MME Form 9
Rev. Mar. 59

UNITED STATES
DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration

OFFICIAL DOCKET FILE

Contract No. 14-23- 2210 Docket No. MME-6460

Application
- [ ] Denied
- [ ] Withdrawn

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

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

Folder No. 1:

Left Side

- [ ] Royalty Audits (Pseudo) 5/25/67
- [ ] Certification ~~XXXXXXXXXXX~~
- [ ] Closing Letter
- [x] Cost Audits
- [ ] Termination Notice or Agreement
- [ ] Recision Notice
- [ ] Assignment of Contract
- [ ] Contract Amendments
- [x] Contract with all exhibits and annexes
- [ ] 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
- [x] Final Field Team Report (Tab)
- [x] Operator's Final Report (Tab)
- [x] Interim Field Team Reports
- [x] Operator's monthly reports and all attachments
- [ ] On-site Exam. Report (Tab)
- [x] 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. _____: Maps (Use pocket folder or envelope)

Folders No. _____: Settlement Sheets

Folders No. _____: Drill Logs

Folders No. _____: Royalty Material

52615

UNITED STATES DEPARTMENT OF THE INTERIOR

OFFICE OF SURVEY AND REVIEW
AUDIT OPERATIONS
WASHINGTON, D.C.

Review of Contract 2210
Docket No. OME - 6460 (Gold)
L-D Mines, a Joint Venture
B Reef
Chelan County, Washington

Report Issued: May 1967

An examination of the disbursement records in the Branch of Budget and Finance, Administrative Division, U.S. Geological Survey and a review of the Office of Minerals Exploration contract files pertaining to the subject minerals exploration project was made at Washington, D.C., on April 26, 1967.

The contract, as amended, provided that the exploration work should be performed in two stages; should begin on or before February 1, 1966; and be completed no later than September 24, 1967. The work under Stage I was performed during the period December 1965 through February 1966. None of the work contemplated under Stage II was accomplished and the contract was terminated effective March 1, 1967, by Termination Agreement dated April 6, 1967. The Operator's Final Report required by the contract is dated April 18, 1967.

The Operator has claimed costs for work performed at fixed unit rates provided by the contract; the OME Field Officer, Region I, Spokane, Washington, accepted the work as conforming to contract specifications; and the Branch of Budget and Finance has reimbursed the Operator for the Government's 50 percent portion of accepted costs as follows:

Item	Claimed and Accepted Costs No. of Units	Rate	Total
Shaft sinking	330 ft.	$60.00 ft.	$19,800.00
Drifting	712 "	40.00 ft.	28,480.00
Crosscutting	150 "	"	6,000.00
Raising	75 "	"	3,000.00
Long-hole drilling	1,510 "	1.00 ft.	1,510.00
Muck and channel samples assayed for au and ag	183 samples	2.50 sample	457.50
Total Claimed and Accepted Costs			$59,247.50
Government participation - 50 percent			$29,623.75

No exception is taken to the settlement made with the Operator as a result of our audit review.

C. E. Fisher, Auditor

Reviewed by:

D. E. Savage
Audit Operations
Office of Survery and Review

Government's Copy

EXPLORATION CONTRACT
L-D MINES
OME-6460

TERMINATION AGREEMENT

It is agreed this 6th day of April, 1967, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and L-D Mines, hereinafter called the "Operator," parties to that certain Exploration Contract No. 2210, Docket No. OME-6460, dated September 24, 1965, hereinafter called the "Contract," that:

1. Effective March 1, 1967, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

2. The Government shall contribute only to the allowable costs of the work performed prior to said effective date.

3. The Operator shall promptly perform all winding-up and settlement actions provided for in the Contract, including furnishing to the Government three copies of a final report (in addition to the final monthly report) which 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.

4. The Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer (for example, if the Operator either transfers or fails to retain its interest in the land), shall pay to the Government the royalty on production provided for in the Contract in the same manner and amount, for the same period, and subject to the same conditions provided for in the Contract as amended as if certification of possible production had been made, such certification being hereby waived by the Operator. In addition, all rights of the Government provided for in the Contract with respect to percentage royalty and liens to secure payment thereof, reports (including preservation of Operator's records), accounts, audits, and the right to recover any overpayments are hereby preserved.

5. The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of said Contract except as otherwise provided in this termination agreement.

IN WITNESS WHEREOF, these parties have executed this agreement as of the day and year first above written.

