identify the property, particularly excluding any land or interest therein to which the Government's lien is not to attach or the production from which is not to be subject to the Government's percentage royalty.
[4] Strike out the provision not applicable.
[5] Name of mineral or minerals.

(*b*) *Final report.*—Upon completion of the exploration work or termination of the contract the Operator shall provide the Government with an adequate geological and engineering report, in quintuplicate (five copies), including an estimate of ore reserves resulting from the exploration work.

(*c*) *Compliance with requirements.*—If, in the opinion of the Government, any of the Operator's reports are insufficient or incomplete, the Government may procure the making or completion of such reports and attachments as an expense of the exploration work; and the Government may withhold approval and payment of any vouchers depending upon insufficient or incomplete reports.

(*d*) *Accounts and audits.*—The Operator shall keep suitable records and accounts of the units of work performed, which the Government may inspect and audit at any time. The Government may at any time require a check of the work performed and an audit of the Operator's records and accounts, by a certified public accountant or otherwise, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract. Upon the completion of the project or termination of the contract the Operator shall render a final account and statement of work performed to accompany his final report.

ARTICLE 6. *Repayment by Operator.*—(*a*) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than 6 months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows:

(1) One and one-half (1½) percent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) percent of any such net amounts, plus one-half (½) percent of such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such net amounts.

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

(*b*) As here used, "net smelter returns," "net concentrator returns," and "other net amounts realized from the sale or other disposition," mean gross revenue from sales, or if not sold, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be the gross income from mining operations for percentage depletion purposes in income-tax determination.

(*c*) To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(*d*) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations. See Annex I substituted for Article 6.

ARTICLE 7. *Assignment, transfer, or loss of Operator's interest.*—Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder. The Operator shall not make any voluntary nor permit any involuntary transfer or conveyance of the Operator's rights in the land described in Article 2, without making suitable provision for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof; *Provided,* that mere failure by the Operator to maintain the Operator's rights in the land, without any consideration running to the Operator other than relief from the cost of maintaining such rights (as by surrender of a leasehold, failure to perform assessment work, or failure to exercise an option), coupled with complete abandonment by the Operator of all interest in or operations on the land for a period of 10 years from the date of this contract, shall not constitute such a transfer or conveyance. Should the Operator make or permit any transfer or conveyance in violation of this provision, the Operator shall be and remain liable for payment to the Government of the same amounts, at the same times, as would have been paid under the terms of the percentage royalty on production. If for any reason the net smelter returns, net concentrator returns, or other net amounts realized from the sale or other disposition of such production are not available as a means of measuring the amount of the Operator's liability, the amount thereof shall be estimated as well as may be, and in the event of dispute as to such estimates, the determination thereof by the Administrator of Defense Minerals Exploration Administration or by his successor shall be final and binding upon the Operator.

ARTICLE 8. *Termination and completion.*—The Government may, at any time, by written notice to the Operator, terminate this contract: (*a*) If the Operator fails to provide his share of the money necessary to prosecute operations pursuant to the terms of the contract; (*b*) if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract; or (*c*) if, in the opinion of the Government, operations up to the time of the notice have not indicated the probability of making any worth while discovery and in the opinion of the Government further operations are not justified.

ARTICLE 9. *Changes and added provisions.*

That part of the second sentence in Article 7 beginning with the word "Provided" is deleted.

Executed in sextuplicate the day and year first above written.

Victor Oberg
Hugh Govan
E. R. Gehrke, Jr.
(Operator)
} Partners

XBYX

THE UNITED STATES OF AMERICA

By O. Mittendorf
Administrator, Defense Minerals Exploration Administration

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

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—66329-1

EXPLORATION PROJECT CONTRACT
BEAR CREEK MINES, INC.
DOCKET NO. DMEA-3417

ANNEX I

The following provisions are in lieu of Article 6 :

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

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

c. Basis for computation.--The Government's royalty shall be a percentage of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrates, metal, or equivalent), at the point of delivery (the f.o.b. point); except, that charges of the buyer arising in the regular course of business, and shown as deductions on the buyer's settlement sheets, on account of the cost of treatment processes performed by the buyer, sampling and assaying to determine the value of the production sold, and freight paid by the buyer to a carrier (not the Operator), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. Any costs of treatment processes, sampling or assaying, or transportation, performed or paid by the

*The "land" referred to is the land described in Article 2 of the contract.

Operator or by anyone other than the buyer, are not deductible in arriving at the "gross proceeds" as that term is here used. The term "treatment processes," as here used, means those processes (such as milling, concentrating, smelting, refining, or equivalent) applied to the raw ore or other production after it is extracted from the ground, to put it into a commercially marketable form; excluding fabricating or manufacturing.

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

e. Percentages of royalty.--The percentages of the Government's royalty shall be as follows:

> One and one-half ($1\frac{1}{2}$) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half ($\frac{1}{2}$) percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.
>
> (For instance: the royalty on an amount of five dollars ($5.00) per ton, would be one and one-half ($1\frac{1}{2}$) percent; on an amount of ten dollars ($10.00) per ton, three and one-half ($3\frac{1}{2}$) percent.)

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

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

h. No obligation to produce.--Nothing in this contract is to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

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

EXPLORATION PROJECT CONTRACT
BEAR CREEK MINES, INC.
DOCKET NO. DMEA-3417

EXHIBIT "A"

Description of the Work

The exploration work is indicated on the attached map entitled "Bear Creek Mine, Clallam County, Washington."

Time Schedule: 0 - 9 Months

1. With a bulldozer, prepare a portal site in the main pit for the proposed drift, and also explore manganese-bearing bands down dip toward the west sideline of the Bear Creek No. 1 claim. The bulldozer shall be not less than TD-6 in size.

2. From the main pit, drift along the shear zone in a northeasterly direction for not to exceed 200 feet.

3. From a point in the drift agreed upon by the Government and the Operator, crosscut both northwest and southeast for not to exceed an aggregate of 50 feet.

4. From a point in the drift agreed upon by the Government and the Operator, drive an approximately 30-degree inclined raise on the shear zone.

The drift and crosscuts shall be timbered where necessary and shall be not less than 4 feet by 6½ feet in the clear of timber.

The raise shall be two compartments, timbered, and not less than 6 feet by 8 feet in rock section.

The location, direction, and extent of all work are subject to the approval of the Government.

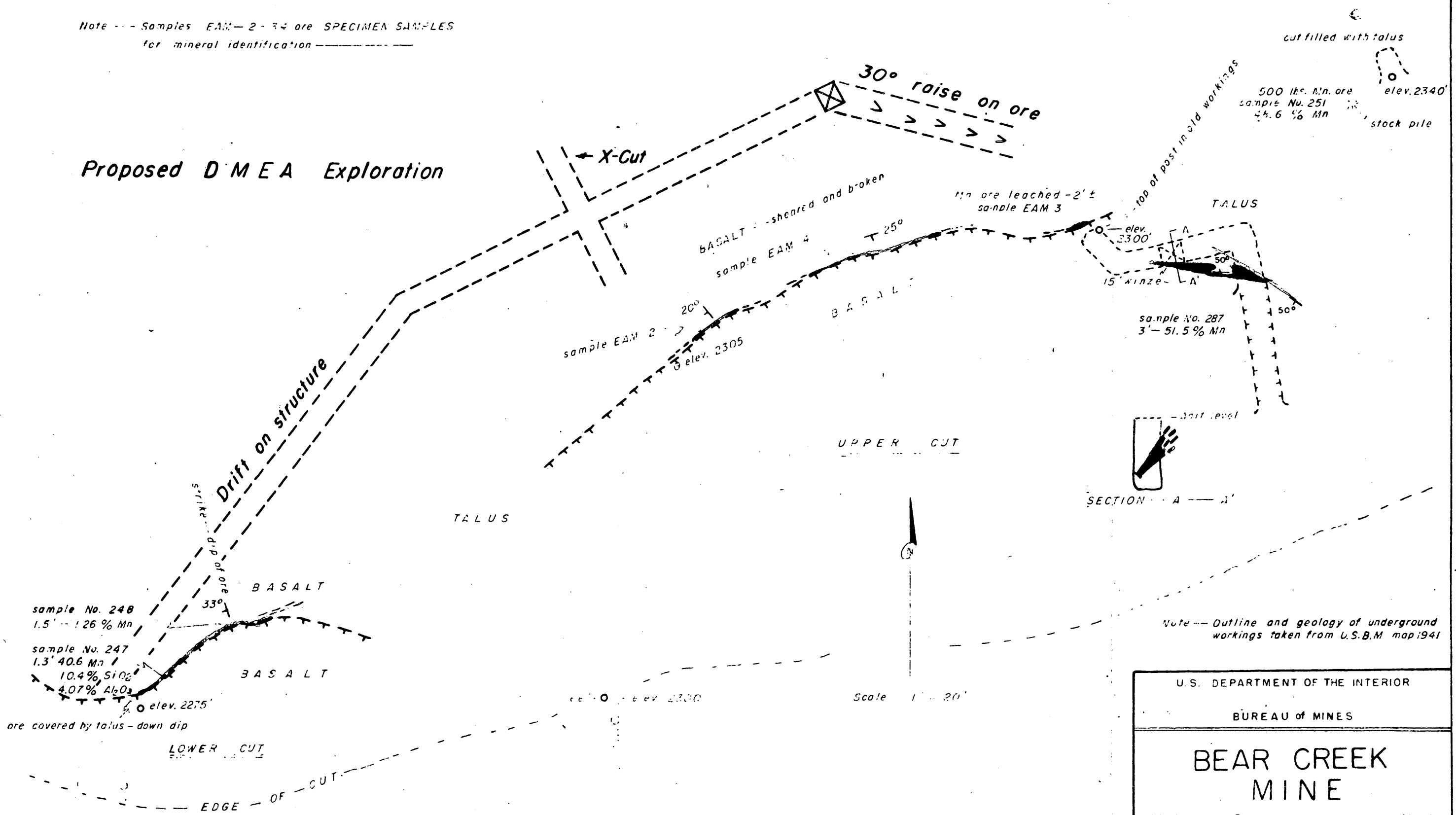
Agreed Unit Costs

Consultant (for advice during project and for preparing final report) 1/	$500.00	
Bulldozing, 80 hours @ $12.50/hr.	1,000.00	
Drifting, 200 feet @ $31.00/ft.	6,200.00	
Crosscutting, 50 feet @ $31.00/ft.	1,550.00	
Timbered Drifts and Crosscuts 100 feet @ $5.00/ft.	500.00	
Raising 50 feet @ $31.00/ft.	1,550.00	
Total Agreed Unit Costs		$11,300.00
Government Participation @ 75%		$8,475.00

1/ The Government will allow as an agreed unit cost of the project the full amount of $500 for the services of consultant after the submission of the required final report only if the Government is of the opinion that the services rendered by him during the project work and the final report prepared by him are satisfactory. If the Government is of the opinion that the services of the consultant were not fully satisfactory, the Government may allow as an agreed unit cost of the project such proportionate part of $500 as in its sole opinion constitutes the reasonable value of the services rendered.

Note - - Samples EAM — 2 - 34 are SPECIMEN SAMPLES for mineral identification

Proposed D M E A Exploration



Note — Outline and geology of underground workings taken from U.S.B.M. map 1941

U.S. DEPARTMENT OF THE INTERIOR

BUREAU of MINES

BEAR CREEK MINE

Clallam County — Wash.

ENG'R E.A. MAGILL	Oct. 21, 1953

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 1 - 1954

October 28, 1954

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

Re: Docket No. DMEA-3417 (manganese)
Victor Oberg, Bear Creek Mines
Clallam County, Washington

Dear Mr. Selfridge:

Reference is made to proposed contract number Idm-E700 transmitted to this office with your letter of August 26, 1954. Reference is also made to correspondence between Howard V. Doherty and E. A. Magill, and between Magill and the Field Team relative to the signing of this contract. Copies of this correspondence were sent you October 6, 1954, for your information.

Mr. Howard V. Doherty, attorney for the partners involved in this contract, wrote to Mr. Magill of the Bureau of Mines at Seattle, Washington, on September 23, 1954, requesting that the signing of the contract be delayed until January 1, 1955, pending the outcome of their negotiations for the sale of the property. Pittsburg Steel Company was given a 90-day option in mid-September to purchase the property. In the event the sale is not consummated, Bear Creek Mines desires to go through with the contract. Mr. Magill feels that if it is an average year, they should be able to commence work in January and carry it through with very little interruption due to the weather.

Because of the above circumstances, we are enclosing all copies of the contract. It is recommended that we hold the contract open until January 1, 1955, or until we hear again from Mr. Oberg as to the disposition of the property. We are telling Mr. Oberg that the matter has been referred to Washington and will inform him just as soon as we hear from you.

By Field Team, Region II

A. E. Weissenborn

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

Wing G. Agnew

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

cc: USBM (2)
Puffett

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 1 - 1954

xxxxxxxxxxxxxxxxxx
No. 157 Howard Street
Spokane 4, Washington

October 28, 1954

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

WSM

Re: Docket No. DMEA-3417 (manganese)
Victor Oberg, Bear Creek Mines
Clallam County, Washington

Dear Mr. Selfridge:

Reference is made to proposed contract number Idm-3700 transmitted to this office with your letter of August 26, 1954. Reference is also made to correspondence between Howard V. Doherty and S. A. Magill, and between Magill and the Field Team relative to the signing of this contract. Copies of this correspondence were sent you October 6, 1954, for your information.

Mr. Howard V. Doherty, attorney for the partners involved in this contract, wrote to Mr. Magill of the Bureau of Mines at Seattle, Washington, on September 23, 1954, requesting that the signing of the contract be delayed until January 1, 1955, pending the outcome of their negotiations for the sale of the property. Pittsburg Steel Company was given a 90-day option in mid-September to purchase the property. In the event the sale is not consummated, Bear Creek Mines desires to go through with the contract. Mr. Magill feels that if it is an average year, they should be able to commence work in January and carry it through with very little interruption due to the weather.

Because of the above circumstances, we are enclosing all copies of the contract. It is recommended that we hold the contract open until January 1, 1955, or until we hear again from Mr. Oberg as to the disposition of the property. We are telling Mr. Oberg that the matter has been referred to Washington and will inform him just as soon as we hear from you.

By Field Team, Region II

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

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

cc: USBM (2)
Puffett

Docket

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 1 - 1954

xxxxxxxxxxxxxxxxxx
So. 157 Howard Street
Spokane 4, Washington

October 28, 1954

Mr. Victor Oberg
711 East 6th Street
Port Angeles, Washington

Re: Docket No. DMA-3417 (manganese)
Proposed exploration project contract
Bear Creek Mines
Clallam County, Washington

Dear Mr. Oberg:

We note that we have not replied to your recent request for a 90-day period before acceptance of the subject contract. This is to inform you that we have requested permission for such a waiting period from the Washington office of the DMEA and will let you know as soon as we received word on this matter.

We would appreciate being advised at the earliest possible date as to your future plans.

By Field Team, Region II

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

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

cc: Howard V. Doherty
Aldwell Building
Port Angeles, Washington

DMEA (2)
USBM (2)
Puffett

[redacted]

HOWARD V. DOHERTY
ATTORNEY-AT-LAW

TELEPHONE 8888
ALDWELL BUILDING
FORT ANGELES, WASHINGTON

OF THE INTERIOR
Minerals Administration
RECEIVED
NOV 1 - 1954

September 23, 1954

Mr. E. A. Magill
c/o U.S. Bureau of Mines
215 Federal Building
Seattle, Washington

Re: Exploration Project Contract
Docket No. DMEA 3417
Manganese, Bear Creek Mines

Dear Mr. Magill:

As Mr. Oberg has advised you the three partners owning the Bear Creek Mines have entered into a proposed option and sale and while the eventual outcome is uncertain yet it appears that the proposed buyer is extremely interested in the mines and will separately work them. However, because the matter is not entirely definite and the sale possibly could not be effected I am requested by Messrs. Oberg, Govan and Gehrke, partners presently owning the mines, to ask your indulgence in the proposed loan and whether you will set it forward to around January 1, 1955. By that time we should know whether the sale will be consummated or whether the partners will yet own the mines and, if so, will wish to go through with the loan.

I would appreciate your immediately advising me whether this is acceptable.

Very truly yours,

Howard V. Doherty
HOWARD V. DOHERTY

HVD:eb

RECEIVED
BUREAU OF MINES
SEP 27 1954

HOWARD V. DOHERTY
ATTORNEY-AT-LAW

TELEPHONE 6800
ALDWELL BUILDING
PORT ANGELES, WASHINGTON

OF THE INTERIOR
Minerals Administration
EIVED
NOV 1 - 1954

September 23, 1954

Mr. E. A. Magill
c/o U.S. Bureau of Mines
215 Federal Building
Seattle, Washington

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Docket No. DMEA 3417
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I would appreciate your immediately advising me whether this is acceptable.

Very truly yours,

Howard V. Doherty
HOWARD V. DOHERTY

HVD:eb

RECEIVED
BUREAU OF MINES
SEP 27 1954
DPPK

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

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

Re: Docket No. DMEA 3417 - Manganese
Victor Oberg, Hugh Govan, and
E. R. Gehrke, Jr. - Partners
Bear Creek mine
Clallam County, Washington

Dear Mr. Weissenborn:

Reference is made to S. W. Zoldok's memorandum of September 28, 1954, to E. A. Magill with attached correspondence regarding the applicants' request to hold the proposed contract in abeyance until January 1, 1955.

Please return all copies of the proposed contract to Washington. Apparently the applicants have entered into a option and sale agreement covering the property and do not, therefore, have sufficient interest in the land to execute the proposed contract at this time.

Sincerely yours,

Chairman, Operating Committee

APPROVED:

L. N. Hedges
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey

400

DOCKET
SURNAME
Rutledge
Martin

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

Re: Docket No. DMEA 3417 - Manganese
Victor Oberg, Hugh Govan, and
E. R. Gehrke, Jr. - Partners
Bear Creek mine
Clallam County, Washington

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Please return all copies of the proposed contract to Washington. Apparently the applicants have entered into a option and sale agreement covering the property and do not, therefore, have sufficient interest in the land to execute the proposed contract at this time.

