MME Form 9
Rev. Mar. 59

UNITED STATES
DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration

OFFICIAL DOCKET FILE

Contract No. 14-23- 2136 Docket No. MME- 6144

Application
- [ ] Denied
- [ ] Withdrawn

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

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

Folder No. 1:

Left Side

- [ ] Royalty Audits
- [ ] Certification of Discovery
- [ ] Closing Letter
- [ ] Cost Audits
- [ ] Termination Notice or Agreement
- [ ] Recision Notice
- [ ] Assignment of Contract
- [ ] Contract Amendments
- [x] Contract with all exhibits and annexes 12-26-61
- [x] Owner's Consent to Lien and Subordination Agreement
- [x] Application and Attachments

Right Side

- [ ] Project Summary (final)
- [ ] Work Completed Analysis (final)

All other material filed in chronological order including the following reports if checked:

- [ ] Field Team Semiannual Report for Certified Project
- [ ] Final Field Team Report (Tab)
- [ ] Operator's Final Report (Tab)
- [ ] Interim Field Team Reports
- [ ] Operator's monthly reports and all attachments
- [ ] On-site Exam. Report (Tab)
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Left Side

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

Right Side

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

Folders No. 2 : Maps (Use pocket folder or envelope)

Folders No. _____: Settlement Sheets

Folders No. _____: Drill Logs

Folders No. _____: Royalty Material

52615

Government's copy

RECEIVED

JAN 2 1962

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

JUN 8 1962
O.M.E.

MME Form 51
Feb. 1959

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

EXPLORATION CONTRACT
(Short Form)

Docket No.	Commodity	Contract No.	County	State
OME -6144	Copper	14-23-090- 2136	Okanogan	Washington

It is agreed DEC 26 1961 (Date), between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and

Paymaster Mines, Inc., a Washington corporation,

whose mailing address is P. O. Box 44, Pateros, Washington, hereinafter called the "Operator," as follows:

ARTICLE I. Authority and scope.--(a) This contract, entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before JUL 10 1962 (Date), and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within 12 months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the work is $ 64,910.00 The Government will contribute 50 percent of the total fixed unit costs of the work performed, not in excess of $ 32,455.00 in accordance with the provisions of Articles 4 and 5.

(c) Interest computation.--Simple interest computed annually at the rate of 6 ¼ percent shall accrue from the dates Federal funds are made available until the period specified for payment of royalty expires, or until the amount of Federal funds contributed is fully repaid with interest.

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

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

Interest of Lessor

(b) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above and (if the Operator does not hold the legal title) the Lien Agreement of any holder of the legal title of the land (lessor, seller, optionor, etc.) are attached as follows:

Lien or Subordination Agreement, dated June 28, 1961, executed by Holden-Campbell Mines, Inc.

(c) The Operator shall preserve and maintain his right, title, or interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. The Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a royalty on production and liens for the payment thereof. Two true copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 6 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

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

(b) Government may inspect.--The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract and production operations during the period that royalty is payable to the Government. The Operator shall provide the Government with all reasonable means of access for such inspections.

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

ARTICLE 5. Reports, accounts, audits.--(a) Operator's records.--The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine all pertinent books, documents, papers, and records of the Operator.

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

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

(2) Operator's Progress Report showing the number of units of the various types of work performed; and

(3) a narrative report of the work performed during the reporting period, including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground.

(Forms for reporting under (1) and (2) above will be provided by the Government.)

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

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

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

ARTICLE 6. Repayment by Operator.--(a) Certification.--If the Government considers that mineral or metal production from the land covered by the contract may be possible as a result of the exploration work, it shall so certify in writing to the Operator at any time not later than six months after a sufficient final report and final accounting (see Article 5) have been furnished.

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

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

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

(c) Payment of royalty.--(1) The Government's royalty shall be five percent of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrate, metal, or equivalent), at the point of delivery (the f.o.b. point); except, that charges of the buyer arising in the regular course of business and shown as deductions on the buyer's settlement sheets (such as treatment processes performed by the buyer, sampling and assaying to determine the value of the production sold, and freight payable by the buyer to a carrier (not the Operator)), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. No costs of the Operator are deductible in arriving at the "gross proceeds" as that term is here used.

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

(2) The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be.

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

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

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

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

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

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

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

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

(b) If the Government determines that the Operator is in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon:

(1) the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and

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

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

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

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

ARTICLE 8. Notices to be given by the Government may be delivered to the Operator or may be sent by certified mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 9. Officials not to benefit.--No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

See Article 14

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

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

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

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

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

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

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

ARTICLE 14. Changes and added provisions.--

The provisions of Section 301 of Executive Order No. 10925 of March 6, 1961, required to be included in every Government contract are by reference hereby and herein incorporated and made a part of this contract. A copy of said Executive Order is attached to this contract as Exhibit B.

Executed in quintuplicate the day and year first above written.

PAYMASTER MINES, INC.
(Operator)

By Paul Rogstad

Title President

THE UNITED STATES OF AMERICA

By George C. Selfridge

ACTING Director, Office of Minerals Exploration

Holt

Talbert

Selfridge

I, Herbert E. Pickering (Name), certify that I am the secretary of the corporation named as Operator herein; that Paul Rogstad (Name), who signed this contract on behalf of the Operator, was then President (Title) of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

[CORPORATE SEAL]

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

EXPLORATION CONTRACT
PAYMASTER MINES, INC.
OME-6144

ANNEX I

The land referred to in Article 2 of the contract and shown outlined in blue color on Figure 1, attached hereto and made a part hereof, consists of 14 unpatented lode mining claims, with all rights pertaining thereto, including extralateral rights, in secs. 2, 3, 10, and 11, T. 30 N., R. 22 E., Willamette Meridian, Squaw Creek Mining District, Okanogan County, Washington, which are recorded in the Office of the Recorder at Okanogan, Washington, as follows:

Claim Name	Recorded	
	Book	Page
Little George	8	105
Molly B	8	105
Jerry Leonard	8	119
Doris Barbara	8	120
Sunshine	8	130
Sunshine No. 2	8	129
Saddle	8	156
East Doris Barbara	8	149
Ace of Diamonds	8	155
I Just Live Here	8	161
Sleepy Hollow	7	470
Anxiety	8	191
East Sleepy Hollow	8	244
East Jerry Leonard	8	245

The Operator controls the land under the terms of a Mining Lease, dated January 19, 1959, from the owners, Holden-Campbell Mines, Inc., to Paul Rogstad and Associates, and a Mining Lease Transfer, dated January 26, 1959, from Paul Rogstad and Associates to Paymaster Mines, Inc.

A Lien or Subordination Agreement dated June 28, 1961, executed by Holden-Campbell Mines, Inc., is attached to and made part of this contract.

MME Form 52
June, 1961

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

FOR GOVERNMENT USE ONLY
Operator Paymaster Mines, Inc.
Docket No. OME – 6144
Contract No. 14-23-090 –
Contract Date

LIEN OR SUBORDINATION AGREEMENT 1/

To the United States of America:

That certain land in the County of Okanogan, State of Washington,

described as follows: 2/ Fourteen (14) unpatented lode mining claims, Little George, Molly B, Jerry Leonard, Doris Barbara, Sunshine, Sunshine No. 2, Saddle, East Doris Barbara, Ace of Diamonds, I Just Live Here, Sleepy Hollow, Anxiety, East Sleepy Hollow, and East Jerry Leonard, part of the "Holden Campbell Property," in secs. 2, 3, 10, and 11, T. 30 N., R. 22 E., Willamette Meridian, Squaw Creek Mining District, Okanogan County, Washington.

hereinafter called the "land", is the subject of a proposed exploration contract, hereinafter called the "Contract", between the United States of America, hereinafter called the "Government" and

Paymaster Mines, Inc. 3/

hereinafter called the "Operator", In consideration for and as an inducement to the Government executing the Contract, the undersigned Holden-Campbell Mines, Inc.:

1. (a) Being the owner of an interest in the land, hereby grants to the Government a lien upon all of his right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of the royalty on production provided for by the Contract, and agrees if the Operator's interest should be surrendered or terminated at any time prior to the expiration of the rights of the United States under said Contract to pay royalty to the Government according to the terms of said Contract; or

(b) Being the holder of a claim, lien, or encumbrance against the land, hereby subordinates his claim, lien, or encumbrance in or against the land and in any production therefrom to the rights of the Government under the Contract with respect to royalty on production and liens to secure same. 4/

2. Undertakes and agrees that property in which the Government may acquire an interest or equity under the Contract may be dismantled, severed from the land, and removed as may be provided in the Contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned.

3. Represents and undertakes that there is no claim, lien, or encumbrance upon the undersigned's right, title, claim, or interest in or against the land other than the following: (If "none" insert the word "none". Do not leave blank.)

None

1/ Production from the land is not required, and in the absence of production there is no obligation to pay royalty to the Government.

2/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease /or contract, deed, or other document/ dated _____, and recorded in Book_____, Page____, official records of said county". If (b) is used, the book and page of recordation must be inserted above. If the space provided is insufficient, use an Annex and refer to the Annex in the space.

3/ Insert name exactly as it appears in the Application MME Form 40.

4/ Subparagraph 1(a) does not apply to the holder of a claim, lien, or encumbrance.

4. Undertakes and agrees (a) neither to commit any act nor assert any claim in conflict with the provisions of this Agreement; and (b) to give advance notice of the Government's rights under this agreement to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, claim, or interest in or against the land or any production therefrom, furnishing the Government with two true copies of such notice; and

5. Consents to all amendments (including an agreement of termination) and assignments of the Contract without notice thereof, and undertakes and agrees that this agreement shall extend and apply thereto.

6. Added provisions None (State "None" or "See Annex No.____".)

Dated this 28th day of June, 19 61.

HOLDEN-CAMPBELL MINES, INC.	(Seal)	Chelan, Washington	(Street) (City & State)
By W. C. Kier President W. C. KIER	(Seal)		(Street) (City & State)
Title J. L. Holden Vice-President J. L. Holden	(Seal)		(Street) (City & State)
Thelma Lee Kier Secretary-Treasurer Thelma Lee Kier	(Seal)		(Street) (City & State)
	(Seal)		(Street) (City & State)
	(Seal)		(Street) (City & State)

I, Thelma Lee Kier (Name), certify that I am the Secretary-Treasurer (Title—Secretary, etc.) of the corporation named herein; that W. C. Kier & J. L. Holden (Name) who signed this agreement were ~~was~~ then President & Vice-Pres. (Title—Pres., Vice-Pres., etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

Thelma Lee Kier
Thelma Lee Kier (Corporate Seal)

EXPLORATION CONTRACT
PAYMASTER MINES, INC.
OME-6144

EXHIBIT A

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

Figure 1. Paymaster Mines, Inc. Sketch Showing Very Approximate Location of Mining Claims. Squaw Creek Mining District, Okanogan County, Washington.

Figure 2. Plan and Section showing existing, proposed and recommended workings, Hunter Vein, Paymaster Mines, Incorporated, Okanogan County, Washington.

The purpose of the project is to explore for ores of copper by means of bulldozer trenching on the surface, and shaft sinking, drifting and crosscutting, and long-hole drilling in the Holden-Campbell group of claims. The work shall be performed in three stages. All of Stage I work shall be done as outlined herein and as much of Stages II and III work as may be approved in advance by the Government. Stage II work shall be contingent upon favorable results having been obtained under Stage I, and Stage III work shall be contingent upon favorable results having been obtained under Stage II, and neither Stage II nor Stage III work shall be undertaken without prior approval of the Government.

General Conditions

The shaft shall be timbered as necessary, using standard shaft sets. It shall be divided into two compartments and be of a size of not less than 7 feet by 10 feet in the clear of timber comprising a 4' by 5' skip compartment and a 3' by 5' manway compartment. The shaft sets shall be of not less than 8-inch by 8-inch timber, or the equivalent in round timber.

Drifts and crosscuts shall be timbered as necessary, using standard drift sets consisting of not less than 8-inch by 8-inch timber, or the equivalent in round timber. Drifts and crosscuts shall be not less than 5 feet wide and 7 feet high in the clear of timber.

All significantly mineralized sections encountered in the crosscutting and drifting shall be sampled normal to their trends, and the samples assayed for copper, and for silver and/or tungsten as seems

desirable. Drifts in significantly mineralized areas shall be sampled at linear intervals of not more than 10 feet. All samples to be sent for assay shall first be split and one-half be made available to the Government. Sludge samples shall be taken of the long-hole drill cuttings that show significant mineralization. Such samples shall represent not more than a 5-foot length of drill hole. Sample results and locations shall be accurately shown on monthly progress maps provided to the Government.

Mine rails shall be of not less than 20-lb. size, air lines of not less than 2-inch size in drifts and crosscuts, and water lines of not less than 1-inch size. Ventilation lines shall be of not less than 10-inch size.

No shaft sinking, crosscutting, or drifting shall be done at locations less than 100 feet from property boundaries.

The bulldozer used for the excavation of trenches and preparation of access road and shaft site shall be not less than D-6 size or similar size of other make.

The Operator shall provide such supervisory and technical services as may be required to complete the work in a satisfactory manner.

Description of the Work

The approximate location and the extent of the work are shown in red color on Figure 2 heretofore mentioned.

Stage I

Bulldoze one trench at the approximate position shown in red color on Figure 2 for the purpose of exposing the outcrop of the vein. If overburden is removed to bedrock and the vein is not found, no further work will be authorized.

Stage II

Bulldoze an access road from the existing road to the shaft site, approximately located as shown in red color on Figure 1, and level off a shaft site located about 260 feet westerly from the upper edge of the lower tunnel dump.

Construct an 8' x 10' compressor-power house building, shed-type, one side wall 10' high, the other side wall 8' high, of wood frame, with rafters and studding, 1" x 12" and 3" bats as siding and ship-lap 90-lb. felt roofing, built on 6" x 6" sills, with one window vent, and with a concrete slab for a generator base.

Construct a 12' x 14' shed-type hoist and change room building, one side wall 8' high, and the other side wall 12' high, of wood frame, with studding and rafters, 1" x 12" and 3" bats for siding and ship-lap, 90-lb felt roofing, built on 6" x 6" sills, with one 3' x 4' window in front of hoist, and a 1' x 6' x 6' concrete slab for a hoist base.

Construct a wooden headframe, 25' 4" high by 6' 4" by 5' 4" outside dimensions, posts and two supporting braces 8" x 8" x 24' timber, other braces of 6" x 8" timber, on 10" x 10" x 26' sills, 18" pulley and shaft.

Sink a vertical two-compartment shaft, size 7' x 10' in the clear of timber, comprising a 4' x 5' hoisting compartment and a 3' x 5' manway compartment, to the approximate depth of 170 feet. At a depth of approximately 150 feet crosscut south to the Hunter vein and drift easterly along the vein zone a combined total of not to exceed 500 feet. At intervals of approximately 100 feet, drill long holes, each about 10 feet deep, into each wall of the drift.

Stage III

If the results of Stage II work justify further exploration, extend the drift not to exceed 600 feet easterly along the mineralized vein zone, continuing to drill long holes, each approximately 10 feet deep, into each wall of the drift at approximately 100-foot intervals.

Estimated Costs of the Project

Fixed Unit Costs

Stage I

Bulldozer trenching across vein, 12 hours @ $14.00/hr.	$ 168.00	
Total Stage I		$ 168.00

Stage II

Bulldozing to construct access road and prepare shaft site, 16 hours @ $14.00/hr.	$ 224.00	
Constructing compressor house-power plant building, job	317.00	
Constructing hoist house-change room building, job	438.00	
Constructing wooden headframe, job	625.00	
Sinking 7' x 10' two-compartment shaft, 170 feet @ $78.00/ft.	13,260.00	

Stage II (continued)

Timbering shaft, 150 feet @ $15.00/ft.	$ 2,250.00	
Crosscutting and drifting, 500 feet @ $41.00/ft.	20,500.00	
Timbering crosscut and drift, 100 feet @ $8.50/ft.	850.00	
Assaying:		
50 determinations for copper @ $1.50/each	75.00	
50 determinations for silver @ $1.50/each	75.00	
25 determinations for tungsten @ $5.00/each	125.00	
Long-hole drilling, 100 feet @ $1.00/ft.	100.00	
Total Stage II		$38,839.00

Stage III

Drifting, 600 feet @ $41.00/ft.	$24,600.00	
Timbering, drift, 100 feet @ $8.50/ft.	850.00	
Long-hole drilling, 123 feet @ $1.00/ft.	123.00	
Assaying:		
60 determinations for copper @ $1.50 each	90.00	
60 determinations for silver @ $1.50/each	90.00	
30 determinations for tungsten @ $5.00/each	150.00	
Total Stage III		$25,903.00
Estimated Total Cost of the Project		$64,910.00
Government Participation @ 50%		$32,455.00

Presidential Documents

Title 3—THE PRESIDENT

Executive Order 10925

ESTABLISHING THE PRESIDENT'S COMMITTEE ON EQUAL EMPLOYMENT OPPORTUNITY

WHEREAS discrimination because of race, creed, color, or national origin is contrary to the Constitutional principles and policies of the United States; and

WHEREAS it is the plain and positive obligation of the United States Government to promote and ensure equal opportunity for all qualified persons, without regard to race, creed, color, or national origin, employed or seeking employment with the Federal Government and on government contracts; and

WHEREAS it is the policy of the executive branch of the Government to encourage by positive measures equal opportunity for all qualified persons within the Government; and

WHEREAS it is in the general interest and welfare of the United States to promote its economy, security, and national defense through the most efficient and effective utilization of all available manpower; and

WHEREAS a review and analysis of existing Executive orders, practices, and government agency procedures relating to government employment and compliance with existing non-discrimination contract provisions reveal an urgent need for expansion and strengthening of efforts to promote full equality of employment opportunity; and

WHEREAS a single governmental committee should be charged with responsibility for accomplishing these objectives:

NOW, THEREFORE, by virtue of the authority vested in me as President of the United States by the Constitution and statutes of the United States, it is ordered as follows:

PART I—ESTABLISHMENT OF THE PRESIDENT'S COMMITTEE ON EQUAL EMPLOYMENT OPPORTUNITY

SECTION 101. There is hereby established the President's Committee on Equal Employment Opportunity.

SEC. 102. The Committee shall be composed as follows:

(a) The Vice President of the United States, who is hereby designated Chairman of the Committee and who shall preside at meetings of the Committee.

(b) The Secretary of Labor, who is hereby designated Vice Chairman of the Committee and who shall act as Chairman in the absence of the Chairman. The Vice Chairman shall have general supervision and direction of the work of the Committee and of the execution and implementation of the policies and purposes of this order.

(c) The Chairman of the Atomic Energy Commission, the Secretary of Commerce, the Attorney General, the Secretary of Defense, the Secretaries of the Army, Navy and Air Force, the Administrator of General Services, the Chairman of the Civil Service Commission, and the Administrator of the National Aeronautics and Space Administration. Each such member may designate an alternate to represent him in his absence.

(d) Such other members as the President may from time to time appoint.

(e) An Executive Vice Chairman, designated by the President, who shall be *ex officio* a member of the Committee. The Executive Vice Chairman shall assist the Chairman, the Vice Chairman and the Committee. Between meetings of the Committee he shall be primarily responsible for carrying out the functions of the Committee and may act for the Committee pursuant to its rules, delegations, and other directives. Final action in individual cases or classes of cases may be taken and final orders may be entered on behalf of the Committee by the Executive Vice Chairman when the Committee so authorizes.

SEC. 103. The Committee shall meet upon the call of the Chairman and at such other times as may be provided by its rules and regulations. It shall (a) consider and adopt rules and regulations to govern its proceedings; (b) provide generally for the procedures and policies to implement this order; (c) consider reports as to progress under this order; (d) consider and act, where necessary or appropriate, upon matters which may be presented to it by any of its members; and (e) make such reports to the President as he may require or the Committee shall deem appropriate. Such reports shall be made at least once annually and shall include specific references to the actions taken and results achieved by each department and agency. The Chairman may appoint sub-committees to make special studies on a continuing basis.

PART II—NONDISCRIMINATION IN GOVERNMENT EMPLOYMENT

SECTION 201. The President's Committee on Equal Employment Opportunity established by this order is directed immediately to scrutinize and study employment practices of the Government of the United States, and to consider and recommend additional affirmative steps which should be taken by executive departments and agencies to realize more fully the national policy of nondiscrimination within the executive branch of the Government.

SEC. 202. All executive departments and agencies are directed to initiate forthwith studies of current government employment practices within their responsibility. The studies shall be in such form as the Committee may prescribe and shall include statistics on current employment patterns, a review of current procedures, and the recommendation of positive measures for the elimination of any discrimination, direct or indirect, which now exists. Reports and recommendations shall be submitted to the Executive Vice Chairman of the Committee no later than sixty days from the effective date of this order, and the Committee, after considering such reports and recommedations, shall report to the President on the current situation and recommend positive measures to accomplish the objectives of this order.

SEC. 203. The policy expressed in Executive Order No. 10590 of January 18, 1955 (20 F.R. 409), with respect to the exclusion and prohibition of discrimination against any employee or applicant for employment in the Federal Government because of race, color, religion, or national origin is hereby reaffirmed.

SEC. 204. The President's Committee on Government Employment Policy, established by Executive Order No. 10590 of January 18, 1955 (20 F.R. 409), as amended by Executive Order No. 10722 of August 5, 1957 (22 F.R. 6287), is hereby abolished, and the powers, functions, and duties of that Committee are hereby transferred to, and henceforth shall be vested in, and exercised by, the President's Committee on Equal Employment Opportunity in addition to the powers conferred by this order.

PART III—OBLIGATIONS OF GOVERNMENT CONTRACTORS AND SUBCONTRACTORS

SUBPART A—CONTRACTORS' AGREEMENTS

SECTION 301. Except in contracts exempted in accordance with section 303 of this order, all government contracting agencies shall include in every government contract hereafter entered into the following provisions:

"In connection with the performance of work under this contract, the contractor agrees as follows:

"(1) The contractor will not discriminate against any employee or applicant for employment because of race, creed, color, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, color, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.

"(2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor,

state that all qualified applicants will receive consideration for employment without regard to race, creed, color, or national origin.

"(3) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the said labor union or workers' representative of the contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

"(4) The contractor will comply with all provisions of Executive Order No. 10925 of March 6, 1961, and of the rules, regulations, and relevant orders of the President's Committee on Equal Employment Opportunity created thereby.

"(5) The contractor will furnish all information and reports required by Executive Order No. 10925 of March 6, 1961, and by the rules, regulations, and orders of the said Committee, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Committee for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

"(6) In the event of the contractor's non-compliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be cancelled in whole or in part and the contractor may be declared ineligible for further government contracts in accordance with procedures authorized in Executive Order No. 10925 of March 6, 1961, and such other sanctions may be imposed and remedies invoked as provided in the said Executive order or by rule, regulation, or order of the President's Committee on Equal Employment Opportunity, or as otherwise provided by law.

"(7) The contractor will include the provisions of the foregoing paragraphs (1) through (6) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the President's Committee on Equal Employment Opportunity issued pursuant to section 303 of Executive Order No. 10925 of March 6, 1961, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions, including sanctions for non-compliance: *Provided, however*, that in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States."

SEC. 302. (a) Each contractor having a contract containing the provisions prescribed in section 301 shall file, and shall cause each of its subcontractors to file, Compliance Reports with the contracting agency, which will be subject to review by the Committee upon its request. Compliance Reports shall be filed within such times and shall contain such information as to the practices, policies, programs, and employment statistics of the contractor and each subcontractor, and shall be in such form, as the Committee may prescribe.

(b) Bidders or prospective contractors or subcontractors may be required to state whether they have participated in any previous contract subject to the provisions of this order, and in that event to submit, on behalf of themselves and their proposed subcontractors, Compliance Reports prior to or as an initial part of their bid or negotiation of a contract.

(c) Whenever the contractor or subcontractor has a collective bargaining agreement or other contract or understanding with a labor union or other representative of workers, the Compliance Report shall include such information as to the labor union's or other representative's practices and policies affecting compliance as the Committee may prescribe: *Provided*, that to the extent such information is within the exclusive possession of a labor union or other workers' representative and the labor union or representative shall refuse to furnish such information to the contractor, the contractor shall so certify to the contracting agency as part of its Compliance Report and shall set forth what efforts he has made to obtain such information.

(d) The Committee may direct that any bidder or prospective contractor or subcontractor shall submit, as part of his Compliance Report, a statement in writing, signed by an authorized officer or agent of any labor union or other workers' representative with which the bidder or prospective contractor deals, together with supporting information, to the effect that the said labor union's or representative's practices and policies do not discriminate on the grounds of race, color, creed, or national origin, and that the labor union or representative either will affirmatively cooperate, within the limits of his legal and contractual authority, in the implementation of the policy and provisions of this order or that it consents and agrees that recruitment, employment, and the terms and conditions of employment under the proposed contract shall be in accordance with the purposes and provisions of the order. In the event that the union or representative shall refuse to execute such a statement, the Compliance Report shall so certify and set forth what efforts have been made to secure such a statement.

SEC. 303. The Committee may, when it deems that special circumstances in the national interest so require, exempt a contracting agency from the requirement of including the provisions of section 301 of this order in any specific contract, subcontract, or purchase order. The Committee may, by rule or regulation, also exempt certain classes of contracts, subcontracts, or purchase orders (a) where work is to be or has been performed outside the United States and no recruitment of workers within the limits of the United States is involved; (b) for standard commercial supplies or raw materials; or (c) involving less than specified amounts of money or specified numbers of workers.

SUBPART B—LABOR UNIONS AND REPRESENTATIVES OF WORKERS

SEC. 304. The Committee shall use its best efforts, directly and through contracting agencies, contractors, state and local officials and public and private agencies, and all other available instrumentalities, to cause any labor union, recruiting agency or other representative of workers who is or may be engaged in work under government contracts to cooperate with, and to comply in the implementation of, the purposes of this order.

SEC. 305. The Committee may, to effectuate the purposes of section 304 of this order, hold hearings, public or private, with respect to the practices and policies of any such labor organization. It shall from time to time submit special reports to the President concerning discriminatory practices and policies of any such labor organization, and may recommend remedial action if, in its judgment, such action is necessary or appropriate. It may also notify any Federal, state, or local agency of its conclusions and recommendations with respect to any such labor organization which in its judgment has failed to cooperate with the Committee, contracting agencies, contractors, or subcontractors in carrying out the purposes of this order.