THE UNITED STATES OF AMERICA

By _____
Chief, Office of Minerals Exploration
U. S. Geological Survey

L-D MINES

By _____

Title Manager

Long
Kiobemo
Johnson
Kilgoard
Dwyer

Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
3/28/67		120
3/29	[illegible]	110
		120M

March 28, 1967

Memorandum

To: The File

From: Assistant Chief, Office of Minerals Exploration

Subject: OME-6460 (Gold)
L-D Mines
B Reef
Chelan County, Washington
Contract 2210

Justification for Termination of Contract with Royalty Agreement

More than 85 percent of the $65,900 available for Stage I of the contract has been spent under terms of the contract in exploring gold-bearing rocks in B reef. A block of ground approximately 470' x 240' x 75' was explored by an inclined shaft, crosscuts, drifts, a raise, and long-hole drilling. These workings disclosed altered sedimentary rocks, similar to those exposed in previously driven workings, containing irregular seams and stringers of quartz (some gold-bearing) and scattered seams and grains of gold and silver-bearing minerals.

I would judge from a brief inspection of the workings on February 14, 1967, that perhaps 25 to 35 percent of the explored area can be considered as being in mineralized rock. A careful geological mapping project in the workings is necessary to determine the ratio of mineralized to unmineralized ground. Random review of assay sheets of muck samples and drill hole cuttings show a range in gold content from 0.01 to about 0.35 oz. per ton. A ledger book of assays in the Operator's office showed assays of selected samples from B reef ranging up to several hundred ounces gold per ton. The Operator's estimate of sizeable bodies containing 0.30 oz. gold per ton (see Operator's letter to MacLaren dated March 14, 1967) is probably reasonable. During the course of work on the OME project the Operator shipped 1,446.019 tons dry weight of mineralized rock from the workings. This material averaged 0.239 oz. gold and 0.39 oz. silver per ton, 77.0 percent silica, and 3.3 percent iron. Royalties paid to the Government on these shipments totalled $237.50.

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With the closure of the Operator's mine (Golden King) and mill early in March 1967, continued operation of the OME project at B reef would be unreasonably costly for the Operator because the project cannot be operated independently at the prices allowed in the contract. All charges for labor, supplies, and equipment would have to be carried by the project alone, and this was not the basis for the costs estimated in the contract.

I concur in the Field Officer's recommendation to terminate the contract as of March 1, 1967, with a royalty agreement to protect the Government's interest.

Harold Kirkemo

Harold Kirkemo

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Reading File
Mr. Kirkemo

HKirkemo/gla 3-27-67

Government's Copy

EXPLORATION CONTRACT
L-D MINES
OME-6460

AMENDMENT NO. 3

It is agreed this 6th day of February, 1967, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and L-D Mines, hereinafter called the "Operator," that Exploration Contract No. 2210 (OME-6460), dated September 24, 1965, as amended, is further amended effective the date of the contract as follows:

In Exhibit A:

1. Under the heading Description of the Work, Stage I:

(a) The second paragraph in Amendment No. 2 is revised to read as follows:

"A station shall be established at a selected level in the shaft driven in Stage I, and 1,092½ feet of drifts, crosscuts, and raises may be driven therefrom to further explore the mineralized zone. Additional exploration by drifting, crosscutting and raising under Stage I may be undertaken with the balance of any funds not utilized for long-hole drilling."

(b) The fourth paragraph is revised to read as follows:

"Raises may be driven from this level at locations not less than 200 feet apart. Maximum height for individual raises shall not exceed 75 feet."

2. Under the heading Estimated Costs of the Project, Stage I, as amended, the items are revised to read as follows:

330 feet shaft sinking @ $60.00/foot	$19,800.00	
1,092.5 feet drifting, crosscutting and raising @ $40.00/foot	43,700.00	
4,000 feet long-hole drilling, including assaying for gold and silver, @ $1.00/foot	4,000.00 1/	
400 muck and channel samples for gold and silver assays @ $2.50/sample	1,000.00	
Total Stage I		$68,500.00

1/ Unexpended funds may be applied to drifting, crosscutting, and raising at $40.00/foot

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

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By Frank E. Johnson
Chief, Office of Minerals Exploration
U. S. Geological Survey

L-D MINES

By

Title Manager

Long
Kirkbano
Johnson
Kilgoard
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MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
1/26/67		120
"	Johnson	110
"		220
		120M

January 26, 1967

Memorandum

To: The File

From: Assistant Chief, Office of Minerals Exploration

Subject: OME-6460 (Gold)
L-D Mines
B Reef
Chelan County, Washington
Contract 2210

JUSTIFICATION FOR AMENDMENT NO. 3

Under Stage I of the contract, to date, the Operator has completed 330 feet of inclined shaft, 725 feet of drift and crosscut, 75 feet of raise, 424 feet of long-hole drilling, and the assaying of 167 samples. This work cost $52,639, and leaves a balance of about $15,861 in Stage I funds.