Sincerely yours,

Chairman, Operating Committee

APPROVED:

FARutledge:foc
10-28-54
cc to: Docket
Code 400
Adm. Reading File
Operating Comm.
FT. REG. II
Gilbert DeHuff, USBM
Thor H. Kiilsgaard, USGS

Member, Bureau of Mines

Member, Geological Survey

Y

E. A. Magill

Sept. 28, 1954

S. W. Zoldok

DMEA Contract Idm-E700, Victor Oberg, Clallam County, Washington

Reference is made to your memorandum of September 27.

Please have all copies of the Oberg contract returned to you and then forward them to this office. We will advise Washington of the Operator's request for a delay in signing the contract, but they will no doubt handle it like they did the Crescent Mine contract and hold it in Washington until the agreed time is up.

The Field Team is agreeable to the Operator's request for a delay until January 1, 1955 and will recommend this to Washington, but the decision will be up to Washington.

Zoldok

SWZ/he

S. 157 Howard
Spokane 4, Wash.

U. S. GEOLOGICAL SURVEY
REFERENCE SLIP

10-11

Date ~~10/6/54~~

Referred to:

Carlson
Fryklund
Gray
Puffett
Quinlan
Youngberg

Code 400

~~Operating Committee, DMEA~~
~~Washington, D.C.~~

For:

Field Examination
Approval & Signature
Comment
Initials
Mailing
Recommendation
Reply
Rewriting
Signature
Suggestions
✓ Your Information
✓ Your Files
Return for Filing
Distribution

REMARKS:

Executive Officer, DMEA
Name of Sender
Field Team, Region II

EMR

Field Team, DMEA, Region II

Sept. 27, 1954

E. A. Magill, Mining Engineer

Exploration Project Contract, Bear Creek Mines, Victor Oberg, Clallam County, Wash., Docket No. DMEA 3417 (manganese)

Attached is a letter from Howard V. Doherty, attorney for the operators the subject property. He requests a delay until Janurary 1, 1955 before they accept the DMEA exploration project contract.

I have no particular comments as to allowing them the additional time to sign. If it an average year they should be able to commence work in Janurary and carry it through with very little interruption due to the weather.

E. A. Magill

cc: Spokane 4
EAM

RECEIVED
BUREAU OF MINES
SEP 27 1954
SPOKANE, WASH.

RECEIVED
SEP 30 1954
U. S. G. S.
SPOKANE, WASH.

215 Federal Office Building
Seattle 4, Washington

Region II

September 27, 1954

Mr. Howard V. Doherty
Attorney-at-Law
Aldwell Building
Port Angeles, Washington

Subject: Exploration Project Contract
Victor Oberg, Bear Creek
Mines, Clallam County, Wash.
DMEA Docket No.3417(Manganese)

Dear Mr. Doherty:

In regard to your letter of September 23, 1954 requesting until January 1, 1955 to sign the proposed exploration project contract:

I have forwarded your letter on to Mr. A. H. Weissenborn, Executive Officer, DMEA Field Team, S. 157 Howard Street, Spokane, Washington, for his consideration.

I am sure that he will advise you at an early date whether an extension is possible.

Very truly yours,

E. A. Magill
Mining Engineer

cc: Spokane 4
Mr. Magill

RECEIVED
SEP 30 1954
U. S. G. S.
SPOKANE WASH.

HOWARD V. DOHERTY
ATTORNEY-AT-LAW

TELEPHONE 3586
ALDWELL BUILDING
PORT ANGELES, WASHINGTON

September 23, 1954

Mr. E. A. Magill
c/o U.S. Bureau of Mines
215 Federal Building
Seattle, Washington

Re: Exploration Project Contract
Docket No. DMEA 3417
Manganese, Bear Creek Mines

Dear Mr. Magill:

As Mr. Oberg has advised you the three partners owning the Bear Creek Mines have entered into a proposed option and sale and while the eventual outcome is uncertain yet it appears that the proposed buyer is extremely interested in the mines and will separately work them. However, because the matter is not entirely definite and the sale possibly could not be effected, I am requested by Messrs. Oberg, Govan and Gehrke, partners presently owning the mines, to ask your indulgence in the proposed loan and whether you will set it forward to around January 1, 1955. By that time we should know whether the sale will be consummated or whether the partners will yet own the mines and, if so, will wish to go through with the loan.

I would appreciate your immediately advising me whether this is acceptable.

Very truly yours,

Howard V. Doherty
HOWARD V. DOHERTY

HVD:eb

RECEIVED
SEP 30 1954
U. S. G. S.
SPOKANE, WASH.

RECEIVED
BUREAU OF MINES
SEP 27 1954

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~

1201 N. Division St.
Spokane 2, Washington
September 23, 1954

MEMORANDUM

To: DMEA Field Team, Region II

From: E. A. Magill, Mining Engineer, Bureau of Mines

Subject: Contract Idm-E700, Docket No. DMEA 3137 (manganese)
Victor Oberg, Bear Creek Mine, Clallam County, Washington

Copies of the subject contract were given to Mr. Victor Oberg for his signature on September 7, 1954. He mentioned at that time that Pittsburg Steel Co. was sending two representatives out from the east to make an examination of the property on September 11-12.

Mr. Oberg was contacted by telephone on September 22 regarding whether or not he was going to accept the contract. He stated that Pittsburg Steel Company had taken a 90 day option on the property and that he was writing a letter to the Field Team, requesting a 90-day delay in accepting the contract pending the results of the option.

E. A. Magill

Orig. & 3 cys - Wash.
USGS(2)
DMEA
AD
EAM/he

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
1201 N. Division St.
Spokane 2, Washington
September 23, 1954

MEMORANDUM

To: DMEA Field Team, Region II

From: E. A. Magill, Mining Engineer, Bureau of Mines

Subject: Contract Idm-1700, Docket No. DMEA 3137 (manganese)
Victor Oberg, Bear Creek Mine, Clallam County, Washington

Copies of the subject contract were given to Mr. Victor Oberg for his signature on September 7, 1954. He mentioned at that time that Pittsburg Steel Co. was sending two representatives out from the east to make an examination of the property on September 11-12.

Mr. Oberg was contacted by telephone on September 22 regarding whether or not he was going to accept the contract. He stated that Pittsburg Steel Company had taken a 90 day option on the property and that he was writing a letter to the Field Team, requesting a 90-day delay in accepting the contract pending the results of the option.

E. A. Magill

Orig. & 3 cys - Wash.
USGS(2)
DMEA
AD
EAM/he

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
1201 N. Division St.
Spokane 2, Washington
September 23, 1954

MEMORANDUM

To: DMEA Field Team, Region II

From: E. A. Magill, Mining Engineer, Bureau of Mines

Subject: Contract Idm-R700, Docket No. DMEA 3137 (manganese)
Victor Oberg, Bear Creek Mine, Clallam County, Washington

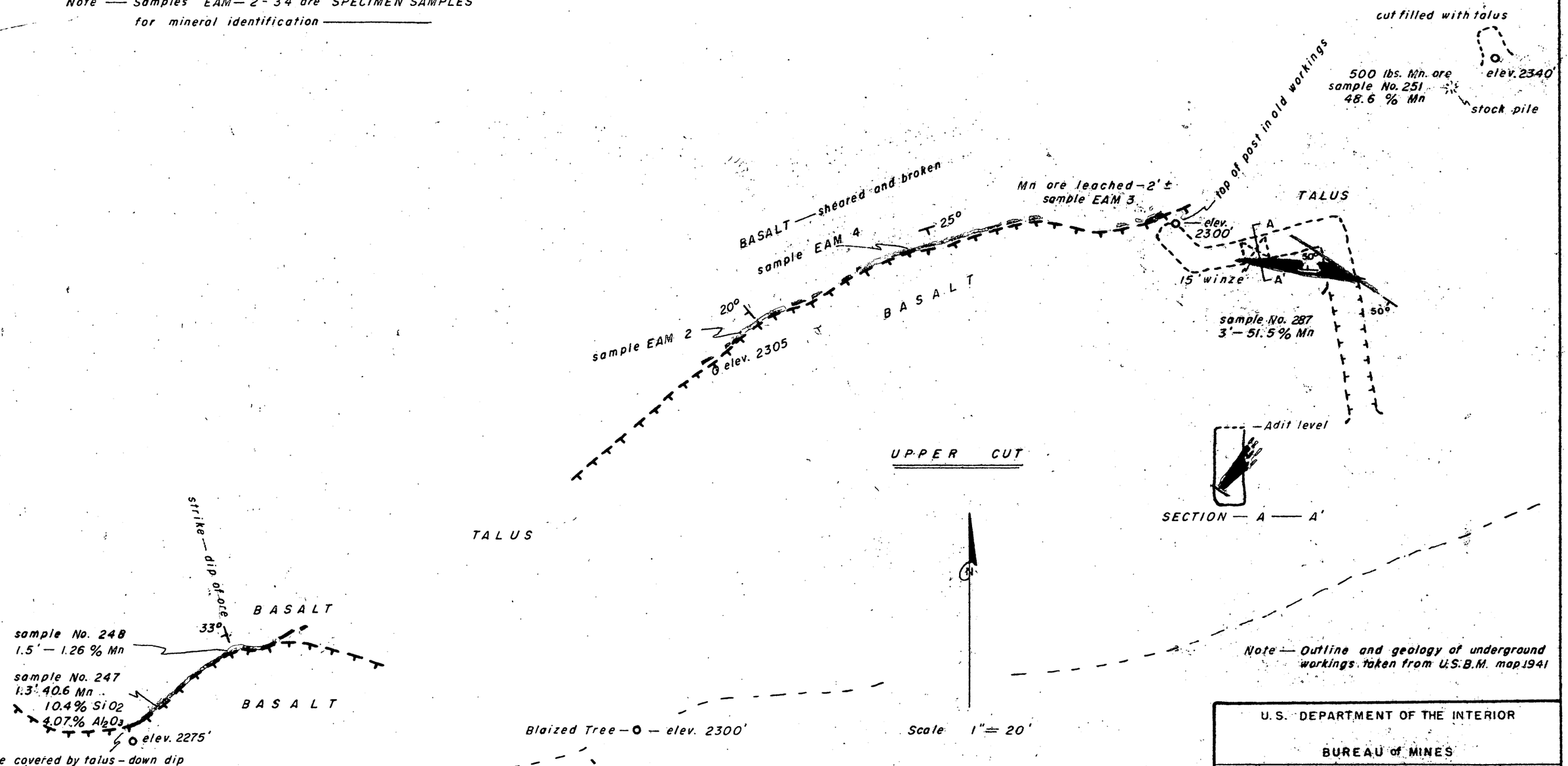
Copies of the subject contract were given to Mr. Victor Oberg for his signature on September 7, 1954. He mentioned at that time that Pittsburg Steel Co. was sending two representatives out from the east to make an examination of the property on September 11-12.

Mr. Oberg was contacted by telephone on September 22 regarding whether or not he was going to accept the contract. He stated that Pittsburg Steel Company had taken a 90 day option on the property and that he was writing a letter to the Field Team, requesting a 90-day delay in accepting the contract pending the results of the option.

Orig. & 3 cys - Wash. ✓
USGS(2)
DMEA
AD
EAM/ho

E. A. Magill

Note — Samples EAM—2-34 are SPECIMEN SAMPLES for mineral identification



U.S. DEPARTMENT OF THE INTERIOR

BUREAU of MINES

BEAR CREEK MINE

Clallam County — Wash.

ENG'R E.A. MAGILL	Oct. 21, 1953

400

DOCKET
Surname:

Hopkins
Martin
Martin
Wampler
DeHuff
Kilsgaard
Johnson

AUG 26 1954

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

Re: Docket No. DMEA 3417 - Manganese
Victor Oberg, Hugh Govan, and
E. R. Gehrke, Jr. - Partners
Bear Creek Mine
Clallam County, Washington

Dear Mr. Weissenborn:

We are enclosing the original and five copies of a proposed contract for an exploration program by the above-referenced applicant, signed by the Administrator for the Government, together with Exhibit "A" (2 pages), Annex I (3 pages), and one map.

If the terms and conditions of the proposed contract are satisfactory to you and the Operator, all six copies should be signed and the usual distribution made.

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

Under Article 3, the starting date has been left blank and is to be filled in when the contract is signed by the Operator.

Sincerely yours,

W. S. Martin

ACTING Chairman, Operating Committee (JHS)

Enclosures

APPROVED:

J. H. Hedges (JHS)
Member, Bureau of Mines

s/Thor H. Kilsgaard (JHS)
Member, Geological Survey

cc: Docket
FT, Reg. 2
Code 400
Oper. Comm.
Admin. Read. File
G. DeHuff, Bur. Mines
E. L. Newcomb, Geol. Survey

JHopkins/ls
8/20/54

R.C.

RECEIVED
AUG 19 5 00 PM '54
FEDERAL COMMUNICATIONS COMMISSION
HQ - COMMUNICATIONS

XWA SP 175 I-GS-G

SPOKANE WN 8-19-54 1215P

GEO C SELFRIDGE CHAIR OPR COMM DMEA DEPT INTERIOR

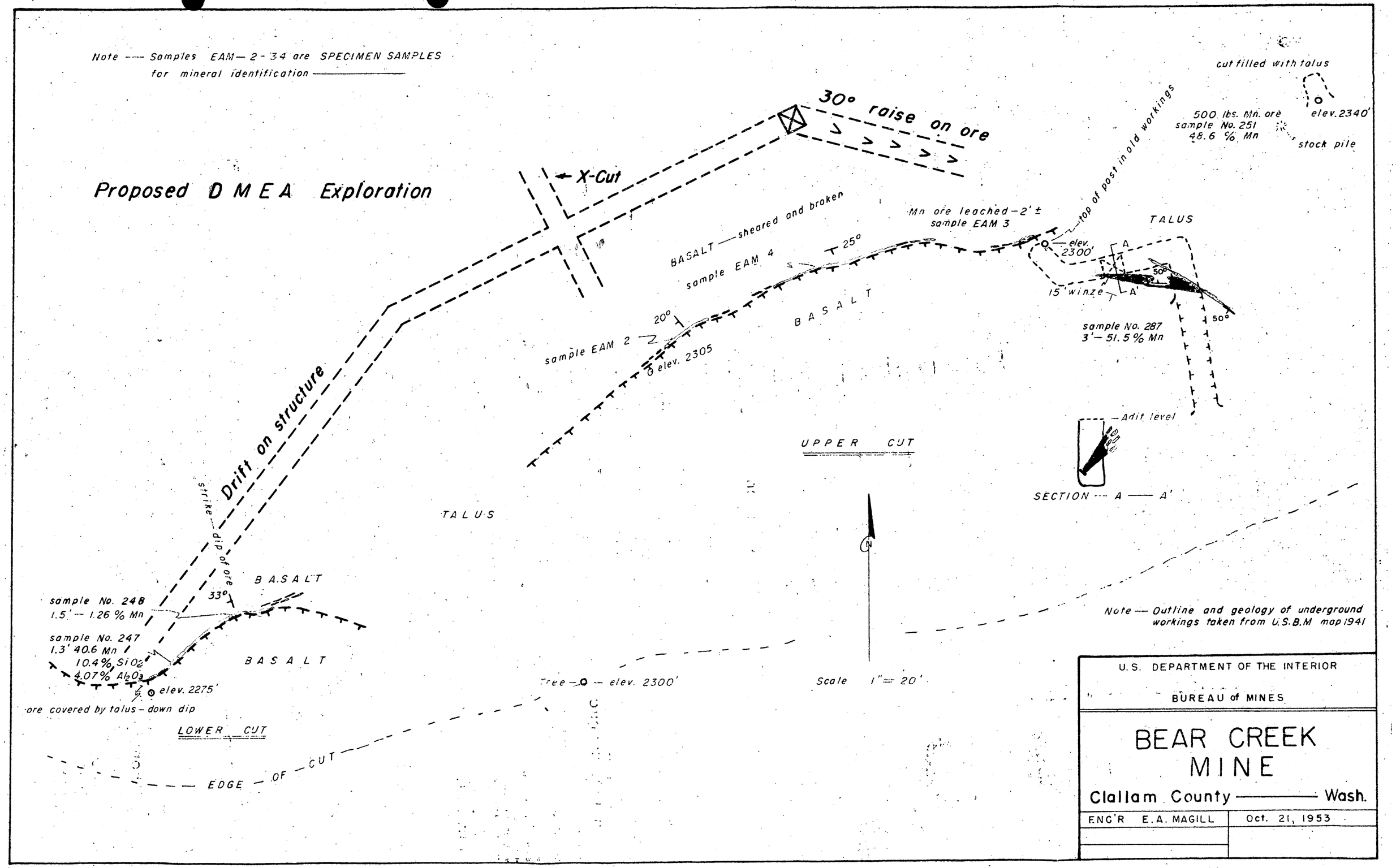
RE DOCKET DMEA 3417, TO THE BEST OF OUR KNOWLEDGE THIS PROJECT WOULD BE RUN BY OBERG, GOVAN AND GEHRKE, A PARTNERSHIP AS STATED IN APPLICATION.

A E WEISSENBORN EXEC OFCR DMEA FIELD TEAM REGION 2 SP

DMEA 3417

WWUPRW 1225P

AUG 20 9 32 AM '54
BUREAU OF MINES
MAIL ROOM
WASHINGTON, D. C.


Note ---- Samples EAM—2-34 are SPECIMEN SAMPLES for mineral identification
Proposed D M E A Exploration
30° raise on ore
X-Cut
cut filled with talus
elev. 2340'
500 lbs. Mn. ore sample No. 251 48.6 % Mn
stock pile
top of post in old workings
Mn ore leached—2' ± sample EAM 3
TALUS
elev. 2300'
A
A'
50°
15' winze
sample No. 287 3'—51.5 % Mn
BASALT — sheared and broken
sample EAM 4
25°
BASALT
20°
sample EAM 2
elev. 2305
Drift on structure
strike — dip of ore
UPPER CUT
Adit level
SECTION — A — A'
TALUS
BASALT
33°
sample No. 248 1.5' — 1.26 % Mn
sample No. 247 1.3' 40.6 Mn 10.4% SiO_2 4.07% Al_2O_3
BASALT
elev. 2275'
ore covered by talus – down dip
LOWER CUT
EDGE OF CUT
tree — elev. 2300'
Scale 1" = 20'
Note — Outline and geology of underground workings taken from U.S.B.M map 1941
U.S. DEPARTMENT OF THE INTERIOR
BUREAU of MINES
BEAR CREEK MINE
Clallam County — Wash.
ENG'R E.A. MAGILL
Oct. 21, 1953

MF-201
(June 1951)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

SUBORDINATION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the undersigned is the holder of a mortgage, claim, lien, or encumbrance identified and described as follows*:

.....