SUBPART C—POWERS AND DUTIES OF THE PRESIDENT'S COMMITTEE ON EQUAL EMPLOYMENT OPPORTUNITY AND OF CONTRACTING AGENCIES

SEC. 306. The Committee shall adopt such rules and regulations and issue such orders as it deems necessary and appropriate to achieve the purposes of this order, including the purposes of Part II hereof relating to discrimination in government employment.

SEC. 307. Each contracting agency shall be primarily responsible for obtaining compliance with the rules, regulations, and orders of the Committee with respect to contracts entered into by such agency or its contractors, or affecting its own employment practices. All contracting agencies shall comply with the Committee's rules in discharging their primary responsibility for securing compliance with the provisions of contracts and otherwise with the terms of this Executive order and of the rules, regulations, and orders of the Committee pursuant hereto. They are directed to cooperate with the Committee, and to furnish the Committee such information and assistance as it may require in the performance of its functions under this order. They are further directed to appoint or designate, from among the agency's personnel, compliance officers. It shall be the duty of such officers to seek compliance with the objectives of this order by conference, conciliation, mediation, or persuasion.

SEC. 308. The Committee is authorized to delegate to any officer, agency, or employee in the executive branch of the

Government any function of the Committee under this order, except the authority to promulgate rules and regulations of a general nature.

SEC. 309. (a) The Committee may itself investigate the employment practices of any government contractor or subcontractor, or initiate such investigation by the appropriate contracting agency or through the Secretary of Labor, to determine whether or not the contractual provisions specified in section 301 of this order have been violated. Such investigation shall be conducted in accordance with the procedures established by the Commitee, and the investigating agency shall report to the Committee any action taken or recommended.

(b) The Committee may receive and cause to be investigated complaints by employees or prospective employees of a government contractor or subcontractor which allege discrimination contrary to the contractual provisions specified in section 301 of this Order. The appropriate contracting agency or the Secretary of Labor, as the case may be, shall report to the Committee what action has been taken or is recommended with regard to such complaints.

SEC. 310. (a) The Committee, or any agency or officer of the United States designated by rule, regulation, or order of the Committee, may hold such hearings, public or private, as the Committee may deem advisable for compliance, enforcement, or educational purposes.

(b) The Committee may hold, or cause to be held, hearings in accordance with subsection (a) of this section prior to imposing, ordering, or recommending the imposition of penalties and sanctions under this order, except that no order for debarment of any contractor from further government contracts shall be made without a hearing.

SEC. 311. The Committee shall encourage the furtherance of an educational program by employer, labor, civic, educational, religious, and other nongovernmental groups in order to eliminate or reduce the basic causes of discrimination in employment on the ground of race, creed, color, or national origin.

SUBPART D—SANCTIONS AND PENALTIES

SEC. 312. In accordance with such rules, regulations or orders as the Committee may issue or adopt, the Committee or the appropriate contracting agency may:

(a) Publish, or cause to be published, the names of contractors or unions which it has concluded have complied or have failed to comply with the provisions of this order or of the rules, regulations, and orders of the Committee.

(b) Recommend to the Department of Justice that, in cases where there is substantial or material violation or the threat of substantial or material violation of the contractual provisions set forth in section 301 of this order, appropriate proceedings be brought to enforce those provisions, including the enjoining, within the limitations of applicable law, of organizations, individuals or groups who prevent directly or indirectly, or seek to prevent directly or indirectly, compliance with the aforesaid provisions.

(c) Recommend to the Department of Justice that criminal proceedings be brought for the furnishing of false information to any contracting agency or to the Committee as the case may be.

(d) Terminate, or cause to be terminated, any contract, or any portion or portions thereof, for failure of the contractor or subcontractor to comply with the nondiscrimination provisions of the contract. Contracts may be terminated absolutely or continuance of contracts may be conditioned upon a program for future compliance approved by the contracting agency.

(e) Provide that any contracting agency shall refrain from entering into further contracts, or extensions or other modifications of existing contracts, with any non-complying contractor, until such contractor has satisfied the Committee that he has established and will carry out personnel and employment policies in compliance with the provisions of this order.

(f) Under rules and regulations prescribed by the committee, each contracting agency shall make reasonable efforts within a reasonable time limitation to secure compliance with the contract provisions of this order by methods of conference, conciliation, mediation, and persuasion before proceedings shall be instituted under paragraph (b) of this section, or before a contract shall be terminated in whole or in part under paragraph (d) of this section for failure of a contractor or subcontractor to comply with the contract provisions of this order.

SEC. 313. Any contracting agency taking any action authorized by this section, whether on its own motion, or as directed by the Committee, or under the Committee's rules and regulations, shall promptly notify the Committee of such action or reasons for not acting. Where the Committee itself makes a determination under this section, it shall promptly notify the appropriate contracting agency of the action recommended. The agency shall take such action and shall report the results thereof to the Committee within such time as the Committee shall provide.

SEC. 314. If the Committee shall so direct, contracting agencies shall not enter into contracts with any bidder or prospective contractor unless the bidder or prospective contractor has satisfactorily complied with the provisions of this order or submits a program for compliance acceptable to the Committee or, if the Committee so authorizes, to the contracting agency.

SEC. 315. Whenever a contracting agency terminates a contract, or whenever a contractor has been debarred from further government contracts, because of noncompliance with the contractor provisions with regard to nondiscrimination, the Committee, or the contracting agency involved, shall promptly notify the Comptroller General of the United States.

SUBPART E—CERTIFICATES OF MERIT

SEC. 316. The Committee may provide for issuance of a United States Government Certificate of Merit to employers or employee organizations which are or may hereafter be engaged in work under government contracts, if the Committee is satisfied that the personnel and employment practices of the employer, or that the personnel, training, apprenticeship, membership, grievance and representation, upgrading and other practices and policies of the employee organization, conform to the purposes and provisions of this order.

SEC. 317. Any Certificate of Merit may at any time be suspended or revoked by the Committee if the holder thereof, in the judgment of the Committee, has failed to comply with the provisions of this order.

SEC. 318. The Committee may provide for the exemption of any employer or employee organization from any requirement for furnishing information as to compliance if such employer or employee organization has been awarded a Certificate of Merit which has not been suspended or revoked.

PART IV—MISCELLANEOUS

SECTION 401. Each contracting agency (except the Department of Justice) shall defray such necessary expenses of the Committee as may be authorized by law, including section 214 of the Act of May 3, 1945, 59 Stat. 134 (31 U.S.C. 691): *Provided*, that no agency shall supply more than fifty per cent of the funds necessary to carry out the purposes of this order. The Department of Labor shall provide necessary space and facilities for the Committee. In the case of the Department of Justice, the contribution shall be limited to furnishing legal services.

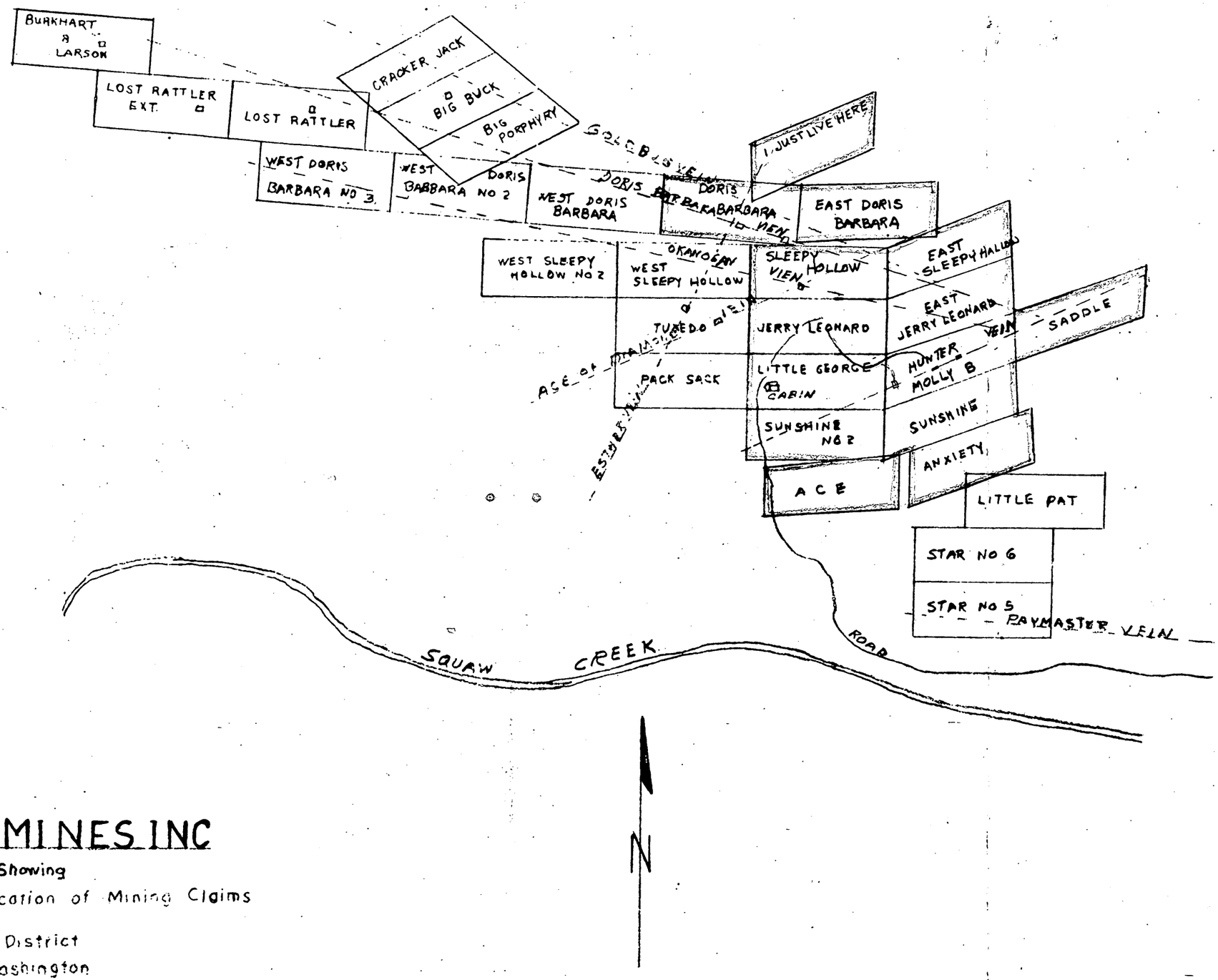
SEC. 402. This order shall become effective thirty days after its execution. The General Services Administration shall take appropriate action to revise the standard Government contract forms to accord with the provisions of this order and of the rules and regulations of the Committee.

SEC. 403. Executive Order No. 10479 of August 13, 1953 (18 F.R. 4899), together with Executive Orders Nos. 10482 of August 15, 1953 (18 F.R. 4944), and 10733 of October 10, 1957 (22 F.R. 8135), amending that order, and Executive Order No. 10557 of September 3, 1954 (19 F.R. 5655), are hereby revoked, and the Government Contract Committee established by Executive Order No. 10479 is abolished. All records and property of or in the custody of the said Committee are hereby transferred to the President's Committee on Equal Employment Opportunity, which shall wind up the outstanding affairs of the Government Contract Committee.

JOHN F. KENNEDY

THE WHITE HOUSE,
March 6, 1961.

[F.R. Doc. 61-2093; Filed, Mar. 7, 1961; 10:06 a.m.] 90048



PAYMASTER MINES INC

Sketch Showing

Very Approximate Location of Mining Claims

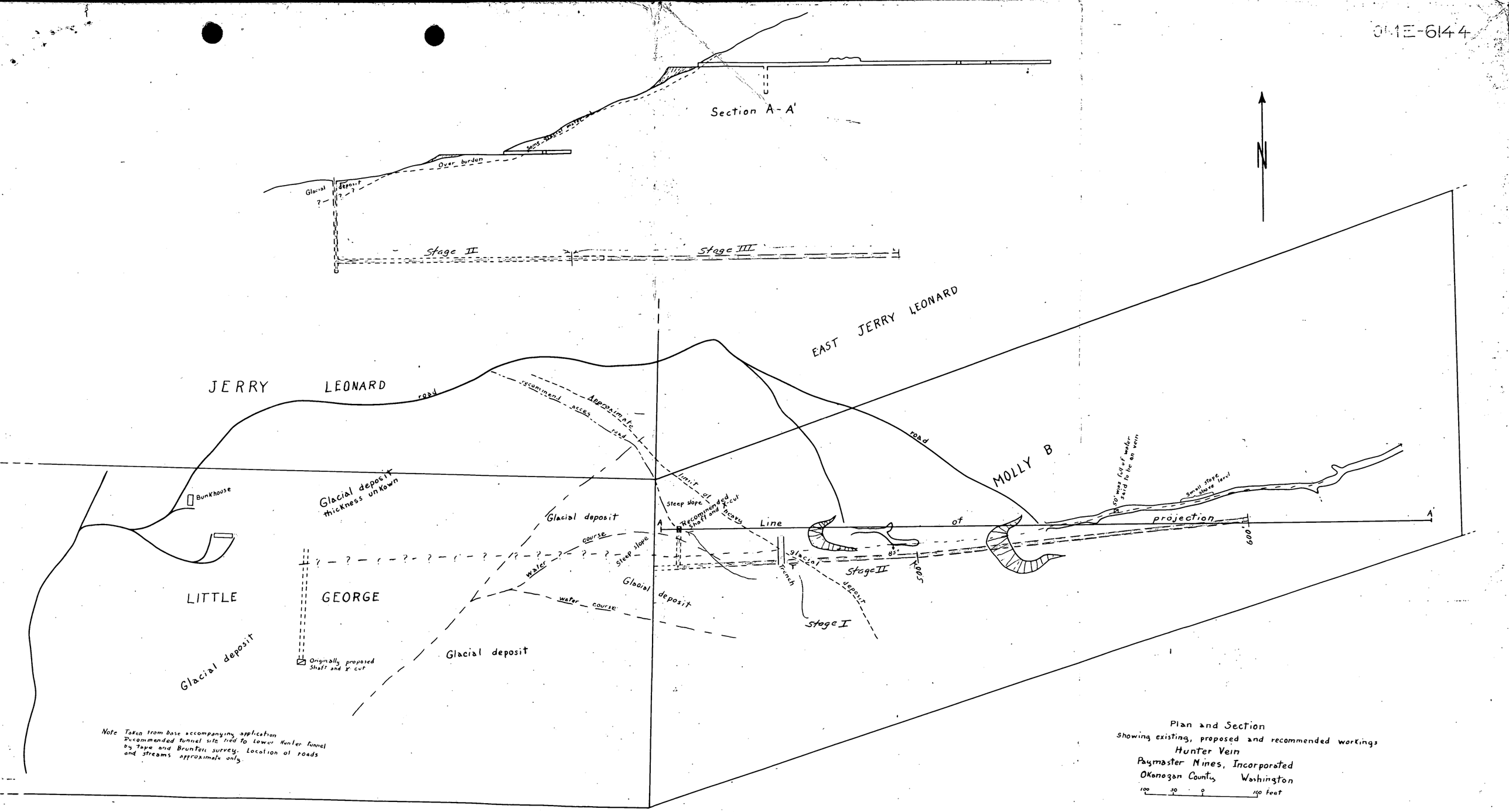
Squaw Creek Mining District

Okanogan County, Washington

Scale 1" = 1200'

Figure 1

OME-6144



September 1961

Fig. 2

Paymaster Mines, Inc.

Box 44
PATERSON, WASHINGTON

OFFICIAL FILE COPY
O. M. E
RECEIVED JUL 20 1961

DATE	INITIALS	CODE

July 17, 1961

Mr. Don MacLaren
Office of Minerals Exploration
Department of the Interior
South 157th Howard Street
Spokane, Washington

Subject: O.M.E. Application.

Dear Mr. MacLaren:

Enclosed is our application for mineral exploration loan in four (4) copies.

Prior to conducting preliminary inspection of our property, (if required) please notify us at least one week in advance.

Any additional information required will be supplied upon request.

Very truly yours,

PAYMASTER MINES, INC.

/s/ Paul Rogstad

Paul Rogstad
President

JUL 18 1961

PR/jk
encl.

MME Form 40
Dec. 1958

RECEIVED
JUL 18 1961
U.S. ...
SPOKANE, ...

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

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

APPLICATION FOR FINANCIAL ASSISTANCE IN MINERALS EXPLORATION

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

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

PAYMASTER MINES, INC.

P. O. Box 44

Pateros, Washington

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER: OME-6144

DATE RECEIVED: 7-20-61

REGION: I

DIVISION CODE: 500

BUSINESS ORGANIZATION *(Check one)*

- INDIVIDUAL [ ]
- CORPORATION [XX]
- PARTNERSHIP [ ]
- OTHER *(Specify)* [ ]

STATE IN WHICH FIRM IS ORGANIZED: Washington

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE
Paul Rogstad	Box 44, Pateros, Washington	President
Harvey Rolen	Box 44, Pateros, Washington	Vice-President
Herb Pickering	Box 44, Pateros, Washington	Sec.-Treasurer

MINERAL(S) FOR WHICH YOU WISH TO EXPLORE: Tungsten & Copper

ESTIMATED COST OF PROJECT: $ 43,196.11

PROPERTY NAME / LOCATION (COUNTY, STATE): PAYMASTER MINES, INC., Okanogan, Washington

GENERAL INSTRUCTIONS

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

CERTIFICATION

The undersigned, whether as an individual, corporate officer, partner, or otherwise, both in his own behalf and acting for the applicant, certifies that the information set forth in this form and accompanying papers is correct and complete, to the best of his knowledge and belief, and that he would not ordinarily undertake the proposed exploration under current conditions and circumstances at his sole expense.

July 17, 1961
DATED

Paul Rogstad
By *(Signature)*

President
TITLE

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

INFORMATION REQUIRED WITH THIS APPLICATION

1. Financial Eligibility:

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

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

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

2. Applicant's Rights in Land:

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

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

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

3. Physical Description:

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

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

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

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

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

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

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

4. Accessibility of Property:

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

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

5. Exploration Work:

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

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

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

6. Experience:

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

7. Estimate of Costs:

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

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

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

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

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

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

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

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

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

MME FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERAL EXPLORATION

TO:	DATE	INITIALS
1. Chief, Div. of Field Operations		
Re: Transmittal of Application (W and Cu)		
2. Paymaster Mines, Inc.		
Paymaster Mines, Inc. Property		
3. Formerly: Holden-Campbell Property		
Okanogan County, Washington		
4. MLS		
Mary L. Smelser		
5. For: D. R. MacLaren		
FROM: Acting Field Officer, Region I		

FOR: Check items for action desired

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

REMARKS:

Due to Mr. MacLaren's absence from the office I am forwarding to you the above-referenced application for review.

1. FINANCIAL ELIGIBILITY:

(a) 1.0 Evidence of efforts made within the last 90 days to obtain credit from our bank and one other source - See Exhibit 1.(a)1.0

(b) 1.0 None

(c) 1.0 We propose to furnish our share of the cost of the exploration work by supplying labor, material and supporting equipment.

2. APPLICANT'S RIGHTS IN LAND:

(a) 1.0 PAYMASTER MINES, INC., leases this property from the Holden-Campbell Mining Company, Inc., for a fifty (50) year period from 1958. 1959

1.1 See Mining Lease and Mining Lease Transfer, Exhibit 2.(a)1.1.

1.2 There are no liens, mortgages or other encumbrances on the property other than royalty payments to the Holden-Campbell Mining Company, Inc., based upon smelter returns as fully explained in the Mining Lease.

(b) 1.0 The Exploration Project for which this application is made would be carried out on the "Hunter Vein", on one of the thirty (30) claims, known as the "Little George", which lies in Section 10, Township 30, Range 22. The thirty (30) unpatented claims, all contiguous, known as the "Holden-Campbell Property" and held by right of claim, lay in Sections 9, 10, 11, 14 and on the southern edge of 2 and 3 in Township 30, Range 22 of Okanogan County, State of Washington. See Exhibit 2. (b)1.0 for List of Claims.

1.1 All thirty (30) claims will be subject to Government lien and royalties.

1.2 Land consists of unpatented claims. See Exhibit 2.(b)1.0 for place of offical recording, including book, page number and amendments.

1.3 Previous to January 19, 1959, at the time of incorporation of PAYMASTER MINES, INC., the property had been known as the Holden-Campbell Property. Since that time to date the property has been known as PAYMASTER MINES, INC.

(c) 1.0 See enclosed five (5) copies of Lien and Subordination Agreement on MME Form 52 - Exhibit 2(c)1.0.

3. PHYSICAL DESCRIPTION:

(a) 1.0 THE HUNTER VEIN, at a 3,000' elevation, on which lies the Hunter Tunnel No. 2, has been tunneled to approximately 825' from the portal. 500' of the tunneling has been on the vein, at which point the vein faulted. From here, it has been tunneled 325' on a Talc seam and small stringer. At 475', a cross cut was driven to the south 20' and the vein has been picked up again. A 50' shaft has been sunk at 125' from portal on the vein. At present, a stope has been started 240' to 300' from the portal. See Exhibit 3(a)1.0.

The Hunter Tunnel No. 3, at 2,840' elevation, has been driven in 180'. 90' of this has been driven through over-burden, decomposed granite and granite until the vein was picked up. Then a drift was made 95' on the vein. See Exhibit 3(a)1.0.

THE OKANOGAN VEIN, at a 2,630' elevation on the Sleepy Hollow Claim, has a tunnel 135' from the portal. This tunnel has been driven on the vein. At 100' from the portal, a shaft has been sunk on the vein to a depth of 48'. At 115' from the portal, another vein, The Ace of Diamonds, crosses the Okanogan Vein and from this point another drift of 30' was driven. See Exhibit 3(a)1.0.

THE DORIS BARBARA VEIN, at a 2,750' elevation, on the Doris Barbara Claim, has been driven in approximately 75' on the vein. See Exhibit 3(a)1.0.

THE ACE OF DIAMONDS VEIN, at 2,750' elevation, on the Tuxedo Claim, has been exposed for 20' by an open cut. See Exhibit 3(a)1.0.

THE ESTHER VEIN, at 2,810' elevation, on the Tuxedo Claim, has been exposed for 25' by an open cut. See Exhibit 3(a)1.0.

THE BAYHORSE VEIN, at 2,957' elevation, on the East Jerry Leonard Claim, has been exposed by an open cut for 15'. See Exhibit 3(a)1.0.

1.1 PAYMASTER MINES, INC., has complete mining, milling and shop facilities consisting of the following:

1.1.0 MINING - Compressor, stopers, drifters, jackhammers, steel bits, mine cars, rails, timber, ore bins, trucks and other supporting equipment.

MILLING - Complete fifty (50) ton gravity mill, including crusher, impact mill, tables, power plant, ore and concentrate bins, water diesel and gasoline storage tanks.

SHOP - Complete maintenance and shop facilities.

(b) 1.0 My interest in (a) above is as an officer and supervisor of the Corporation.

(c) 1.0 The only known past production is from information taken from Tungsten Resources of Washington, Bulletin No. 34, Page 47, last paragraph of the Holden-Campbell, as follows: "Considerable gold ore has been produced from this property, but there has been no production of Tungsten".

1.1 Current production is as follows:

January 18, 1960 - Shipment, consisting of 7½ tons of raw ore, was made to the American Smelting and Refining Company, Tacoma, Washington, as a trial run. See Settlement Sheet C-1, Exhibit 3(c)1.1.

November 18, 1960 - Shipment, consisting of 3 tons of concentrates, was made to the A merican Smelting and Refining Company, Tacoma, Washington, as a trial run also. See Settlement Sheet C-2, Exhibit 3(c)1.1.

December 8, 1960 - Shipment, consisting of 57 tons of mine run ore, was made to the American Smelting and Refining Company, Tacoma, Washington. See Settlement Sheet C-3, Exhibit 3(c)1.1.

May 23, 1961 - Shipment, consisting of 50 tons of mine run ore, was made to the American Smelting and Refining Company, Tacoma, Washington. See "Domestic Purchase Schedule", Exhibit 3(c)1.1.

(d) 1.0 The Hunter Tunnel No. 2, 50' from portal to 490' from portal, was divided into sections of 50' each and channel cut every 5'. This was coned and quartered for one (1) sample of each section, totaling 9 samples. See Exhibit 3(d)1.0. No Assay Certificates are available of these surveys.

1.0.1 Further sampling was performed by PAYMASTER MINES, INC., which was done by channel cuts, coned and quartered. See Exhibit 3(d)1.0.1.

1.0.2 Supporting Assay Certificates are enclosed - See Exhibit 3(d)1.0.2.

From these samples, channel cuts, and projecting the vein to the surface from various outcroppings, there is an estimated 40,000 tons of ore reserves.

3. PHYSICAL DESCRIPTION:

(e) 1.0 The country rock in this immediate district is part of a large mineral belt, which is separated by the Methow River. It is composed of secondary and highly altered granite, cut by dykes of feldsite porphory, birds-eye porphory, gneissoid diorite and intrusions of a later series of granite. The ore bodies are quartz fissure veins which strike northerly and northwesterly and dip at steep angles. These ore bodies are traversed and cut all formations. Enclosed is an extract from the Tungsten Resources of Washington Report, Bulletin No. 34, from pages 45 through 47. See Exhibit 3(e)1.0.

(f) 1.0 Through transit stadia survey and projection of the Hunter Vein, and also through the advice of our engineer, the U. S. Bureau of Mines' engineer and the Washington State engineer, it is the consensus of all that a shaft be sunk and a cross cut driven to explore this vein at a lower level to reach secondary enrichment of the vein. No sampling has been done in this immediate area of the proposed exploration.

(g) 1.0 The only maps, reports and etc., we have are enclosed in paragraphs 3(a) and 3(e) above, the return of which is not required.

4. ACCESSIBILITY OF PROPERTY:

(a) 1.0 Paul Rogstad, employed by PAYMASTER MINES, INC., resides in Pateros, Washington, nineteen (19) miles North of Chelan, Washington, at the confluence of the Columbia and Methow Rivers, and will be at the property of PAYMASTER MINES, INC., during regular working hours.

1.1 The property lies in a north-westerly direction from Pateros, Washington, up the Methow River, on the south and west slope of Hunter Mountain and is in the Squaw Creek Mining District. At a point 7.6 miles from Pateros, Washington, a turn is made off the paved road onto the Squaw Creek road. The mine camp is four (4) miles from this turn-off; two (2) miles of which is on County maintained dirt road and the final two (2) miles is a "Mine to Market" road. Mine workings are immediately adjacent to the camp area.