The limits of the mineralized structure have not been determined on the level (Sub 873) established from the inclined shaft. The most effective method to determine these limits is to continue drifting and crosscutting, but only 30 feet of drift and crosscut remains to be driven under terms of the contract.

Funds for additional drifting and crosscutting may be made available without increasing the unit cost or total costs of Stage I by using the unexpended funds ($1,500) allowed for shaft timbering, and the balance of funds allowed for raising($9,000) and long-hole drilling. No timbering was necessary in the shaft, and it appears that there will be a surplus of funds allowed for raising. By combining these funds, it will be possible to drive an additional 262.5 feet of drift, crosscut, and raise. It is not possible to estimate the excess of funds remaining on completion of the long-hole drilling, but this too can be applied to the cost of drifting, crosscutting, and raising.

The Field Officer has discussed the proposed amendment with the Operator and recommends that funds remaining in Stage I of the

contract be used as outlined above. I concur with this recommendation.

Harold Kirkemo

Harold Kirkemo

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Reading File
Mr. Kirkemo

HKirkemo/gla 1-26-67

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Government's Copy

EXPLORATION CONTRACT
L-D MINES
OME-6460

AMENDMENT NO. 2

It is agreed this 23rd day of August, 1966, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and L-D Mines, hereinafter called the "Operator," that Exploration Contract No. 2210 (OME-6460), dated September 24, 1965, as amended, is further amended effective the date of the contract as follows:

In Exhibit A:

1. Under the heading Description of the Work, Stage I, the first paragraph, as revised by Amendment No. 1, and the second paragraph are revised to read as follows:

"From the face of the inclined shaft near mine coordinates 10,447 N., 24,866 E., and about 60 feet below floor level at the portal, continue the inclined shaft about 330 feet on an approximate grade of -15° in a southerly direction within competent or mineralized rocks. Should geological conditions cause operating problems or if the limits of the mineralized zone are penetrated, the course and grade of the shaft may be changed as necessary to gain depth and to continue exploration. Crosscuts, drifts, or similar near-level workings may be driven in order to provide access for equipment necessary to continue shaft exploration to greater depths."

"To further explore the mineralized zone, a station shall be established at a selected level in the shaft driven on Stage I, and drifts and crosscuts extended to the limits of the mineralized structure. An aggregate of not more than 755 feet of drifting and crosscutting, including the footage of drifting or crosscutting necessary to continue the shaft, shall be performed in Stage I."

2. Under the heading Description of the Work, Stage II, the third paragraph is revised to read as follows:

"Under Stage II not more than 250 feet of shaft sinking, 750 feet of drifting and crosscutting, 4,010 feet of long-hole drilling, and 300 feet of raising shall be performed."

3. Under the heading Estimated Costs of the Project, Fixed Unit Costs,

(a) the first and third items and the total for Stage I are revised to read as follows:

Stage I

330 feet shaft sinking @ $60.00/foot	$19,800.00	
755 feet drifting and crosscutting @ $40.00/foot	30,200.00	
Total Stage I		$68,500.00

(b) the first item and total for Stage II are revised to read as follows:

Stage II

250 feet shaft sinking @ $65.00/foot	$16,250.00	
Total Stage II		$64,760.00

(c) the summary of costs is revised to read as follows:

Total Estimated Cost Stage I	$68,500.00
Total Estimated Cost Stage II	$64,760.00

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

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By Frank E. Johnson
Chief, Office of Minerals Exploration
U. S. Geological Survey

L-D MINES

By

Title Manager

McPhillamey 8-12-66

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Johnson
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MME Form 7
(2/63)

OFFICIAL FILE CO

Date	Surname	Code
8/10		120
"	HK	110
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August 10, 1966

Memorandum

To: The File

From: Harold Kirkemo, Assistant Chief, OME

Subject: OME-6460 (Gold)
L-D Mines
B Reef
Chelan County, Washington
Contract 2210

JUSTIFICATION FOR AMENDMENT NO. 2

In the course of sinking the inclined shaft on B Reef, geological conditions were found to vary somewhat from projections made when the project was planned. It became evident as the shaft was extended that the trend of the mineralized zone was more to the southeast than expected; hence, Amendment No. 1 was prepared to allow a change in the starting position of the shaft under the OME contract.