.....

upon that certain parcel of ground described in a certain Exploration Project Contract dated

....., 195...., between .....

.....,

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....

.....

*Include date of the instrument, and if recorded, book, page, and county of record.

U. S. GOVERNMENT PRINTING OFFICE 16—64581-2

DOCKET
Surname:

Martin
Rutledge
Hedges
Guild
Johnson
Weldy

Interior Department
Defense Minerals Exploration Administration
14X4401(01) Revolving Fund, Defense Production Act
Interior (Allocated Working Fund to the Office of the Secretary).

AUG 11 1954

TELETYPE

To: A. E. Weissenborn, DMEA Executive Officer, Region II
Spokane, Washington

Retel August 10, Docket DMEA 3417, Victor Oberg.

We regret you were not informed when DMEA 3417 replaced former DMEA 3137.

We understand Operator will be Oberg, Govan, and Gehrke, a partnership, with addresses as shown in application. We will hold contract here until you confirm.

W. S. Martin
ACTING Chairman, Operating Committee (24)

Confirmation to FT, Region 2

cc: Docket
Code 400
Adm. Read. File
Oper. Comm.
G. DeHuff, USBM.
E. L. Newcomb, USGS

WSMartin/ls 8/11/54

R.C.5

RECEIVED
AUG 11 7 00 AM '54
GENERAL SERVICES ADMIN.
PUBLIC BLDGS. SERVICE
BND - COMMUNICATIONS

WA SP 152 I-GS-G

SPOKANE WASH 8-10-54 442P

GEORGE C SELFRIDGE

CHAIRMAN OPERATING COMMITTEE, DMEA, USGS, DEPT OF INTERIOR, WA

REURTEL AUGUST 4, NO RECORD DOCKET DMEA-3417. DO YOU MEAN DMEA-3137, VICTOR OBERG, BEAR CREEK CLAIMS, CLALLAM COUNTY, WASHINGTON/QM/ OBERG, GOVAN AND GEHRKE HAD INTENDED TO INCORPORATE BUT I HAVE BEEN ADVISED TODAY THEY ARE STILL OPERATING AS A PARTNERSHIP.

JOHN S VHAY FOR A E WEISSENBORN

EXE CUTIVE OFFICER DMEA, FIELD TEAM REGION II, SP

DMEA-417 DMEA-3137

EC 443P

AUG 11 9 43 AM '54

BUREAU OF MINES
MAIL ROOM
WASHINGTON, D. C.

DOCKET
Surname:

Hopkins
Martin
Rutin
Hedges
Field
Selfridge
Wittenberg

INTERIOR DEPT.
AUG 2 - 1954
SOLICITOR

AUG 4 1954

Interior Department
Defense Minerals Exploration
Administration
14X4401(01) Revolving Fund, Defense
Production Act, Interior
(Allocated Working Fund to the
Office of the Secretary)

TELETYPE

A. A. Weissenborn, DMEA Executive Officer, Region II
Spokane, Washington

FROM SOLICITOR
2 - 5 - 1954
FOR SIGNATURE

Re Docket DMEA 3417, Bear Creek Mines, Inc.

Application was originally submitted by three partners, each holding interest in land. Since then partners have incorporated as Bear Creek Mines, Inc. We now require evidence that new applicant has sufficient interest in land either by lease from three owners or by transfer of title. In former case, Owner's Consent to Lien is also required.

George C. Selfridge

G. C. Selfridge, Chairman (JB)
Operating Committee

Confirmation Copy -- Field Team, Reg. II

cc: Docket
Adm. Read. File
Code 400
Oper. Committee
Gilbert DeHuff, Bur. Mines
E. L. Newcomb, Geol. Survey

JHopkins/ls 8/2/54

R.G.

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

July 29, 1954

WSM

Memorandum

To: The Administrator, DMEA
Through: Mr. W. S. Martin

From: Acting Assistant Solicitor, Defense Minerals

Subject: Bear Creek Mines, Inc., Docket No. DMEA-3417 (Manganese)

Attached is a contract covering the above-described project in satisfactory legal form for execution, subject to the attachment of the map referred to in Exhibit "A," and subject to the following:

When the application was submitted, the applicant consisted of three partners, each of whom held an interest in the land which is the subject of the project. Since then, the partners have incorporated as Bear Creek Mines, Inc. Therefore, evidence that the new applicant (operator) has a sufficient interest in the land, either by a lease from the three owners or by a transfer of title, is required. In the former case, an Owner's Consent to Lien is also required. Either (a) or (b) of Article 2 should be stricken when the true fact is known.

J. L. Hofflund
J. L. Hofflund
Acting Assistant Solicitor
Defense Minerals

Attachments 6

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

July 29, 1954

Memorandum

To: The Administrator, DMEA
Through: Mr. W. S. Martin

From: Acting Assistant Solicitor, Defense Minerals

Subject: Bear Creek Mines, Inc., Docket No. DMEA-3417 (Manganese)

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When the application was submitted, the applicant consisted of three partners, each of whom held an interest in the land which is the subject of the project. Since then, the partners have incorporated as Bear Creek Mines, Inc. Therefore, evidence that the new applicant (operator) has a sufficient interest in the land, either by a lease from the three owners or by a transfer of title, is required. In the former case, an Owner's Consent to Lien is also required. Either (a) or (b) of Article 2 should be stricken when the true fact is known.

J. L. Hofflund

J. L. Hofflund
Acting Assistant Solicitor
Defense Minerals

Attachments 6

400
DOCKET
Surname

Hopkins
Rutledge

NS-in R.R.

July 16, 1954

MEMORANDUM

To: Acting Assistant Solicitor, Defense Minerals

From: Chief, Iron and Ferro-Alloys Division, DMEA

Subject: Preparation of Exploration Project Contract
Docket No. DMEA 3417 - Manganese
Victor Oberg
Bear Creek Claims
Clallam County, Washington

Transmitted herewith is the rough draft of a proposed exploration project contract for your use in preparing the contract in final form.

Copies of the map referred to in the proposed contract are being prepared and will be forwarded as soon as received.

Acting Chief, Iron & Ferro-Alloyd Div.

JHopkins:foc
7-16-54
Attachment

cc to: Docket
Code 400
Adm. Reading File

EXPLORATION PROJECT CONTRACT

Victor Oberg

DMEA Docket No. 3417

EXHIBIT "A"

Description of the Work

The exploration work on this project is indicated on the map attached hereto and made a part hereof and entitled "Bear Creek Mine, Clallam County, Washington."

Time Schedule: 0 - 9 months

1. In the main pit prepare portal site for proposed drift and explore manganese-bearing bands down dip toward west sideline of the Bear Creek claim with bulldozer. The bulldozer shall be not less than TD-6 in size.

2. From the main pit drift along the shear zone 200 feet in a northeasterly direction.

3. Drive two crosscuts a total length of 50 feet northwest and southeast from a point in the drift agreed upon by the Government and the Operator.

4. Drive an approximately 30 degree inclined raise on the shear zone from a point in the drift agreed upon by the Government and the Operator.

The drift and crosscut shall be not less than 4 b 6½ feet in the clear and timbered where necessary.

The raise shall be two compartments timbered and not less than 6 x 8' feet in rock section.

The location direction and extent of all work are subject to the approval of the Government.

AGREED UNIT COSTS

Consultant (for advice during project and to prepare final report)	$ 500.00
Bulldozing; 80 hours @ $12.50/hr.	1,000.00
Drifting, 200 feet @ $31.00/ft.	6,200.00
Crosscutting, 50 feet @ $31.00/ft.	1,550.00
Timbered Drifts and Crosscuts 100 feet @ $ 5.00/ft.	500.00
Raising 50 feet @ $31.00/ft.	1,550.00
Total Agreed Costs	$11,300.00
Government participation @ 75%	8,475.00

DMEA
File Copy
Surname

Rubin

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

July 29, 1954

Memorandum

To: The Administrator, DMEA
Through: Mr. W. S. Martin

From: Acting Assistant Solicitor, Defense Minerals

Subject: Bear Creek Mines, Inc., Docket No. DMEA-3417 (Manganese)

Attached is a contract covering the above-described project in satisfactory legal form for execution, subject to the attachment of the map referred to in Exhibit "A," and subject to the following:

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J. L. Hofflund

J. L. Hofflund
Acting Assistant Solicitor
Defense Minerals

Attachments 6

HCRubin:ep

Copies to: Solicitor's Docket
DMEA Docket
Mr. Martin (2)
Mr. Hofflund
Mr. Rubin
Chron.

Docket IN REPLY REFER TO:

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

July 16, 1954

Memorandum

To: Mr. W. S. Martin, DMEA

From: Louis Pavlides, USGS

Subject: DMEA-3417 (formerly DMEA-3137), Manganese, Victor Oberg, Bear Creek Claims, Clallam County, Washington

Mr. Magill, of the U. S. Bureau of Mines, revisited the subject property this Spring and has recommended an exploration program in the amount of $12,500, which would involve 250 feet of drifting and crosscutting, 50 feet of raising and 80 hours of bulldozing. The Field Team, Region II concurs and endorses this proposed exploration program.

No new critical information has resulted from this latest examination of the subject property. The pros and cons of the merits of this deposit for a DMEA exploration loan are still the same as when discussed in various previous memoranda by Mr. Magill and myself. To my mind, the evidence available indicates that this deposit does not warrant exploration for the same reasons outlined chiefly in my memoranda dated 10-27-53 and 12-17-53.

At any rate, there is now sufficient information available before the Operating Committee for a decision to be rendered either way on this docket.

Louis Pavlides

Louis Pavlides
Geologist

IN REPLY REFER TO:

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

July 16, 1954

Memorandum

To: Mr. W. S. Martin, DMEA

From: Louis Pavlides, USGS

Subject: DMEA-3417 (formerly DMEA-3137), Manganese, now 3417
Victor Oberg, Bear Creek Claims, Clallam County, Washington

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Louis Pavlides
Geologist

IN REPLY REFER TO:

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

July 16, 1954

Memorandum

To: Mr. W. H. Martin, DMEA

From: Louis Pavlides, USGS

Subject: DMEA-3417 (formerly DMEA-3137), Manganese, Victor Oberg, Bear Creek Claims, Clallam County, Washington

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At any rate, there is now sufficient information available before the Operating Committee for a decision to be rendered either way on this docket.

Louis Pavlides
Geologist

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

1201 N. Division St.
Spokane 2, Washington
June 2, 1954

MEMORANDUM

To: DMEA Field Team, Region II

From: E. A. Magill, Mining Engineer, Bureau of Mines

Subject: Docket No. DMEA ~~3137~~ 3417 (manganese), Victor Oberg, Bear Creek Claims, Clallam County, Washington

Ok to go ahead a write contract WSM 7/16/54

On May 24, 1954, Mr. Willard Puffett, U. S. Geological Survey, contacted me by phone and requested that I get in touch with Mr. Oberg in regard to the subject application. Mr. Puffett had received a telephone call from Mr. W. S. Martin regarding this application. Mr. Martin wanted to know if Mr. Oberg was still interested in a loan and, if so, the proposed exploration program.

The Bear Creek claims were visited on May 26, and Mr. Oberg was contacted on May 27. Mr. Oberg stated that he was still very much interested in an exploration program at the Bear Creek property and was very anxious to start work as soon as possible in order to take advantage of the good weather.

The visit to the Bear Creek claims on May 26 revealed that since my last visit late last fall a small amount of work had been carried out. This work consists mainly of some improvements to the access road and some trenching of the westward extension of the manganese bearing structure. This work exposed the structure as continuing westward for at least an additional 35 feet without finding its westward limit. As far as could be seen, there was no manganese in this portion of the structure.

The main portion of the large open pit has sloughed in and now the side against the hill is over 150 feet high. The sloughing has exposed a large mass of iron-stained basalt which is a dark red color. This is in contrast to the dark green basalt generally exposed. The relationship of this dark red rock to the ore body could not be determined.

With respect to the proposed exploration program, it appears that a slight change may be called for from that proposed in Mr. Puffett's and my memorandum of September 2, 1953. Attached is a map

which shows the work to be carried out under the proposed exploration program, the revised program to consist of 250 feet of drifting and crosscutting, 50 feet of raising, and 80 hours of bulldozing. A project drawn up along the following lines is suggested:

Description of Project

The purpose of the exploration project is to determine the extent of the manganese-bearing structure and to explore for additional structures on the Bear Creek No. 1 claim.

It is expected that the project would be commenced within 30 days and completed in 9 months.

Costs of Project

(a) Independent contracts

Bulldozing 80 hours @ $20/hr. with D8 or equivalent (to include operator and all operating expenses, supervision, etc.)	$1,600.00
	1600.00

(b) Labor, supervision and consultants

Geologist or engineer	500.00
Other labor and supervision covered in unit costs.	

(c) Operating materials and supplies

Covered in unit costs.

(d) Operating equipment

To be purchased

None - covered in unit costs

To be rented

None - covered in unit costs

To be furnished by Operator

Covered in unit costs

(e) Rehabilitation and repairs

None

(f) New buildings and improvements		
Construction of tool shed - unit cost	300.00	Make drifting etc $3100 or cut this out
(g) Miscellaneous		
Unit cost:		
Drifting, crosscutting and raising 300 feet @ $30/ft.	9,000.00	
Timber in drifts, crosscuts, raises 100 feet @ $5/ft. (to be installed where necessary)	500.00	
(h) Contingency	600.00	No!
Total cost of project	$12,500.00	
Government participation @ 75%	$ 9,375.00	

E. A. Magill

E. A. Magill

Orig. & 3 cys - Wash.
USGS (2)
DMEA
M/D
EAM/he

Docket

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

July 1, 1954

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

Re: Docket No. DMEA-3137 (manganese)
Victor Oberg
Bear Creek Claims
Clallam County, Washington

WSM

Dear Mr. Selfridge:

In response to several queries from Mr. Martin of the Iron and Ferro Alloys Division as to the status of the Victor Oberg docket, we have contacted Mr. Magill who has again visited the property.

On the basis of this visit, he has recommended a slightly modified program for the exploration of the Bear Creek claims. The Field Team concurs with this recommendation and urges the consumation of a small contract as suggested by Magill. We hope in any event that a definite decision can be reached on the basis of Magill's information so that either a contract can be granted or definite denial made.

By Field Team, Region II

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

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

Enclosure - 1 (in quad.)

cc: USBM (2)
Puffett

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

Department of the Interior
Defense Minerals Administration
RECEIVED
MAY 4 - 1954

April 29, 1954

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

Re: Docket No. DMEA-3137 (Manganese)
Victor Oberg
Bear Creek Claims
Clallam County, Washington

Dear Mr. Selfridge:

We have your letter of April 26, 1954, requesting details of a new exploration program for the subject property. Your letter states that this information was requested earlier, but was not submitted in our answer of March 31, 1954.

The program originally proposed included 80 hours of bulldozing in the lower (west) portion of the open pit, plus 300 feet of drifting, crosscutting, and/or raising to explore for extensions of the band of manganese ore underground. In Mr. Pavlides' memorandum of December 17, 1953, it is suggested that perhaps the drift should follow the ore from the exposure in the upper (east) pit, rather than by following it from the lower pit. Mr. Magill states in his memorandum of January 19, 1954, that "By exploring it from the west end the ore should be over the drift rather than the drift near the top of the ore body." Although we did not make specific reference to this statement of Magill's in our letter of March 31, 1954, we are in accord with it. Thus, we believe that should a project be approved for the Victor Oberg property, the exploration should be essentially the original program that was outlined in the Field Team report of September 2, 1953.

We did not submit any detailed outline for a new exploration program as we believed that any decision for recommendation of approval or denial should be based on the program originally proposed.

By Field Team, Region II

Wing G. Agnew

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

Thor H. Kiilsgaard

Thor H. Kiilsgaard, Acting Member
U. S. Geological Survey

cc: USBM (2)
Puffett

DOCKET

IN REPLY REFER TO:

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

Defense Minerals Administration
RECEIVED
APR 28 1954

April 27, 1954

WSM

Memorandum

To: Mr. W. S. Martin, DMEA

From: Louis Pavlides, USGS

Subject: DMEA-3137 (Manganese), Victor Oberg, Bear Creek Claims, Clallam County, Washington

This docket has now assumed the proportions of a tempest in a teapot. I believe all parties concerned are equally desirous of not becoming involved in any further discussion and quibbling over the merits or lack of merits of an admittedly small and marginal deposit. The various data concerning the property and the Olympic peninsula district, have been reviewed in several memoranda and letters by Mr. Magill, the Field Team, Region II and myself. In my opinion, there is now more than enough information and opinion before the Operating Committee to enable a decision to be reached on this docket.

Louis Pavlides

Louis Pavlides
Geologist

Copy retained 400

400

Martin
Selfridge
Jefferson
Wednesday

APR 26 1954

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

Re: Docket No. DMEA 3137 - Manganese
Victor Oberg
Bear Creek Claims
Clallam County, Washington

Dear Mr. Weissenborn:

Reference is made to our letter to you of December 24, 1953, regarding the subject application. The second, and significant, paragraph of our letter read as follows:

> "Attached is copy of a memorandum of December 17, 1953, from Louis Pavlides, U. S. Geological Survey, on the same subject. It will be appreciated if you will review the attachment and send us your comments on the suggestions contained therein. If the Field Team still recommends that our denial of the original application be reviewed, such recommendation should include a detailed exploration program for our consideration."

