Region I

Noted 10/17/60

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

SEP 7 1960

Mr. Lester McCullough
Route 2
Everson, Washington

Re: OME-6099 (Mercury)
McCullough and Eldred
Kidney Creek Claim
Whatcom County, Washington

Dear Mr. McCullough:

This is with reference to your application for Government assistance for exploration on the area noted above. Before we can complete the processing of the application, we will need additional information as to financial eligibility because it does not fully conform to the requirements of Item 1(a) of the application form.

Will you, therefore, reapply to the two banks for the exploration loan, providing them with a recent financial statement showing the assets and liabilities of the partnership (Lester McCullough and Leonard Eldred), and requesting them to advise you as to the terms and conditions upon which they might be willing to grant the loan in question.

Copies of your requests to the banks and their replies, including a copy of your financial statement, should then be forwarded to this office.

We will also need a map showing the boundaries of the property, the mineralized area, and the location and extent of the exploration work you propose to do, and a detailed estimate of the cost of the proposed shaft sinking and drifting.

We note you plan to furnish your share of the cost by means of your labor and materials. It has been our experience that this is not usually satisfactory. If a contract is granted, you must be prepared to finance the entire cost of at least the first two months' costs of the operation as the Government does not advance funds for the exploration work. The Operator submits a voucher at the end of the month in which the work is started and, ordinarily, from two to three weeks' time is required to process the voucher and reimburse the Operator for the Government's share of the accepted costs. Thereafter, monthly vouchers are submitted and processed on a continuing basis so, ultimately, you should have sufficient funds to pay your share of the total cost of the contract.

RECEIVED
SEP 12 1960
U. S. G. S.
SPOKANE, WASH.

The above is not to be construed as any assurance that the Government would pass favorably upon your application for assistance in an exploration project.

Sincerely yours,

George C. Selfridge

Acting Director