Later, unmineralized, soft sedimentary rocks and/or border faults limiting the extent of mineralized ground were encountered. These conditions suggest that the reef plunges more steeply than expected, and operations on the original plan became prohibitively expensive and physically impractical. Changes in the course and grade of the shaft were made by the Operator in order to continue with the program without a recess.

As the project progresses, perhaps even a spiral course may be necessary to advance the shaft to the intended depth. The course of workings on the level to be established under Stage I may likewise be changed considerably from the original plan. Changes are necessary, however, and are due to the actual geological condition encountered.

Amendment No. 2 allows the project to continue according to provisions of the contract and accommodates exploration operations to the ground conditions.

I concur with the Field Officer's recommendation to amend the contrac

cc: Director's Reading File
Division File
Economic Geology File
OME docket
OME Reading File
HKirkemo

Harold Kirkemo

Harold Kirkemo

HKirkemo/gla 8-10-66

CASES

OME 6460
Voucher Record

Stage I

	Shaft sinking		Assaying		Total Contract Gov't share
	Ft.	Dollars	No.	Dollars	
Contract Provision	290	$17,400	400	1,000	$66,630.00
Dec. 1965 Voucher	94	5,640	12	30	- 5,670.00
Balance 12/31/65	196	$11,760	388	$970	$60,960.00
Jan. 1966 voucher	25.8	1,548	3	7.50	- 1,555.50
Balance 1/31/66	170.2	10,212	385	$962.50	59,404.50

Government's
Copy

EXPLORATION CONTRACT
L-D MINES
OME-6460

AMENDMENT NO. 1

It is agreed this 15th day of February, 1966, between the United States of America, acting through the Department of the Interior, U.S. Geological Survey, hereinafter called the "Government," and L-D Mines, hereinafter called the "Operator," that Exploration Contract No. 2210 (OME-6460), dated September 24, 1965, is amended effective the date of the contract as follows:

In Exhibit A:

1. Under the heading General Provisions, the eighth paragraph is revised to read as follows:

> "Prior to undertaking Stage I of the project and within a reasonable time (4 months) after executing this contract, the Operator at its own cost and expense shall drive an inclined shaft southward through previously explored ground in B reef to a point near mine coordinates 10,447 N., and 24,866 E. This point is about 270 feet south of and about 60 feet lower in elevation than the floor of the shaft at the portal."

2. Under the heading Description of the Work - Stage I, the first paragraph is revised to read as follows:

> "From the face of the inclined shaft near mine coordinates 10,447 N., 24,866 E., and about 60 feet below floor level at the portal, continue the inclined shaft another 290 feet on approximately a -15° incline in a southerly direction to traverse the mineralized zone in B reef as schematically shown on Figures 2 and 3."

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

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By Frank E. Johnson
Chief, Office of Minerals Exploration
U.S. Geological Survey

Long
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L-D Mines

By

Title Manager

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
5/16	Kirkham	120
"	Christensen	110
5/14	Wimer	140
5/23	Kilpatrick	
5/24	Kenyon	
5/25	Cat	280
		130-(2)

AIRMAIL

L-D Mines
Post Office Box 1668
Wenatchee, Washington 98801

B66-2052.1

INTERIOR DEPT.
MAY 15 1967
SOLICITOR

Re: OME-6460 (Gold)
L-D Mines
B Reef
Chelan County, Washington
Contract 2210

Gentlemen:

Pursuant to Article 6 of the contract, as amended, and paragraph 4 of the Termination Agreement thereto, royalties shall be paid to the Government as provided in the contract on all production from the land described in the contract from September 24, 1965, to September 24, 1975, or until the amount contributed by the Government is fully repaid with interest at the rate of 6¼ percent per annum, whichever occurs first.

Royalty payments should be made in favor of the U. S. Geological Survey, and should be mailed or delivered to the Field Officer, Region I, Office of Minerals Exploration, U. S. Geological Survey, South 157 Howard Street, Spokane, Washington 99204. Each payment should be accompanied by two copies of settlement sheets or other suitable sales evidence showing the date of sale, the name of the purchaser, the quantity and grade of the production sold, the price per unit, and the gross proceeds and allowable deductions therefrom. The purchaser should be notified of the Government's royalty on production and directed to pay the royalty, computed as provided in the contract, directly to the Government.