We have your letter of March 31, 1954, advising us that you think there is a reasonable chance of finding at least enough manganese ore to repay the cost of exploration, and that you again recommend the Oberg property.

It will now be appreciated if you will supplement your same letter by submitting for our consideration details of the new exploration program which you recommend, giving appropriate weight to the suggestions in the last paragraph of Louis Pavlides' memorandum of December 17, 1953, which we sent you on December 24, 1953.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (216)

Approved:

J. H. Hedges

Member, Bureau of Mines (216)

D. M. Larrabee

Member, Geological Survey (216)

cc: Docket
Code 400
FT, Reg. 2
Oper. Committee
Adm. Read. File
G. DeHuff, USBM
L. Pavlides, USGS

WSMartin/ls 4/23/54

R.C.G.

Martin
Rathbun
noted: Selfridge

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

Re: Docket No. DMEA 3134--Manganese
Victor Oberg
Bear Creek Claims
Clallam County, Washington

Dear Mr. Weissenborn:

Reference is made to our letter to you of December 24, 1953, regarding the subject application. The second, and significant, paragraph of our letter read as follows:

> "Attached is copy of a memorandum of December 17, 1953, from Louis Pavlides, U. S. Geological Survey, on the same subject. It will be appreciated if you will review the attachment and send us your comments on the suggestions contained therein. If the Field Team still recommends that our denial of the original application be reviewed, such recommendation should include a detailed exploration program for our consideration."

We have now received your letter of March 31, 1954, advising us that you think that there is a reasonable chance of finding at least enough manganese ore to repay the cost of exploration, and that you again recommend the Oberg property.

Please be guided by our above letter and, at your earliest convenience, submit a detailed exploration program for our consideration.

Sincerely yours,

noted George C. Selfridge
Chairman, Operating Committee (245)

Approved:

J. H. Hedges
Member, Bureau of Mines (245)

D. M. Larrabee
Member, Geological Survey (245)

cc: Docket
Code 400
FT, Reg. 2
Oper. Comm.
Adm. Read. File
Gilbert DeHuff, USBM
Louis Pavlides, USGS

WSMartin/ls 4/19/54

Docket

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

March 31, 1954

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

WSM

Re: Docket No. DMEA-3137 (manganese)
Victor Oberg
Bear Creek Claims
Clallum County, Washington

Dear Mr. Selfridge:

Reply to your several letters concerning the above docket has been delayed for several reasons, one of them being the hope that we could obtain some additional information.

We are enclosing a memorandum from E. A. Magill dated January 19, 1954, in which he replies to Mr. Louie Pavlides' memorandum of December 17, 1953. We are also enclosing a later memorandum dated March 18, 1954.

We do not wish to enter into a long controversy on what is obviously a small and somewhat marginal property, but we do believe that Mr. Magill's comments deserve serious consideration. In recommending the exploration of the Oberg property, we do not expect to find any very large body of manganese ore; however, we do think that there is a reasonable chance of finding at least enough manganese ore to repay the cost of exploration, and we do think that if this property is moderately successful, exploration for other properties may well be encouraged. We realize, of course, that although the grade of manganese is higher than that assumed by Mr. Pavlide, yet the silica also is high and may exceed the limit of 15 percent SiO_2. In fact, the last shipment has slightly exceeded this. We note, however, that the Bureau of Mines Metallurgical Division, Region IV, has recommended that the ore be classed as amenable. We also call your attention to the fact that this ore has been mixed with other ore which is more silicious than the Bear Creek ore. It should be remembered that not all of the Olympic Peninsula ore has been excessively high in silica and we can point to the 29,000 tons mined from the Crescent mine as an example. We have no

Reviewed by
DMEA OPERATING COMMITTEE

_____
(date)

reason to believe that the Oberg property will be large enough to be another Crescent ore body, but as Mr. Magill points out, it is hard to believe that the Crescent mine contained the only body of manganese in the Olympic Peninsula and we do take exception to a blanket statement that exploration in an entire district or region is hopeless. We feel that this type of negative thinking can be dangerous because there is always the chance that somebody who knows no better may go in and make a substantial discovery. The implication in Pavlides' memorandum is that, based on the result of C. F. Park's work in Bulletin 931 R, the Olympic Peninsula can be written off as an area where no further prospecting need be done. This, we are certain, is not Park's opinion. In fact, the Executive Officer only a few days ago had occasion to discuss this matter with Charles Park himself and although Park was not questioned regarding this particular property, he did very definitely make a statement that exploration of selected deposits in the Olympic Peninsula might very well find small bodies of manganese ore of acceptable grade. We wish to emphasize that in this instance the objectives of the exploration are small but so is the suggested program. We feel that this amount of work is justified and therefore again recommend the Oberg property for your consideration.

By DMEA Field Team, Region II

A. E. Weissenborn

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

for Thomas E Howard

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

Enclosures
cc: USBM(2)
Puffett

RECEIVED
BUREAU OF MINES
MAR 19 1954
SPOKANE, WASH.

215 Federal Office Building
Seattle 4, Washington

Region II

March 18, 1954

Memorandum

To: Wing G. Agnew, Chief, Mining Division, Region II

From: E. A. Magill, Mining Engineer, Region II, Seattle, Wash.

Subject: Bear Creek mine (Victor Oberg) Olympic Peninsula
Clallam County, Wash. (Docket No. DMEA 3137 Manganese)

A shipment of ore was made from the subject property in December 1953. This is the second of two shipments of ore made from the property during 1953. This shipment came from open-pit operations on the Bear Creek No. 1 Claim located in the southwest corner of Section 14, T. 30 N., R. 12 W., W.M. About 5 tons of the shipment was taken from the Black Bear Claim (Victory) located in the southwest quarter of Section 24, T. 30 N., R. 12 W., W.M. It is believed that the ore from the Black Bear (Victory) was of lower manganese content and higher in silica and alumina than the Bear Creek ore. Samples of the 5 tons of Black Bear ore taken prior to shipment by Victor Oberg assayed about 40 percent manganese.

Settlement data is as follows:

Producer:	Victor Oberg Box 847 Port Angeles, Washington
Purchaser:	General Services Administration Materials Purchase Depot Deming, New Mexico
Lot No.:	OB-2
Date:	December 29, 1953
Acceptance number:	G.S.A. 891
Weight ore wet:	107,700 pounds
Moisture content:	6.65% (7,162 pounds)
Net dry weight:	100,538 pounds
Weight (long dry tons)	44.88

RECEIVED
BUREAU OF MINES
MAR 19 1954
SPOKANE, WASH.

Assay data:

Manganese (Mn)	47.0 percent
Iron (Fe)	1.7 "
Silica (SiO_2) plus alumina (Al_2O_3)	17.1 "
Calcium oxide (CaO)	4.2 "
Lead (Pb)	0.01 "
Zinc (Zn)	0.04 "
Copper (Cu)	0.01 "

Evaluation and settlement data:

$88.00 X 44.88 L.D.T. = $3,949.44

The shipment failed to meet the stockpile specifications for silica plus alumina, consequently the shipment was paid for on the basis of $88.00 per long dry ton. The shippers paid the rail freight from Port Angeles to Deming, New Mexico.

Amenability tests: (Quoted from letter dated January 15, 1954 from C. H. Schack, acting for J. Bruce Clemmer, Chief, Metallurgical Division, Region IV, U.S.B.M., to Mr. Otto Glein, General Services Administration, Denver, Colorado.)

"By flotation of the manganese minerals, 80.2 percent of the manganese was recovered in a product assaying 47.6 percent Mn, 13.6 percent SiO_2, 1.4 percent Al_2O_3, 1.5 percent Fe, 0.07 percent P, and 0.07 percent combined Pb plus Zn plus Cu. Despite the only moderate recovery obtained, we suggest the ore be classed as amenable."

E. A. Magill
E. A. MAGILL
Mining Engineer

cc: DMEA, Wash. 4
U.S.G.S. 2
U.S.B.M. 2
Project 195
E. A. Magill

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
1201 N. Division
Spokane 2, Washington
January 19, 1954

Memorandum

To: DMEA Field Team, Region II

From: E. A. Magill, Mining Engineer, Bureau of Mines

Subject: Docket No. DMEA 3137 (manganese)
Victor Oberg, Bear Creek Claims
Clallam County, Washington

Mr. Louis Pavlides' memorandum to Mr. W. S. Martin, dated December 17, 1953, concerning the subject application is noted with interest. It is not my intention to become involved in a controversy concerning the geology of the area, but I would like to make a few comments on Mr. Pavlides' memo. The following paragraphs refer to his memo of December 17, 1953:

Item 2, p. 2 - The shipments made by the subject applicant could hardly be considered to be rigorously hand sorted. The men who sorted the ore did not have sufficient experience or training to differentiate between manganese silicate or oxide minerals. The practice was to sort out the material within the vein, leaving the fines and obviously low-grade material. From observations made while they were mining and sorting the ore, I would say that they were taking well over 50 percent of the vein material.

Item 3, p. 2 - When I made the statement that the "Bear Creek mine is very close stratigraphically to being in the same horizon as the Crescent mine" I was basing it on field observation and discussion of the work being carried out by P. D. Snavely of the Fuels Branch of the U.S.G.S. It is possible to trace the red limestone "masses" in the area for a mile or more in some cases and the impression is gained that their strike is generally east-west. Also, there are a large number (80 or more) outcrops within a relatively narrow east-west zone between the Crescent mine and the Bear Creek area. This would appear to indicate that possibly there was some stratigraphic control to the deposits.

Item 5, p. 2 (5a) - The only statement I see on page 440 of the cited reference that would indicate that basalt is an unfavorable geologic environment is: "The beds of red siliceous limestones, although they are thin and lenticular and make up a very small percentage of the whole section, have particular interest because they contain most of the manganese deposits."

I disagree very strongly with Mr. Pavlides that because deposits "have hardly been scratched" is a good indication of their relative worth. During the last war the maximum price paid for Olympic Peninsula manganese ore was $1.00 per L.D.T. unit. Considering the difficulty in obtaining supplies and labor during the war period, $1.00 per L.D.T. unit can hardly be considered a sufficient incentive to exhaust all possibilities of finding minable ore bodies in the area. There are a number of outcrops in the area that look just as good, as the original Crescent ore body looks toward its edges, as can be observed at the present time underground and in the open pit.

Item 5, p. 2 (5b) - Observation of the ore before shipment and the assay bear out that the shipment was predominantly hausmannite. Samples of the ore have been submitted to H. D. Hess, Acting Head of the Petrographic Section, USBM, Albany, Oregon, who has identified the predominant mineral in the shipment as hausmannite.

Since Mr. Park's paper (USGS Bull. 931-R) was written, the Sunshine Mining Company has produced from the Crescent mine 29,096.6057* long dry tons of ore which averaged:

Mn	51.622 percent
SiO_2	9.613 percent
Al_2O_3	2.566 percent
Fe	1.647 percent
P	0.050 percent
Cu,Pb,Zn	Trace

* These shipments were made between November 1941 and December 1946.

It hardly seems possible that the Crescent mine is the only ore body in the area where the same formations and apparently same geologic relationships exist in a belt many miles long.

Item 5, p. 3 (5c) - At the time the DMEA examining team made the original examination, the open pit was partially caved in and any estimate as to ore reserves would have been a "guess."

However, since the DMEA examination the property has produced another shipment of ore which ran as follows:

Producer: Victor Oberg
Box 847
Port Angeles, Washington

Purchaser: General Services Administration
Materials Purchase Depot
Deming, New Mexico

Lot number	OB-2
Date	December 29, 1953
Acceptance number	891
Weight ore, wet	107,700
Moisture content	6.65 percent
Net dry weight	100,538
Weight (long dry tons)	44.88

Assay data

Manganese (Mn)	47.1 percent

Settlement:

$88.00 x 44.88 L.D.T. = $3,949.44

Note - Complete assay data was not given on the acceptance sheet examined. However, it appears that the shipment ran over the 15 percent allowable alumina and silica.

It should also be noted that about 10,000 pounds of ore from the Victory claim was added to this shipment; this ore was known to be high in silica.

There is still ore exposed in the open pit but any future operations will have to be carried out from underground unless the pit can be extended eastward.

In the last paragraph of Mr. Pavlides' memo he questions the proposed drift at the west end of the pit. The reason drifting from the west end was recommended is that at that point the "ore seam" is exposed at its lowest elevation. The ore seam although possibly not continuously mineralized can be considered as one structure. By exploring it from the west end the ore should be over the drift rather than the drift near the top of the ore body.

In conclusion, I would again like to bring out that this deposit should not be considered as an isolated exposure. There are dozens of others in the area which have had no work done on them that look just as good. Exploration work on this property, however, will stimulate interest in adjoining properties and possibly give valuable information as to how the ore was originally deposited.

cc: Wash., D. C. (Orig. & 3)
USGS (2)
DMEA
M/D
EAM/fw

400

SURNAME:
Rutledge
Martin
Selfridge
Hedges
Guild

MAR 1 1954

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

Re: Docket No. DMEA 3137 - Manganese
Victor Oberg (Bear Creek Mines, Inc.)
Bear Creek (Victory) mine
Clallam County, Washington

Dear Mr. Weissenborn:

Reference is made to the subject docket and our letters of December 24, 1953, to you and to Mr. Victor Oberg.

Please advise when we may expect your recommendations in this matter.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee

Approved:

J. H. Hedges
Member, Bureau of Mines

Philip W. Guild
Member, Geological Survey

cc: Docket
FT, Reg. 2
Code 400
Adm. Read. File
Oper. Comm.
Gilbert DeHuff, WSBM
Louis Pavlides, USGS

FARutledge/ls
2/25/54

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

COPY

1201 N. Division St.
Spokane 2, Washington
November 25, 1953

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

Subject: Docket No. DMEA 3137 (manganese)
Bear Creek Mines, Inc.
Victor Oberg
Clallam County, Wash.

Dear Mr. Selfridge:

Attached are two memoranda from E. A. Magill, Bureau of Mines, concerning the referenced docket.

In view of the additional data submitted by Mr. Magill the Field Team recommends that the application be reconsidered.

By Field Team, Region II

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

/s/

M. E. Volin, Member
U. S. Bureau of Mines

Enclosures

cc: USGS (2)

Reviewed by
DMEA OPERATING COMMITTEE

12-18-53
(date)

Martin
Hopkins
Selfridge
Johnson

DEC 24 1953

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

Re: Docket No. DMEA 3137 - Manganese
Victor Oberg (Bear Creek Mines, Inc.)
Bear Creek (Victory) mine
Clallam County, Washington

Dear Mr. Weissenborn:

Reference is made to your letter of November 25, 1953, enclosing copies of two memoranda from E. A. Magill, Bureau of Mines, concerning the referenced docket.

Attached is copy of a memorandum of December 17, 1953, from Louis Pavlides, U. S. Geological Survey, on the same subject. It will be appreciated if you will review the attachment and send us your comments on the suggestions contained therein. If the Field Team still recommends that our denial of the original application be reviewed, such recommendation should include a detailed exploration program for our consideration.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (JHB)

Enclosure

Copy to: DOCKET
FT, REG. 2
CODE 400
OPER. COMM.
ADM. READ. FILE
GILBERT DEHUFF, USBM
LOUIS PAVLIDES, USGS

APPROVED:

J. H. Hedges (JHB)
Member, Bureau of Mines

T. P. Thayer (JHB)
Member, Geological Survey

WSMARTIN/ls 12/21/53

12-24-53

400

Martin
Hopkins
Hedges
Thayer
Selfridge
FEJohnson

DEC 24 1953

Mr. Victor Oberg
711 East 6th Street
Port Angeles, Washington

Re: Docket No. DMEA 3137 - Manganese
Bear Creek (Victory) mine
Clallam County, Washington

Dear Mr. Oberg:

Reference is made to your letter of November 19, 1953, requesting the Defense Minerals Exploration Administration to reconsider your application for exploration assistance under the subject docket.

We wish to advise you that, although we are not yet able to reply definitely to your above request, the matter is still under active review and consideration here.

Sincerely yours,

FRANK E. JOHNSON
ACTING Administrator (Eng 257)

WSMartin/ls 12/21/53

cc: DOCKET
FT, REG. 2
CODE 400
ADM. READ. FILE
OPER. COMM.
L. Pavlides, USGS
G. DeHuff, USBM

HHK
12-24-53

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

Received 1/7/21

Mr. Victor Oberg
711 East 6th Street
Port Angeles, Washington

Re: Docket No. DMEA 3137 - Manganese
Bear Creek (Victory) Mine
Clallam County, Washington

Dear Mr. Oberg:

Reference is made to your letter of November 19, 1953, requesting the Defense Minerals Exploration Administration to reconsider your application for exploration assistance under the subject docket.

We are pleased to advise you that additional data from the Field Team, Region II, have now been made available to us in Washington concerning the above-referenced property.

A careful review of these new data indicates to us that your application deserves reconsideration, and that Government participation might be justified in an appropriate exploration project for your property. A program based on proposals by the Field Team will be prepared and discussed with you at an early date.

Sincerely yours,

Administrator

Not used
Reissued
1/7/21

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

December 16, 1953

MEMORANDUM

To: Administrator, DMEA

From: Iron and Ferro-Alloys Division, DMEA

Subject: Letter of November 19, 1953, requesting reconsideration of application
Docket No. DMEA 3137 - Manganese
Victor Oberg (Bear Creek Mines, Inc.)
Bear Creek (Victory) Mine
Clallam County, Washington

1. An application for financial assistance to explore the Bear Creek (Victory) mining property for manganese was submitted July 27, 1953. The applicant proposed to improve an access road at a cost of $2,000.00 and construct a tool house and a watchman's cabin at estimated costs of $300.00 and $1,000.00, respectively. The actual exploration program was not outlined and no estimate was given for the total cost.

2. A field examination was requested by this Division. The Field Team report by E. A. Magill, Bureau of Mines, and Willard Puffett, Geological Survey, recommended approving a unit cost contract totalling $12,500.00 for further exploration of the exposure of manganese ore on Bear Creek Claim No. 1.