(b) 1.0 Shipping point for ores and concentrates is Pateros, Washington which is eleven (11) miles from camp. Supply points are Brewster, Chelan, Wenatchee, Pateros and Twisp, Washington - all within a thirty (30) mile radius from camp.

5. EXPLORATION WORK:

(a) 1.0 The proposed exploration work will consist of a two(2) compartment shaft. The overall dimensions will be 6' x 9' with a 4' x 5' skip compartment and a 3' x 5' manway to a depth of 210' from collar. Then a 5' x 7' drift will be driven 200' northerly to pick up the vein. The construction of compressor and generator shed, hoist house and change room, head frame, timbering shaft, three-fourths of drift, laying of track, ties, and pipe lines will be performed. See Exhibit 5(a)1.0.

210' shaft
200' drift

(b) 1.0 An access road from the mill road to the proposed project will have to be built. It will be a cut and fill, graded type road, 12' in width and extending 500'. Estimated time required - 8 hours for bull dozer and operator.

(c) 1.0 If an O.M.E. Contract is executed, work on the project will be started immediately and will be completed 7½ months after commencement.

Our monthly progress for the shaft would be on an 8 hour per day basis, 5 days a week, 50' per month. Our drift progress per month would be 80' and would allow three weeks for setting up buildings, road construction and bull dozing for site of project.

6. EXPERIENCE:

(a) 1.0 Mr. E. C. Sherman, Mining Engineer, will be employed on a part-time basis as Technical Advisor and General Supervisor. Mr. Paul Rogstad will be on the job as Supervisor and worker full time. He has had six (6) years mining experience in shafts, tunnels and raises as miner and mine foreman, plus four (4) years experience in the prospecting field.

7. ESTIMATE OF COSTS:

(a) 1.0 Independent Contracts - NONE

(b) 1.0 The following is an itemized breakdown of personnel service and statement that these service are available immediately:

SHAFT

DUTIES	RATE PER DAY	NO. DAYS	TOTAL
One Supervisor Miner	$30.00	83	$2,490.00
One Hoistman & Cage Tender	$25.00	83	2,075.00
One Mucker	$20.00	83	1,660.00

SHAFT - (cont'd)

DUTIES	RATE PER DAY	NO. DAYS	TOTAL
One Cage Tender & Trammer	$20.00	83	$1,660.00
One Engineer (Part time)	$250.00/mo.		1,000.00
		TOTAL	$8,885.00

DRIFT

DUTIES	RATE PER DAY	NO. DAYS	TOTAL
One Supervisor-Miner	$30.00	50	$1,500.00
One Hoistman & Cage Tender	$25.00	50	1,250.00
One Mucker	$20.00	50	1,000.00
One Trammer	$20.00	50	1,000.00
One Engineer (Part time)	$250.00/mo.		725.00
		TOTAL	$5,475.00

To Shaft - $8,885.00
To Drift - 5,475.00

TOTAL $14,360.00

(c) 1.0 Of the following items, those to be purchased show Washington State Sales Tax included in total.

QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL
500'	12 lb. Rail - used.	$.09/lb.	$ 540.00
	Ties, plates, spikes and switches.		170.00
450'	2½" Pipe (Compressed Air) Black.	$1.00/ft.	468.00
450'	1" Pipe (Galvanized) Water.	$ .33/ft.	154.44
200'	1½" Pipe, Black (Sump Pump).	$ .70/ft.	145.60
	Fittings, valves, Unions, & etc.		208.00
2	50' Lengths 1" Air Hose & Fittings		75.00
1	50' Length ½" Water Hose & Fittings		55.00

7. ESTIMATE OF COSTS:
(c) 1.0 - continued
Page -3-

QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL
1	Line Oiler		$ 25.00
450'	10" Galvanized Sheet Metal Pipe (Ventilation)	$ 1.55/ft.	702.00
	Fittings for Above		62.40
5 Only	1½" Timken Carbide Bits	$13.80/ea.	71.76
5 Only	1-5/8" Timken Carbide Bits	$14.90/ea.	77.48
5 Only	1-3/4" Timken Carbide Bits	$16.20/ea.	84.26
5 pcs.	Hexagon Drill Steel 2' Lengths	$10.90/pc.	56.68
5 pcs.	Hexagon Drill Steel 4' Lengths	$14.20/pc.	73.80
5 pcs.	Hexagon Drill Steel 6' Lengths	$17.40/pc.	90.48
200 lbs.	40 d Common Nails	$20.00/100#	41.60
100 lbs.	20 d Common Nails	$20.00/100#	20.80
100 lbs.	16 d Common Nails	$20.00/100#	20.80
100 lbs.	80 d Common Nails	$20.00/100#	20.80
100 lbs.	Carbide for Miner's Lamps	$ .11/lb.	11.44
50 cases	Dynamite - 40%	$15.85/case	824.20
6,000 ft.	Fuse - 54 rolls, 250'/roll		123.36
900	Caps - 36 boxes, 25/box		46.80
4,800 gals.	Diesel for Power Plant	$ .16/gal.	768.00
5,600 gals.	Gasoline for Compressor	$ .31/gal.	1,736.00
55 gals.	30 weight oil for Diesel Engine	$ .75/gal.	41.25
40 gals.	20 weight oil for Compressor & Oiler	$ .75/gal.	30.00
500 lbs.	5/8" Cable for Hoist	$ .33/lb.	171.60
15,000 B.M.	6' x 6' Shaft & Drift Timbers	$70.00/M	1,092.00
15,000 B.M.	2' x 12' Shaft & Drift Lagging Timbers	$68.00/M	1,061.00
100 B.M.	1' x 4' Shaft Ladder Rungs	$68.00/M	6.80
300 B.M.	2' x 4' Shaft Ladder Rungs	$68.00/M	20.40
	General Tools, i.e., shovels, picks, saws and wrenches		300.00
			$9,396.75

To Drift - $3,149.27
To Shaft - $6,247.48

TOTAL- - - $9,396.75

(d) 1.0 Operating Equipment. Following equipment to be supplied by Applicant:

QUANTITY	DESCRIPTION	COST
1	Ingersoll Rand Jackleg - 45#	$ 450.00
1	Ingersoll Rand Liner - 90# - Condition Very Good.	400.00
1	Chicago Pneumatic Jackhammer - 65#- Condition Very Good.	150.00
1	Gardner Denver Compressor - Condition Very Good. Under Contract Purchase.	3,650.00
3	Mine Cars, Coure' De Alene, 18 cubic feet, @ $125.00 each.	400.00
1	Skip - 1 Ton Capacity.	375.00
1	Cage - 1½ Ton Capacity.	1,070.00
1	Bit Sharpener (Longbeam) Electric.	110.00
1	UD-14 International Diesel Power Plant, 30 K.W., Rebuilt - Condition Very Good.	1,800.00

Following equipment to be purchased:

QUANTITY	DESCRIPTION	COST
1	Mine Fan, 10", Electric (Arco) Used.	$ 312.00
1	Hoist, Coure' De Alene, 25 H.P., single drum, 4,000#, 170'/M (Used, rebuilt). Condition Very Good.	3,120.00
1	Air Receiver (Used) 1,000# Pressure.	260.00
1	Sump Pump, Air Driven, Duplex (Used).	156.00
	TOTAL - - - - - - - -	$12,253.20

To Drift - $ 850.00
To Shaft - 11,403.20

TOTAL - - -$12,253.20

(e) 1.0 Initial Rehanilitation and Repairs - NONE.

(f) 1.0 New Buildings, fixtures and installations.

The Compressor House and Power Plant Building will be a 8' x 10' shed type building with one side wall 10' high and the other 8' high. It will be constructed of 2" x 4" studs, 2" x 6" rafters with 1" x 12" boards and 3" bats as siding and shiplap and 90# roll roofing on roof, and built on 6" x 6" pads. One window vent and concrete slab for generator house will be poured. Following are materials that will be used in above mentioned: (Washington State Sales Tax is included in totals.)

QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL
400 B.M.	2" x 4" Studs & Plate	$68.00/M	$ 15.81
100 B.M.	2" x 6" Rafters	$68.00/M	7.07
110 B.M.	1" x 8" Shiplap Roofing	$68.00/M	7.78
110 sq.ft.	Roofing, 90#	$ .05/sq.ft.	5.72
112 B.M.	6" x 6" Pads	$70.00/M	8.08
340 B.M.	1" x 12" Siding	$70.00/M	25.48
80 B.M.	1" x 3" Bats (siding)	$70.00/M	5.83
1 Only	2' x 2' Window		5.62
1 pr.	Strap Hinges - 12"		3.75
30 lbs.	8 d Box Nails	$ .21/lb.	6.55
10 lbs.	16 d Box Nails	$ .21/lb.	2.19
10 lbs.	1¼" Roofing Nails	$ .28/lb.	2.91
3 Cans	Roof Seal	$ .45/can	1.40
9 cu.ft.	Concrete		7.58

Following is labor to construct above building:

2 Only	Carpenters for 3 days	$28.00/day	$168.00
1 Only	Laboror for 3 days.	$20.00/day	60.00
		TOTAL - - - - - - -	$333.77

The Hoist and Change Room will be a 12' x 14' shed type building. One side wall will be 12' high and the other will be 8', and will be constructed of 2" x 4" studs and plates, 2" x 8" rafters, 1" x 12" siding, 3" bats, shiplap and 90# felt for roof. One 3'0" door, two windows 3' x 2' and one window 3' x 4' in front of hoist will be built. Building to be set on 6" x 6" pads. A 1' x 6' x 6' concrete slab will be poured for hoist mounting. See Exhibit 7(f)1.0-2. Following are materials that will be used in above building. Washington State Sales Tax is included in totals.

QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL
450 B.M.	2" x 4" Stud & Plates	$68.00/M	$ 31.82
250 B.M.	2" x 8" Joists	$68.00/M	18.08
200 B.M.	1" x 8" Shiplap	$68.00/M	14.14
500 B.M.	1" x 12" Siding	$70.00/M	36.40

7. ESTIMATE OF COSTS:
(f) 1.0 continued

QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL
170 B.M.	1" x 3" Bats	$70.00/M	$ 12.38
156 B.M.	6" x 6" Pads	$70.00/M	11.65
200 sq.ft.	90# Roofing	$ .05/sq.ft.	10.40
2 Only	3' x 2' Windows	$ 8.00/ea.	16.64
2 Pr.	12" Strap Hinges	$ 3.60/pr.	7.49
1 Only	3' x 4' Window	$12.80/ea.	13.19
36 Cu.Ft.	Concrete	$ .81/cu.ft.	30.33
40 lbs.	8 d Box Nails	$ .21/lb.	8.74
15 lbs.	16 d Box Nails	$ .21/lb.	3.27
15 lbs.	1¼" Roofing Nails	$ .28/lb.	4.33

Following is labor to construct above building:

2 Only	Carpenters for 4 days	$28.00/day	$224.00
1 Only	Laboror for 5 days	$20.00/day	100.00
		TOTAL - - - -	$542.86

= $3.23/sq.ft.

The Head Frame will be 25'4" high x 6'4" x 5'4" outside dimension. The frame will be mounted on 10" x 10" x 26' skids or pads. The posts will be 4 each 8" x 8" x 24' and two supporting braces 8" x 8" x 24'. All other supporting braces will be 6" x 8". The collar of the head frame will be 8" x 8" to support 18" pulley and shaft. The posts will be secured to pads with 8" x 8" angle plates, bolted and lagged. All braces to be bolted to posts. See Exhibit 7.(f)1.0 - 3. Following are materials that will be used in above mentioned. Washington State Sales Tax is included in totals.

QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL
1,000 B.M.	8" x 8" Posts & Braces	$70.00/M	$ 72.80
700 B.M.	6" x 8" Braces	$70.00/M	50.36
450 B.M.	10" x 10" Pads	$80.00/M	37.44
8 Only	½" x 8" x 8" Angle Plates		12.48
3 doz.	½" x 20" Machine Bolts		18.72
6 doz.	½" Washers		1.49
2 doz.	½" x 6" Lag Screws		4.99
	1 Only 2" Shaft, 2 Only Collars and 1 Only 18" Pulley		60.43

Following is labor to construct above building:

2 Only	Carpenters for 5 days	$28.00/day	$240.00
1 Only	Laboror for 5 days	$20.00/day	100.00
1 Only	Laboror for 2 days	$20.00/day	40.00
			$638.71

The Construction of 500 Feet of Road to exploration project will require dozer and operator a total of eight (8) hours at a cost of $14.00 per hour, totaling $112.00.

The Excavation and Leveling for Proposed Buildings and Gantry Frame will require dozer and operator a total of six (6) hours at a cost of $14.00 per hour, totaling $84.00.

	$112.00
	84.00
TOTAL - - - -	$196.00

(g) 1.0 Miscellaneous.

Estimated 2% of 7(d) on maintainance and repair of equipment for items such as replacing worn parts, and general services.	$ 240.00
Analytical Work - estimated cost of assaying.	200.00
Accounting Work - Full Time.	3,000.00 ?
Washington State Employment & Security Insurance, 2.7% of Gross Wages, $18, 292.00	493.88
F.I.C.A. - 3% of Gross Wages, $18,292.00.	548.76
Industrial Insurance - 5,904 hours @ $.23 per hour.	1,357.92
Medical Aid - 5,904 hours @ $.03 per hour.	177.12 ?
TOTAL - - -	$6,017.68

Total Amount Charged Against Shaft - $31,716.28
Total Amount Charged Against Drift - 11,479.83 = 57.31%

TOTAL AMOUNT OF EXPLORATION PROJECT. $43,196.11

EXHIBIT 1.(a)1.0

April 27, 1961

Commercial Bank of Twisp
Twisp, Washington

Attention: Mr. L. M. Cooley

Subject: Loan Request

Gentlemen:

Enclosed is our application for loan in the amount of $22,000.00, for exploration work to be carried out on our property, along with an inventory list of our equipment which our firm will put up as collateral.

We are requesting that the repayment of this loan be put on a three (3) year contract with payments made on a monthly basis not to exceed $700.00 per month.

Any additional information needed will be supplied upon request.

Very truly yours,

PAYMASTER MINES, INC.

Paul Rogstad
President

PR/jk
enclosures - 1. Loan Application Form
2. Inventory Sheet

May 5, 1961

The National Bank of Commerce
P. O. Box 67
Brewster, Washington

Attention: Mr. C. E. Davis

Subject: Loan Request

Gentlemen:

Enclosed is our application for loan in the amount of $22,000.00, for exploration work to be carried out on our property, along with an inventory list of our equipment which our firm will put up as collateral.

We are requesting that the repayment of this loan be put on a three (3) year contract with payments made on a monthly basis not to exceed $700.00 per month.

Any additional information needed will be supplied upon request.

Very truly yours,

PAYMASTER MINES, INC.

Paul Rogstad
President

PR/jk
Enclosures - 1. Loan Application Form
2. Inventory Sheet

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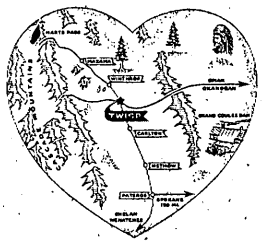

Methow Valley

COMMERCIAL BANK OF TWISP

TWISP, WASHINGTON

LEWIS M. COOLEY, PRESIDENT
DONALD A. GILLIAM, EXEC. VICE PRES.
RALPH F. FERGUSON, VICE PRES.

May 3, 1961

Paymaster Mines, Inc.
Pateros
Washington

Gentlemen:

In connection with your recent application for a loan for the purpose of providing capital for development and exploration on your various claims may we say that we regret that it is our decision that we cannot assist you.

We appreciate the opportunity to discuss the proposed loan with you and trust that your efforts to secure financing for these purposes will be ultimately successful.

Very truly yours,

LMC:ac

The National Bank of Commerce of Seattle

205 MAIN AVENUE WEST
Brewster 6501

Brewster Branch....POST OFFICE BOX 67, BREWSTER, WASHINGTON

May 11, 1961

Paymaster Mines, Inc.
Box 44
Pateros, Washington

Gentlemen:

Your application for a loan for the purpose of making exploration work and studies at your mine in the Squaw Creek area has been reviewed by this bank.

Because of the speculative nature of the operation so far, we cannot grant such a loan.

We trust that you will be able to secure the necessary financing from other sources better able to provide it on the terms you wish.

Sincerely yours,

Clifford E. Davis

Clifford E. Davis
Manager

CED D

Exhibit 1(a)1.0

PAYMASTER MINES, INC. PATEROS, WASHINGTON

BALANCE SHEET
MAY 22, 1961

A S S E T S

CURRENT ASSETS		
Cash On Hand & In Bank	$ 940.01	
Inventory of Parts	2,163.74	
Inventory of Raw Materials	788.60	
Inventory of Shop Supplies	1,465.00	
Prepaid Insurance	625.00	
Prepaid Office Supplies	173.11	
TOTAL CURRENT ASSETS		$ 6,146.46
FIXED ASSETS		
Equipment - Capital	$ 28,908.25	
Small Tools	3,082.17	
Buildings	49,354.00	
Roads	6,485.00	
*Timber	24,000.00	
Ore - Blocked Out (Market Value)	721,243.44	??
Claims (Tunnels & Shafts)	43,875.00	
TOTAL FIXED ASSETS		$876,947.86
TOTAL ASSETS		$883,094.32

L I A B I L I T I E S

CURRENT LIABILITIES		
Accounts Payable - Merchandise	$ 3,010.99	
Notes Payable	3,549.08	
Contracts Payable	1,600.00	
Travel Expense - Accrued	112.70	
TOTAL CURRENT LIABILITIES		$ 8,272.77
DEFERRED LIABILITIES		
Accounts Payable - Officers	$ 6,735.08	
Notes Payable	12,156.80	
TOTAL DEFERRED LIABILITIES		$ 18,891.88
CAPITAL AND SURPLUS		
Common Stock Issued	$ 35,325.00	
Deposits on Stock Purchases	3,294.00	
TOTAL PAID-IN (NET CAPITAL)	$ 38,619.00	
Surplus	817,310.67	
TOTAL CAPITAL & SURPLUS		$855,929.67
TOTAL LIABILITIES		$883,094.32

*Harvestable - To Be Used on Property Only

MINING LEASE TRANSFER

This agreement dated this 26th day of January 1959, between Paul Rogstad and Associates, "Lessee", and Paymaster Mines Inc.

WITNESSETH

1. This lease covering thirty claims in the County of Okanogan, and the Squaw Creek Mining District, held by the Holden Campbell Mines Inc., by right of location and herebye known as "Lessors".

2. Lessee for consideration of the sum of One Thousand Dollars ($1,000.00) to it in hand paid and for Two Hundred Thousand shares (200,000) of Common Stock non assessable, the receipt of all which is herebye acknowledged does herebye transfer this lease in all its entirety to the Paymaster Mines Inc.

/s/ PAUL ROGSTAD
Paul Rogstad and Associates

/s/ PAUL ROGSTAD
President

/s/ HERB PICKERING
Secretary
Paymaster Mines Inc.

/s/ A. C. CAMPBELL
President

/s/ S. J. HOLDEN
Sect-Tres.
Holden Campbell Mines Inc.

STATE OF WASHINGTON)
COUNTY OF OKANOGAN) SS

This is to certify, that on this 23rd day of October, 1959, before me the undersigned, a N tary Public in and for the State of Washington, duly commissioned and Sworn personally appeared the within.

PAUL ROGSTAD and HERB PICKERING

to me known to be the individuals described in and who by said names respectively executed the foregoing lease transfer and acknowledge to me that they and each of them signed the same, as their free and voluntary act for the use and purpose herein mentioned and contained

/s/ JOHN L. REEDER
Notary Public in and for the State of Washington, residing at;

MINING LEASE

This agreement, dated the 19th day of January, 1959, between HOLDEN - CAMPBELL MINES INC., "LESSOR", and PAUL ROGSTAD AND ASSOCIATES, "LESSEE".

WITNESSETH :

1. This lease covers and includes thirty (30) unpatented mining claims all owned and held by right of location by Lessor on lands located in Sections Eight (8), Nine (9), Ten (10), Eleven (11) and Fifteen (15), Township Thirty (30) North, Range Twenty Two (22) East, Okanogan County, Washington, a list of mining claims is attached to this lease agreement as exhibit A. and incorporated herein by reference as fully and completely as though herein set forth at lenght, and the legal description of lands covered by each mining claims, as disclosed by the recorded claims in Okanogan County Washington, as shown upon the attached Exhibit A, is likewise hereby incorporated herein by reference as fully and completely as though each of said mining claims were set forth at lenght.

2. Lessor, for consideration of the sum of one Thousand ($1,000.00) Dollars, to it in hand paid, and for other valuable considerations the receipt of all of which is hereby acknowledged, does hereby agree with the lessee, and they do hereby lease, let and demise to Lessee, said lands and mining claims, and grant to Lessee the sole and exclusive right to explore, (by geoligacal, geophysical, or other methods whether similar to those specified or not, and whether now known or not, including the drilling of holes for the purpose of determining subsurface geological conditions), and to drill for, mine, produce and extract minerals and ores of every kind and water for operations, from and store the same upon said lands, and to market the same in such quanities and at such times and place and at such prices, and upon such terms and conditions as Lessee shall choose, and to construct, erect, maintain, use, operate, repair, replace, and remove thereon and therefrom all structures, power lines, telephones and telegraph lines, tanks machinery, and buildings and other structures which lessee may desire in carrying on its business and operations on such land, together with rights-of-way for passage over and upon and across and ingress and egress to and from said lands, for any or all of the above purposes; and Lessee hereby leases said lands from Lessor for the purpose and uses aforesaid with the right herein set forth.

3. We covenant and agree to hold and work said mine and premise, according to laws and rules and custom of minersand in a thorough and econimical manner, so as to take out the greatest possible amount of ore, with due regard to the safety, development and preservation of property as a workable mine, from this date and during our possession under this lease.

4. The possession by said Lessee of said lands shall be sole and exclusive. This lease shall remain in force for a term of fifty (50) years from date hereof.

5. Lessor will make available to Lessee all the information which Lessor may now have or hereafter possess respecting the geology of the lands covered by this lease and minerals therein, including all mining records and test sheets and will cooperate fully with Lessee by lending its good will and prestige wherever possible to Lessee.

6. Lessee shall, likewise, make available to Lessor all information secured by Lessee relative to the geology of said lands and the minerals therein contained, and Lessee's books and records shall be available for inspection by Lessor or Lessor's duly authorized representative at all reasonable times.

7. So long as this lease shall continue in force and effect, Lessee shall have the obligation to do and perform all assessment work necessary to hold and protect the thirty mining claims covered by this lease. Real property taxes taxes shall be paid by the Lessor.

8. Lessee shall have no obligation to conduct any operations whatsoever upon said land, save the assessment work mentioned and described in the preceedin paragraph, but lessee shall pay unto lessor five (5)% percent of all net smelter returns, for all minerals and ores produced, extracted saved and sold from properties covered by this lease. It is further agreed and understood by and between the parties hereto that the minimum amount of money that shall be paid to the lessors each year is a minimum of $200.00 and in the event the net smelter returns for any twelve months period to be computed from September 19 of each year to August 19 of each year does not reach the minimum sum of $200.00 then and in that event on the 19th day of August of said year the said Lessee shall pay to the Lessors a sufficient amount to make a total paid to them of the sum of $200.00

9. Lessee shall keep true and correct books of account showing the production of minerals and ores from said lands and Lessee shall furnish to lessors semi-annual written statements of such production and allocation for the proceeding semi-annual period, and settlement thereof shall be made between parties.

10. Lessee does not hereby assume or agree to pay the obligations of any kind, incured by lessor either prior or subsequent to executions of this lease, but lessee shall have the right, nevertheless, to assume and pay any of such obligations incurred by lessor and to deduct the amount so paid from sums then due and owing, or thereafter accruing, to Lessor.

11. At any and all times during the term of this lease and any extention or renewal thereof, Lessee may quit and surrender this lease to Lessor and thereupon terminate any and all obligations thereafter accruing, to the lessor or to any third person.

12. The obligation of Lessee hereunder shall be suspended while Lessee is prevented or hindered from complying therewith in part or in full by strikes, lockouts, labor disturbances, acts of God, unavoidable assidents, laws, rules regulations or orders of any federal, state, municipal or other governmental agency, acts of war or conditions arising out of or attributable to war, shortage of necessary materials, equipment, or labor, or restrictions in or limitations upon use thereof, dealys in transportation, or other matters beyond the control of Lessee, whether similar to to the matters herein specifically enumerated or not including inability to profitably market and sell minerals and ore produced from said land, whether because of seasonable difficulties or lack of a market therefore. This lease shall remain in force and effect during any suspension of any of Lessee's obligations under any provisions of this paragraph for a reasonable time thereafter, provided that after the removal of the cause or causes preventing or hindering the performance of such obligation, Lessee diligentley commences or resumes the performance of such obligation.

13. Lessee shall pay the party or parties entitled thereto for all actual damages directley occasioned by its operations to the persons or properties of others and shall hold the Lessor harmless from any and all of such claims or demands.

14. Lessor may at all reasonable times examine said land, and the work done and in progress thereon, and the production therefrom, and may inspect the books kept by Lessee in relation to said land to ascertain the production and the amount shipped therefrom.

15. All Labor to be performed and the material to be furnsihed in the operations hereunder shall be at the sole cost and expense of Lessee.. and Lessor shall not be chargeable with nor liable for, any part thereof, and Lessee shall keep said lands duly and fully protected against all liens of every character arising from or connected with its operations, and in the event of any such liens being placed thereon to the knowledge of Lessee, it shall at once notify Lessor thereof.

16. All equipment, machinery and buildings located or situated upon the premises shall remain thereon for the use or disposal of the Lessee. Lessee agrees that within a reasonable time after the surrender or termination hereof, it will remove all personal property and structures installed by it on said land.

17. Lessor shall work no termination or forfeiture of this lease until it shall first have given Lessee written notice of any default complained of, and Lessee shall have thirty days (30) days from and after receipt of such written notice to cure such default.

18. The provisions of this lease shall be binding upon and shall inure to the benefit of the respective heirs executors, administrators, successors, and assigns of the parties hereto.

IN WITNESS WHEREOF the undersigned Lessor and Lessee have executed this agreement as of the date first above set forth.