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

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

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of Minerals Exploration

cc: Director's Reading File
Division File
Econ. Geol. File
OME Docket
MMerrithew/mm (5/16/67)
Region I
Br. of Budget and Finance
Mr. Johnson
130 (2)

RECEIVED
MAY 18 1967
Division of Mineral Resources
and General Legal Services

23263

MME Form 51
June 1963

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

Government's Copy

EXPLORATION CONTRACT
(Short Form)

Docket No.	Commodity	Contract No.	County	State
OME -6460	Gold	14-23-090- 2210	Chelan	Washington

It is agreed SEP 2 4 1965 (Date), between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government," and

L-D Mines, a joint venture composed of Wenatchee Mining Partnership and Day Mines, Inc.,

whose mailing address is P. O. Box 1668, Wenatchee, Washington 98801, hereinafter called the "Operator," as follows:

ARTICLE 1. 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 February 1, 1966 (Date), and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within 24 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 $133,260.00 The Government will contribute 50 percent of the total fixed unit costs of the work performed, not in excess of $66,630.00 in accordance with the provisions of Articles 4 and 5.

(c) Interest computation.-- Simple interest at the rate of 6½ 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:

See Annex I

(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:

See Annex I

* U. S. Geological Survey

(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 four 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 three 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 two 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 or producer)), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. No costs of the Operator or producer 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 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 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 or producer shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such pruchaser 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 or producer.

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 10. Nondiscrimination in Employment.--The provisions respecting nondiscrimination in employment which are required by section 301 of Executive Order 10925, dated March 6, 1961, as amended and supplemented, are attached hereto as Exhibit B and are hereby incorporated in and made a part of this contract.

ARTICLE 11. Disputes.--Any dispute arising under this contract which is not disposed of by agreement shall be decided by the Director, [redacted]*, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Operator. The decision of the Director, [redacted]*, 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, [redacted]*, a written appeal addressed to the Secretary of the Interior. 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, [redacted]*," as used herein includes his duly authorized representative.

ARTICLE 12. Work Hours Act of 1962 - Overtime Compensation.--This contract, to the extent that it is of a character specified in the Work Hours Act of 1962 (Public Law 87-581, 76 Stat. 357-360) and is not covered by the Walsh-Healey Public Contracts Act (41 U.S.C. 35-45), is subject to the following provisions and to all other provisions and exceptions of said Work Hours Act of 1962.

(a) Overtime requirements.--No Operator or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any laborer or mechanic to be employed on such work in excess of eight hours in any calendar day or in excess of forty hours in any workweek unless such laborer or mechanic receives compensation at a rate of not less than one and one-half times his basic rate of pay for all hours worked in excess of eight hours in any such calendar day or in excess of forty hours in any such workweek, as the case may be.

(b) Violations; liability for unpaid wages; liquidated damages.--In the event of any violation of the clause set forth in subparagraph (a) of this paragraph, the Operator and any subcontractor responsible therefor shall be liable to any affected employee for his unpaid wages. In addition, such Operator and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed, with respect to each individual laborer or mechanic employed in violation of the clause set forth in subparagraph (a) of this paragraph, in the sum of $10 for each calendar day on which such employee was required or permitted to work in excess of eight hours or in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in subparagraph (a) of this paragraph.

(c) Withholding for unpaid wages and liquidated damages.--The O[redacted]* may withhold or cause to be withheld, from any moneys payable on account of work performed by the Operator or subcontractor, such sums as may administratively be determined to be necessary to satisfy any liabilities of such Operator or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in subparagraph (b) of this paragraph.

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.

* U. S. Geological Survey

ARTICLE 14. Changes and added provisions.--

Executed in quintuplicate the day and year first above written.

L-D MINES
(Operator)

By E. H. Lovitt

Title Manager

THE UNITED STATES OF AMERICA

By Arthur A. Baker
Acting Director
U.S. Geological Survey

Long
App'd. Sol. Off.
Stokes
Schroeder
Thaden
Welch
Hall

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]

Wenatchee Mining Partnership

By

Title Managing Partner

Day Mines, Inc.