3. The Field Team report had general support from the Commodity Group of the Bureau of Mines, but the Geological Survey members recommended denial of the application for the following reasons:

   a. Basalt alone does not favor the occurrence of manganese. Red limestone is considered the most favorable host rock for localizing ores in the district.

   b. Ore is predominantly a mixture of manganese silicates.

   c. Discontinuous character of manganiferous band and its small size do not hold any promise for appreciable ore being present.

This Division agreed that the above objections were valid, and that Government participation was not justified. The application, therefore, was denied.

4. In the meantime the applicant selectively mined and shipped approximately 54 long dry tons of ore to the EPS purchasing depot, Deming, New Mexico. He then asked for reconsideration of his application and substantiated his request with copies of the settlement sheet for this shipment.

5. A copy of the applicant's request was referred to the Field Team for comments. The Field Team replied with a detailed criticism of our memorandum of November 3, 1953, (copy attached) giving point by point reply to our reasons for denial. Although some parts of the reply were almost trivial, enough new reasons were advanced to justify reconsideration of the application.

6. The Commodity Division of the Bureau of Mines concurs with the Field Team, Region II, and the attached memorandum from the Commodity Division of the Geological Survey is self-explanatory.

7. It is recommended that the applicant be notified that a program based on the original Field Team proposals will be prepared and discussed with him at an early date.

W S Martin

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

Attachment

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

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

Re: Docket No. DMEA 3137 - Manganese
Victor Oberg (Bear Creek Mines, Inc.)
Bear Creek (Victory) Mine
Clallam County, Washington

Dear Mr. Weissenborn:

Reference is made to your letter of November 25, 1953, and attached copies of two memoranda from E. A. Magill, Bureau of Mines, concerning the referenced docket.

In view of the additional favorable data contained in these memoranda we believe that the application for Government aid deserves reconsideration, and a modified exploration project for the applicant's property might be justified.

We therefore suggest that you carefully review your original proposal in which you recommended a drift on the west end of the lower cut, presumably to test thin seams of variable grade. It is believed that it would be more realistic to concentrate exploration work in or under the upper cut to attempt to follow the ore seam from which production has come, or locate extensions of the most likely showings.

Please prepare and discuss with the applicant a program modified as suggested above, but in any event having the full confidence of the Field Team. Such a program when submitted for our approval will have our most prompt consideration.

Sincerely yours,

APPROVED:

Chairman, Operating Committee

Member, Bureau of Mines

Member, Geological Survey

IN REPLY REFER TO:

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

December 17, 1953

Memorandum

To: Mr. W. S. Martin, DMEA

From: Louis Pavlides, USGS

Subject: DMEA Docket 3137 (Manganese) Victor Oberg, Bear Creek Claims, Clallam County, Washington

The request for exploration on the subject property, based upon a favorable recommendation by the Field Team, was reviewed in my memorandum to you dated October 27, 1953. The evidence presented by the Field Team in their report did not appear to justify exploration on this property, whose geologic setting is believed to be unfavorable for the discovery of any appreciable ore reserves. DMEA agreed with the arguments cited in my memo and denied the application. Since then, the applicant selectively mined and shipped 54 long dry tons of ore to the EPS purchasing depot, Deming, New Mexico. On the basis of this production, the property was reappraised by the Field Team and recommended again for exploration assistance. Mr. Magill, the U. S. Bureau of Mines representative of the Field Team, included in his report a detailed criticism of the original memorandum recommending denial of the loan. An item by item discussion is given below for the parts of his criticism that concern the geology of the problem.

Item 2, p. 2: No change in the cited sentence is considered necessary on the basis of information supplied thus far by the Field Team. By rigorous hand sorting, a hausmanite-rich product can be obtained, but that does not mean that the bulk of the unsorted "ore" will not still be "a mixture of manganese silicates with some hausmannite."

Item 3, p. 2: The statement that the "Bear Creek Mine is very close stratigraphically to being in the same horizon as the Crescent Mine" could only be made if a detailed stratigraphic sequence of the basalts in the Olympic Mountains had been worked out. To my knowledge no such stratigraphic information is available as yet for this district. As a matter of fact, the red limestones, such as the one within which the Cresent Mine is located, appear to have a "sporadic distribution" 1/ and hence mineralization is not strati-

1/ Park, Jr., C. F. (1945): The spilite and manganese problems of the Olympic Peninsula, Washington: Am. Jour. Sci. v. 244, p. 310.

graphically controlled in the sense that Magill implies but is related to lenticular, discontinuous masses of red limestone and red argillite 2/.

2/ Parks, Jr., C. F. idem, p. 323.

Item 5, p. 2: 5a.) The reasons that basalt by itself (~~[illegible]~~) is considered to be an unfavorable geologic environment for significant deposits is based on the known distribution and occurrence of the larger manganese deposits with limestones and argillite as determined during the course of extensive field investigations 3/

3/ Parks, Jr., C. F. (1942) Manganese resources of the Olympic Peninsula, Washington: U. S. Geol. Survey Bull. 931-R p. 440.

The further statement in this paragraph by Magill that outside of the Crescent Mine, the other occurrences of manganese "have hardly been scratched" is a good indication of their relative merits, since over a period covering the two World Wars, during which times high prices for manganese prevailed, no other deposits remotely comparable in size to the Crescent Mine were found. We do not believe that exploration of this prospect would have a significant effect on exploration in the area if IMEA assistance is kept on a realistic basis."

5b.) The "ore" cannot be considered predominantly hausmannite because of the cited carload shipment as explained under Item 2. The remainder of Magill's statements in this paragraph are of a generalized nature dealing primarily with metallurgy and hence more properly evaluated by the Bureau of Mines.

On the question of potentialities of the region as a major source of manganese, the Geological Survey has seen no evidence to change the conclusions stated by Park on page 438 of Bulletin 931-R, which includes results of exploration by the Bureau of Mines, namely:

"The Bureau of Mines has also drilled the deposit at the Apex prospect (see fig. 50), has explored with shafts the ore bodies at the Lake Sutherland (Thompson) and Madeline properties, and has sampled many other deposits. Although the deposits thus investigated do not include any ore bodies comparable in size and grade to that at the Crescent Mine, the Bureau estimates that they contain, altogether, about 25,000 tons of ore, with 6,250 tons

of metallic manganese 3/. On the whole, however, the diamond drilling

3/. Exploration and sampling of domestic deposits of strategic minerals by the Mining Division, Bureau of Mines. Report of progress as of May 1, 1941: U. S. Bur. Mines Rept. Inv. 3574, May 1941.

and development work have revealed little ore not previously known, and the outlook for noteworthy production, even under the stimulus of urgent need and higher prices, is not favorable. It is doubtful whether the known outcropping deposits of the peninsula contain as much as 150,000 tons of material averaging more than 20 percent manganese; doubtless, however, lenses like those that crop out could be found beneath the surface."

5c.) For purposes of this discussion appreciable ore might be considered to represent 1,000 or more long tons of material meeting GSA specifications. Magill implies in this paragraph that "several thousand tons" of ore may be present in this deposit. Although one cannot say there may not be several thousand tons of ore, I would like to point out that the exposures, on which any judgment must be based, were so unconvincing that the field team would not hazard a guess as to the amount of ore that was likely to be found. We believe that realistic exploration is more likely to find a few tens or possibly hundreds of tons of ore rather than thousands.

The latest Field Team report and the cited production do not appreciably alter the overall merits of this property, in so far as being a potential producer of appreciable manganese ore. In this respect it should be pointed out that the silica plus alumina content of 14.6 per cent cited for the Deming shipment, is precariously close to 15 per cent and there is no guarantee, because of the nature of the ore, that these standards will be met consistently in the future. It is still considered advisable to deny this application.

Should DMEA decide to grant the loan for exploration, it is suggested that the original Field Team proposals be reviewed and modified. This is particularly true of the proposed drift which was to be located on the west end of the lower cut, presumably to test thin seams of variable grade (see Field Team Rept., Sept. 2, 1953). It would seem more realistic to concentrate the exploration in the upper cut and attempt to follow out the ore seam from which the production has come thus far. We believe the project must be justified entirely on the possibility of finding high-grade ore, as geologic conditions do not warrant a reasonable hope of finding significant amounts of silicate ore.

I concur
T. P. Thayer

Louis Pavlides
Louis Pavlides

IN REPLY REFER TO:

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

December 17, 1953

Memorandum

To: Mr. W. S. Martin, DMEA

From: Louis Pavlides, USGS

Subject: DMEA Docket 3137 (Manganese) Victor Oberg, Bear Creek Claims, Clallam County, Washington

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3/. Exploration and sampling of domestic deposits of strategic minerals by the Mining Division, Bureau of Mines. Report of progress as of May 1, 1941: U. S. Bur. Mines Rept. Inv. 3574, May 1941.

and development work have revealed little ore not previously known, and the outlook for noteworthy production, even under the stimulus of urgent need and higher prices, is not favorable. It is doubtful whether the known outcropping deposits of the peninsula contain as much as 150,000 tons of material averaging more than 20 percent manganese; doubtless, however, lenses like those that crop out could be found beneath the surface."

5c.) For purposes of this discussion appreciable ore might be considered to represent 1,000 or more long tons of material meeting GSA specifications. Magill implies in this paragraph that "several thousand tons" of ore may be present in this deposit. Although one cannot say there may not be several thousand tons of ore, I would like to point out that the exposures on which any judgment must be based were so unconvincing that the field team would not hazard a guess as to the amount of ore that was likely to be found. We believe that realistic exploration is more likely to find a few tens or possibly hundreds of tons of ore rather than thousands.

The latest Field Team report and the cited production do not appreciably alter the overall merits of this property, in so far as being a potential producer of appreciable manganese ore. In this respect it should be pointed out that the silica plus alumina content of 14.6 per cent cited for the Deming shipment, is precariously close to 15 per cent and there is no guarantee, because of the nature of the ore, that these standards will be met consistently in the future. It is still considered advisable to deny this application.

Should MEA decide to grant the loan for exploration, it is suggested that the original Field Team proposals be reviewed and modified. This is particularly true of the proposed drift which was to be located on the west end of the lower cut, presumably to test this seams of variable grade (see Field Team Rept., Sept. 2, 1953). It would seem more realistic to concentrate the exploration in the upper cut and attempt to follow out the ore seam from which the production has come thus far. We believe the project must be justified entirely on the possibility of finding high-grade ore, as geologic conditions do not warrant a reasonable hope of finding significant amounts of silicate ore.

I Concur: T. P. Thayer

Louis Pavlides

LPavlides:emp
Copies to: Branch files Branch r. files L. Pavlides

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

1201 N. Division St.
Spokane 2, Washington
November 25, 1953

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

Subject: Docket No. DMEA 3137 (manganese)
Bear Creek Mines, Inc.
Victor Oberg
Clallam County, Wash.

Dear Mr. Selfridge:

Attached are two memoranda from E. A. Magill, Bureau of Mines, concerning the referenced docket.

In view of the additional data submitted by Mr. Magill the Field Team recommends that the application be reconsidered.

By Field Team, Region II

A. E. Weissenborn

T.K.K.

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

M. E. Volin

M. E. Volin, Member
U. S. Bureau of Mines

Enclosures

cc: USGS (2)

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

1201 N. Division St.
Spokane 2, Washington
November 6, 1953

MEMORANDUM

To: DMEA Field Team, Region II

From: E. A. Magill, Mining Engineer, Bureau of Mines

Subject: Docket No. DMEA 3137 (manganese), Bear Creek Mines, Inc., (Victor Oberg), Clallam County, Washington

I have just received the settlement data on the shipment of ore which the subject operator made to Deming, New Mexico, in September 1953. This shipment came from open pit operations on the Bear Creek No. 1 claim located in the southwest corner of sec. 14, T. 30 N., R. 12 W., W.M. Settlement data is as follows:

Producer - Bear Creek Mines, Inc., Port Angeles, Washington (Note: Shipment was made under name of Victor Oberg, Box 847, Port Angeles, Wash. Bear Creek Mines, Inc. was formed after shipment had been made but before settlement.)

Purchaser - General Services Administration, Materials Purchase Depot, Deming, New Mexico

Lot Number - OB-1
Date - October 1, 1953
Acceptance number - G.S.A.-705

Weight ore wet	126,600 pounds
Moisture content	4.05%
Net dry weight	121,473 pounds
Weight (long dry tons)	54.23 L.D.T.

Assay data:

Manganese (Mn)	48.25	percent
Iron (Fe)	1.50	"
Silica (SiO_2) plus Alumina (Al_2O_3)	14.6	"
Phosphorus (P)	.05	"
Copper plus lead plus zinc (Cu+Pb+Zn)	.05	"

Evaluation and Settlement Data:

Base Price - per L.D.T. unit $2.30

Premiums -

Fe 5 x .005 = $0.025

Penalties -

$SiO_2 + Al_2O_3$ 4 x .01 = $0.040

Adjusted base price - per L.D.T. unit $2.285

L.D.T.		% Mn in crude ore		% Mn recoverable		L.D.T. units of Mn recoverable:
54.23	x	48.25	x	100.00	=	2616.60

Units		Adjust Base Price		Gross value
2616.60	x	$2.285	=	$5978.93

In the case of this shipment the operators paid the rail freight from Port Angeles to Deming, New Mexico. It is my understanding that if the shipment would have been entered under the car lot program for high grade ore, the Government would have accepted the shipment at Port Angeles and paid for any freight from that point. The reason that it was not entered under the car lot program is that the operators believed it would not be up to specification, i.e., contain less than 15 percent $SiO_2 + Al_2O_3$. The samples which the operators took and had assayed by Bennetts Laboratory in Tacoma, Wash. prior to shipment ran 47 percent Mn and 17 percent $SiO_2 + Al_2O_3$.

The operators now have another carload (50 tons ±) ready for shipment. They hope to be able to sell this under the car lot program and have it accepted by the Government at Port Angeles.

E. A. Magill

Orig. & 3 cys - Wash.
USGS (2)
DMEA
M/D
EAM/he

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

1201 N. Division St.
Spokane 2, Washington
November 23, 1953

MEMORANDUM

To: DMEA Field Team, Region II

From: E. A. Magill, Mining Engineer, Bureau of Mines

Subject: Docket No. DMEA 3137 (manganese), Bear Creek Mines, Inc., (Victor Oberg), Clallam County, Washington

It is noted that the subject application for an exploration project was denied by Washington, D.C. on November 6, 1953. In the light of work carried out since the original examination of the property on August 25, 1953, it is recommended that the application be given reconsideration.

At the time the DMEA examining team visited the property in the latter part of August the mine was inactive and a slide had covered the area in the open pit where the best showings were reported. The applicant had at that time a carload of ore ready for shipment from open pit operations. This carload of ore was shipped to the GSA Purchase Depot at Deming, New Mexico. The assays and returns on it were given in my memorandum of November 6, 1953.

The silica plus alumina was substantially lower than sampling by the applicants had indicated. They estimated before shipment that the ore would run 47% Mn and 17% $SiO_2 + Al_2O_3$. The results of this shipment indicate that manganese oxide minerals are much more prevalent than originally anticipated by either the examining team or the applicant. I believe that our sampling at the time of the DMEA examination was accurate, the discrepancy coming from the fact that it is possible, without too much difficulty, to hand sort the manganese and raise the grade by rejecting some of the lower grade material which would be taken in a channel sample. After receiving the returns on the first shipment the applicants recommenced work on October 5 and now have another carload of ore on the dock at Port Angeles ready for shipment.

Open pit operations have reached the point where it is unsafe to work, and further ore will have to come from underground workings. Ore has been exposed intermittently for a length of over 300 feet (see attached map dated October 21, 1953). It is very difficult to determine the strike and dip of the ore exposed in the Upper Cut. Either the ore occurs in a series of lenses or what seems more likely is that the

varying strikes and dips are caused by sloughing near the surface. All ore observed was in basalt; no limestone has been observed in the immediate area.

Evidently a memorandum by W. S. Martin, Chief, Iron and Ferro-Alloys Division, played a very important part in the denial of the application. It might be well to discuss this memorandum in the light of subsequent developments. The following numbers refer to the numbered paragraphs in the memorandum by Mr. Martin:

(1) Although it is true that the applicant proposed only an access road costing $3000 and two buildings costing $1300, the DMEA field examiners were well enough impressed with the potentialities of the prospect to submit an alternate exploration program costing $12,500. (See Sept. 2, 1953 memorandum to DMEA Field Team, Region II, by Magill and Puffett.)

(2) Paragraph (2) is essentially correct although in the light of subsequent developments the sentence, "The ore consists of a mixture of manganese silicates with some hausmannite" should be changed to, "The ore consists of hausmannite with some manganese silicates."

(3) The Bear Creek Mine is very close stratigraphically to being in the same horizon as the Crescent mine. It is true that the ore bodies in the Crescent occur in a red limestone but these same ore bodies also occur very close to basalt. In a number of cases both red limestone and basalt form walls of ore bodies at other prospects in the area. As pointed out previously, the principal ore mineral at the Bear Creek mine is hausmannite.

(5) a. How do we know basalt is an unfavorable geologic setting? Granted it is true in the case of the Crescent, and apparently the ore bodies do have some definite relationship to the red limestone in the majority of cases; however, there are over 60 occurrences of manganese in the 12 miles which separate the Crescent and Bear Creek mines. The Crescent is the only one which has had sufficient work so that geologic relationship and size of ore bodies can be determined. The other occurrences have hardly been scratched. I do not believe that a property should be branded as no good just because the ore occurs in a different host rock when such a relatively small amount of work has been done on the different deposits.

b. The ore is predominantly hausmannite with associated hydrous manganese silicate minerals as shown by carload shipment. Disregarding this, why shouldn't other manganese silicate minerals be explored for? The stock answer is that we are unable to utilize them. That answer is not entirely true. It

is possible to smelt them and produce ferromanganese and other products in an economic operation. A number of large, well-known companies would be only too glad to erect plants in the area for utilization of manganese silicate ore if they could be certain that there was sufficient reserves in the area for a continuous operation. Assured ore reserves in the area at present are very small, but at the same time very little work has been done to develop reserves. It will take substantial exploration work to determine if sufficient reserves are available in the area to warrant installation of a smelter. Exploration work at the Bear Creek Mine would be a start. ?

c. Mr. Martin does not state what he means by appreciable ore being present. If he means several hundred thousand tons, he is undoubtedly correct. If he means several thousand tons, I'm not so certain. If he is worried about repayment of the loan, it would take $187,500 worth of production to repay the $9,375 loan; this would only amount to about 1850 tons of ore at the grade already produced.