HOLDEN-CAMPBELL MINES, INC.

/s/ A. C. CAMPBELL
President

/s/ S. J. HOLDEN
Secretary

/s/ PAUL ROGSTAD

/s/ HERB PICKERING
Lessee

EXHIBIT A

Agreement between Holden-Campbell Mines Inc. and Paul Rogstad and Associates.

The property is located in Sections 8, 9, 10, 11, and 15, Township 30 North, Range 22 East; Squaw Creek Mining district, Okanogan County, State of Washington and consist of the following mining claims, all held by the rights of location.

CLAIMS RECORDING DATA

NAME OF CLAIM	DATE OF LOCATION	RECORDED PLACE		DATE	BOOK	PAGE
Molly B	9/8/39	Okanogan,	Wn.	9/11/39	Vol. 8	105
Jerry Leonard	10/3/39	"	"	11/4/39	"	119
Saddle (Fraction)	3/17/40	"	"	4/27/40	"	156
Anxiety	6/10/40	"	"	6/28/40	"	191
East Jerry Leonard	10/9/40	"	"	11/20/40	"	245
Big Buck	5/16/40	"	"	5/23/40	"	164
Doris Barbara	10/4/39	"	"	11/4/39	"	120
East Doris Barbara	11/6/40	"	"	4/12/40	"	149
Doris Barbara West Ext.	4/3/40	"	"	4/8/40	"	133
Doris Barbara No2 "	4/3/40	"	"	4/8/40	"	133
Doris Barbara No3 "	4/3/40	"	"	4/8/40	"	134
Little George	4/8/39	"	"	9/11/39	"	105
Just Live Here	4/23/40	"	"	5/1/40	"	161
Big Porphyry	5/14/40	"	"	5/23/40	"	166
Cracker Jack	5/12/40	"	"	5/23/40	"	165
Lost Rattler	5/12/40	"	"	5/23/40	"	163
Lost Rattler Exten.	5/12/40	"	"	5/23/40	"	173
Burkhart & Larson	4/21/40	"	"	4/27/40	"	157
Sunshine	3/5/40	"	"	3/11/40	"	130
Sunshine #2	3/5/40	"	"	3/11/40	"	129
Ace	4/9/40	"	"	4/27/40	"	155
East Sleepy Hollow	10/8/40	"	"	11/19/40	"	244
Sleepy Hollow	4/28/40	"	"	5/1/40	"	470
West Sleepy Hollow +	5/14/40	"	"	5/23/40	"	166
Tuxedo	11/1/39	"	"	11/4/39	"	120
Pack Sack	11/2/39	"	"	11/4/39	"	121
W. Sleepy Hollow Ex#2	10/8/40	"	"	11/29/40	"	243
Star No. 5	7/2/42	"	"	8/21/42	"	427
Star No. 6	7/2/42	"	"	8/21/42	"	426
Little Pat	7/2/42	"	"	8/21/42	"	426

DATE Jan. 19, 1959

HOLDEN - CAMPBELL MINES INC.

Secretary

STATE OF WASHINGTON)
) SS
COUNTY OF KING)

THIS IS TO CERTIFY, that on this 19th day of January, 1959, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared the within PAUL ROGSTAD, S. J. HOLDEN and A. C. CAMPBELL to me known to be the individuals described in and who by said names respectively executed the foregoing lease and acknowledged to me that they and each of them signed the same, as their free and voluntay act for the uses and purposes herein mentioned and contained.

WITNESS MY HAND AND OFFICIAL SEAL the day and year first above written.

/s/ NELL M. WAHL
Notary Public in and for the State of Washington, residing at Seattle

LIST OF CLAIMS

1. LITTLE GEORGE - Located September 8, 1939, Filed September 11, 1939 in Volume 8, Page 105 at the County Seat, Okanogan County, Okanogan, Washington.

   Starting at discovery post, thence 1,050' westerly to make west center end line, thence southerly 300', thence south-westerly 1,500', thence north-easterly 600', thence north-westerly 1,500', thence south-westerly 300' to center end post. This claim is part of one or more abandoned mining claims - names unknown - and is in Section 10 (30-22E). This claim is a west extension of the "Molly B".

2. MOLLY B - Located September 8, 1939, Filed September 11, 1939 in Volume 8, Page 105 at the County Seat, Okanogan County, Okanogan, Washington.

   Starting at discovery post (which was #1 Adit), thence westerly 400' to Center end post, thence southwesterly 300', thence south-easterly 1,500', thence north-easterly 600', thence northwesterly 1,500', thence southwesterly 300' to center end post. This is an old abandoned mining claim known as the Hunter. Last locator was Dick Stephens. Mr. Stephens has done no location work. As his time has lapsed 60 days, leaves this claim open for staking by law.

3. JERRY LEONARD - Located October 3, 1939, Filed November 4, 1939 in Volume 8, Page 119 at the County Seat, Okanogan County, Okanogan, Washington.

   Starting at discovery post and running westerly 1,000' to post marked west center end line, thence south-westerly 300', thence south-easterly 1,500', thence north-easterly 600', thence north-westerly 1,500', thence south-westerly 300' to center end post. This claim lays on the west side of Hunter Mountain - joins the Little George on its north side running parallel the entire 1,500'. This claim may cover parts of several old abandoned claims - names and locations unknown.

4. DORIS BARBARA - Located October 4, 1939, Filed November 4, 1939 in Volume 8, Page 120 at the County Seat, Okanogan County, Okanogan, Washington.

   Located at the head of Grub Stake Gulch. Starting at discovery point and running easterly 600' past marked east center end line, thence north-easterly 300', thence north-westerly 1,500', thence south-westerly 600', thence south-easterly 1,500', thence northeasterly 300' to east center end post. This is the relocation of an old abandoned mining claim location or name unknown.

5. TUXEDO CLAIM - Located and Recorded November 4, 1939 in Volume 8, Page 120 at the County Seat, Okanogan County, Okanogan, Washington.

Starting at discovery post of which is located 1,000' in a northerly direction from the Grub Stake Cabin on Grub Stake Gulch, thence easterly 330' to post marked east center end post, thence northerly 300', thence westerly 1,500', thence southerly 600', thence easterly 1,500', thence northerly 300' to east center end post.

6. PACK SACK - Located November 2, 1939 and Recorded November 4, 1939 in Volume 8, Page 121 at the County Seat, Okanogan County, Okanogan, Washington.

Starting at point of discovery, thence 50' to east center end post, thence northerly 300', thence westerly 1,500', thence southerly 600', thence easterly 1,500', thence northerly 300' to ease center end post. This claim is the west extension of the Little George Claim.

7. SUNSHINE - Located March 9, 1940 and Recorded March 11, 1940 in Volume 8, Page 130 at the County Seat, Okanogan County, Okanogan, Washington.

Starting at point of discovery, thence 1,450' north-easterly to post marked east center end post, thence 300' north-easterly, thence 1,500' north-westerly, thence south-westerly 600', thence south-easterly 1,500', thence north-easterly 300' to east center end post. This claim is a relocation of parts of old abandoned mining claims - locations and names unknown, and also joins the Molly B along its south side line on the west side of Johnson Mountain.

8. SUNSHINE #2 - Located March 9, 1940 and Filed March 11, 1940 in Volume 8, Page 129 at the County Seat, Okanogan County, Okanogan, Washington.

From discovery, 50' eastward to east center end line, thence 300' north-easterly, thence north-westerly 1,500', thence south-westerly 600', thence south-easterly 1,500', thence northeasterly 300' to east center end post. This is a west extension of the Sunshine Claim and joins the south side line of the Little George Claim.

9. SADDLE - Located March 17, 1940 and Filed March 27, 1940 in Volume 8, Page 156 at the County Seat, Okanogan County, Okanogan, Washington.

From discovery, running 100' west, thence 300' south-westerly, thence 1,500' south-easterly, thence 600' north-easterly, thence 1,500' north westerly, thence 300' south-westerly to west center end post. This claim is an east extension of the Molly B on Hunter Mountain.

10. DORIS BARBARA WEST EXTENSION - Located April 3, 1940 and Filed April 8, 1940 in Volume 8, Page 133 at the County Seat, Okanogan County, Okanogan, Washington.

From discovery 1,000' easterly to east end post, thence north-easterly 300', thence north-westerly 1,500', thence south-westerly 600', thence south-easterly 1,500', thence north-easterly 300' to east center end post. This is a west extension of the Doris Barbara.

11. WEST DORIS BARBARA #2 EXTENSION - Located April 3, 1940, Filed April 8, 1940 in Volume 8, Page 133 at the County Seat, Okanogan County, Okanogan, Washington.

From discovery running 800' easterly to east center end post, thence north-easterly 300', thence north-westerly 1,500', thence south-westerly 600', thence souty-easterly 1,500', thence north-easterly 300' to east center end post.

12. WEST DORIS BARBARA #3 EXTENSION - Located April 3, 1940, Filed April 8, 1940 in Volume 8, Page 134 at the County Seat, Okanogan County, Okanogan, Washington.

From discovery 500' easterly to east center end post, thence north-easterly 300', thence north-westerly 1,500', thence south-westerly 600', thence south-easterly 1,500', thence north-easterly 300' to east center end post. This claim is a west extension of the Doris Barbara Extension #2.

13. EAST DORIS BARBARA - Located April 6, 1940, filed April 12, 1940 in Volume 8, Page 149 at the County Seat, Okanogan County, Okanogan, Washington.

From discovery 25' westerly to post marked west center end line, thence south-westerly 300', thence south-easterly 1,500', thence north-easterly 600', thence north-westerly 1,500', thence south-westerly 300' to west center end post. This claim is an east extension of the Doris Barbara Claim.

14. ACE OF DIAMONDS - Located April 9, 1940, filed April 27, 1940 in Volume 8, Page 155 at the County Seat, Okanogan County, Okanogan, Washington.

From discovery 500' westerly to post marked west center end line, thence south-westerly 300', thence south-easterly 1,500', thence north-easterly 600', thence north-westerly 1,500', thence south-westerly 300' to west center end post. This claim lays south of the Sunshine Claim and is situated about 1,500' south of Grubstake Cabin.

15. BURKHART & LARSON - Located April 21, 1940, filed April 27, 1940 in Volume 8, Page 157 at the County Seat, Okanogan County, Okanogan, Washington.

From discovery 700' westerly to post marked west center end line, thence north-westerly 300', thence north-easterly 1,500', thence south-easterly 600', thence south-westerly 1,500', thence north-westerly 300' to west center end post. This claim joins the east end of St. Anthony #4.

16. I JUST LIVE HERE - Located April 28, 1940, filed May 1, 1940 in Volume 8, Page 161 at the County Seat, Okanogan County, Okanogan, Washington.

From discovery 200' westerly to post marked west center end line, thence south-westerly 300', thence south-easterly 1,500', thence north-easterly 600', thence north-westerly 1,500', thence south-westerly 300' to west center end post. This claim lays about 1,500' north of Grubstake Cabin.

17. SLEEPY HOLLOW - Located April 28, 1940, filed May 1, 1940 in Volume 7, Page 470 at the County Seat, Okanogan County, Okanogan, Washington.

From discovery 200' westerly to post marked west center end line, thence south-westerly 300', thence south-easterly 1,500', thence north-easterly 600', thence north-westerly 1,500', thence south-westerly 300' to west center end post. This claim lies at the head of Grubstake Canyon. Its south side line joins the Jerry Leonard claim on its north side line.

18. CRACKER JACK - Located May 12, 1940, filed May 23, 1940 in Volume 8, Page 165 at the County Seat, Okanogan County, Okanogan, Washington.

From discovery 1,000' southerly to post marked south center end line, thence south-easterly 300', thence north-easterly 1,500', thence north-westerly 600', thence south-westerly 1,500', thence south-easterly 300' to south center end post. This is a relocation of an abandoned claim called the Cracker Jack.

19. LOST RATTLER - Located May 12, 1940, filed May 23, 1940 in Volume 8, Page 163 at the County Seat, Okanogan County, Okanogan, Washington.

From discovery 30' southerly to south center end post, thence south-easterly 300', thence 1,500' north-easterly, thence 600' north-westerly, thence 1,500' south-westerly, thence 300' south-easterly to south center end post. This is a relocation of an abandoned claim known as the Lost Rattler.

20. LOST RATTLER EXTENSION - Located May 12, 1940, filed June 8, 1940 in Volume 8, Page 173 at the County Seat, Okanogan County, Okanogan, Washington.

From discovery 1,470' southerly to south center end post, thence south-easterly 300', thence north-easterly 1,500', thence north-westerly 600', thence south-westerly 1,500', thence south-easterly 300' to south center end post. This is a relocation of an abandoned claim known as the Lost Rattler Extension.

21. BIG PORPHORY - Located May 14, 1940, filed May 23, 1940 in Volume 8, Page 166 at the County Seat, Okanogan County, Okanogan, Washington.

From discovery 500' southerly to south center end post, thence 300' south-westerly, thence 1,500' north-westerly, thence 600' north-easterly, thence 1,500' south-easterly, thence 300' south-westerly to south center end post. This claim is about 2 miles Southeast from Bennet's Saw Mill on McPharlane Creek.

22. WEST SLEEPY HOLLOW - Located May 14, 1940, filed May 23, 1940 in Volume 8, Page 166 at the County Seat, Okanogan County, Okanogan, Washington.

From discovery 1,400' westerly to post marked west center end line, thence south-westerly 300', thence south-easterly 1,500', thence north-easterly 600', thence north-westerly 1,500', thence south-westerly 300' to west center end post. This claim is a west extension of the Sleepy Hollow Claim.

23. BIG BUCK - Located May 16, 1940, filed May 23, 1940 in Volume 8, Page 164 at the County Seat, Okanogan County, Okanogan, Washington.

From discovery 300' westerly to post marked west center end line, thence 300' south-westerly, thence 1,500' south-easterly, thence 600' north-easterly, thence 1,500' north-westerly, thence 300' south westerly to west center end post. This is a relocation of an abandoned claim known as the Big Buck.

24. ANXIETY - Located June 10, 1940, filed June 28, 1940 in Volume 8, Page 191 at the County Seat, Okanogan County, Okanogan, Washington.

From discovery 200' easterly to post marked east center end line, thence north-easterly 300', thence north-westerly 600', thence south-easterly 1,500', thence 300' north-easterly to east center end post.

25. WEST SLEEPY HOLLOW EXTENSION #2 - Located October 8, 1940, filed November 19, 1940 in Volume 8, Page 243 at the County Seat, Okanogan County, Okanogan, Washington.

From discovery 150' easterly to post marked east center end line, thence north-easterly 300', thence north-westerly 1,500', thence south-westerly 600', thence south-easterly 1,500', thence north-easterly 300' to east center end post.

This claim is a west extension of West Sleepy Hollow.

26. EAST SLEEPY HOLLOW - Located October 8, 1940, filed November 19, 1940 in Volume 8, Page 244 at the County Seat, Okanogan County, Okanogan, Washington.

From discovery 30' westerly to post marked west center end line, thence 300' north-westerly, thence 1,500' north-easterly, thence 600' south-easterly, thence 1,500' south-westerly, thence 300' north-westerly, to west center end post. This claim is an east extension of Sleepy Hollow.

27. EAST JERRY LEONARD - Located October 9, 1940, filed November 20, 1940 in Volume 8, Page 245 at the County Seat, Okanogan County, Okanogan, Washington.

From discovery 900' westerly to post marked west center end line, thence north-westerly 300', thence north-easterly 1,500', thence south-easterly 600', thence south-westerly 1,500', thence north-westerly 300' to west center end post. This is an east extension of the Jerry Leonard Claim and its south side line joins the north side line of the Molly B.

28. STAR #5 - Located July 2, 1942, filed August 21, 1942 in Volume 8, Page 427 at the County Seat, Okanogan County, Okanogan, Washington.

From discovery 400' easterly to post marked east center end line, thence north-easterly 300', thence 1,500' north-westerly, thence 600' south-westerly, thence 1,500' south-easterly, thence 300' north-easterly to east center end post. This claim is a relocation of the original Paymaster. All previous locators abandoned this claim which joins the north line of the east 40 acres of the Tonseth Homestead on Squaw Creek.

29. STAR #6 - Located July 2, 1942, filed August 21, 1942 in Volume 8, Page 426 at the County Seat, Okanogan County, Okanogan, Washington.

From discovery 300' westerly to post marked west center end line, thence northwesterly 300', thence north-easterly 1,500', thence south-easterly 600', thence south-westerly 1,500', thence north-westerly 300' to west center end post. This is a relocation of one of Stanley Smith's old claims believed to have been named Star #6 and has been abandoned for several years.

30. LITTLE PAT - Located July 2, 1942, filed August 21, 1942 in Volume 8, Page 426 at the County Seat, Okanogan County, Okanogan, Washington.

From discovery 200' westerly to post marked west center end line, thence north-westerly 300', thence 1,500' north-easterly, thence 600' south-easterly, thence 1,500' south-westerly, thence 300' north-westerly to west center end post.

Exhibit 3(c)1.1

AMERICAN SMELTING AND REFINING COMPANY
TACOMA SMELTER
P. O. BOX 1605
Tacoma 1, Washington

CONTRACT NO. 652

C-1

STATEMENT OF SETTLEMENT

DATE May 6-60
SMELTER LOT NO. 815
MINE LOT NO.
MATERIAL Bulk Ore
DATE RECEIVED 1-22-60
ENTRY
MINE NAME
CAR OR VESSEL Truck

NAME OF SHIPPER Paymaster Mines Inc.
Box 44
Pateros, Washington

GROSS WEIGHT	LBS.		
CONTAINERS	LBS.		
NET WEIGHT	15613 LBS.		
MOISTURE	2.75 %		
NET DRY WEIGHT	15184 LBS.		

METAL QUOTATIONS:	DATES	PRICE	LESS	NET
GOLD		34.9125		
SILVER H+H	1/21-27	91.375	1.00	90.375
LEAD				
COPPER Dom Custom	1/21-27	34.350	3.00	31.350
COPPER				

	ASSAY & ANALYSIS	METAL CONTENTS						DEBITS	CREDITS
GOLD	04	OZS. .3	OZS. @	(Min. deduct .02)	.1	OZS.			3 49
SILVER	64	OZS. 5	OZS. @	% MIN. .50 OZS.	1	OZS.			90
LEAD	—	%	LBS. LESS	UNITS @ %		LBS.			
COPPER	2 10	% 319	LBS. LESS .50	UNITS @ %	243	LBS.			76 18
COPPER		%	LBS. LESS	UNITS @ %		LBS.			
ZINC	—	% LESS	UNITS	% @	$				
ARSENIC	Tr.	% LESS	UNITS	% @					
ANTIMONY	—	% LESS	UNITS	% @					
NICKEL	—	% LESS	UNITS	% @					
BISMUTH		% LESS	UNITS	% @					
TIN		% LESS	UNITS	% @					
CHLORINE		% LESS	UNITS	% @					
SILICA	78 0	% LESS	UNITS	% @					
IRON	5 9	% LESS	UNITS	% @					
LIME	2 2	% LESS	UNITS	% @					
SULPHUR	3 6	% LESS	UNITS	% @					
ALUMINA	5 2	% LESS	UNITS	% @					

BASE CHARGE					1 00	
LABOR	PER HR. $	BASE $	@	c FOR EA.	c	
OIL	PER BBL. $	BASE $	@	c FOR EA	c	
METAL VALUE PER TON $ 10.61		BASE $ 50.00	@ 10 %			
TOTAL TREATMENT PER TON				15184 LBS. @ $	1 00	759
SAMPLING AND ASSAYING						
FREIGHT	LBS. @ $	PER TON $		TAXES $		
SMELTER LABOR (DISCHARGING)	$ 9.10			SWITCHING $		9 10
SACK CHARGE	LBS. @ $	PER TON				
IN SOLID BOTTOM CAR		LBS. @ $	PER TON			
UMPIRE CHARGES $		CUSTOMS $		REPRESENTATION $		
ADVANCED ON						
LESS COINAGE SILVER PAYMENT PENDING RECEIPT OF AFFIDAVIT						
ROYALTY	5 % OF $ 63.88 to Holden-Campbell Mines Inc Chelan, Washington					3 19
TOTALS						19 88 / 80 57
DUE SHIPPER						60 69
DUE SMELTER						

Address

Check to: Paymaster Mines Inc
Box 44
Pateros, Washington

AMERICAN SMELTING AND REFINING COMPANY
TACOMA SMELTER
P. O. BOX 1605
Tacoma 1, Washington

CONTRACT NO. 681

DATE December 16-1960
SMELTER LOT NO. 2370
MINE LOT NO.
MATERIAL cts
DATE RECEIVED Nov 20-60
ENTRY
MINE NAME
CAR OR VESSEL Truck

STATEMENT OF SETTLEMENT

NAME OF SHIPPER: Paymaster Mines Inc
Box 44
Pateros, Washington

GROSS WEIGHT		LBS.
CONTAINERS		LBS.
NET WEIGHT	7168	LBS.
MOISTURE	14.40 %	
NET DRY WEIGHT	6136	LBS.

METAL QUOTATIONS:	DATES	PRICE	LESS	NET
GOLD		34.9125		
SILVER H+H	11/24-30	91.375	1.0	90.375
LEAD				
COPPER Custom	11/24-30	29.350	3.0	26.350
COPPER				

	ASSAY & ANALYSIS	METAL CONTENTS							DEBITS		CREDITS	
	Calc											
GOLD	.28	OZS.	.9	OZS. @ (Min deduct .03)			.8	OZS.			27	93
SILVER	2.04	OZS.	6	OZS. @	% MIN. 1/2	OZS.	4	OZS.			3	61
LEAD	/	%		LBS. LESS	UNITS @	%		LBS.				
COPPER	10.86	%	666	LBS. LESS 1.0	UNITS @	%	605	LBS.			159	42
COPPER		%		LBS. LESS	UNITS @	%		LBS.				
ZINC	2	%	LESS	UNITS	% @		$					
ARSENIC	/	%	LESS	UNITS	% @							
ANTIMONY	/	%	LESS	UNITS	% @							
NICKEL	/	%	LESS	UNITS	% @							
BISMUTH		%	LESS	UNITS	% @							
TIN		%	LESS	UNITS	% @							
CHLORINE		%	LESS	UNITS	% @							
SILICA	22.1	%	LESS	UNITS	% @							
IRON		%	LESS	UNITS	% @							
LIME		%	LESS	UNITS	% @							
SULPHUR		%	LESS	UNITS	% @							
ALUMINA		%	LESS	UNITS	% @							

BASE CHARGE							14	85	
LABOR	PER HR. $	BASE $	@	c FOR EA.	c				
OIL	PER BBL. $	BASE $	@	c FOR EA.	c				
METAL VALUE PER TON $ 62.24	BASE $ 100.00	@ 10 %							
TOTAL TREATMENT PER TON				6136	LBS. @ $	14	85	45 56	
SAMPLING AND ASSAYING								15 00	
FREIGHT	LBS. @ $	PER ___ TON $				TAXES $			
SMELTER LABOR (DISCHARGING)	$					SWITCHING $			
SACK CHARGE	LBS. @ $	PER TON							
IN SOLID BOTTOM CAR		LBS. @ $		PER TON					
UMPIRE CHARGES $	; CUSTOMS $			; REPRESENTATION $					
ADVANCED ON									
LESS COINAGE SILVER PAYMENT PENDING RECEIPT OF AFFIDAVIT									
ROYALTY	% OF $								
Moisture over 10% @ 10¢								1 58	
Check to: Paymaster Mines Inc									
Box 44									
Pateros, Washington									
						DUE SHIPPER		128 82	xxxxxxxxx xxxxxx
Pulp assay	Gold	Silver	Copper			DUE SMELTER		xxxxxxxxx xxxxxx	
	.28	2.04	10.87			TOTALS		190 96	190 96

AMERICAN SMELTING AND REFINING COMPANY
TACOMA SMELTER
P. O. BOX 1605
Tacoma 1, Washington

Revised Settlement

CONTRACT NO. 681

DATE JAN 1
SMELTER LOT NO. 2481
MINE LOT NO.
MATERIAL Bulk Ore
DATE RECEIVED Dec 9-60
ENTRY
MINE NAME
CAR OR VESSEL 73746

STATEMENT OF SETTLEMENT

C-3

NAME OF SHIPPER Paymaster Mines Inc
Box 44
Pateros, Washington

GROSS WEIGHT ____ LBS.
CONTAINERS ____ LBS.
NET WEIGHT 114740 LBS.
MOISTURE 2.98 %
NET DRY WEIGHT 111321 LBS.

METAL QUOTATIONS:	DATES	PRICE	LESS	NET
GOLD				
SILVER				
LEAD				
COPPER Custom	12/8-14	29.350	3.00	26.350
COPPER				

	ASSAY & ANALYSIS	METAL CONTENTS									DEBITS	CREDITS
GOLD	02	OZS.		OZS. @		%				OZS.		
SILVER	38	OZS.		OZS. @		% MIN.		OZS.		OZS.		
LEAD		%		LBS. LESS		UNITS @		%		LBS.		
COPPER	1 56	%	1737	LBS. LESS	1/2	UNITS @		%	1180	LBS.		310 93
COPPER		%		LBS. LESS		UNITS @		%		LBS.		
ZINC	—	%	LESS	UNITS		% @			$			
ARSENIC	—	%	LESS	UNITS		% @						
ANTIMONY	—	%	LESS	UNITS		% @						
NICKEL	—	%	LESS	UNITS		% @						
BISMUTH		%	LESS	UNITS		% @						
TIN		%	LESS	UNITS		% @						
CHLORINE		%	LESS	UNITS		% @						
SILICA	74 2	%	LESS	UNITS		% @						
IRON	6 1.	%	LESS	UNITS		% @						
LIME		%	LESS	UNITS		% @						
SULPHUR		%	LESS	UNITS		% @						
ALUMINA		%	LESS	UNITS		% @						

BASE CHARGE 1 00
LABOR PER HR. $ BASE $ @ c FOR EA. c
OIL PER BBL. $ BASE $ @ c FOR EA. c
METAL VALUE PER TON $ BASE $ @ %

TOTAL TREATMENT PER TON 111321 LBS. @ $ 1 00 — DEBITS 55 66

SAMPLING AND ASSAYING
FREIGHT 113920 LBS. @ $ PER ___ TON $ Prepaid TAXES $
SMELTER LABOR (DISCHARGING) $ SWITCHING $
SACK CHARGE LBS. @ $ PER TON
IN SOLID BOTTOM CAR LBS. @ $ PER TON
UMPIRE CHARGES $: CUSTOMS $: REPRESENTATION $
ADVANCED ON
LESS COINAGE SILVER PAYMENT PENDING RECEIPT OF AFFIDAVIT
ROYALTY % OF $

	DEBITS	CREDITS
DUE SHIPPER	255 27	xxxxxxxxx xxxxx
DUE SMELTER	xxxxxxxxx xxxxx	
TOTALS	310 93	310 93

Freight Valuation $1.30

American Smelting and Refining Company
Tacoma Smelter
Tacoma, Washington

QUOTATION No. 691 C-4

DOMESTIC PURCHASE SCHEDULE

EFFECTIVE DATE 6-8-61

Shipper Paymaster Mines, Inc. **Address** Box 44, Pateros, Washington

Mine **Shipping Point**

The following purchase terms are subject to the General Clauses shown on the back of this sheet, and are subject to prompt acceptance. Unless shipments are begun within ____days, this schedule is subject to revision. The schedule can be cancelled by 30 days' written notice to shipper at the above address.