Exploration work for manganese in the Olympic Peninsula area should be considered from a little broader angle than the immediate results to be obtained from one property. Any work done will stimulate activity on adjoining properties and give valuable information as to what is to be expected on not one but dozens of similar deposits. Even though exploration work was not successful on the Bear Creek property the money spent would be well spent for the information gained. It is not like exploration work carried out on one lone deposit with no similar deposits in the area.

E. A. Magill

Orig. & 3 cys - Wash.
USGS (2)
DMEA
M/D
EAM/he

FILE COPY
SURNAME:

400
Chapman
Martin
Pavlides
DeHuff
Selfridge
Henderson

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

DEC 2 - 1953

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

Re: Docket No. DMEA 3137 - Manganese
Victor Oberg
Bear Creek (Victory) Mine
Clallam County, Washington

Dear Mr. Weissenborn:

Enclosed is a copy of letter of November 19, 1953, asking for a reconsideration of our denial of November 6, 1953.

Mr. Magill visited the property on October 21, 1953, after the work noted in Mr. Oberg's letter had been completed and returns on shipment to Deming had been received, but his report of October 27, 1953, had already been taken into consideration when the denial was written.

Unless you have obtained further data that would lead you to believe another examination is justified, we believe the denial should stand. Please send us your comments so that we can reply promptly to the Operator.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JHB)

Enclosure

APPROVED:

J. H. Hedges (JHB)
Member, Bureau of Mines

D. M. Larrabee (JHB)
Member, Geological Survey

TLChapman:foc
11-27-53
cc: Docket
Code 400
FT. Reg. 2
Admr. Reading File
Operating Comm.
Gilbert DeHuff, USBM
Louis Pavlides, USGS

R.C.J. 12-2-53

E. R. GEHRKE, JR. LOGGING COMPANY

PORT ANGELES, WASHINGTON

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 23 1953

November 19, 1953

U.S.Dept of The Interior
Defense Minerals Exploration Adm.
Washington 25, D.C.

WSM

Re: Docket No.DMEA 3137-Manganese
Bear Creek (Victory) Mine
Clallam County, Washington

Gentlemen:

We have shipped one carload of manganese (58 long tons) to your depot at Deming, N.M. The analysis are as follows:

Manganese	48.25
Iron (Fe)	1.50
Silica (SiO_2) Plus Alumina	14.6
Phosphorus (P)	.05
Copper plus lead plus Zinc	.05

We have fifty tons on the dock ready for shipment. This is from the same lens as the first car load. Your Mr. Murray at Deming said he would like to have lots of ore of this caliber.

We have an out croping of ore nearly 300 feet long, but we will be unable to mine any more of this ore without going under ground as the danger and the expense of overburden is too great .

Therefore, I am asking you to please reconsider the application for Federal Aid. If we cannot get help from you, we will have to close the mine.

Please let me hear from you as soon as possible.

Very truly yours

Victor Oberg

By: E.R. Gehrke

Denied on 11/6/53

VO/erg

FILE COPY
SURNAME:

Martin
Rutledge
DeHuff
Hedges
Kinkel
Selfridge
Wheeler
Whitaker

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

AGENCY: DEFENSE MINERALS EXPLORATION ADMINISTRATION

Originator: F. A. RUTLEDGE
Ext.: 5235 Room 3538

Appropriation: 14X3923.970 - Working Fund - DMEA
Date: November 6, 1953

To: A. T. Weissenborn, DMEA Executive Officer, Region 2, Spokane, Washington

Reurtt November 2, 1953, requesting status Victor Oberg application, DMEA No. 3137, Manganese. Letter of denial of application for exploration assistance being sent to Mr. Oberg as of this date.

George C. Selfridge

G. C. Selfridge
Chairman, Operating Committee

CC: DOCKET
CONFIRMATION TO FT, REG . II
CODE 400
OPERATING COMMITTEE
AUDITS DIVISION, BUR. MINES
ADM. READ. FILE
GILBERT DE HUFF, USBM
LOUIS PAVLIDES, USGS

FARutledge/ls
11/3/53

R.C.G.
11-6-53

FILE COPY
SURNAME:

Martin
Rutledge
De Huff
Kendall
Hedges
Pavlides
Johnson

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

NOV 6 1953

Mr. Victor Oberg
711 East 6th Street
Port Angeles, Washington

Re: Docket No. DMEA 3137 - Manganese
Bear Creek (Victory) mine
Clallam County, Washington

Dear Mr. Oberg:

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

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

Careful study of all our information, although noting the occurrence of manganese mineralization on your property, indicates to us that the probability of disclosing minable ore reserves by your proposed program is not sufficiently promising to justify Government participation. Under these circumstances, we regret to advise you that your application is denied.

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

Sincerely yours,

C. O. Mittendorf (fw)

Administrator

FARutledge/ls
11/3/53

cc: Docket
FT, Reg. 2
Code 400
Admin. Reading File
Gilbert De Huff, USBM
Louis Pavlides, USGS
Operating Committee

R.C.J. 11-6-53

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

November 3, 1953

MEMORANDUM

To: Administrator, DMEA

From: Iron and Ferro-Alloys Division, DMEA

Subject: Denial of exploration project in the amount of $12,500.00
Docket No. DMEA 3137 - Manganese
Victor Oberg
Bear Creek (Victory) mine
Clallam County, Washington

The denial of the subject application by this Division is based on the following information:

(1) The applicant proposed to improve his access road at a cost of $3,000.00, and construct a tool house and a watchman's cabin at estimated costs of $300.00 and $1,000.00, respectively. The actual exploration program was not outlined and no estimate was given for the total cost.

(2) Manganese in the main deposit on the Bear Creek No. 1 claim appears to follow a marked shear in the basalt. The general strike of the manganese-bearing material is north and it dips 35° to the west. Thickness of the mineralized zone varies from 6 to 24 inches. The ore consists of a mixture of manganese silicates with some hausmannite. Analyses of samples taken by the Field Team within 10 feet of each other along the vein vary from a high of 40.6 to a low of 1.26 percent manganese.

(3) The examining engineers recommended an exploration project on the basis that the Crescent mine is in a similar geologic environment, and thus a body of hausmannite may be expected at the Bear Creek mine. This is not strictly true. The hausmannite at the Crescent mine is enclosed in a crushed and sheared red limestone and is the chief manganese mineral, with only small amounts of bementite. The manganese-bearing material on the Bear Creek No. 1 claims consists mainly of bementite and neotocite and is not associated with red limestone that apparently is the more favorable host rock (Park, Charles F., Jr., Manganese Resources of the Olympic Peninsula, Washington: U. S. Geological Survey Bull. 931-R, p. 439, 1942).

(4) The Field Team concurs with the examiners and recommends that a contract totaling $12,500.00 be granted the applicant for an exploration project.

(5) The Commodity Division of the Geological Survey recommends denial of the application for the following reasons:

a. Unfavorable geologic setting; the manganese occurs in basalt and is not associated with the red limestone that is generally considered to be the favorable horizon for localizing ores in this district, i.e., Crescent mine.

b. "Ore" is not predominantly hausmannite but a mixture of manganese silicates with some hausmannite.

c. The discontinuous character of the manganiferous band and its apparent small size do not hold any promise for appreciable ore being present.

(6) The Commodity Division of the Bureau of Mines concurs in the denial.

W S Martin

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

40

FILE COPY
SURNAME:

Martin
Rutledge
Deckoff
Selfridge

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

November 3, 1953

MEMORANDUM

To: Administrator, DMEA

From: Iron and Ferro-Alloys Division, DMEA

Subject: Denial of exploration project in the amount of $12,500.00
Docket No. DMEA 3137 - Manganese
Victor Oberg
Bear Creek (Victory) mine
Clallam County, Washington

The denial of the subject application by this Division is based on the following information:

(1) The applicant proposed to improve his access road at a cost of $3,000.00, and construct a tool house and a watchman's cabin at estimated costs of $300.00 and $1,000.00, respectively. The actual exploration program was not outlined and no estimate was given for the total cost.

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R.C.B.
11-4-53

(4) The Field Team concurs with the examiners and recommends that a contract totaling $12,500.00 be granted the applicant for an exploration project.

(5) The Commodity Division of the Geological Survey recommends denial of the application for the following reasons:

a. Unfavorable geologic setting; the manganese occurs in basalt and is not associated with the red limestone that is generally considered to be the favorable horizon for localizing ores in this district, i.e., Crescent mine.

b. "Ore" is not predominantly hausmannite but a mixture of manganese silicates with some hausmannite.

c. The discontinuous character of the manganiferous band and its apparent small size do not hold any promise for appreciable ore being present.

(6) The Commodity Division of the Bureau of Mines concurs in the denial.

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

CC: DOCKET
FT. REG. 2
Code 400
Oper. Comm.
Adm. Reading File

FARutledge/ls
11/3/53

Docket 38

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

1201 N. Division St.
Spokane 2, Washington
October 30, 1953

WSM

AIR MAIL

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

Subject: Docket No. DMEA 3137 (manganese)
Bear Creek Claims
Victor Oberg
Clallam County, Washington

Dear Mr. Selfridge:

Herewith is a memorandum report by E. A. Magill, Bureau of Mines, to the DMEA Field Team, Region II, giving additional information on the subject docket.

This memorandum is brought to your attention specially as additional support to the Field Team's recommendation of September 23, 1953 that the subject application be approved for a DMEA contract.

The contract, if offered, should be in the name of Bear Creek Mines, Inc. in line with the information in Magill's memorandum.

Sincerely yours,

M. E. Volin, Member
DMEA Field Team, Region II

Enclosure

cc: USGS(2)

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

1201 N. Division St.
Spokane 2, Washington
October 27, 1953

MEMORANDUM

To: DMEA Field Team, Region II

From: E. A. Magill, Mining Engineer, Bureau of Mines

Subject: Victor Oberg, Bear Creek Claims, Clallam County, Wash.
Docket No. DMEA 3137 (manganese)

A visit was made to the subject property on October 21, 1953. Since my previous visit to the property on August 25, 1953 in connection with the DMEA application, a number of changes have taken place.

Messrs. Oberg, Govan and Gehrke have formed a company known as Bear Creek Mines, Inc., with E. R. Gehrke, Jr. as president. The company's address is Port Angeles, Washington.

At the time of Mr. Puffett's and my examination in August the property was idle. Work at the property was started on October 5, and at the time of this visit (October 21) there were four men working, including Victor Oberg who was in charge. These men were mining ore in the open pit on Bear Creek No. 1 claim. They were using a Caterpillar D-7 bulldozer, an International TD-6 angledozer, and a 105 cfm Ingersoll-Rand air compressor. The ore is being hand sorted onto a sled, thence transferred to a truck and hauled to the port dock at Port Angeles to await shipment. About 40 tons had been mined since October 5. It appears that the operators will be able to complete the carload (50 tons ±) and mine perhaps another carload before it will be necessary to abandon the open pit because of excessive overburden. The operators plan on continuing operations underground when the pit is abandoned.

Toward the eastern end of the open pit old underground workings have been uncovered by the bulldozing. This adit was driven by Jamison and Peacock (operators of the Crescent mine at that time) in the 1920's when they had the property under lease from Victor Oberg. Attached is a map which shows these workings, prepared in about 1941 as a part of U. S. Bureau of Mines Project 301. Unfortunately, Mr. Oberg did not mention these workings at the time of the visit in August, and as they were completely covered by a slide the examining team was unaware of their existence. Manganese ore has been mined intermittently for over 200 feet to the westward from these old workings. Apparently it makes

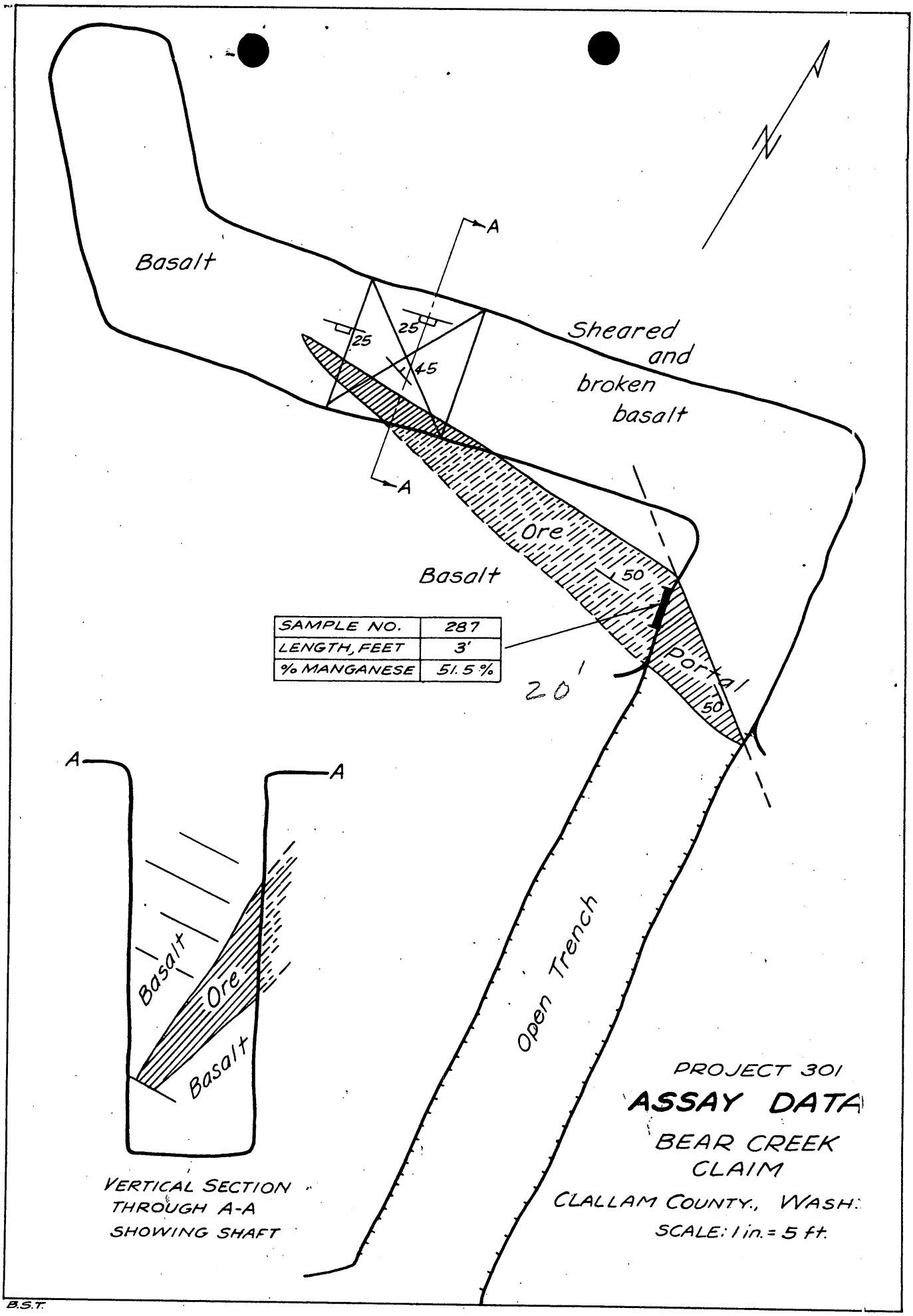
a roll to account for the different strikes between the lower pit and the upper pit. However, there remains the very different possibility that the exposures are part of a series of small lenses. Faulting has undoubtedly played a part although no prominent faults were observed.

The operators have received the returns from their first shipment of ore to the Government depot at Deming, New Mexico. Unfortunately, Mr. Gehrke, who had the exact data, was out of town. However, Mr. Victor Oberg stated that they had received $104 per ton for the ore; this would indicate that they received the full price of $2.30 per unit for it. Apparently it also met specifications, as Deming had informed them that they would accept further shipments.

The work which has been carried out at the property since the DMEA examination has confirmed the fact that the property is worthy of further exploration. It should also be kept in mind that this deposit is typical of dozens in the area. Only two or three of the properties have had any exploration work done on them. Consequently, work on this deposit should give valuable information as to what can be expected in others. Undoubtedly, if work on this property is successful it will encourage work on adjoining deposits.

E. A. Magill

Orig. & 3 cys - Wash.
USGS (2)
DMEA
M/D
EAM/he



SAMPLE NO.	287
LENGTH, FEET	3'
% MANGANESE	51.5 %

Docket

IN REPLY REFER TO:

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

October 27, 1953

WSM

Memorandum

To: Mr. W. S. Martin, DMEA

From: Louis Pavlides, USGS

Subject: Field Team report DMEA Docket 3137, (Manganese) Victor Oberg, Bear Creek Claims, Clallam County, Washington.

The subject report recommends that a unit cost contract totaling $12,500 be granted to the applicant to explore the Bear Creek No. 1 Claim. The exploration program calls for: (1) 80 hours of bulldozing to trace the extension of the manganese zone and prepare a portal site, and (2) underground drifting and cross-cutting a total of 300 feet on a unit cost basis to determine the extent of the manganese lenses.

The prospect is reported as being a discontinuous manganiferous band of variable thickness following a shear in basalt. Parallel mineralized bands may exist within 200 feet to the east of the lowermost band, along which it is planned to drift. These bands, however, may be faulted segments of the main band and not separate bodies. The "ore" is reported as "consisting of a mixture of manganese silicates with some hausmannite" (p. 3 Field Team report). The mineralization is evidently spotty in character and highly variable in grade (see Vertical Section of Field Team report). The information available to the Field Team evidently did not warrant calculating any reserves for this property except to state that it is "a relatively small occurrence of manganese ore ***" (p. 7 Field Team report).

Despite the obvious short-comings of the prospect, the Field Team evidently feels it is worthy of a limited exploration program as a long shot proposition and they cite the Crescent Mine, which is about 13 miles east of the subject property, as being in a similar geologic environment (idem). The Crescent Mine, however, was enclosed in crushed and sheared red limestone and contained hausmannite as the chief manganese mineral and only small amounts of bementite.

In summary, the following features appear to make the Bear Creek No. 1 Claim unattractive as an exploration target:

(1). Unfavorable geologic setting; it occurs in basalt and is not associated with the red limestone which is generally considered to be the favorable horizon for localizing ores in this district, i.e., Cresent Mine.

(2). "Ore" is not predominantly hausmannite but a mixture of manganese silicates with some hausmannite.

(3). The discontinuous character of the manganiferous band and its apparent small size do not hold any promise for appreciable ore being present.

It is recommended that the application be denied.

Louis Pavlides

Louis Pavlides
Geologist

VEL GEMPPPPPPS,J

Defense Minerals Administration
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SPOKANE 11-2-53 915A

GEORGE C. SELFRIDGE, CHAIRMAN DMEA

US GEOLOGICAL SURVEY WA DC

PLEASE ADVISE STATUS OF VICTOR OBERG APPLICATION, DMEA NO.3137, MANGANESE. APPLICANT HAS REQUESTED INFORMATION STATING THAT HE IS ANXIOUS TO COMMENCE OPERATION.

T. H. KIILSGAARD

FIELD TEAM REGION II.

3137

VA 916A

CLR ACK PLS

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U.S. GEOLOGICAL SURVEY
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MAIL AND MESSENGER

Docket

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 28 1953

September 23, 1953

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

WSM

Re: Docket No. DMEA-3137 (Manganese)
Victor Oberg
Appln. for Exploration Assistance
Bear Creek Claims
Clallam County, Washington

Dear Mr. Selfridge:

Enclosed are four copies of an examination report prepared by E. A. Magill, U. S. Bureau of Mines, and Willard P. Puffett, U. S. Geological Survey.

The report recommends that a unit cost contract totaling $12,500 be granted the applicant to further explore for manganese on the Bear Creek No. 1 claim. The Field Team concurs with the examiners and recommends that a contract be granted to the applicant.

By DMEA Field Team, Region II

Thor H Kiilsgaard

Thor H. Kiilsgaard, Acting
Executive Officer
(U. S. Geological Survey)

Thomas E Howard

T. E. Howard, Acting Member
(U. S. Bureau of Mines)

Enclosures
cc: USBM(2)
Puffett

Cleared OC
10-2-53
Z.A.R.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 28 1953

UNITED STATES
DEPARTMENT OF THE INTERIOR
Geological Survey
So. 157 Howard Street
Spokane 4, Washington

September 2, 1953

Memorandum

To: DMEA Field Team, Region II

From: E. A. Magill, Mining Engineer, U. S. Bureau of Mines and Willard P. Puffett, Geologist, U. S. Geological Survey

Subject: Docket No. DMEA 3137 (manganese), Victor Oberg, Bear Creek Claims, Clallam County, Washington

GCL 11/5/53

APPLICANT

The applicant is a partnership composed of the following individuals:

Victor Oberg, 711 E. 6th Street, Port Angeles, Washington
Hugh Govan, Route 2, Sequim, Washington
E. R. Gehrke, Jr., Box 308, Port Angeles, Washington

Mr. Oberg owns 40 percent, and the other two partners each own 30 percent interest in the partnership.

RECOMMENDATIONS

It is recommended that a unit cost contract for $12,500 be approved to further explore the exposure of manganese ore on Bear Creek Claim No. 1. This work will include 80 hours of bulldozing plus a maximum of 300 feet of underground work in the form of drifting, cross-cutting, and/or raising. It is further recommended that only work on Bear Creek Nos. 1 and 2 claims be considered and that the Black Bear Claim not be included in the contract, as it is not contiguous with the Bear Creek claims and would not be benefited by the proposed work.

EXAMINATION

The property was examined on August 25, 1953, by E. A. Magill, U. S. Bureau of Mines and Willard Puffett, U. S. Geological Survey. Mr. Victor Oberg accompanied the field examiners in a three-hour inspection of the property.

LOCATION OF PROPERTY

The property is located in sec. 24, T. 30 N., R. 12 W., W.M., Clallam County, Washington. The nearest supply point is Port Angeles, 46 miles by road. Housing is available at Bear Creek, a small hamlet about 3-1/2 miles from the mine. The road to the mine is excellent

excepting for the last half a mile which is steep for two-wheel drive vehicles; however, it is sufficient for an exploration program. The property is accessible all year. Heavy rains during the winter months make surface work difficult.

COMPETENCE OF APPLICANT

The applicant appears to be competent to carry out the proposed work, although his experience with underground mining is limited. It is believed the applicant is financially capable of doing the proposed work.

PROPERTY RIGHTS

Three unpatented lode claims are involved in the application: Bear Creek No. 1, Bear Creek No. 2, and Black Bear (Victory) Lode. These claims are held by right of location. The applicant, Victor Oberg, states that he owns a 40 percent interest, Hugh Govan, Route 2, Sequim Washington, 30 percent interest, and E. R. Gehrke, Jr., Box 308, Port Angeles, Washington 30 percent interest.

The claims are recorded in the Clallam County Recorder's Office at Port Angeles (according to the applicant) as follows:

Bear Creek No. 1, Mining Records, Vol. 9, page 304
Bear Creek No. 2, Mining Records, Vol. 9, page 303
Black Bear (Victory) Lode, Mining Records, Vol. 9, page 275

DESCRIPTION OF PROPERTY

The Bear Creek No. 1 and No. 2 claims are on the steep southeast slope of an east-west range of hills, the highest point of which is Deadman Hill, and are approximately 4-1/2 miles slightly north of west of Snider Peak. The claims are between altitudes of 1,700 and 2,400 feet. The Black Bear claim is near the valley bottom along Bear Creek at an altitude of about 800 feet.

An access road has been constructed to Bear Creek Claim No. 1 and considerable trenching with a bulldozer has been completed. This trench, in effect, is more of an open pit, about 400 feet long, having a maximum depth on the uphill side of over 100 feet. The trench follows the contour on the hillslope and thus the trench has only an uphill bank or face. No other work has been completed on the Bear Creek claims.

A small prospect pit has been excavated on the Black Bear claim, but the walls of this pit are now much sloughed, partially filling the pit. No recent work has been done here.

The accompanying maps show the outlines of the Bear Creek claims and a plan and section of the trenches that have been excavated.

GEOLOGY

The Bear Creek claims and the Black Bear claim are in an area underlain by Metchosin volcanics of Eocene age. These rocks consist of thick sequences of basalt, with intercalated lenses of argillite and argillaceous limestone. The sequence forms a band around the north, east and south boundaries of the Olympic Peninsula highlands and generally dips steeply outward from the central portion of the peninsula.

Within the band of volcanics and generally associated with the argillaceous limestone lenses are concentrations of manganese ore. This ore for the most part is composed of complex silicates, but at some localities, the ore contains sufficient hausmannite to make it commercial grade. The most notable occurrence of hausmannite-rich manganese ore has been at the Crescent Mine, some thirteen miles east of the Bear Creek claims. At the Crescent Mine, more than 50,000 tons of manganese ore containing more than 50 percent manganese has been produced. The geology of this mine is reviewed in the report under DMEA Docket No. 2928.

A short report concerning the occurrence of manganese ore on the Black Bear claim is included in Report of Investigation No. 7, Division of Mines and Mining, State of Washington Department of Conservation and Development, page 27. This report describes the Victory Lode claim which is identical to the Black Bear claim. No work has been done on this prospect since the date of the above-mentioned report. A small prospect pit was excavated on this claim but is now much sloughed. In the face of this pit, a nearly vertical band of manganiferous material, 2.5 feet wide, is exposed. This material is mostly bementite with much admixed basalt. A sample cut across this band yielded an assay result of 7.8 percent manganese.

On the Bear Creek claim No. 1, considerable bulldozing has exposed a rather persistent band of manganese-bearing material for a general dip-length exceeding 250 feet. The general orientation of this band is striking due north with a dip of 35 degrees to the west. Indications are that this band of manganese material follows a marked shear in the basalt, but insufficient evidence was exposed to positively confirm this. The width of the band ranges from less than six inches to nearly two feet. In the central part of the face of the upper trench, a rock slide obscures a portion of this manganiferous band. The Operator reports that under the rock slide the band attains a width of nearly four feet. There is a marked lens-like character to the ore band and it cannot be followed continuously up or down dip for more than ten to fifteen feet. As can be seen on the accompanying section map, there is a suggestion of either parallel bands of manganese ore, or marked normal faulting offsetting the ore band between the lower trench and the upper trench.

The ore consists of a mixture of manganese silicates with some hausmannite. The quality of the ore changes along dip as rapidly as does its thickness. Two samples taken in the lower trench within 10 feet of

each other, yielded assay results of 40.6 percent manganese and 1.26 percent manganese. There is some suggestion that considerable oxidation of the ore has taken place, and this may be one reason for the marked fluctuations in the grade of ore.

Because of the occurrence of the silicates, bementite and neotocite, the ore contains much silica and alumina. The high percentage of these two materials detracts from the value of the ore. Apparently the Operator has been able to satisfactorily sort his ore to obtain a high-manganese and relatively low silica plus alumina product. He reports a shipment of 50 tons of ore averaging 47 percent manganese, one percent iron, and seventeen percent combined silica and alumina.

Five samples were taken and the assay results are as follows:

Sample No. 247 - 1.3 ft. wide - Channel cut across high-grade portion of band in lower pit. 0.8 ft. hard, high-grade ore, 0.2 ft. earthy footwall, 0.3 ft. brown, earthy hanging wall.

40.6 percent Mn. - 10.4 percent SiO_2 - 4.07 percent Al_2O_3

Sample No. 248 - 1.5 ft. wide - Channel cut 10 feet up-dip from sample 247. Mainly manganese stained basalt.

1.26 percent Mn.

Sample No. 249 - Chip sample of selected shipping ore from stockpile in lower trench. Represents about one ton of ore. Relatively low specific gravity for good ore.

37.7 percent Mn.

Sample No. 250 - 1.5 ft. channel cut - central part of upper trench. About 1/2 silicates and 1/2 oxides.

20.3 percent Mn. - 22.6 percent SiO_2 - 5.80 percent Al_2O_3.

Sample No. 251 - Grab sample of ore stockpiled near small prospect pit east of upper trench.

48.6 percent Mn.

From an inspection of the assay results obtained, it can be seen that the grade of the manganese material is highly variable with a discouraging high percentage of alumina and silica. A few samples do show a high percentage of manganese though, and it may be that further prospecting of the band will yield more of that material.

PAST OPERATION

The Bear Creek deposits were discovered after the area was burned over by a forest fire in 1952. A 1-1/2 mile access road was constructed to the property in the spring of 1953. Fifty long tons of ore assaying 47 percent manganese and 17 percent $SiO_2 + Al_2O_3$ were mined during the summer of 1953 and shipped to the Government Purchase Depot at Deming, New Mexico.

At the time of the examination the property was inactive.

MANPOWER AND SUPPLIES

Manpower and supplies are available, although it may be difficult to hire skilled underground miners in the area. Water is available from a small creek about 200 feet west of the open pit.

Wage scales are high in the area due to the logging industry. Average scale is about $20 per 8-hour shift.

APPLICANT'S PROPOSAL

The applicant does not state in his application what he desires to do other than improve his access road at a cost of $3,000, construction of a tool house at $300, and a watchman's cabin at $1,000.

After a discussion with the applicant, it appears that the most feasible method of exploring the manganese lenses would be by underground drifting. It would be desirable to carry out a limited amount of bulldozing in an attempt to trace the extension of the lenses. Further stripping by bulldozer in the main pit area is not feasible due to the steep hillside.

The following program is proposed:

1. Bulldozing a total of 80 hours to trace extention of manganese zone and prepare portal site.

2. Underground drifting or crosscutting a total of 300 feet on a unit cost basis to determine the extent of the manganese lenses.

It is estimated that this program would amount to a total of $12,500.

PROPERTY RIGHTS IN CONTRACT

Two lode claims are involved in the exploration project: the Bear Creek No. 1 and Bear Creek No. 2. (See attached claim map.) No work is contemplated on the Black Bear (Victory) lode.

EXPLORATION PROJECT

It is expected that the project would be commenced within 30 days and completed in 9 months.

Description of Project

The purpose of this exploration project is to determine the extent of the manganese lenses presently exposed and to explore for additional lenses on the Bear Creek No. 1 claim.

Costs of Project

(a) Independent contracts

Bulldozing 80 hours at $20 per hour D8 or equivalent (to include operator and all operating expenses, supervision, etc.)	$1,600.00

(b) Labor, supervision and consultants

Geologist or engineer	500.00

Other labor and supervision covered in unit costs.

(c) Operating materials and supplies

Covered in unit costs

(d) Operating equipment

To be purchased

None. Covered in unit costs.

To be rented

None. Covered in unit costs.

To be furnished by Operator

Covered in unit costs.

(e) Rehabilitation and repairs

None.

(f) New buildings and improvements

Construction of tool shed - unit cost	300.00

(g) Miscellaneous

Unit cost;

Drifting or crosscutting 300 feet at $30/ft.	9,000.00
Timber in drift or crosscuts - 100 feet at $5/ft. (to be installed only where necessary)	500.00
(h) Contingency	600.00
Total cost of project	$12,500.00
Government participation at 75 percent	9,375.00

DISCUSSION

The proposed program is to explore a relatively small occurrence of manganese ore similar in characteristics to many of the other known occurrences on the Olympic Peninsula. For the most part, these occurrences of ore contain only manganese silicates which render them nearly valueless as ore because of complex metallurgical process necessary to beneficiate it. At the Bear Creek deposit though, there are some manganese oxides which improve the grade of the ore and make it more desirable as an exploration target. Within thirteen miles of this prospect and in a similar geologic environment, a large body of hausmannite ore has been mined at the Crescent Mine.

Bulldozing will explore the manganese-bearing band down dip to near the west claim sidelines. This will also aid in preparing a portal site for the drift. Drifting will attempt, insofar as possible, to follow the manganese band, or if it is not persistent along strike, will follow the shear below which the manganese is apparently concentrated. A certain amount of crosscutting will be necessary to determine if parallel bands of ore occur, as is suggested by the exposures in the upper and lower trenches.

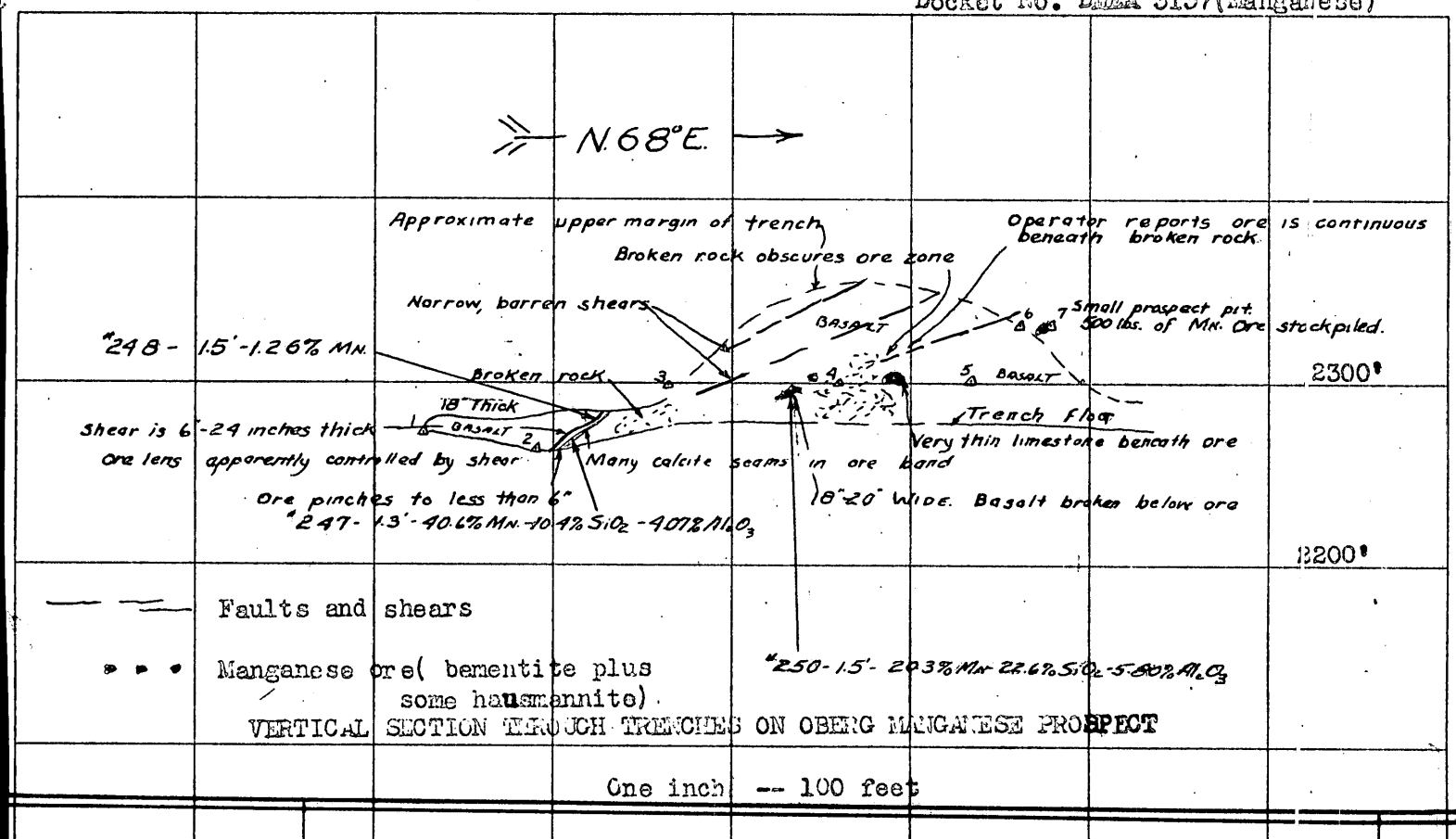
Although there is reason to believe that the manganese exposed in the trenching represents a lens quite restricted in volume, it persists for nearly 300 feet along the dip, and thus there is a reasonable probability that it may persist along strike for that same distance.