Assignments of any part or all of the proceeds from your shipments will not be honored unless received in writing and accepted by us in writing.

PRODUCT: Siliceous Low Grade Copper Ore, Smelter Lot 875

ANALYSIS:

Oz./Ton		Per Cent												
Au	Ag	Pb	Cu	Zn	As	Sb	Ni	SiO2	Fe	CaO	S	Al2O3	Bi	H2O
0.03	0.62	-	2.4	-	-	-	-	74.5						

TONNAGE: Limited to ____tons per month except by special arrangement.

DELIVERY: F.O.B. cars or wharf at the Tacoma Smelter, Tacoma, Washington.

DATE OF DELIVERY: Date upon which the last car of each lot is accepted by Tacoma Smelter, or upon which carrying vessel commences discharge of product onto Smelter wharf.

PAYMENTS

GOLD: (A) If 0.03 of a troy ounce per net dry ton and less than 3.00 ounces pay for 91.14%, (B) If 3.00 ounces and less than 5.00 ounces pay for 92.57%, (C) If 5.00 ounces and less than 10.00 ounces pay for 93.29%, (D) If 10.00 ounces or over pay for 94.00%, at the net price per ounce paid by the United States Mints for gold recovered from domestic mine production on the fifteenth day following delivery of the product to the Tacoma Smelter. Nothing paid for gold if less than 0.03 ounces per net dry ton. Minimum deduction 0.03 ounces per net dry ton. The present Mint net price is $34.9125 per ounce.

SILVER: Pay for 95% at the realized Mint price (i.e., Mint price less Buyer's deductions to cover delivery and other expenses), provided the silver content qualifies for Government purchase and necessary affidavit or other proof is furnished, or, if higher, at the average Handy and Harman New York silver quotation for the seven-day period ending on the Wednesday following the calendar week including the date of delivery, in either case less One Cent per ounce. Minimum deduction one-half troy ounces per net dry ton. The present realized Mint price is 90¢ per ounce.

COPPER: Deduct from the wet copper assay one unit and pay for 100.0% of the remaining copper at the Custom Smelter Copper Price, f.o.b. refinery, for electrolytic copper sold in standard shapes in the United States market as published in the Engineering and Mining Journal (Metal and Mineral Markets) for the seven-day period ending on the Wednesday following the calendar week including date of delivery of product at the plant of Buyer, less a deduction of Three Cents per pound of copper paid for. Nothing shall be paid for copper if less than one % by wet assay.

No payment will be made for any metal or content except as above specified.

DEDUCTIONS

BASE CHARGE: $1.00 per net dry ton of 2,000 pounds, provided the sum of payments for gold, silver, and copper does not exceed $50.00 per net dry ton. Add to the base charge Ten per cent of the excess over such payment of $50.00 to a maximum base charge of $17.50 per net dry ton.

SILICA: For ores of a siliceous character, add to the base charge Seven Cents for each unit deficiency in available silica below Seventy per cent; fractions in proportion. To determine available silica deduct two-thirds of the iron assay from the silica assay.

ZINC: 5.0 % free. Charge for the excess at 30¢ per unit of dry weight; fractions in proportion.

ARSENIC: 1.0 % free. Charge for the excess at 50¢ per unit of dry weight; fractions in proportion.

ANTIMONY: 1.0 % free. Charge for the excess at 100¢ per unit of dry weight; fractions in proportion.

NICKEL: 0.5 % free. Charge for the excess at 300¢ per unit of dry weight; fractions in proportion.

MOISTURE: 10.0 % free. Charge for the excess at 10¢ per unit of wet weight; fractions in proportion.

OTHER CLAUSES: See reverse side of this schedule.

Consign all shipments to the American Smelting and Refining Company, Tacoma, Washington, and mail original bill of lading and, if not forwarded prior, one completed yellow instruction blank for making payment to P. O. Box 1605, Tacoma 1, Washington. We will also require proof of your right to dispose of this material, such as a certified copy of your lease or deed or the filing of your claim with the County Auditor, before we can accept any initial shipment.

AMERICAN SMELTING AND REFINING COMPANY

By D A Somerville
D. A. SOMERVILLE

P. O. Box 1605
Tacoma 1, Washington

(over)

General Clauses Governing Domestic Open Schedules

1. **Sampling and Assaying:** Weighing, moisture and ore sampling (at which SELLER or a representative may be present) as done by BUYER according to standard practice, promptly after receipt of product, will be accepted as final. The absence of SELLER or a representative shall be deemed a waiver of the right in each instance. After sampling, the product may be placed in process, commingled, or otherwise disposed of by BUYER. In case of disagreement on assays, an umpire may be requested by Seller and shall be selected in rotation from a list mutually agreed upon, whose assays shall be final if within the limits of the assays of the two parties and, if not, the assay of the party nearer to the umpire shall prevail. Losing party shall pay cost of umpire. In case of SELLER'S failure to make or submit assays, BUYER'S assays shall govern.

2. FORCE MAJEURE: Neither BUYER nor SELLER shall be responsible for delays, failure or omissions due to strikes, cessation of operation at smelter for failure of any operating requirement, or any other like or unlike cause or causes beyond its control, however arising, and which cannot be overcome by due diligence.

3. SMALL LOTS: The rates quoted herein are for carload lots. On any lot containing ten tons or less, there will be a sampling and handling charge of $15.00.

4. SHIPMENT: The rates quoted are based upon shipment in dump bottom gondola equipment. An extra unloading charge of 50c per dry ton will be assessed for products received in boxcars or solid bottom gondolas and actual cost of unloading products received by truck.

5. FREIGHT: All freight and delivery charges are for account of SELLER. When making settlement, BUYER will deduct freight and other advances made by BUYER. See also Clause No. 11.

6. SACKS: The rates quoted apply only to bulk shipments. $1.50 per ton of received weight additional will be charged for shipments in sacks to cover extra cost of handling and $2.50 per ton of received weight for containers other than sacks.

7. GOLD: SELLER shall furnish BUYER such proof as may be required at any time to enable BUYER to sell the gold content to a United States Mint at the Mint price.

8. SUSPENSION OF QUOTATIONS: In the event quotation date should fall on a legal holiday or one upon which no quotation is issued, the next succeeding quotation will be used in settlement.

9. DEFINITIONS: In this schedule where the word "ton" is used, it is understood to be a ton of two thousand pounds avoirdupois; where the word "ounce" is used, as referring to gold and silver, it is understood to mean the troy ounce and where the word "unit" is used, it is understood to mean one per cent of a ton, or twenty pounds avoirdupois.

10. In order that delivery of the ore at Buyer's plant may not be unnecessarily delayed, it is required that on initial shipments, **THE FREIGHT CHARGES MUST BE PREPAID BY THE SHIPPER.**

AMERICAN SMELTING AND REFINING COMPANY
Tacoma Smelter
Tacoma 1, Washington

(over)

Exhibit 3(d)1.0.2

CERTIFICATE

LAUCKS TESTING LABORATORIES
INCORPORATED

1008 WESTERN AVENUE
SEATTLE 4, WASHINGTON

CHEMISTS
SAMPLERS • INSPECTORS
ASSAYERS • SPECTROGRAPHERS

LABORATORY NO. 23240

DATE 2/27/59

CLIENT Paymaster Mines, Inc.
Pateros, Washington

REPORT ON ORE

SAMPLE IDENTIFICATION Submitted to us on 2/25/59

TESTS PERFORMED AND RESULTS:

Gold		Silver		Total
Oz. Troy Per Ton	Value Per Ton	Oz. Troy Per Ton	Value Per Ton	Value Per Ton
0.05	$1.75	0.2	$0.18	$1.93

Copper (Cu) ---------- 2.88%

Valuation:
Gold $35 per oz.
Silver .90 per oz.

RESPECTFULLY SUBMITTED,
Laucks Testing Laboratories, Inc.

BY J. P. Owens

FPO:MJ

THIS REPORT IS SUBMITTED FOR THE EXCLUSIVE USE OF THE PERSON, PARTNERSHIP, OR CORPORATION TO WHOM IT IS ADDRESSED, SUBSEQUENT USE OF THE NAME OF THIS COMPANY OR ANY MEMBER OF ITS STAFF IN CONNECTION WITH THE ADVERTISING OR SALE OF ANY PRODUCT OR PROCESS WILL BE GRANTED ONLY ON CONTRACT. THIS COMPANY ACCEPTS NO RESPONSIBILITY EXCEPT FOR THE DUE PERFORMANCE OF INSPECTION AND/OR ANALYSIS IN GOOD FAITH AND ACCORDING TO THE RULES OF THE TRADE AND OF SCIENCE.

Paymaster Mines,
P. O. Box 44,
Pateros, Wash.

D-2

ASSAY CERTIFICATE

Wenatchee, Wash. May 12 1961

Sample No.	Oz. Au.	Oz. Ag.	% Cu.	% Pb.	% Zn.			
Not marked			3.46					

A. B. Lacosse
Assayer

ATWATER 2-6666

METALLURGICAL LABORATORY

WILLIS H. OTT

ASSAYERS
Umpire and Smelter Control

METALLURGISTS
1519 WESTLAKE AVENUE NORTH
SEATTLE 9, WASHINGTON

CHEMISTS
Chemical Testing

No. 2846 2846 **CERTIFICATE OF ANALYSIS** Date April 8, 1960

Submitted by Paymaster Mine

D-

Gold ..... trace

Silver .... 1.20 oz per ton.

Copper 4.10%

METALLURGICAL LABORATORY.

Willis H. Ott

Paymaster Mines,
P. O. Box 44,
Pateros, Wash.

D-4

ASSAY CERTIFICATE

Wenatchee, Wash. May 20 195~~5~~ 61

Sample No.	Oz. Au.	Oz. Ag.	% Cu.	% Pb.	% Zn.			
# 1	0.01	0.16	1.15					
# 2	0.03	0.58	1.32					
# 3	0.03	0.20	1.56					

R. B. Lacasse
Assayer

ATWATER 2-6666

METALLURGICAL LABORATORY

WILLIS H. OTT

ASSAYERS
Umpire and Smelter Control

METALLURGISTS
1519 WESTLAKE AVENUE NORTH
SEATTLE 9, WASHINGTON

CHEMISTS
Chemical Testing

No. 3011 **CERTIFICATE OF ANALYSIS** Date Dec. 23, 1960

Submitted by Paymaster Mines

D-5

Smelter Lot No. 2481.

Original gold ..... 0.05 oz per ton.
" silver ..... 0.48 " " "
" Copper 1.61%

Duplicate gold ..... 0.05 oz per ton.
" silver .... 0.48 " " "
" copper 1.60%

METALLURGICAL LABORATORY.

Willis H. Ott

Phone ~~Ashberry 3-5854~~
Thornwall 8-5854

ASSAY CERTIFICATE

C. M. BALL
Assayer - Chemist
SUCCESSOR TO
GEORGE R. DE GROOT
GEORGE A. MOORE & CO.

911 University Avenue
Berkeley 2, California

D-6

April 25,1959

Pa ymaster Mines , Inc.

OUR NUMBER	YOUR DESCRIPTION OF SAMPLE	OUNCES GOLD PER TON	OUNCES SILVER PER TON	GROSS VALUE PER TON GOLD AT	GROSS VALUE PER TON SILVER AT	% Cu	% Pb	% Bi	%
				$35	$0.90				
29672	#1 Heads	0.03	2.20	$1.05	$1.98	3.30	tr	Nil	
29673	#2 1st Con, mids.	0.10	3.80	3.50	3.42	10.65	tr	Nil	
29674	#3 Concts.	1.15	14.25	40.25	13.82	13.1	0.48	0.1	
29675	#4 Mids.	0.05	1.20	1.75	1.08	0.05	Nil	Nil	
29676	#5 Ta ils	0.01	0.90	0.35	0.81	Nil	Nil	Nil	
				46.55	19.42				
#####						WO_3	MoS_2		
29672	#1 Heads					0.15	Nil		
29673	#2 1st.Con,Mids,					0.15	Nil		
29674	#3 Concts.					0.65	0.15		
29675	#4 Mids					Nil	Nil		
29676	#5 Tails					---	---		

Tails not run for WO_3 or MoS_2

ATWATER 2-6666

METALLURGICAL LABORATORY

WILLIS H. OTT

ASSAYERS
Umpire and Smelter Control

METALLURGISTS
1519 WESTLAKE AVENUE NORTH
SEATTLE 9, WASHINGTON

CHEMISTS
Chemical Testing

No. 2893

CERTIFICATE OF ANALYSIS

Date May 23, 1960

Submitted by Paymaster Mines.

D-7

Bay Horse	Gold ..... 0.10 oz per ton. Silver .... 3.10 " " "
T-1	Gold ..... trace Silver .... 0.56 oz per ton.
T-2	Gold ..... trace Silver .... 0.52 oz per ton.

METALLURGICAL LABORATORY.

Willis H. Ott

Exhibit 3(e)1.6

associated with basic dikes. In general the dikes parallel the [illegible]

[illegible]

[illegible] crystals paralleling the sides of the vein. The crystals [illegible] from minute specks to one inch across, but the major[illegible] than a quarter of an inch across. Some small areas of [illegible] will probably carry several percent of scheelite, but the [illegible] as exposed will probably not run over a quarter of one [illegible] scheelite. The vein is cut by reverse faults that nearly [illegible] it in strike, but dip at lower angles. In the main adit at 400 [illegible] from the portal the vein is cut by such a fault, the vein on the footwall side of the fault being offset about 25 feet to the southeast. Further faulting has also taken place at the face of the lower adit.

The Okanogan vein on the west side of Grub Stake Valley in the NE¼ sec. 10 has been developed by one adit and several open cuts. The adit is about half a mile N. 80° W. of the main Hunter adit. It had been driven westward for 80 feet to where it encounters the Okanogan vein and then follows the vein westward for 70 feet to where the vein splits into two segments, and then follows the right and left segments for 20 feet and 30 feet respectively. A winze, now flooded, reported to be 45 feet deep has been sunk on the vein 120 feet from the portal.

The vein strikes about N. 70° W. and dips 75° NE. On the surface it has a thickness of 6 feet which narrows to 3 feet where the vein is first encountered in the adit. The vein splits, at 110 feet from the portal, into two segments separated by a 1-foot basic dike and a narrow "horse" of diorite. The footwall segment of the vein averages 3 feet in thickness, strikes N. 90° W. and dips 75° N. The hanging wall segment averages 1 foot in thickness, strikes N. 70° W. and dips 75° NE. The vein has two good walls that show considerable movement and the vein itself has been fractured and sheared parallel to its walls. The quartz carries considerable pyrite and scheelite and in places is slightly copper stained, but no primary copper minerals were found. The scheelite is scattered throughout the vein material in crystals ranging from minute specks to half an inch across, but the greatest part of it occurs as fracture fillings in the quartz, producing a banded or ribbon-like ore. Individual ribbons of scheelite seldom exceed a quarter of an inch in thickness and several inches in length, but they are frequently close together, two or three ribbons to an inch of quartz, and at such places they constitute high-grade ore. The individual crystals of scheelite may be contemporaneous with the quartz. The banding of scheelite is definitely somewhat later than the quartz. The vein matter will probably average between a quarter and a half of one percent scheelite.

Other tungsten-bearing veins are noted briefly in the following paragraphs.

The Doris Barbara, which strikes N. 65° E. and dips 65° NW., consists of 2 to 5 feet of quartz-carrying pyrite, chalcopyrite and scheelite. The scheelite occurs as numerous small crystals, seldom as large as a quarter of an inch across. A 75-foot adit has been driven on this vein about 600 feet north of the Okanogan adit.

The Bay Horse vein is exposed on the surface for a total distance of about 200 feet. It strikes N. 65° E. and dips 75° NW. and

consists [illegible] of pyrite, chalcopyrite [illegible] dant as in the Hunter [illegible] about 1,000 feet north [illegible]

The [illegible] feet on the surface. It strikes [illegible] carries a small amount of pyrite and chalcopyrite and [illegible] scheelite as does the Hunter vein. This is opened by a trench about 900 feet S. 30° W of the Okanogan adit.

The Esther vein strikes N. 35° E. and is vertical. It consists of 1 to 2 feet of quartz with some pyrite, chalcopyrite and scheelite. The percentage of scheelite appears to be somewhat less than that of the Hunter vein. About 1,200 feet S. 55° W. of the Okanogan adit this vein is opened by a trench.

Another vein, 1,500 feet N. 55° E. of the main Hunter adit, strikes N. 65° W. and dips 60° NE. It consists of 2½ feet of quartz with a small amount of pyrite, chalcopyrite, and scheelite, but apparently less scheelite than the Hunter vein. This is opened by a 10-foot adit.

Considerable gold ore has been produced from this property, but there has been no production of tungsten.

Highland

The Highland Mining and Milling Company of Tacoma, represented by Mark Slabodnik, controls seven claims on the top and east slope of Hunter Mountain in the eastern part of sec. 11 and the western part of sec. 12 (30-22 E.). The property is bounded on the west by the Holden-Campbell holdings. It is accessible by about 2 miles of steep truck road from the Squaw Creek road.

There are several old adits and shafts on gold-bearing veins, but the only tungsten-bearing vein that has been developed is the Sailor Boy, or Lookout. It is exposed over a distance of 3,000 feet showing an average thickness of about 6 feet. The strike is S. 70° W. and the dip is 70° NE. It is opened by a 40-foot shaft and a 10-foot shaft 3,000 feet apart on the vein, and a long crosscut adit with drifts on the vein. The adit is north of the shafts and 200 feet below them, and was caved at the time of the examination. These workings are in the NE¼ sec. 11. The quartz carries a small amount of scheelite, the crystals of which range from minute specks up to one inch across. The scheelite content of the exposed parts of the vein appears to be only a small fraction of one percent. Other minerals present in the vein are pyrite and a small amount of chalcopyrite. The country rock cut by the vein is gneissoid diorite.

Considerable gold ore has been shipped from the property, but there has been no production of tungsten.

Methow

The Methow Mining and Milling Company of Seattle, represented by Richard Stevens, controls at least four claims on the east side of Hunter Mountain between the Highland claims and the Methow River and at least three claims east of the river. The claims are in the eastern [illegible] secs. 12 and 13 (30-22 E.), and [illegible]

western half of secs. 7 and 18 (30-23 E.). The Methow highway crosses the eastern end of the property and is connected with the western end of the property by a truck road.

The New London claim has been developed by a large open cut and two underground levels on the northeast slope of Hunter Mountain in the NW¼ sec. 12 (30-22 E.). The main adit level is 350 feet long with stopes both above and below. A 75-foot winze connects this level with a lower level where a drift, with some stoping, has been driven for 100 feet along the ore body.

The New London vein is narrow, usually being measured in inches rather than feet, and is composed of quartz containing much pyrite, considerable free gold, and some chalcopyrite and scheelite. It lies along the footwall of a narrow basic dike that strikes about N. 60° E. and dips 55° NW. This narrow inclined dike is cut by a vertical basic dike that also strikes about N. 60° E. and is from 3 to 4 feet wide. The southward or upper portion of the inclined dike has been faulted several feet upward along the vertical dike relative to the northward or lower portion. The New London ore body is in that part of the vertical dike that lies between the faulted portions of the inclined dike and has the same mineral composition as the narrow vein. The ore body strikes about N. 60° E., is practically vertical, and pitches about 10° NE. It is known to be cut by several reverse faults that strike about N. 75° W. and dip about 55° SW. Each of these faults displaces the upper part of the ore body as much as 10 feet to the northeast. The scheelite crystals in the ore body are scattered through the quartz and range in size from mere specks to half an inch across. The scheelite content of the ore is probably less than a quarter of one percent.

It appears that the New London vein was formed by mineralizing solutions migrating upward through a narrow channel along the footwall of the inclined dike and depositing the vein minerals in this channel. That part of the vertical dike between the faulted portions of the inclined dike was no doubt broken up by the faulting and acted as a favorable host rock for the deposition of the vein minerals forming the ore body.

A shaft has been sunk on the Homestake vein on the crest of the large [illegible] half way down the east side of Hunter Mountain. It is 50 feet deep and at the bottom a 30-foot drift follows the vein northwest. The vein strikes N. 35° E., dips 55° NW., and is at least 16 feet wide. At the north end of the drift it is cut by a 4-foot basic dike that strikes N. 35° W. and dips 65° NE. The quartz carries a large amount of pyrite and a small amount of scheelite. Some of the scheelite crystals are as much as half an inch across.

East of the Homestake shaft and just west of the ranch buildings [illegible] in 1942, has been driven westward for a report[illegible] feet on a nearly vertical vein striking N. 80° E. [illegible] basic dike. The vein consists of 3 feet of qu[illegible] some pyrite and small amounts of scheelite.

[illegible]alite [illegible] in the SE¼ sec. 13 (30-22 E.), has been [illegible] several [illegible] all open cuts west of and about [illegible] feet [illegible]ow highway. The vein strikes about N. 90° W. and

POST OFFICE DEPARTMENT
OFFICIAL BUSINESS

PENALTY FOR PRIVATE USE TO AVOID PAYMENT OF POSTAGE, $300

POSTMARK OF DELIVERING OFFICE

PATERSON
MAR 8 1963
WASH.

INSTRUCTIONS: Fill in items below and complete #1 on other side, when applicable. Moisten gummed ends and attach to back of article. Print on front of article RETURN RECEIPT REQUESTED.

RETURN TO

REGISTERED NO.	NAME OF SENDER
598018	DEPT OF INTR(MIN EXPL)
CERTIFIED NO.	STREET AND NO. OR P. O. BOX
	18TH C ST N.W.
INSURED NO.	CITY, ZONE AND STATE
	WASH 25 D.C.

POD Form 3811 Jan. 1958

C55—16—71548-4

Grounded

#1-INSTRUCTIONS TO DELIVERING EMPLOYEE

☐ Deliver *ONLY* to addressee

☐ Show address where delivered

(Additional charges required for these services)

RETURN RECEIPT

Received the numbered article described on other side.

SIGNATURE OR NAME OF ADDRESSEE *(must always be filled in)*

Paul Boynton

SIGNATURE OF ADDRESSEE'S AGENT, IF ANY

DATE DELIVERED	ADDRESS WHERE DELIVERED *(only if requested in item #1)*
MAR 30 1965	Paymaster Mines

C55—16—71548-4 GPO

OME-6144

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
		130
3/19		110
		100
		120

MAR 1 9 1963

REGISTERED MAIL
RETURN RECEIPT REQUESTED

NOTICE OF RESCISSION OF OME EXPLORATION CONTRACT

To: Paymaster Mines, Inc.
P.O. Box 44
Pateros, Washington

Operator Under Exploration
Contract 2136, dated December 26, 1961
Docket OME-6144 (Copper)

The United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereby rescinds the subject contract, as of the date thereof, on the following grounds:

You have failed to commence the work specified in the contract. You have further failed to answer our repeated letters of inquiry on this subject.

The United States of America repudiates and denies any liability under the contract and will make no contribution to costs incurred thereunder.

Dated this 19th day of March, 1963.

THE UNITED STATES OF AMERICA

By George Fumich, Jr. (pb)
Director, Office of Minerals Exploration

WRGriswold/mm
3/13/63
Rewritten: 3/18/63
cc: Associate Solicitor, Rm. 6554
Region I (2)
CA&A Division
Fiscal Section
Director's Reading File
Review Committee
Docket
Code 500

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
	Griswold	500
	Long	140
3/18	Salisbury	800
		130
		110
		100
		220
		~~500~~

NOTICE OF RESCISSION OF OME EXPLORATION CONTRACT

To: Paymaster Mines, Inc.
P. O. Box 44
Pateros, Washington

INTERIOR DEPT.
MAR 14 1963
SOLICITOR

Paymaster Mines, Inc.
Contract 2136
Docket OME-6144

December 26, 1961
Copper

FROM SOLICITOR
MAR 15 1963
FOR SIGNATURE

The United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereby rescinds the subject contract, as of the date thereof, on the following grounds:

You have failed to commence the work specified in the contract. You have further failed to answer our repeated letters of inquiry on this subject.

The United States of America repudiates and denies any liability under the contract and will make no contribution to costs incurred thereunder.

Dated this _____ day of _____, 1963.

THE UNITED STATES OF AMERICA

By _____
Director, Office of Minerals Exploration

WRGriswold/mm
3/13/63
cc: Region I
CA&A Division
Fiscal Section
Director's Reading File
Review Committee
Docket
Assoc. Solicitor

RECEIVED
MAR 14 1963
ASSOC. SOLICITOR
MINERAL RESOURCES

8623

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane 4, Washington
March 4, 1963

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: OME-6144 (Copper)
Paymaster Mines, Inc.
Holden-Campbell Property
Okanogan County, Washington
Contract 2136

This is in reference to your memorandum of February 1, 1963, and letters of the same date mailed to the Operator at addresses in Seattle and Pateros, Washington.

The letter mailed to Seattle was returned with the post office notation on the envelope, "Moved, left no address."

We have received no reply from the Operator to the letter mailed to Pateros, and, unless you have, we recommend that the contract be rescinded.