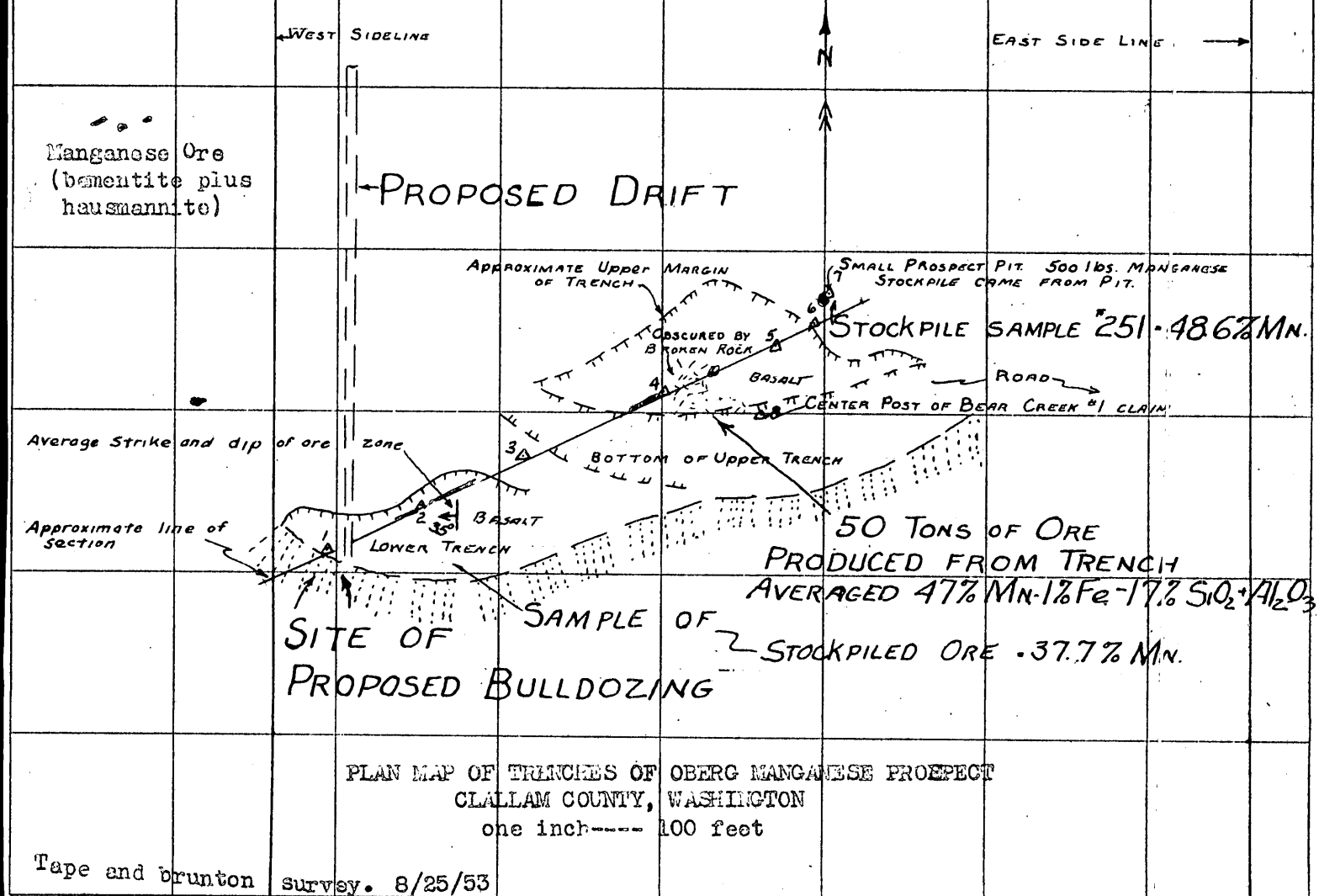
It is believed that the modest program outlined in this report is the minimum amount of work necessary to definitely establish whether an ore zone of minable grade and thickness occurs on the Bear Creek claim.

Enclosures

Distribution:
DMEA (4)
USBM (5)
Docket
USGS (SRO)
Puffett

Docket No. DMEA 3137(Manganese)





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FILE COPY
SURNAME:

Rutledge
Martin
Selfridge

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

AUG 14 1953

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

Re: Docket No. DMEA 3137 - Manganese
Victor Oberg
Bear Creek (Victory) mine
Clallam County, Washington

Dear Mr. Weissenborn:

Reference is made to the subject docket and the Victory mine on which a field examination has been scheduled for late August, as we understand from your summary report for the month of July 1953.

Enclosed are two copies of a memorandum by Martha Carr, Geological Survey, received in DMEA since our letter of August 11, 1953.

Sincerely yours,

W. S. Martin 657

ACTING Chairman, Operating Committee

Enclosures

APPROVED:

J. H. Hedges 657
Member, Bureau of Mines

A. R. Kinkel, Jr. 657
Member, Geological Survey

cc: DOCKET
FT, REG. II
AIM. READ. FILE
CODE 400
OPER. COMMITTEE
MARTHA CARR, USGS
GILBERT DEHUFF, USBM

FARutledge/ls
8/13/53

8-14-63

Docket

IN REPLY REFER TO:

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

August 12, 1953

Memorandum

WSM

To: Mr. W. S. Martin, DMEA

From: Martha Carr, USGS

Subject: Exploration application (Estimated total cost not given)
DMEA-3137 Manganese
Victor Oberg
711 East 6th St.,
Port Angeles, Washington

Property: Bear Creek No. 1, Bear Creek No. 2, and Black Bear lode, also known as Victory lode, all in sec. 24, T. 30 N., R. 12 W., Clallam County, Washington.

Proposal: It is proposed to explore for manganese, primarily by stripping the surface. The applicant states that no map showing plan or cross sections is available, and he considers one unessential. He gives no details concerning the proposed exploration. The work, which has already been started, would be completed within 6 months from the date of an exploration project contract.

Geology: The general area of the applicant's property is underlain by alternating argillites, graywackes, volcanic rocks, red limestones, and red argillites (early middle Eocene) above which are younger shales, sandstones, conglomerates, and volcanics. Only the volcanic rocks, red limestones, and red argillites of early middle Eocene age have been found to contain the manganese deposits. These rocks dip outward around the flanks of the Olympic Mountains and pass beneath the surface. The deposits, which are generally small isolated lenses and tabular bodies, are mostly in the red limestone or red argillite near contacts with basalt, but a few of them are in basalt. Many of the deposits are small and most of them consist

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of complex manganese silicates with carbonates. The ores are generally of low grade and not amenable to treatment on an economic basis because the silica content is a component part of the ore. The only successful operation in the Olympic Peninsula has been the Crescent mine where the ore is predominantly hausmannite. The applicant's property lies in the area of the Victory lode or Bear Creek deposit (sec. 24) and he has quoted the description of this area from Washington Division of Mines and Mining Report of Investigations No. 7, Manganese deposits of the Olympic Peninsula, Wash., by S. H. Green, 1945. Other reports on the general area are USGS Bulletins 931-R, Manganese resources of the Olympic Peninsula, Wash., by C. F. Park, Jr., 1942 and 795, Manganese-bearing deposits near Lake Crescent and Humptulips, Wash., by J. T. Pardee, 1927.

Recommendation: The published information concerning the general area in which the applicant's property is located would indicate that the project offers little promise unless a deposit similar to the Crescent is found. The deposits are usually small and isolated and the ore, which is of low grade, cannot be treated economically. However, as no information concerning the applicant's property (except that furnished by him) is available, a brief examination by the field team might be advisable.

The applicant has failed to furnish a map showing the proposed exploration and has given no detailed information concerning the work--also he has not estimated the total cost of the project.

Martha Carr

Martha Carr

FILE COPY
SURNAME:

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Rutledge
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Selfridge

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

AUG 11 1953

Mr. Victor Oberg
711 East 6th Street
Port Angeles, Washington

Re: Docket No. DMEA 3137 - Manganese
Victor Oberg
Bear Creek (Victory) mine
Challam County, Washington

Dear Mr. Oberg:

Reference is made to the above-docketed application for exploration assistance which has been reviewed by the Iron and Ferro-Alloys Division of the Defense Minerals Exploration Administration and referred to Mr. A. E. Weissenborn, Executive Officer, DMEA Field Team, Region II, South 157 Howard Street, Spokane 4, Washington, for a field examination of the Bear Creek deposit.

The Regional Office will contact you at an early date with regard to an examination of your property. Any assistance that you can render the members of the field team during the examination will be appreciated.

Sincerely yours,

C. O. Mittendorf (fw)

Administrator

FARutledge:foc
8-10-53

cc: Docket
Code 400
Operating Comm.
Admin. Read. File
FT. Reg. 2
N. B. Melcher, USBM
Martha Carr, USGS

R.C.G.
8-11-53

FILE COPY
SURNAME:

400

Rutledge
Martin
Selfridge

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

AUG 11 1953

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

Re: Docket No. DMEA 3137 - Manganese
Victor Oberg
Bear Creek (Victory) mine
Challam County, Washington

Dear Mr. Weissenborn:

Reference is made to the subject docket and your letter of July 31, 1953, which states that a field examination will be scheduled at the earliest possible time.

We will, therefore, hold this application in abeyance until the report and recommendations by the Field Team are received.

Sincerely yours,

W. S. Martin
ESF
ACTING Chairman, Operating Committee

APPROVED:

J. E. Hedges
ESF
Member, Bureau of Mines

A. E. Kinkel, Jr.
ESF
Member, Geological Survey

EARutledge:foc
8-10-53

cc: Docket
Code 400
Oper. Comm.
Adm. Read. File
FT. Reg. 2

cc: N. B. Melcher, USBM
Mrs. Martha Carr, USGS

R.C.S.
8-11-53

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

August 7, 1953

Memorandum

To: Executive Officer, DMEA Field Team, Region II

From: Chief, Operation's Control and Statistics Division

Subject: Assignment of Docket Number

There is listed below the assigned docket number to an application recently received from Region II

DMEA-3137 Victor Oberg

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

August 7, 1953

Mr. Victor Oberg
711 East 6th Street
Port Angeles, Washington

Subject: DMEA-3137
Re: Exploration Assistance

My dear Mr. Oberg:

The receipt of your application dated July 27, 1953, for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-3137 and referred to the Iron and Ferro-Alloys Division.

Kindly refer to DMEA-3137 in any future correspondence relating to your application.

Sincerely yours,

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

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 1 1953

July 31, 1953

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

DMEA-3137

Re: Victor Oberg Application (Manganese)
Bear Creek Claims and Black Bear Lode
Clallam County, Washington

Dear Mr. Selfridge:

Enclosed please find 3 copies of an application submitted by Mr. Victor Oberg, 711 East 6th Street, Port Angeles, Washington, for assistance to further explore some manganese ore exposures on the Olympic Peninsula, Washington. These claims are nearly thirteen miles due west from the Crescent Mine property, the only known producer of manganese of any consequence on the peninsula.

According to the State Bulletin, the subject property contains mainly bementite and neotocite as manganese minerals. Nevertheless the applicant states that recent shipments of ore from his property assayed from 41 to 62 percent manganese. As bementite and neotocite are generally considered to contain no more than 20 to 25 percent manganese, there must be some other important manganese mineral, possibly hausmannite, present on the property. Consequently it is believed a field examination is justified and one will be scheduled at the earliest possible time, but probably not until late August.

Yours very truly,

Willard P. Puffett

Willard P. Puffett
For: A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

cc: USBM (2)
Puffett

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

RECEIVED

JUL 30 1953

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

DEPARTMENT OF THE INTERIOR
RECEIVED
AUG 7 1953

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

Not to be filled in by applicant

Docket No. DMEA-3137
Metal or Mineral
Date Received 8/7/53
Estimated Cost
Participation (Government %)

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: Victor Oberg
711 East 6th Street
Port Angeles, Washington

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

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

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

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

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract Bear Creek No. 1, Bear Creek No. 2, and Black Bear lode, also known as Victory lode, all in Section 24, Township 30 North, Range 12, WWM, Clallam County, Washington.

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

(*c*) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise Owner as locator on government land

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

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

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

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

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

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

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

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

16—16551-1

See attached statement.

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

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

(*c*) The ~~work will start within~~ ---------- ~~days and be~~ exploration work already commenced and will be completed within 6 months from the date of an exploration project contract.

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

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

(*a*) *Independent contracts.*—(Note.—If the applicant does not intend to let any of the work to contractors, write "none" after this item. To the extent that the work is to be contracted, do not repeat the cost of the contract-work in subsequent items.) State the cost of any proposed independent contracts for the performance of all or any part of the work, expressed in terms of units of work (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved, etc.). No independent contracts

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

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

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

(*e*) *Rehabilitation and repairs.*—Furnish a detailed list showing the cost of any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and which will be devoted to the exploration project. None

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

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

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

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

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

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

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

Explain in detail on acompanying paper.

CERTIFICATION

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

Dated July 27, 1953

Victor Oberg
(Applicant)

By

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

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

Mr. Victor Oberg
711 East 6th Street
Port Angeles, Washington

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
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ATTACHED STATEMENT FOR DETAILED ANSWERS

1. (d) Hugh Govan, Route 2, Sequim, Washington.
E. R. Gehrke, Jr., Box 308, Port Angeles, Washington.

3. (f) Bear Creek No. 1--Volume 9, Mining Records, page 304, Auditor of Clallam County, Port Angeles, Washington; also as Instr. #275651.

Bear Creek No. 2--Volume 9, Mining Records, page 303, Auditor of Clallam County, Port Angeles, Washington; also as Instr. #275652

Victory lode--Volume 9, Mining Records, page 275, Auditor of Clallam County, Port Angeles, Washington.

4. (a) Access road has been built from nearest county road to site of mines; approximately 1½ miles in length; sum expended for construction of road, $6,000; approximately $3,000 further to be expended to complete road to Government specifications.

Mine sites have been stripped by removal of surface dirt to expose veins thus far found.

Bear Creek No. 1: About 10,000 yards of rock removed in area 300 feet long, 50 feet wide, 40 feet deep, exposing 4 veins of high grade manganese, one vein 3 feet wide, one 20 inches wide, and two veins each a foot wide, all in a radius of 200 feet.

Bear Creek No. 2: Prospecting done by open cut with bulldozer; half acre exposed to depth of 10 feet with float exposed and chunks of manganese discovered.

Victory: Open cut about 30 feet long, 20 feet wide, ore vein exposed 2 feet wide.

4. (b) Bear Creek No. 1--60 Tons of Manganese ore recently shipped to Port Dock, Port Angeles, Washington, officially assayed at 41 per cent to 62 per cent Manganese; considered high grade ore.

100 Tons of Manganese ore presently exposed at mine sites.

4. (c) The State of Washington, Department of Conservation and Development, Division of Mines and Mining Report of Investigations, No. 7, MANGANESE DEPOSITS OF THE OLYMPIC PENINSULA, WASHINGTON, printed by the state printer in 1945, describes the Victory mine geologically as follows:

"The Victory or Bear Creek deposit is in the NW¼SW¼ sec. 24 (30-12W). The deposit, which is principally bementite, includes considerable neotocite and lies between two flows of basaltic breccia. When uncovered by stripping, the exposed width was increased from 1 to more than 6 feet in width. No limestone occurs with the deposit, although a large body of it was found above and about 300 feet toward the west. The contact between the deposit and the enclosing breccia is very irregular, and in places the ore is "frozen" to the wall rock.

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"Some 25 or 30 exposures of manganiferous deposits are known within the Soleduck Burn, which is on the south slope of the ridge that faces the Soleduck River, between Mount Muller and Snider Peak. Those found up to the present time occur in a belt between 1,500 and 2,500 feet in altitude, but other deposits may be outside these elevations."

Bear Creek No. 1 and Bear Creek No. 2 substantially as described above with respect to Victory mine.

4. (d) Access road good, Distance to shipping, water and rail (Port Angeles, Washington) 46 miles, mostly by state highway.

Supply and residence points good.

4. (e) Large quantity of manpower, materials, supplies and equipment available at Port Angeles and general area market.

Water provided at mine site by stream. Electrical power approximately one mile distant; available but construction of line might be costly.

5. (b) No map available showing plan or cross sections; deemed not essential because operation will be conducted primarily by stripping surface.

5. (d) Applicant will supervise operations himself.

Experience: Assisted Stephen H. Green in investigating, prospecting, classifying, and describing for the State of Washington, Department of Conservation and Development, Division of Mines and Mining, the manganese deposits of the Olympic Peninsula (See Report of Investigation No. 7, Manganese Deposits Of The Olympic Peninsula, Washington, 1945); worked for last 7 years as independent logger, including operations in woods; Supervisor of Mines at present site last 5 months; experienced in operation of bulldozers, donkey engines, heavy equipment and earth moving equipment; foreman for Bloedel-Donovan Logging Company in constructing logging roads; prospected for minerals on Olympic Peninsula since 1926.

6. (b) Laborers: 4 laborers, $19.00 a day plus insurance, total $21.00 per day each.
1 bookkeeper, $300.00 per month.
1 Supervisor, $450.00 per month.

6. (c) hand shovels, axes, adzes, bucking saws, each 6 in number, 1 chain saw, 1 falling saw, water pumps, Pyrene guns, miscellaneous drills and sledge hammers, 1 rubber-tired wheel barrow.

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6. (d) D 8 Caterpillar, to be rented at $15.00 an hour.

Air Compressor, to be rented at $250.00 a month.

Applicant owns donkey engine and T D 6 Caterpillar tractor which he will rent to the partnership at the charges of $10.00 per day and $7.00 per hour respectively.

6. (f) Tool house to be constructed--$300.00

Watchman's cabin to be constructed and furnished--$1,000.00

6. (g) Repairs: Estimated at $20.00 per day in the event of breakage of major equipment.

Social Security and Unemployment contributions, medical aid, and industrial insurance, about $2.00 per day per man.

Payroll Tax 2.7 per cent.