D. R. MacLaren

D. R. MacLaren

OFFICIAL FILE COPY
O. M. E
RECEIVED MAR 6 1963

DATE	INITIALS	CODE
3/6	[illegible]	800
	Grismed	500

#1-INSTRUCTIONS TO DELIVERING EMPLOYEE

☐ Deliver *ONLY* to addressee ☐ Show address where delivered

(Additional charges required for these services)

RETURN RECEIPT

Received the numbered article described on other side.

SIGNATURE OR NAME OF ADDRESSEE *(must always be filled in)*

Paul Rogstad

SIGNATURE OF ADDRESSEE'S AGENT, IF ANY

Peggy Rogstad

DATE DELIVERED	ADDRESS WHERE DELIVERED *(only if requested in item #1)*
FEB 5 1969	

C55—16—71548-4 GPO

6144

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
1/31	Holt	500
	Insund	500
1/31	Talbot	800
/	GCS	130
2/1	Johnson	110
2/1	Fenn	100
2/1	Cole	220
/		500

FEB 1 1963

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Field Operations

Subject: OME-6144 (Copper)
Paymaster Mines, Inc.
Holden-Campbell Property
Okanogan County, Washington
Contract 2136

We approve your letter to the Operator under the subject contract, and accordingly have dated it as of today and forwarded the signed original to the Operator, by registered mail, return receipt requested, and enclose herewith your copy and copies for Nolan and McKelvey, also dated.

According to Article 8 of the contract, such notices are to be sent to the Operator by certified mail at the mailing address stated in the contract. Therefore, we have prepared and are mailing a true copy of your letter to Mr. Rogstad at P. O. Box 44, Pateros, Washington, also by registered mail, return receipt requested.

Please inform us if you receive a reply from the Operator within 30 days. If not, we will, as you recommend, send a notice of rescission.

George C. Selfridge

(RH)

Enclosures

SPHolt/mm
1/31/63
cc: Director's Reading File
Review Committee
Docket

43683

So. 157 Howard Street
Spokane 4, Washington

FEB 1 1963

REGISTERED MAIL
RETURN RECEIPT REQUESTED

Mr. Paul Rogstad, President
Paymaster Mines, Inc.
13301 - 34th South
Seattle 88, Washington

Re: OME-6144 (Copper)
Paymaster Mines, Inc.
Holden-Campbell Property
Okanogan County, Washington
Contract 2136

Dear Mr. Rogstad:

In a letter dated January 25, 1962, you gave us a temporary address in Seattle where you could then be reached. As our letters of September 10, October 22, and December 4, 1962, addressed to you at Box 44, Pateros, have not been acknowledged, we believe it is possible that you may have left Pateros and hope that a letter addressed to Seattle will reach you.

Under the terms of the above-cited contract, work was to have been started on or before July 10, 1962. If it was not started on or before that date, the contract is in default. If you will notify us why work could not be started by the date agreed upon in the contract and will give us a date on or before which it can be started, we will request an amendment which will restore the contract from default.

If work was started by the agreed contract date, will you kindly send us a narrative report describing the work completed, any problems encountered, and the results.

Although it is our aim to help an Operator, we cannot permit any contract to remain in default indefinitely. Therefore, if we do not hear from you within 30 days from the date of this letter, we can only assume that you are no longer interested in the contract and must recommend to our Washington, D. C., office that the contract be cancelled.

Sincerely yours,

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

DHMacLaren:my
cc: OME; docket
Reading copies to:
Nolan
McKelvey

Copies also to: Fiscal Section
Audit

Re OMB-6144

Mac Lean's proposed ltr. to Opr. has my concurrence (after correction of contract no. to 2136).

A copy should be sent to the Paterson address by registered mail w/return rcpt. Art. 8 requires notice by ~~registered~~ certified mail to contract address. (Secty's mail-room will not use certified mail, so we must use next higher class of registered mail)

Talbert
1/30/63

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane 4, Washington
January 28, 1963

OFFICIAL FILE COPY
O. M. E
RECEIVED JAN 30 1963

DATE	INITIALS	
1/30	LCW	800
		120
	Truewood	500
1/31	Halt	500

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: OME-6144 (Copper)
Paymaster Mines, Inc.
Holden-Campbell Property
Okanogan County, Washington
Contract ~~2163~~ 2136

Our record of correspondence with this Operator shows:

February 8, 1962, letter to Operator enclosing proposed contract;
March 27, 1962, letter to Operator requesting some action on proposed contract;
April 20, 1962, second letter to Operator requesting action on proposed contract;
May 10, 1962, third letter to Operator requesting action on proposed contract;
June 5, 1962, Operator called at Spokane office and signed contract, stating that starting date would be on or before July 10, 1962;
September 10, 1962, first letter to Operator regarding start of work;
October 22, 1962, second letter to Operator regarding start of work;
December 4, 1962, third letter to Operator regarding start of work.

Except for his visit to Spokane June 5, 1962, to sign the contract, none of our letters from February 8, 1962, through December 4, 1962, has received a reply, nor have we been informed of any change in the Operator's address.

In going through our complete record of correspondence, I note that under the date of January 25, 1961, Paul Rogstad stated that he would be in Seattle "till week after next" and asked us to address him during that time at 13301 - 34th South, Seattle 88. Although it is unlikely that Rogstad has been away from Pateros since the middle of September without leaving a forwarding address, such a situation apparently did occur recently in the case of Idaho Copper Mines (OME-6132).

As a last hope of reaching the Operator, and on the long chance that we have not already done so, there is enclosed a letter to him giving him 30 days to reply. If this letter meets with your approval, will you kindly date and mail it, sending us a copy for our files.

If you feel, as I do, that in view of his failure to acknowledge any of our letters since February 8, 1962, he has been given ample opportunity to correct the default, Irecommend that he be notified that the contract has been rescinded and that copies of the notice of rescission be sent to Box 44, Pateros, Washington, and to 13301 - 34th South, Seattle 88.

D R MacLaren

D. R. MacLaren

Enclosure

P.S. Just received USBM Mineral Industry Surveys---Washington in 1962 and note on page 7 that a small amount of copper was produced by Paymaster during 1962.

D.R.M.

MME Form 7
(10-58)

JAN 18 1963

OFFICIAL FILE COPY

Date	Surname	Code
1/18	Holt	500
	Murphy	500
1/18	Talbot	800
	Selfridge	130
"	Goldsen	110
"	Simms	100
1/18	Cal	220
		500

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Field Operations

Subject: OME-6144 (Copper)
Paymaster Mines, Inc.
Holden-Campbell Property
Okanogan County, Washington
Contract 2136

Please inform us if you have any information concerning commencement of work under the subject contract, or any reply to your letter of December 4, 1962, to the Operator.

If you have no information, we will appreciate your comments and recommendations.

George C. Selfridge (glu)

cc: Director's Reading File
Review Committee
Docket
SPHolt/mm
1-18-63

43683

No. 157 Howard Street
Spokane 4, Washington
December 4, 1962

RECEIVED DEC 8 1962
DATE
12/9 800
+20
~~Bryant~~ 500
12/11 Walt S.I.H. ~~500~~

Mr. Paul Rogstad, President
Paymaster Mines, Inc.
P. O. Box 44
Pateros, Washington

Re: OME-6144 (Copper)
Paymaster Mines, Inc.
Holden-Campbell Property
Okanogan County, Washington
Contract 2163
2136

Dear Mr. Rogstad:

This is in further reference to our letters of September 10, 1962, and October 22, 1962, in which we called your attention to the fact that your OME contract has been in default since July 10, 1962, if work was not started by that date. We also indicated what you should do to rectify the default if it exists and asked you to submit a narrative report describing the contract work so far completed, if work was started by July 10, 1962.

To date we have not received a reply to either of our letters. As stated in our letter of October 22, 1962, no contract can be allowed to remain in default indefinitely. Therefore, if we do not hear from you within ten days of the date of this letter, we can only assume that you are no longer interested in the contract and must recommend to our Washington, D. C., office that the contract be cancelled.

10 day notice

Sincerely yours,

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

DRMacLaren:my

cc: OME
Reading copies to:
Nelson
McKelvey

So. 157 Howard Street
Spokane 4, Washington
October 22, 1962

OFFICIAL FILE COPY
O. M. E
RECEIVED OCT 25 1962

DATE	INITIALS	
10/25		800
10/25		500
	6144	

Mr. Paul Rogsted, President
Paymaster Mines, Inc.
P. O. Box 44
Pateros, Washington

Re: OME-6144 (Copper)
Paymaster Mines, Inc.
Holden-Campbell Property
Okanogan County, Washington
Contract ~~2163~~ 2136

Dear Mr. Rogsted:

We wrote you September 10, 1962, calling your attention to the fact that work under the above contract was to begin on or before July 10, 1962. As we have heard nothing from you since you returned the signed contract to us, it appears likely that work was not started as specified and that therefore the contract is in default. This can be corrected by amendment if you so request and give us a date on or before which you will start work.

If our assumption that contract work has not been started is incorrect, will you please submit a narrative report and a description of what was done and the results.

While OME wishes to be sympathetic with respect to difficulties that may be unavoidably encountered by an operator, no contract can be allowed to remain in default indefinitely. Therefore, a prompt reply will be greatly appreciated.

Sincerely yours,

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

DRMacLaren:my
cc: OME
Reading copies to:
Nolan
McKelvey

So. 157 Howard Street
Spokane 4, Washington
September 10, 1962

OFFICIAL FILE COPY
O. M. E
RECEIVED SEP 14 1962

DATE		
9/14	Two	~~8.00~~
9/17	Brewster	500
9/17	Hoet S.P.H.	500

Mr. Paul Rogstad, President
Paymaster Mines, Inc.
P. O. Box 44
Pateros, Washington

Re: OME-6144 (Copper)
Paymaster Mines, Inc.
Holden-Campbell Property
Okanogan County, Washington
Contract 2163

Dear Mr. Rogstad:

Article 1 of the above contract provides that "The Operator shall begin the work on or before July 10, 1962 . . ." If you were unable to start work by that date, you should request that the contract be amended to postpone the starting date. Your request should be submitted in duplicate, should state why the start was delayed, and name a date on or before which contract work will be started.

In the event that work was started on or before July 10, 1962, your attention is directed to Article 5(b), Monthly Reports. While we do not insist that an Operator submit a voucher each month, we do require the monthly narrative report described in Article 5(b)(3).

An early reply will be appreciated.

Sincerely yours,

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

DRMacLaren:my

cc: OME
Reading copies to:
Nelson
McKelvey

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUN 18 1962
DATE
6/18 800
500
500

So. 157 Howard Street
Spokane 4, Washington
June 13, 1962

Paymaster Mines, Inc.
P. O. Box 44
Pateros, Washington

Re: OME-6144 (Copper)
Paymaster Mines, Inc.
Holden-Campbell Property
Okanogan County, Washington
Contract 2136

Gentlemen:

We are enclosing a 3-month supply of Operator's Monthly Voucher and Progress Report, OME Forms 60 and 61. The completed report forms, as well as the narrative, maps, assays, and all technical data, should be submitted in quadruplicate for each month in which costs have been incurred under the contract. However, in the event that you do not wish to submit a voucher for any month, the narrative report for the work done for that month is required. Delay in processing can be avoided if reports are submitted promptly to this office.

Also enclosed are three copies of Standard Form 38, entitled "Notice to Labor Unions or Other Organizations of Workers--Nondiscrimination in Employment." In accordance with Executive Order 10925, which is Exhibit B of your contract, you should complete one copy and send it to any labor union that may be involved in your OME contract work and should post one or more copies in conspicuous places available to employees or applicants for employment.

In addition, there is enclosed a poster which should be exhibited in a conspicuous place available to both employees and applicants for employment.

Sincerely yours,

Margaret Yourt

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

Enclosures
cc: OME
Reading copies to:
Nolan
Hobbs
Guild

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane 4, Washington
June 5, 1962

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

DATE	INITIALS	CODE
6/8	Coe	210
6/8	S.P.H.	500

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: OME-6144 (Copper)
Paymaster Mines, Inc.
Holden-Campbell Property
Okanogan County, Washington
Contract 2136

Enclosed are the Government, Audit, and Fiscal Section copies of the subject contract, which was signed in the Spokane office today.

D. R. MacLaren

D. R. MacLaren

Enclosures

XDXXXXXXB140K

YWA127-BWAF SP 18 I-MME

SPOKANE WASH 6-5-62 1338U

MR. GEORGE FUMICH, JR.,

DIRECTOR OFFICE MINERALS EXPLORATION, USDI WASHINGTON DC

DOCKET OME-6144 (COPPER) PAYMASTER MINES, INC., OKANOGAN COUNTY, WASHINGTON CONTRACT 2136 EXECUTED JUNE 5, AT SPOKANE OFFICE.

D. R. MACLAREN,

ACTING FIELD OFFICER, REGION ONE

OME-6144 2136 5

BJR 1339U

OFFICIAL FILE COPY
O. M. E
RECEIVED JUN 6 1962

DATE		
6/7	Cae	200
	WRY	500
6-7	[illegible]	100
		120
6/11	S.P.H.	500

So. 157 Howard Street
Spokane 4, Washington
May 10, 1962

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAY 14 1962
DATE

5/14 General 500
" Hoitt 500

Certified Mail

Mr. Paul Rogstad, President
Paymaster Mines, Inc.
P. O. Box 44
Pateros, Washington

Re: OME-6144 (Copper)
Holden-Campbell Property
Okanogan County, Washington

Dear Mr. Rogstad:

This is in further reference to our letters of February 8, March 27, and April 20, 1962, regarding the proposed exploration contract, the original and four copies of which we sent you with the [illegible] letter cited.

As previously requested, if the terms and conditions of the proposed contract are satisfactory, please insert in Article I the date on or before which work will start, sign all copies, keep the Operator's copy, and return the original and remaining three copies to this office. If the terms and conditions are not satisfactory, please return unsigned the original and four copies with a statement of any proposed changes that would render the contract acceptable, so that OME may consider them.

If we do not hear from you within thirty days of the date of this letter, we can only presume that you are no longer interested and must request OME to cancel the proposed contract.

Sincerely yours,

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

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

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
5/11	Griswold	500
"	Hoff	500
"	Talbot	800
5/11	Selfridge	130
"	Johnson	110
5-11	Timm	100
5/11	Coe	220
		500

MAY 11 1962

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Field Operations

Subject: OME-6144 (Copper)
Paymaster Mines, Inc.
Holden-Campbell Property
Okanogan County, Washington

As far as we know, you have had no reply to your April 20 letter to this company concerning the proposed contract submitted to them.

If you still have not heard from these people, will you please write them again, instructing them to either promptly sign the contract or return it to you unsigned, or give you some logical reason for not taking such action, with any possible objection they might have.

You should further advise that if you do not hear within ten days, we must withdraw the contract. If you write the Applicant, perhaps it would be best to send the letter by certified mail.

George C. Selfridge

(GCS)

WRGriswold/gla 5-10-62
Rewritten: WRGriswold/gla 5-11-62
cc to: Director's Reading File
Review Committee
Docket

43683

OFFICIAL FILE COPY
O. M. E.
RECEIVED APR 23 1962

4/23 Received 500
" Hart 526
SIRH

So. 157 Howard Street
Spokane 4, Washington
April 20, 1962

Mr. Paul Rogstad, President
Paymaster Mines, Inc.
P. O. Box 44
Paterson, Washington

Re: OME-6144 (Copper)
Holden-Campbell Property
Okanogan County, Washington

Dear Mr. Rogstad:

On February 8, 1962, we sent you the original and four copies of a proposed contract to explore the Holden-Campbell Property, and on March 27, 1962, wrote you a follow-up letter. Since sending you the proposed contract, we have not heard from you.

When may we expect to receive the copies, signed if the terms and conditions are satisfactory, or unsigned with a statement of your objections if they are not satisfactory, as described in our two prior letters.

An early reply will be appreciated.

Sincerely yours,

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

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

OMe

OFFICIAL FILE COPY
O. M. E
RECEIVED MAR 29 1962
DATE
3/24/62 3/30 500

Sa. 157 Howard Street
Spokane 43, Washington
March 27, 1962

Mr. Paul Ragstad, President
Paymaster Mines, Inc.
P. O. Box 44
Paterson, Washington

Re: OME-6144 (Copper)
Holden-Campbell Property
Okanogan County, Washington

Dear Mr. Ragstad:

On February 8, 1962, we sent you the original and four copies of a proposed contract to explore on the subject property. As yet, we have received no reply.

If the contract meets with your approval, kindly insert in Article 1(a) of the contract the date on or before which work will commence and sign the original and all copies; keep the Operator's Copy and return the original and remaining three copies to this office.

If any part of the contract does not have your approval, please return all copies unsigned with a statement of any proposed changes you would like to have made for consideration.

Your early attention to this matter will be appreciated.

Sincerely yours,

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

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

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
3/23	Holt	500
	Frandt	500
3/23	Talbot	800
3/23	[illegible]	130
"	Johnson	110
3/23	Tennyson	100
3/23	Cal	220
		500

MAR 2 3 1962

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Field Operations

Subject: OME-6144 (Copper)
Paymaster Mines, Inc.
Holden-Campbell Property
Okanogan County, Washington

It will be appreciated if you will ask Mr. Rogstadt when we may expect to receive the proposed contract for the subject property, either signed by the Applicant or returned with comments.

George C. Selfridge (GCS)

SPHolt/gla 3/22/62
3/23/62 rewritten
cc to: Director's Reading File
Review Committee
Docket

43683

One

OFFICIAL FILE COPY
O. M. E.
RECEIVED FEB 10
DATE
2/12 Hoet 500

No. 157 Howard Street
Spokane 4, Washington
February 8, 1962

Mr. Paul Rogstad, President
Paymaster Mines, Inc.
P. O. Box 44
Pateros, Washington

Re: OME-6144 (Copper)
~~Baldon-Campbell Property~~
Okanogan County, Washington

Dear Mr. Rogstad:

Enclosed are the original and four copies of a proposed contract for the subject property, signed by the Director for the Government. The complete contract consists of BLM Form 51 (Short Form), Annex I (two pages), Exhibit A (four pages), Exhibit B, and two maps.

If the contract meets with your approval, kindly insert in Article 1 of the contract the date on or before which work will commence and sign the original and all copies; keep the Operator's Copy and return the original and remaining three copies to this office.

If any part of the contract does not have your approval, please return all copies unsigned with a statement of the proposed changes for consideration.

The 6½ percent interest mentioned in Article 1(e) accrues from the dates upon which individual payments are made by the Government and, like the principal, is repayable from royalty on production.

We are returning to you the sixth copy of BLM Form 52 which is for the signers.

Sincerely yours,

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

Enclosures

Kilbourne:mls
cc: OME
Mailing copies to: Nelson, Robbs, Child

OFFICIAL FILE COPY
RECEIVED JAN 31 1962
DATE 1/31

So. 157 Howard Street
Spokane 4, Washington
January 29, 1962

Mr. Paul Rogstad, President
Paymaster Mines, Inc.
P. O. Box 44
Pateros, Washington

Re: OME-6144 (Copper)
Holden-Campbell Property
Chanogan County, Washington

Dear Mr. Rogstad:

Enclosed are the Lien or Subordination forms which you sent us with your letter of January 25, 1961.

The certification of signature is incorrectly executed in that the signature of W. C. Kier, who signed the Lien or Subordination Agreements as president should be attested by the secretary as indicated on the form.

In order to save time and avoid further confusion we have prepared an original and four copies of the form which we are enclosing.

Sincerely yours,

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

Enclosures

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

6144

Paymaster Mines, Inc.

Box 44
PATERSON, WASHINGTON
January 20, 1962

OFFICIAL FILE COPY
RECEIVED JAN 26 1962
1/29 ~~Chuckwalla~~ 500
Nat'l S.P.H. 520

Mr. D. E. MacLaren
Field Officer, OME
So. 157 Howard Street
Spokane 4, Washington.

Dear Mr. MacLaren:

I received your letter and the new forms for the removal of lien for our property yesterday. I have been in Seattle for the past three weeks and our company mail has just caught up with me. I am sending the new copies to the Holden Campbell Corporation for execution and should have them back by this week end and will forward them to you immediately.

Yours Truly

Paul Rogstad President

REC
JAN 23 1962

Done

OFFICIAL FILE COPY
O. M. E
RECEIVED JAN 5 1962

DATE	INITIALS	CODE
1/5/62	Hoest S.H.H. Greenwalt	500

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

Mr. Paul Rogstad, President
Paymaster Mines, Inc.
P. O. Box 44
Pateros, Washington

Re: OME-6144 (Copper)
Holden-Campbell Property
Okanogan County, Washington

Dear Mr. Rogstad:

We have received from our Washington office a proposed contract for an exploration project on the Holden-Campbell property.

As it is desirable to subordinate only 14 claims of the Holden-Campbell group, new Lien or Subordination Agreement forms are necessary. The original and four copies of the new forms which we have prepared in order to save time are enclosed. Please have them executed by responsible officers of the Holden-Campbell Mines, Inc.

If the same officers sign, the agreement can be considered a revision of the form submitted with the application, the date of June 28, 1961, remaining unchanged. If different officers sign the new agreement, the date typed in the new form should be changed and the change initialed, but the date must be prior to December 26, 1961, the date of the contract. All copies of the previously submitted form are herewith returned for your disposal.

The signature on the forms must be certified by the secretary of the company and the Corporate Seal must be affixed.

As soon as we receive the new forms properly executed and dated, we will forward the proposed contract.

Sincerely yours,

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

Enclosures

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

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
12/21	[illegible]	500
	[illegible]	500
12/26	[illegible]	800
12/26	[illegible]	130
12/26	On leave	110
12/26	On leave	100
12/26	[illegible]	220
		500

DEC 26 1961

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Field Operations

Subject: OME-6144 (Copper)
Paymaster Mines, Inc.
Holden-Campbell Property
Okanogan County, Washington

Enclosed are the original and four copies of a proposed contract for the subject property, signed by the Director for the Government. The complete contract consists of MME Form 51 (Short Form), Annex I (two pages), Exhibit A (four pages), Exhibit B, and two maps.

As we wish to subordinate only 14 claims of the Holden-Campbell group, it has been necessary to prepare new Lien or Subordination Agreement forms to save time. Please ask the Applicant to have the agreements executed by responsible officers of the Holden-Campbell Mines, Inc. If the same officers sign, the agreement can be considered a revision of the one submitted with the application (all copies of which are returned herewith) and can carry the same date--June 28, 1961. If different officers sign the new agreement, it should be dated prior to the date of the contract. In any event, the date of the Lien or Subordination Agreements should be inserted in the second paragraph, page 2, of Annex I. Also, if the date is not June 28, 1961, Form MME 52, and the typed line under Article 2 (b) of MME Form 51 should be corrected to the new date. If The signature on Form MME 52 ~~is that of the president of the company, it~~ must be attested by the secretary of the company and the corporate seal must be affixed.

If the contract meets your and the Applicant's approval, kindly insert the starting date in the contract form and have an authorized representative of the subject company sign the original and all copies. Thereafter, distribute the copies in the usual manner.

Please advise the Applicant that the interest rate of 6¼ percent in Article 1 (c) of the contract accrues from the dates on which individual payments are made by the Government and like the principal is repayable from royalty on production.

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

George C. Selfridge

Enclosures

P.S. Please be sure that the proposed contract is not submitted to the Applicant until the Lien or Subordination Agreement forms are executed and returned to you. Should it be necessary, the Applicant should change the June 28, 1961, date on the forms.

SPHolt/gla 12-21-61
cc to: Director's Reading File
Review Committee
Docket

43683

OPTIONAL FORM NO. 10

UNITED STATES GOVERNMENT

Memorandum

TO : Mr. Furnish - OME

DATE: 12/20/61

~~FROM~~ :

~~SUBJECT:~~

This contract (Pennwaster Mines, Inc - OME 6144) has been typed in final form but has not been sur-named, per our discussion of 12/19/61, because of the defective Lien & Subordination Agreement. The L & A agreement must ~~[illegible]~~ identify the claims accurately & in detail* and must be signed by the corporation. If Keir signs for the corporation, his signature must be attested by the Secy. Do you have the form prepared here. I suggest you type "~~Pennwaster Mines, Inc~~ Campbell Mines, Inc" following "the undersigned" on the last line of P 1 !?

FROM SOLICITOR
DEC 20 1961
FOR SIGNATURE

Chas Doller

*The meridian is not now identified in the L & A agreement - it should be.

Hazel: Contract not surnamed by Mr. Soller.

New and old sets of Sub. Agt. with contract copies.

Attached to memo

Grace

Mr. Soller's copy of contract herewith

Mr Soller to surname upon receipt & return of Lien or Subordination Agreement

MME FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. Mr. Selfridge		
2.		
3.		
4.		
5.		
FROM: Talbert 12/4/62		

FOR: Check items for action desired

____ Action ____ Reply for signature of _____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions ____ Your information

REMARKS: Re: OME-6144

Corrections to letter suggested as indicated in blue on cover sheet. (We sure aren't consistent — date appears in Q.4, 2 but we leave a blank in Answer!!)

DRAFT
SPHolt/GCSelfridge/gla
12-6-61

MME Form 51
Feb. 1959

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

Draft of contract for docket

EXPLORATION CONTRACT
(Short Form)

Docket No.	Commodity	Contract No.	County	State
OME -6144	Copper	14-23-090-	Okanogan	Washington

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

Paymaster Mines, Inc., a Washington corporation

_____,

whose mailing address is **P. O. Box 44, Pateros, Washington**, hereinafter called the "Operator," as follows:

ARTICLE I. Authority and scope.--(a) This contract, entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before _____ (Date), and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within **12** months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the work is $ **64,910.00** The Government will contribute 50 percent of the total fixed unit costs of the work performed, not in excess of $ **32,455.00** in accordance with the provisions of Articles 4 and 5.

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

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

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

Interest of Lessor

(b) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above and (if the Operator does not hold the legal title) the Lien Agreement of any holder of the legal title of the land (lessor, seller, optionor, etc.) are attached as follows:

Lien or Subordination Agreement, dated June 28, 1961, executed by

Holden-Campbell Mines, Inc.

(c) The Operator shall preserve and maintain his right, title, or interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. The Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a royalty on production and liens for the payment thereof. Two true copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 6 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

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

(b) Government may inspect.--The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract and production operations during the period that royalty is payable to the Government. The Operator shall provide the Government with all reasonable means of access for such inspections.

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

ARTICLE 5. Reports, accounts, audits.--(a) Operator's records.--The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine all pertinent books, documents, papers, and records of the Operator.

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

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

(2) Operator's Progress Report showing the number of units of the various types of work performed; and

(3) a narrative report of the work performed during the reporting period, including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground.

(Forms for reporting under (1) and (2) above will be provided by the Government.)

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

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

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

ARTICLE 6. Repayment by Operator.--(a) Certification.--If the Government considers that mineral or metal production from the land covered by the contract may be possible as a result of the exploration work, it shall so certify in writing to the Operator at any time not later than six months after a sufficient final report and final accounting (see Article 5) have been furnished.

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

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

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

(c) Payment of royalty.--(1) The Government's royalty shall be five percent of the [redacted] gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrate, metal, or equivalent), at the point of delivery (the f.o.b. point); except, that charges of the buyer arising in the regular course of business and shown as deductions on the buyer's settlement sheets (such as treatment processes performed by the buyer, sampling and assaying to determine the value of the production sold, and freight payable by the buyer to a carrier (not the Operator)), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. No costs of the Operator are deductible in arriving at the "gross proceeds" as that term is here used.

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

(2) The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be.

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

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

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

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

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

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

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

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

(b) If the Government determines that the Operator is in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon:

(1) the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and

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

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

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

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

ARTICLE 8. Notices to be given by the Government may be delivered to the Operator or may be sent by certified mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 9. Officials not to benefit.--No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

See Article 14

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

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

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

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

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

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

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

ARTICLE 14. Changes and added provisions.--

The provisions of Section 301 of Executive Order No. 10925 of March 6, 1961, required to be included in every Government contract are by reference hereby and herein incorporated and made a part of this contract. A copy of said Executive Order is attached to this contract as Exhibit B.

Executed in quintuplicate the day and year first above written.

PAYMASTER MINES, INC.
(Operator)

By _____

Title _____

THE UNITED STATES OF AMERICA

By _____
Director, Office of Minerals Exploration

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

_____

[CORPORATE SEAL]

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

SPHolt/GCSelfridge/gla
12/6/61

EXPLORATION CONTRACT
PAYMASTER MINES, INC.
OME-6144

ANNEX I

The land, with all rights pertaining thereto, including extralateral rights, referred to in Article 2 of the contract and shown outlined in blue color on Figure 1, attached hereto and made a part hereof, comprises 14 unpatented lode mining claims in secs. 2, 3, 10, and 11, T. 30 N., R. 22 E., Willamette Meridian, Squaw Creek Mining District, Okanogan County, Washington, which are recorded in the Office of the Recorder at Okanogan, Washington, as follows:

Claim Name	Recorded Book	Recorded Page
Little George	8	105
Molly B	8	105
Jerry Leonard	8	119
Doris Barbara	8	120
Sunshine	8	130
Sunshine No. 2	8	129
Saddle	8	156
East Doris Barbara	8	149
Ace of Diamonds	8	155
I Just Live Here	8	161
Sleepy Hollow	7	470
Anxiety	8	191
East Sleepy Hollow	8	244
East Jerry Leonard	8	245

The Operator controls the land under the terms of a Mining Lease, dated January 19, 1959, from the owners, Holden-Campbell Mines, Inc., to Paul Rogstad and Associates, and a Mining Lease Transfer, dated January 26, 1959, from Paul Rogstad and Associates to Paymaster Mines, Inc.

A Lien or Subordination Agreement, dated June 28, 1961, signed by W. C. Kier, president (of Holden-Campbell Mines, Inc.), J. C. Holden, vice president, and Thelma Lee Kier, secretary-treasurer, is attached to and made part of the contract.

EXPLORATION CONTRACT
PAYMASTER MINES, INC.
OME-6144

EXHIBIT A

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

Figure 1. Paymaster Mines, Inc. Sketch Showing Very Approximate Location of Mining Claims. Squaw Creek Mining District, Okanogan County, Washington.

Figure 2. Plan and Section showing existing, proposed and recommended workings, Hunter Vein, Paymaster Mines, Incorporated, Okanogan County, Washington.

The purpose of the project is to explore for ores of copper by means of bulldozer trenching on the surface, and shaft sinking, drifting and crosscutting, and long-hole drilling in the Holden-Campbell group of claims. The work shall be performed in three stages. All of Stage I work shall be done as outlined herein and as much of Stages II and III work as may be approved in advance by the Government. Stage II work shall be contingent upon favorable results having been obtained under Stage I, and Stage III work shall be contingent upon favorable results having been obtained under Stage II, and neither Stage II nor Stage III work shall be undertaken without prior approval of the Government.

General Conditions

The shaftshall be timbered as necessary, using standard shaft sets. It shall be divided into two compartments and be of a

size of not less than 7 feet by 10 feet in the clear of timber comprising a 4' by 5' skip compartment and a 3' by 5' manway compartment. The shaft sets shall be of not less than 8-inch by 8-inch timber, or the equivalent in round timber.

Drifts and crosscuts shall be timbered as necessary, using standard drift sets consisting of not less than 8-inch by 8-inch timber, or the equivalent in round timber. Drifts and crosscuts shall be not less than 5 feet wide and 7 feet high in the clear of timber.

All significantly mineralized sections encountered in the crosscutting and drifting shall be sampled normal to their trends, and the samples assayed for copper, and for silver and/or tungsten as seems desirable. Drifts in significantly mineralized areas shall be sampled at linear intervals of not more than 10 feet. All samples to be sent for assay shall first be split and one-half be made available to the Government. Sludge samples shall be taken of the long-hole drill cuttings that show significant mineralization. Such samples shall represent not more than a 5-foot length of drill hole. Sample results and locations shall be accurately shown on monthly progress maps provided to the Government.

Mine rails shall be of not less than 20-lb. size, air lines of not less than 2-inch size in drifts and crosscuts, and water lines of not less than 1-inch size. Ventilation lines shall be of not less than 10-inch size.

No shaft sinking, crosscutting, or drifting shall be done at locations less than 100 feet from property boundaries.

ulldozer used for the excavation of trenches and

access road and shaft site shall be not less than

imilar size of other make.

e Operator shall provide such supervisory and technical

may be required to complete the work in a satisfactory

Description of the Work

The approximate location and the extent of the work are shown in red color on Figure 2 heretofore mentioned.

Stage I

Bulldoze approximately one trench at about the position shown in red color on Figure 2 for the purpose of exposing the outcrop of the vein. If overburden is removed to bedrock and the vein is not found, no further work will be authorized.

Stage II

Bulldoze an access road from the existing road to the shaft site, located approximately as shown in red color on Figure 1, and level off a shaft site located about 260 feet westerly from the upper edge of the lower tunnel dump.

Construct an 8' x 10' compressor-power house building, shed-type, one side wall 10' high, other 8' high, wood frame, rafters and studding 1" x 12", and 3" bats as siding and ship-lap, 90-lb. felt roofing, built on 6" x 6" sills, with one window vent and concrete slab for generator base.

Construct a 12' x 14' shed-type hoist and change room

building, one side wall 8' high, other 12' high, wood frame, studding and rafters, 1" x 12" and 3" bats for siding, and ship-lap, 90-lb. felt roofing, built on 6" x 6" sills, one 3' x 4' window in front of hoist, 1' x 6' x 6' concrete slab for hoist base.

Construct a wooden headframe, 25' 4" high by 6' 4" by 5' 4" outside dimensions, posts and two supporting braces 8" x 8" x 24' timber, other braces of 6" x 8" timber, on 10" x 10" x 26' sills, 18" pulley and shaft.

Sink a vertical two-compartment shaft, size 7' x 10' in the clear of timber, comprising a 4' x 5' hoisting compartment and a 3' x 5' manway compartment, to the approximate depth of 170 feet. At a depth of approximately 150 feet crosscut south to the Hunter vein and drift easterly along the vein zone a combined total of not to exceed 500 feet. At intervals of approximately 100 feet, drill long holes each about 10 feet deep into each wall of the drift

Stage III

If the results of Stage II work justify further exploration, extend the drift not to exceed 600 feet easterly along the mineralized vein zone, continuing to drill long holes, each approximately 10 feet deep, into each wall of the drift at approximately 100-foot intervals.

Estimated Costs of the Project

Costs

dozer trenching across vein,

2 hours @ $14.00/hr. $ 168.00

Total Stage I $ 168.00

Stage II

Buildozing to construct access road and prepare shaft site, 16 hours @ $14.00/hr.	$ 224.00	
Constructing compressor house-power plant building, job	317.00	
Constructing hoise house-change room building, job	438.00	
Constructing wooden headframe, job	625.00	
Sinking 7' x 10' two-compartment shaft, 170 feet @ $78.00/ft.	13,260.00	
Timbering shaft, 150 feet @ $15.00/ft.	2,250.00	
Crosscutting and drifting, 500 feet @ $41.00/ft.	20,500.00	
Timbering crosscut and drift, 100 feet @ $8.50/ft.	850.00	
Assaying:		
50 determinations for copper @ $1.50/each	75.00	
50 determinations for silver @ $1.50/each	75.00	
25 determinations for tungsten @ $5.00/each	125.00	
Long-hole drilling, 100 feet @ $1.00/ft.	100.00	
Total Stage II		$38,839.00

Stage III

Drifting, 600 feet @ $41.00/ft.	$24,600.00	
Drift timbering, 100 feet @ $8.50/ft.	850.00	
Long-hole drilling, 123 feet @ $1.00/ft.	123.00	
Assaying:		
60 determinations for copper		
@ $1.50/each	90.00	
60 determinations for silver		
@ $1.50/each	90.00	
30 determinations for tungsten		
@ $5.00/each	150.00	
Total Stage III		$25,903.00
Estimated Total Cost of the Project		$64,910.00
Government Participation @ 50%		$32,455.00

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EXPLORATION CONTRACT
PAYMASTER MINES, INC.
OME-6144

ANNEX I

The land and all rights pertaining thereto, including extralateral rights, referred to in Article 2 of the contract and shown in green color on map, Figure 1, attached hereto and made a part hereof, comprising 30 unpatented lode mining claims, situated in secs. 2, 3, 9, 10, 11, and 14, T. 30 N., R. 22 E., Willamette Meridian, Squaw Creek Mining District, Okanogan County, Washington, and recorded in the Office of the Recorder at Okanogan, Washington, as follows:

Claim Name	Recorded Book	Recorded Page
Little George	8	105
Molly B	8	105
Jerry Leonard	8	119
Doris Barbara	8	120
~~Tuxedo~~	~~8~~	~~120~~
~~Pack Sack~~	~~8~~	~~121~~
Sunshine	8	130
Sunshine No. 2	8	129
Saddle	8	156
~~West Doris Barbara Extension~~	~~8~~	~~133~~
~~West Doris Barbara No. 2 Extension~~	~~8~~	~~134~~
East Doris Barbara	8	149
Ace of Diamonds	8	155
~~Burkhart and Larson~~	~~8~~	~~157~~
I Just Live Here	8	161
Sleepy Hollow	7	470
~~Cracker Jack~~	~~8~~	~~165~~
~~Lost Rattler~~	~~8~~	~~163~~
~~Lost Rattler Extension~~	~~8~~	~~173~~
~~Big Porphyry~~	~~8~~	~~166~~
~~West Sleepy Hollow~~	~~8~~	~~166~~
~~Big Buck~~	~~8~~	~~164~~
Anxiety	8	191
~~West Sleepy Hollow Extension No. 2~~	~~8~~	~~243~~
East Sleepy Hollow	8	244
East Jerry Leonard	8	245
~~Star No. 5~~	~~8~~	~~427~~
~~Star No. 6~~	~~8~~	~~426~~
~~Little Pat~~	~~8~~	~~426~~

The Operator controls the land under the terms of a Mining Lease dated

January 19, 1959, from the owners, Holden-Campbell Mines, Inc. to Paul Rogstadt and Associates, and a Mining Lease Transfer, dated January 26, 1959, from Paul Rogstadt and Associates to Paymaster Mines, Inc.

A Lien and Subordination Agreement dated June 28, 1961, signed by W. C. Kier, President (of Holden-Campbell Mines, Inc.), J. C. Holden, Vice President, and Thelma Lee Kier, Secretary-Treasurer, is attached to and made part of the contract.

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EXPLORATION CONTRACT
PAYMASTER MINES, INC.
OME-6144

EXHIBIT A

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

Figure 1. Paymaster Mines, Inc. Sketch Showing Very Approximate Location of Mining Claims. Squaw Creek Mining District, Okanogan County, Washington.

Figure 2. Plan and Section showing existing, proposed and recommended workings, Hunter Vein, Paymaster Mines, Inc., Okanogan County, Washington.

The purpose of the project is to explore for ores of copper by means of bulldozer trenching on the surface, and shaft sinking, drifting and crosscutting, and long-hole drilling, in the Holden-Campbell group of claims. The work shall be performed in three stages. All of Stage I work shall be done as outlined herein and as much of Stages II and III work as may be approved in advance by the Government. Stage II work shall be contingent upon favorable results having been obtained under Stage I, and Stage III work shall be contingent upon favorable results having been obtained under Stage II, and neither Stage II nor Stage III work shall be undertaken without prior approval of the Government.

General Conditions

The shaft shall be timbered as necessary, using standard shaft sets. It shall be divided into two compartments and be of a size of not less than 7 feet by 10 feet in the clear of timber comprising a 4' by 5' skip compartment and a 3' by 5' manway compartment. The shaft sets shall be of not less than 8-inch by 8-inch timber, or the equivalent in round timber.

Drifts and crosscuts shall be timbered as necessary, using standard drift sets consisting of not less than 8-inch by 8-inch timber, or the equivalent in round

timber. Drifts and crosscuts shall be not less than 5 feet wide and 7 feet high, in the clear of timber.

All significantly mineralized sections encountered in the crosscutting and drifting shall be sampled normal to their trends, and the samples assayed for copper, and for silver and/or tungsten ~~XXXXXXXXXXXXXXX~~ as seems desirable. Drifts in significantly mineralized areas shall be sampled at linear intervals of not more than 10 feet. All samples to be sent for assay shall first be split and one half be made available to the Government. Sludge samples shall be taken of the long-hole drill cuttings that show significant mineralization. Such samples shall represent not more than a 5-foot length of drill hole. Sample results and locations shall be accurately shown on monthly progress maps provided to the Government.

Mine rails shall be of not less than 20-lb. size, air lines of not less than 2-inch size in drifts and crosscuts, and water lines of not less than 1-inch size. Ventilation lines shall be of not less than 10-inch size.

No shaft sinking, crosscutting, or drifting shall be done at locations less than 100 feet from property boundaries.

The bulldozer used for the excavation of trenches and preparation of access road and shaft site shall be not less than D-6 size or similar size of other make.

The Operator shall provide such supervisory and technical services as may be required to complete the work in a satisfactory manner.

DESCRIPTION OF THE WORK

The approximate location and the extent of the work are shown in red color on Figure 2, attached hereto and made a part hereof.

Stage I

Bulldoze approximately one trench at about the position shown in red color on Figure 2, for the purpose of exposing the outcrop of the vein. If overburden is removed to bedrock and the vein is not found, no further work will be authorized.

Stage II

Bulldoze an access road from the existing road to the shaft site, located approximately as shown in red color on Figure 1, and level off a shaft site located about 260 feet westerly from the upper edge of the lower tunnel dump.

Construct an 8' x 10' compressor-power house building, shed-type, one side wall 10' high, other 8' high, wood frame, ~~XXXXXXXXXXXX~~ rafters and studding, 1" x 12" and 3" bats ~~as siding and ship-lap, 90 lb. felt roofing,~~ built ~~on 6" x 6" sills, with one window vent~~ and concrete slab for generator base.

Construct a 12' x 14' shed type hoist and change room building, one side wall 8' high, other 12' high, wood frame, studding and rafters, 1" x 12" and 3" bats for siding, and ship-lap, 90 lb. felt roofing, built on 6" x 6" sills, one 3' x 4' window in front of hoist, 1' x 6' x 6' concrete slab for hoist base.

~~Construct a wooden headframe, 25'4" high by 6'4" by 5'4" outside dimensions, posts and two supporting braces 8"x8" x 24' timber, other braces of 6" x 8" timber, on 10" x 10" x 26' sills, 18" pulley and shaft.~~

Sink a vertical two compartment shaft, size 7' x10' in the clear of timber, comprising a 4' x 5' hoisting compartment and a 3' x 5' manway compartment, to the approximate depth of 170 feet. At a depth of approximately 150 feet crosscut south to the Hunter vein and drift easterly along the vein zone a combined total of not to exceed 500 feet. At intervals of approximately 100 feet, drill long holes each about 10 feet deep into each wall of the drift.

Stage III

If the results of Stage II work justify further exploration, extend the drift not to exceed 600 feet easterly along the mineralized vein zone, continuing to drill long holes, each approximately 10 feet deep, into each wall of the drift, at approximately 100-foot intervals.

Fixed Unit Costs

Stage I

Bulldozer trenching across vein, 12 hours @ $14.00/hr.	$ 168.00	
Total Stage I		$ 168.00

Stage II

Bulldozing to construct access road and prepare shaft site, 16 hours @ $14.00/hr.	224.00	
Constructing compressor house-power plant building, job	317.00	
Constructing hoist house-change room building, job	438.00	
Constructing wooden headframe, job	625.00	
Sinking 7' x 10' two compartment shaft, 170 feet ~~@ $80.00/ft~~ @ $78.00/ft	13,260.00	
Timbering shaft, 150 feet @ $15.00/ft.	2,250.00	
Crosscutting and drifting, 500 feet @ $41.00/ft.	20,500.00	
Timbering crosscut and drift, 100 feet @ $8.50/ft.	850.00	
Assaying: 50 determinations for copper @ $1.50/each	75.00	
50 determinations for silver @ $1.50/each ~~and~~	75.00	
25 determinations for tungsten @ $5.00/each	125.00	
Long-hole drilling, 100 feet @ $1.00/ft.	100.00	
Total Stage II		$38,839.00

Stage III

Drifting, 600 feet @ $41.00/ft.	24,600.00	
Drift timbering, 100 feet @ $8.50/ft.	850.00	

Long-hole drilling, 123 feet @ $1.00/ft.	$ 123.00	
Assaying, 60 determinations for copper @ $1.50/each,	90.00	
60 determinations for silver @ $1.50/each, ~~and~~	90.00	
30 determinations for tungsten @ $5.00/each	150.00	
Total Stage III		$25,903.00
Estimated Total Cost of the Project		64,910.00
Government Participation @ 50%		32,455.00

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UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane 4, Washington
November 2, 1961

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: Application examination report, Docket OME-6144 (Copper), Paymaster Mines, Inc., Holden-Campbell Property, Okanogan County, Washington

INTRODUCTION

Paymaster Mines, Inc., Box 44, Pateros, Washington, applied for OME aid to explore for copper and tungsten ore in the Hunter vein on the Holden-Campbell property, Squaw Creek District, Okanogan County, Washington. The company proposed to sink a two-compartment shaft to a depth of 210 feet and to crosscut 200 feet northerly to intersect the Hunter vein about 1,050 feet westerly of and 800 feet deeper than the presently known ore zone. The applicant estimated that the cost of this work would be $43,196.11, of which the Government's share would be 50 percent or $21,598.05.

The magnitude of the projection of the vein, both laterally and vertically, suggested the advisability of considering a Stage I involving possible surface trenching and the diamond drilling of inclined holes to trace the Hunter vein before starting to sink a 210-foot shaft and drive a 200-foot crosscut. If Stage I were successful, the work proposed by the applicant, plus drifting on the vein, could be provided for in a second stage.

The area in which the proposed and suggested work would be carried out was covered by glacial deposits the thickness of which could not be estimated with any degree of accuracy but could be as much as 100 to 150 feet or even more. Trenching was out of the question and the location and attitude of diamond drill holes could not be predetermined with any assurance that the overburden would be pierced except by very deep holes.

When this matter was discussed with the applicant, he suggested moving the proposed shaft site to a location about 400 feet westerly

ON-SITE EXAM. REPORT

of and 30 feet vertically below the closest vein exposure. The depth of the glacial material at this site is estimated to be about 50 feet. The ground surface rises rapidly on three sides of the shaft site. For this reason, and because of boulders of various sizes in the glacial deposit, surface drilling is not feasible. Possibly, one trench between the dump from the lower tunnel and the new vinze site would get through the overburden and expose the vein. Although it is not believed to be necessary as the vein has been shown in the 2 tunnels to be a strong structure for some 780 feet, it is recommended as a prudent precaution.

The property was visited September 6, 1961, in the company of Paul Rogstad, President, and Herb Pickering, Secretary-Treasurer. About 7 hours was spent on the property. The applicant was advised that tungsten was not on the list of minerals eligible for OME aid; however, there appeared to be sufficient copper in evidence to justify consideration of his application. He was also advised that shaft sinking and crosscutting could only be considered if this work was followed by drifting on the vein should it be justified. He welcomed this advise as he was under the impression that drifting would be considered development and would therefore not be acceptable to OME.

It is concluded that the proposed work is not advisable from the site first selected by the applicant because of the extent of the vein projection and the apparent probable depth of the overburden. However, it is concluded that shaft sinking, crosscutting and drifting on the vein from a site about 400 feet from the vein exposed in the lower tunnel may result in the discovery of a significant body of copper ore. Although tungsten is not on the OME list of eligible minerals, it may be present in sufficient amount to comprise a valuable accessory constituent of any ore body that might result from an exploration project.

RECOMMENDATIONS

It is recommended that a three-stage program be approved: Stage I to provide for bulldozing 1 trench 50 feet long located about 200 feet east of the new proposed shaft site, to cut the Hunter vein, and Stage II to provide 170 feet of 6' x 9' two-compartment shaft, 600 feet of crosscut and drift and 120 feet of long hole drilling. It is estimated that about 50 to 75 feet of crosscutting will be required. Long holes should be drilled about 10 feet into each wall of the drift at intervals of 100 feet. If Stage II warrants further work, Stage III would provide an additional 600 feet of drifting and 120 feet of long hole drilling.

PROPERTY, LOCATION AND ACCESSIBILITY

The Golden-Campbell Min~~ing Company~~es, Inc. owns by right of location 30 unpatented claims in secs. 2, 3, 9, 10, 11, and 14, T. 30 N., R. 22 E. W.M., in the Squaw Creek Mining District, Okanogan County, Washington. The applicant controls these claims by lease. The claims are recorded in the Recorder's Office, Okanogan, Washington, as follows:

? Same owner?

Claim	Book	Page
Little George	8	103
Molly B	8	105
Jerry Leonard	8	119
Doris Barbara	8	120
Tuxedo	8	120
Pack Sack	8	121
Sunshine	8	130
Sunshine No. 2	8	129
Saddle	8	156
West Doris Barbara Extension	8	133
West Doris Barbara No. 2 Extension	8	133
West Doris Barbara No. 3 Extension	8	134
East Doris Barbara	8	149
Ace of Diamonds	8	155
Burkhart and Larson	8	157
I Just Live Here	8	161
Sleepy Hollow	7	470
Cracker Jack	8	165
Lost Rattler	8	163
Lost Rattler Extension	8	173
Big Porphyry	8	166
West Sleepy Hollow	8	166
Big Buck	8	164
Anxiety	8	191
West Sleepy Hollow Extension	8	243
East Sleepy Hollow	8	244
East Jerry Leonard	8	245
Star No. 5	8	427
Star No. 6	8	426
Little Pat	8	426

Of these claims only the Little George and Molly B claims could benefit directly from the recommended project; Jerry Leonard, East Jerry Leonard, Saddle, Sunshine, and Sunshine No. 2 claims might derive a secondary benefit.

The property is reached from Pateros, Washington, by following State Highway 16 westerly for 7.6 miles; thence, turn left and follow graveled road for 2 miles at which point the mine road bears off to the right. The mine is about 2 miles from this turn.

GEOLOGY

The geology of the Squaw Creek District is described by Harold E. Culver and W. A. Broughton in "Tungsten Resources of Washington," Bulletin No. 34, State of Washington, Department of Conservation and Development, Division of Geology, 1945, p. 44-53; and by S. Warren Hobbs in an unpublished U. S. Geological Survey Memorandum Report, "Tungsten Deposits in the Squaw Creek Mining District, Methow Valley, Okanogan County, Washington," 1942, 13 p., 7 figs. The following is a summary of pertinent information in both papers.

The most widespread rock in the district is a coarse-grained granitic rock probably near a granodiorite in composition. This has been intruded by a series of light-colored porphyritic dikes which have a general strike a few degrees west of north, and by dense basaltic dikes which strike N. 65°-85° W. All the dikes have very steep dips. The basaltic dikes are exposed in the mine workings because they are closely associated with the ore-bearing veins.

According to Hobbs, the ore minerals in at least 15 recognized veins, some of which may be different parts of the same vein which cannot be correlated due to insufficient work. One feature common to most of the veins and which influences their localization is the association of the veins with the black basaltic dikes. The dikes were intruded along fractures in the granite. Renewed stresses preceding the introduction of the veins caused fracturing along the old lines of weakness not only in the granite and along the edge of the dikes but within the hard brittle dikes themselves. Fracturing in the dikes produced breccias and channelways which were more favorable to vein introduction than the fractures in the granite.

The veins appear to be principally fracture fillings, but considerable replacement of country rock is also evident. The veins contain pyrite, chalcopyrite, scheelite and small amounts of gold and silver in a gangue of quartz and some wall rock fragments.

The Hunter vein, which it is proposed to explore, has been developed by three tunnels and by trenches and cuts in the higher ground where the overburden has not been too heavy. According to Culver and Broughton, the upper tunnel is caved. The middle tunnel is called the upper tunnel by Hobbs and will be so designated in this report. The trenches east of the area shown on plate I are badly sloughed according to the applicants and were not visited.

The upper tunnel has been driven 680 feet, 500 feet of which are on the vein. About 150 feet from the portal a winze said to be 50 feet deep and on the vein is now full of water. About 350 feet west of the upper tunnel and 155 feet lower the lower tunnel has been driven 140 feet of which 55 feet is on the vein (plate I). As exposed in the drifts, the vein strikes about N. 72° E. and dips from 85° S. to 85° N. It varies in thickness from 1 to 7 feet, the thicker portions being where the strike swings slightly to the northeast. The average thickness over a length of 500 feet is 3 feet.

The vein contains pyrite, chalcopyrite and scheelite in a gangue of quartz and brecciated fragments of dike rock. Although Hobbs' investigation was directed toward the value of the area as a possible source of scheelite, his map of the upper and lower tunnels shows the relationship of the vein to the granite and dike rock (plate II).

The applicant and the prior operator cut a total of 83 channel samples across the vein over a distance of about 435 feet. The results are shown on Exhibit 3.(d)1.0 accompanying the application. Weighting the assays shown in each block, the average grade of the 435-foot length is 0.267 ounce silver per ton, 2.0 percent copper and 0.796 percent WO_3; gold values ranging from trace to 0.1 ounce with 6 samples averaging 0.06 ounce are negligible. The eastern half of this distance less the final 35 feet sampled is considerably higher in grade; 26 samples over a vein length of 150 feet, weighted as above, have an average grade of 0.45 ounce silver per ton, 3.63 percent copper, and 0.55 percent WO_3. The western half of this distance has an average value of 0.23 ounce silver, 1.44 percent copper, and 0.99 percent WO_3.

Assuming that the average grade will remain the same for 50 feet above and 50 feet below the level, the following reserve blocks are inferred:

	Length (feet)	Tons	Ag oz/T	Cu percent	WO_3 percent
East block	150	3,460	0.45	3.63	0.55
West block	240	5,540	0.23	1.44	0.92
Total	390	9,000	0.31	2.28	0.82

RECOMMENDED PROGRAM

The chalcopyrite in the upper and lower tunnels is fresh and shows little or no signs of leaching. Therefore, a secondary zone of higher grade material is not likely to be significant. There is a good chance that the grade of 2 percent copper or better, indicated in the 390 feet of vein exposed, will continue laterally - ? and horizontally. A program designed to explore the vein over a length of about 1,000 feet and 350 feet below the upper tunnel level could, if successful, result in the discovery of some 60,000 tons of ore. At an average grade of 0.31 ounce silver per ton, 2.28 percent copper, and 0.82 percent WO_3, at 90 percent recovery this could produce in the order of 18,600 ounces silver, 2,736,000 pounds copper, and 2,400 short ton units WO_3.

The following three-stage program is recommended:

Stage I

About half way between the vein exposure in the lower tunnel and the proposed shaft site the glacial overburden may be light enough to trench through. The glacial material is unconsolidated and a D-6 dozer should be able to do the job which might require as much as 12 hours of dozing. Stage I should provide for bulldozing one trench approximately at the location shown on plate I to expose the vein. If the overburden can be removed to bedrock and the vein cannot be found, an unlikely event, no further work will be authorized.

Stage II

Bulldoze an access road from the existing road to the shaft site located approximately as shown on plate I and level off a shaft site about 260 feet westerly of the upper edge of the lower tunnel dump. Construct a building to house compressor and power plant, a hoist house including a change room, and a head frame. Sink a vertical 2-compartment shaft 7' x 10' in the clear of timber

comprising a 4' x 5' skip compartment and a 3' x 5' manway to a depth of 170 feet. At a depth of 150 feet, crosscut south to the Hunter vein and drift easterly along the vein a combined total of 500 feet. At intervals of 100 feet drill long holes about 10 feet deep into each wall of the drift.

Stage III

If the results of Stage II justify it, extend the drift 600 feet easterly, continuing to drill 10-foot long holes into each wall at 100-foot intervals.

COSTS

Stage I

Trenching across the vein

12 hrs bulldozing, D-6 or equivalent dozer at $14/hr	$168.00
Total cost - Stage I	$168.00

Stage II

Road construction and preparation of shaft site

16 hrs bulldozing, D-6 or equivalent dozer at $14/hr	$224.00

Buildings and headframe

The applicant's costs of materials for one 8' x 10' compressor-power plant building, one 12' x 24' hoist-change room building, and headframe are reasonable. His estimate of $3.75 per hour for carpenters is the union rate locally, but it is doubtful that he will necessarily pay that much; $2.75 per hour or $22.00 per day is probably a more realistic figure.

Compressor house-power plant building 8' x 10'

Materials as listed in the application	$ 98.19	
2 carpenters, 3 days at $22/day	132.00	
1 laborer, 3 days at $20/day	60.00	
FICA and other insurance 14.2% of $192	27.26	
		$317.45
	say	$317.00

Hoist and change room 12' x 14'

Materials as listed in application	$218.86	
2 carpenters, 3 days at $22/day	132.00	
1 laborer, 3 days at $20/day	60.00	
FICA and other insurance 14.2% of $192	27.26	
		$438.12
	say	$438.00

Headframe 25'4" x 6'4"x 5'4" outside dimensions

Materials as listed in application	$259.71	
2 carpenters, 5 days at $22/day	220.00	
1 laborer, 5 days at $20/day	100.00	
FICA and other insurance 14.2% of $320	45.44	
		$625.15
	say	$625.00

Sinking 2-compartment shaft, 170 ft, 7' x 10', 1 shift/day, 5 days/week or 20 days/mo - advance 2 ft/shift or 40 ft/mo - 4.2 say 4½ mos

1. Independent contracts — None

2. Labor and supervision

2 miners, 20 days at $22	$ 880.00
1 hoistman-surface man 20 days at $22/day	440.00
½ engineer-supervisor at $600/mo	300.00
	$1,620.00
FICA and other insurance 14.2%	230.04
	$1,850.04

at 40 ft advance/mo — $46.25/ft

3. Operating equipment furnished by Operator

Item	Value	Depreciation allowance
1 jackhammer	$ 150.00	$ 2.50
½ compressor*	3,650.00	30.40
1 skip - 1 ton cap.	375.00	6.25
1 bit sharpener	110.00	1.83
½ 30 kw diesel power plant*	1,800.00	15.00
		$55.98

at ~~40~~ 80 ft/mo — $1.40/ft 0.70/ft

*1/2 charged to drifting

3. (Cont'd.) Operating equipment to be purchased

½ 25 hp single drum hoist* at $3,120	$1,560.00
½ 1,000 lb air receiver* at $260	130.00
½ sump pump* at $156	78.00
1 oiler at $25	25.00
	$1,793.00
less 50% - no salvage	896.50
	$ 896.50

170 ft of shaft $5.27/ft

*1/2 charged to drifting

4. Supplies (per 2-foot round)

Air pipe and fittings, 2½" - 150', at $1/ft less 50% - no salvage	$ 1.00
Air hose and fittings, 1" - 50', at $0.75/ft	0.44
Water pipe and fittings, 1" - 150', at $0.36/ft less 50% - no salvage	0.36
Water hose and fittings, ½" - 50', at $0.59/ft	0.35
Sump pipe and fittings, 1½" - 170', at $0.77/ft less 50% - no salvage	0.77
Bits, 300 ft/bit at $20 - 144 ft/round	9.60
Steel, 1 steel replaced/300 ft at $16 - 144 ft/round	7.67
Powder, 30 lbs at $25/100	7.50
Caps, 36 ea at $0.03/cap	1.08
Fuse, 360 ft at $0.02/ft	7.20
Hoisting cable, 5/8", 380 lbs at $0.33/lb less 50% - no salvage	0.74
Gas, oil, fuel, etc.	12.83
Repair parts at $1/ft	2.00
Total per 2-foot round	$51.54 or $25.77/ft

5. Rehabilitation and repairs — None

6. New buildings — None

7. Miscellaneous — None

Shaft sinking - total — $78.69/ft

Shaft timber

The shaft will have to be tightly lagged through the unconsolidated glacial overburden the thickness of which is probably not more than 50 feet; however, this is difficult to estimate. Therefore, allowance is made for 75 feet of wall plates and 150 feet of divider lagging.

It is estimated that 2 sets of fully lagged timber and 3 sets of normal timber will be installed in 8 hours. Time required for timbering: 7.5 days for first 75 feet and 5 days for the remaining 75 feet or 12½ days, say 0.5 month.

1. Independent contracts — None

2. Labor and supervision

2 miners, 12½ days at $22/day	$550.00	
1 hoist man-surface man 12½ days at $22/day	275.00	
FICA and other insurance at 14.2% of $825	117.15	
at 150 feet	$942.15	$6.82/ft

3. Operating equipment — None

4. Supplies

Timber	1,930 ft - 8" x 8"	= 10,400 bf	
Lagging	481 pcs 2" x 12" x 5.5'	= 5,291 bf	
Ladders	320 ft - 2" x 4"	= 213 bf	
	130 ft - 1" x 4"	= 43 bf	
		15,947 bf at $70/M	$1,116.29
Plus 15% for blocks, wedges, spreaders, guides, etc.			167.44
			$1,283.74
at 150 feet			$8.56/ft
Gas, oil, diesel fuel, etc., $36 for 150 feet or			$0.24/ft

5. through 7. — None

Total timbering — $15.08/ft

Crosscutting and drifting

500 ft, 5' x 7' in the clear

Estimated advance - 5 ft/shift, 20 shifts/mo, 100 ft/mo - 5 mos

1. Independent contracts — None

2. Labor and supervision

2 miners, 20 days at $22/day	$ 880.00
1 mucker-trammer, 20 days at $20/day	400.00
1 hoistman-surface man at $22/day	440.00
½ engineer-supervisor at $600/mo	300.00
FICA and other insurance 14.2% of $2,020	286.84
	$2,306.84

at 100 ft advance/mo — $23.07/ft

3. Operating equipment furnished by Operator

Item	Value	Depreciation allowance
1 I.R. 45 jackleg drill	$ 450.00	$ 7.50
½ compressor*	3,650.00	30.40
3 mine cars at $125	375.00	6.25
1 1½ ton cage	1,070.00	17.83
½ 30 kw diesel power plant*	1,800.00	15.00
		$76.98

at ~~100~~ 200 ft/mo — $0.77/ft 0.39/ft

*1/2 charged to sinking

3. (Cont'd.) Operating equipment to be purchased

1 mine fan 10" at $312	$ 312.00	
½ 25 hp single drum hoist at $3,120*	1,560.00	
½ 1,000 lb air receiver at $260*	130.00	
½ sump pump at $156*	78.00	
	$2,080.00	
less 50% - no salvage	1,040.00	
at 500 ft crosscutting and drifting		$2.08/ft

*1/2 charged to sinking

Operating equipment (rental)

1 air trammer, ~~5~~ 2 mos at $125/mo	$625.00	
at ~~100~~ 2 ft/mo		$6.25/ft 3.12

4. Supplies (per 5-foot round)

Powder, 40 lbs at $25/100	$10.00		
Caps, 18 at $0.03/cap	0.54		
Fuse, 144 ft at $0.02/ft	2.88		
Steel, 1 steel replaced/300 ft at $16/ft, 90 ft/round	4.80		
Bits, 300 ft/bit at $20 - 90 ft/round	6.00		
Ventube, 650 ft at $85/100 less 50% - no salvage	2.02		
Rail, 20 lbs plus fish plates, bolts, spikes at $1/ft (less 50% - no salvage)	2.50		
Ties, 3-3/4 each at $0.40	1.50		
Gas, oil, diesel fuel, etc.	8.00		
Air pipe and fittings, 2½", 500 ft at $1/ft less 50% - no salvage	2.50		
Air hose and fittings, 1", 50 ft at $0.75/ft	0.37		
Water pipe and fittings, 1", 500 ft at $0.36/ft - less 50% - no salvage	0.90		
Water hose and fittings, ½", 50 ft at $0.59/ft	0.29		
Repair parts, $1/ft	5.00		
Total per 5-foot round	$47.30	or	$9.46/ft

5. Rehabilitation and repairs — None

6. New buildings — None

7. Miscellaneous

Assaying - samples at 10-foot intervals

50 determinations for copper at $1.50/determination	$75.00	
50 determinations for silver at $1.50/determination	75.00	
25 determinations for tungsten at $5/determination	125.00	
Total assaying		$275.00
100 ft of long hole drilling at $1/ft		$100.00

TIMBER

It is estimated that not more than 100 feet of drift timbering will be necessary. This would require 20 sets on 5-foot centers. Time required to break and muck larger cross section, framing, standing, blocking, and lagging 3 sets or 15 feet is estimated to be 1 shift, or 6.6, say 7 shifts for 100 feet.

1. Independent contracts — None

2. Labor and supervision

2 miners, 7 days at $22/day	$308.00	
1 hoist man-surface man, 7 days at $22/day	154.00	
FICA and other insurance 14.2% of $462.00	65.60	
	$527.60	
at 100 ft of timber		$5.28/ft

3. Operating equipment — None

4. Supplies

40 posts	8" x 8" x 7'	= 1,493 bf	
20 caps	8" x 8" x 6'4"	= 673 bf	
40 girts	4" x 4" x 4'4"	= 231 bf	
250 lagging	2" x 12" x 5'6"	= 2,750 bf	
		5,149 bf at $70/M	$360.43
For blocks, wedges, etc., 5% of $360.43			18.02
			$378.45

at 100 ft of timber $3.78/ft

Gas, oil, diesel fuel, etc., $21.00 for 100 ft or 0.21/ft

5. through 7. None

Total for timbering $9.27/ft

SUMMARY STAGE II

Road construction and preparation of shaft site	$ 244.00
Compressor and power house	317.00
Hoist and change room house	438.00
Headframe	625.00
Shaft sinking, 170' at $78.69/ft	13,377.30
Shaft timber, 150' at $15.08/ft	2,262.00
Drifting, 500 ft at $41.63/ft	20,815.00
Drift timber, 100 ft at $9.27/ft	927.00
Assaying	275.00
Long hole drilling	100.00
Total cost - Stage II	$39,360.30

Stage III

600 feet of drift - advance 100 ft/mo - 6 months

Unit costs will be the same as those for Stage II

Assaying

60 determinations for copper at $1.50/determination	$ 90.00	
60 determinations for silver at $1.50/determination	90.00	
30 determinations for tungsten at $5/determination	150.00	
		$330.00
120 ft long hole drilling at $1/ft		$120.00

SUMMARY STAGE III

Drifting 600 ft at $41.63/ft	$24,978.00
Timbering, 100 ft at $9.27/ft	927.00
Assaying	330.00
Long hole drilling	120.00
Total cost - Stage III	$26,355.00

SUMMARY

Stage I	$ 168.00
Stage II	$39,360.30
Stage III	$26,355.00
Total cost of project	$65,883.30
Government participation at 50%	$32,941.65

Enclosures
Distribution:
~~GME~~(3); USGS(SRO)
Doskett; MacLaren

OFFICIAL FILE COPY
O. M. E.
RECEIVED SEP 1 1961

DATE	INITIALS	CODE
9/1	Received	100
9/5	Hoet S.D.H.	100

So. 157 Howard Street
Spokane 4, Washington
August 30, 1961

Mr. Paul Rogstad, President
Paymaster Mines, Inc.
P. O. Box 44
Pateros, Washington

Re: OME-6144
Little George Claim
Okanogan County, Washington

Dear Mr. Rogstad:

I expect to arrive in Brewster the latter part of the afternoon of Tuesday, September 5, and to visit the Paymaster mine the next day in connection with your OME application.

I will try to get in touch with you Tuesday evening, but if I cannot, will you please meet me at the post office in Pateros at 8 a. m. Wednesday, September 6, so I will not lose any time finding the property.

Sincerely yours,

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

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

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
7/24	Holt	500
	Firsund	500
7/25	Tallant	800
7/25	[illegible]	130
"	Johnson	110
7/25	Hoffman	100
7-25	gad	220
		500

JUL 2 5 1961

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Field Operations

Subject: OME-6144 (Copper)
Paymaster Mines, Inc.
Holden-Campbell Property
Okanogan County, Washington

The subject application is being referred to you for consideration, a field examination if necessary, and recommendations.

The application appears, on the whole, to be unusually well prepared, and the Applicant's proposed program might serve to explore the possible downward projection of the Hunter vein. However, we feel dubious about such a "one shot" approach to the problem and suggest for consideration a program to comprise Stage I diamond core drilling from surface in a series of inclined holes to intersect the downward projection of the mineralized zone at depths of 100 and 200 feet, preceded, if necessary, by bulldozer trenching to trace the outcrop of the Hunter vein. This could be followed, if results of Stage I work were favorable, by Stage II work comprising shaft sinking, with drifting and crosscutting at the elevation determined by the drilling to be the best mineralized horizon.

The Applicant should be advised that tungsten is no longer on the list of minerals for which OME can give financial assistance in exploration.

/s/ George C. Selfridge

SPHolt/gla
7-24-61
cc to: Director's Reading File
Review Committee
Docket

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
7/24		500
		500
7/25	Faibert	800
7/25	Selbridge	130
"	[illegible]	110
7-25	Final	100
7-25	gad	220
		500

JUL 2 5 1961

Mr. Paul Rogstad
President
Paymaster Mines, Inc.
P. O. Box 44
Pateros, Washington

Re: OME-6144 (Copper)
Paymaster Mines, Inc.
Holden-Campbell Property
Okanogan County, Washington

Gentlemen:

The application for assistance in exploring the subject property has been reviewed by the Division of Minerals of the Office of Minerals Exploration and referred to Mr. D. R. MacLaren, Acting Field Officer, Region I, Office of Minerals Exploration, South 157 Howard Street, Spokane 4, Washington.

The Regional Office will notify you in case additional information concerning the application is needed.

Sincerely yours,

George Fumich, Jr.

Director

SPHolt/gla
7-24-61
cc to: Director's Reading File
Review Committee
Region I (2)
Docket

43683

Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
7-21	gad	VVO
		500
7/21	S.P.H.	500

JUL 2 1 1961

Memorandum

To: Chief, Division of Minerals

From: Acting Chief, Contract Administration & Audit Division

Subject: OME-6144 (Copper-~~Tungsten~~)
Paymaster Mines, Inc.
Holden-Campbell Property
Okanogan County, Washington

As evidence required by item 1(a) of the subject application dated July 17, 1961, for a project estimated to cost $43,196.11, the following have been submitted:

(a) Carbon copies of the applicant's identical letters dated April 27 and May 5, respectively, to the Commercial Bank of Twisp, Twisp, Washington, and the Brewster Branch of The National Bank of Commerce of Seattle, Brewster, Washington, requesting a $22,000.00 collateral loan for 3 years, repayable at not to exceed $700.00 a month;
(b) The original of the May 3 reply from the Twisp bank stating merely that "we regret that it is our decision that we cannot assist you"; and
(c) The original of the May 11 reply from the Brewster bank advising that "because of the speculative nature of the operation so far, we cannot grant such a loan".

On the basis of the cited correspondence, it appears that the applicant is financially eligible for federal assistance in the proposed exploration project.

EDTalbert/cac
July 21, 1961

cc to Docket
Director's reading file
CA & A Division

43683

DMEA FORM 6 REFERENCE SLIP

REV. 12-56 DEFENSE MINERALS EXPLORATION ADMINISTRATION

TO:	INITIALS	DATE
1. 100	[illegible]	7-20
2. 500		
3.		
4.		
5.		
FROM: VVO	gad	7-VO

FOR: Check items for action desired

____ Action ____ Reply for signature of _____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions ____ Your information

REMARKS:

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

JUL 20 1961

Paymaster Mines, Inc.
P. O. Box 44
Pateros, Washington

Re: OME-6144

Gentlemen:

Your application for exploration assistance, dated July 17, 1961, submitted to our office at Spokane, Washington, has been assigned Docket Number OME-6144. Kindly identify all future correspondence relating to your application by this docket number.

Sincerely yours,

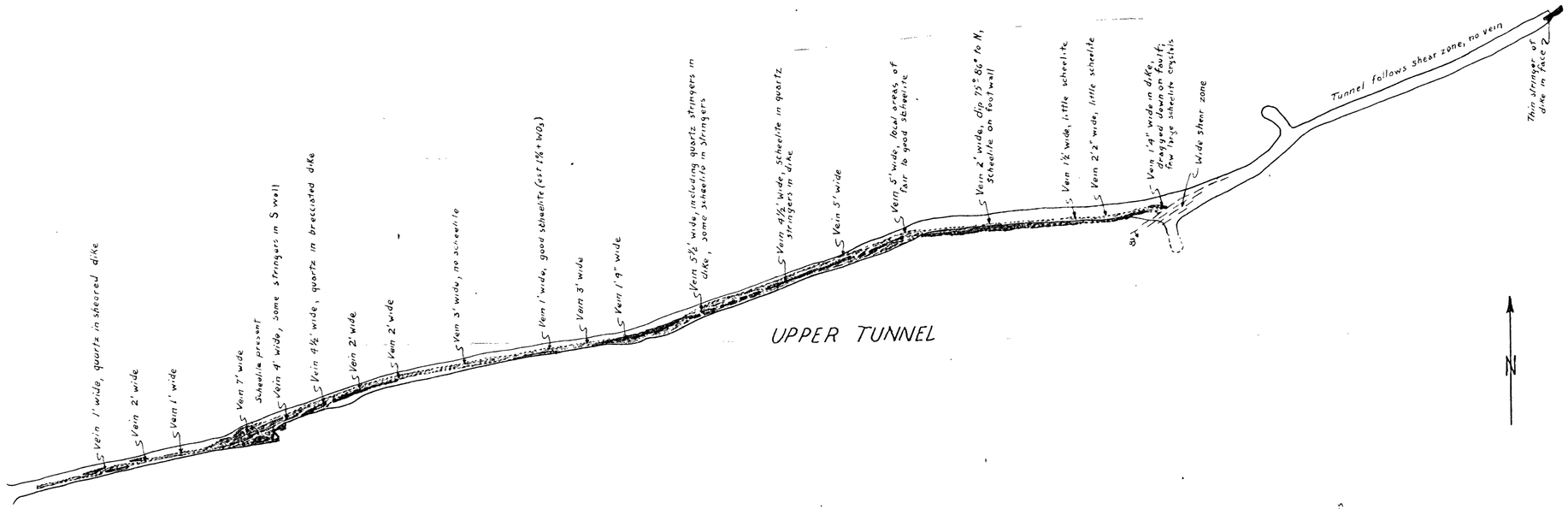
Allen S. Dakan, Chief
Division of Administrative
Management

Copy to Region I

U.S. Department of the Interior

Office of Minerals Exploration
Application Examination

Docket OME 6144



EXPLANATION

- Vein
- Basic dike
- Granodiorite

Note: Traced from map by S. Warren Hobbs. U.S.G.S. October, 1942

Geologic Map of Tunnels
Hunter Vein
Paymaster Mines, Incorporated
Okanogan County Washington

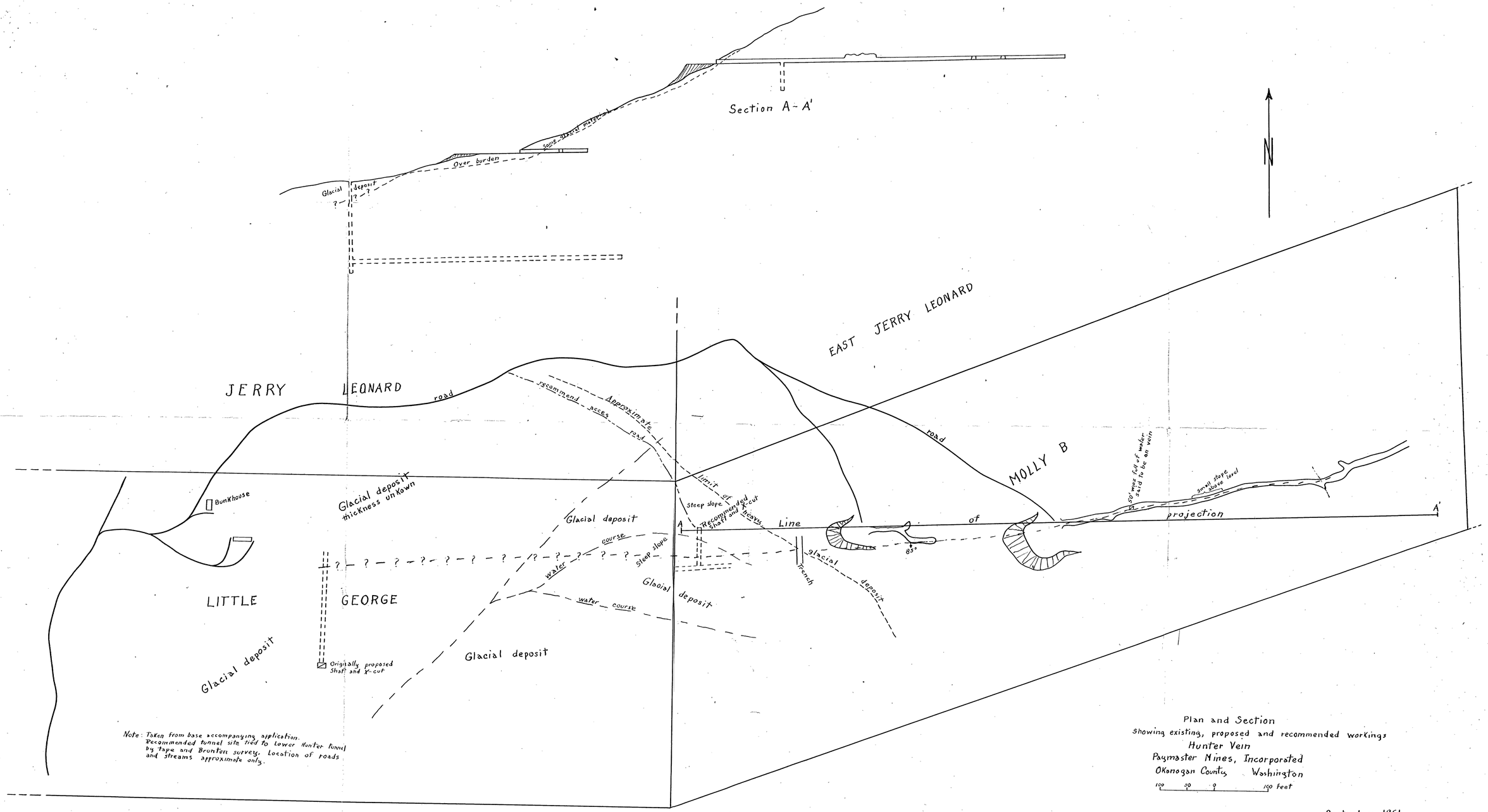
40 20 0 40 feet

September, 1961
Plate II

U.S. Department of the Interior

Office of Minerals Exploration
Application Examination

Docket OME 6144



Note: Taken from base accompanying application. Recommended tunnel site tied to lower Hunter tunnel by tape and Brunton survey. Location of roads and streams approximate only.

Plan and Section
Showing existing, proposed and recommended workings
Hunter Vein
Paymaster Mines, Incorporated
Okanogan County Washington

100 50 0 100 feet

September 1961
Plate I