By

Title Vice President

INT.-DUP. SEC., WASH., D.C. 31011

EXPLORATION CONTRACT
L-D MINES
OME-6460

ANNEX I

The land, including all rights pertaining thereto, referred to in Article 2 of the contract consists of about 60 acres described as $E\frac{1}{2}SE\frac{1}{4}SE\frac{1}{4}$ sec. 16, $E\frac{1}{2}NE\frac{1}{4}NE\frac{1}{4}$ sec. 21, and the $W\frac{1}{2}NW\frac{1}{4}NW\frac{1}{4}$ sec, 22, all in T. 22 N., R. 20 E., Willamette Meridian, Chelan County, Washington. Mineral rights are held for the land described in section 16, and fee titles are held for the land described in secs. 21 and 22 pursuant to the terms of the L-D Mines Agreement dated 1 December 1961.

This tract of land is shown in heavy outline on Figure 1, entitled "Map Showing Operator's Property Rights, B Reef Project, Chelan County, Washington", which is attached hereto and made a part hereof.

EXPLORATION CONTRACT
L-D MINES
OME-6460

EXHIBIT A

The purpose of the project is to explore for gold-bearing ore bodies by shaft sinking, long-hole drilling, crosscutting, drifting, and raising in and along B reef, a mineralized reef consisting of altered sedimentary rocks in the Swauk formation of Eocene age, and associated igneous rocks.

General Provisions

All significantly mineralized areas traversed by the exploratory workings shall be sampled by collecting a representative bulk sample of each round broken in significantly mineralized areas. In addition, channel samples cut normal to the trends of the deposits at intervals of not more than 5 feet may be taken where more detailed information is desired. Long-hole drill cuttings showing significant mineralization shall be sampled. No individual long-hole sample shall represent more than 8 feet of hole.

Samples from whatever source shall be split as necessary and assayed for gold and silver. The Operator shall store one split of each sample in a suitable container properly identified as to source and location for Government inspection and possible use. With prior Government approval, the Operator may dispose of the stored samples.

True copies of assay certificates of all samples shall be submitted with the Operator's monthly reports, which shall also include maps or sketches showing the work completed during the reporting period, the location, width, and assay values of the samples, and the general geologic formations and structures traversed by the workings.

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

No work under this contract shall be performed closer than 100 feet to the outer boundary of the project area.

The location, direction, and extent of each work item shall be subject to prior Government approval.

The work shall be divided into two stages. The Operator shall perform all of the Stage I work and as much of the Stage II work as is approved and confirmed in writing by the Government.

Prior to undertaking Stage I of the project and within a reasonable time (4 months) after executing this contract, the Operator at its own cost and expense shall drive an inclined shaft southward through previously explored ground in B reef to a point near mine coordinates 10,430 N., and 24,820 E. This point is about 270 feet south of and about 60 feet lower in elevation than the floor of the shaft at the portal.

Under the contract, the inclined shaft shall be not less than 10 by 7 feet in cross section in the clear of timber, and shall be timbered as necessary using standard 8- by 8-inch cut or equivalent round timbers. Air lines, water lines, and ventilation pipe shall not be less than 4-inch, 2-inch, and 16-inch diameter, respectively. Rails shall be installed where necessary and shall be not less than 30-pound size.

The drifts and crosscuts shall be not less than 5 by 7 feet in cross section and shall be timbered as necessary using standard 8- by 8-inch drift sets or equivalent round timber. Mine rails shall be of not less than 20-pound size, air lines not less than 3-inch diameter, water lines not less than 1-inch diameter, and ventilation pipe not less than 14-inch diameter.

Raises shall be 5 by 7 feet in cross section, and be divided into a manway and chute by a row of 8- by 8-inch stulls with 3-inch lagging nailed to the stulls on the chute side.

Description of the Work

The approximate locations of the work described for Stages I and II are shown in plan view on Figure 2, entitled "Map Showing Underground Workings and Proposed Exploration Work, B Reef Project, Chelan County, Washington," and in elevation view on Figure 3, entitled "Cross Section through Underground Workings and Proposed Exploration Work, B Reef Project, Chelan County, Washington". Both figures are attached hereto and made part hereof.

Stage I

From the face of the inclined shaft near mine coordinates 10,430 N., 24,820 E., and about 60 feet below floor level at the portal, continue the inclined shaft another 290 feet on approximately a -15° incline in a southerly direction to traverse the mineralized zone in B reef as schematically shown on Figures 2 and 3.

To further explore the mineralized zone, a station shall be established at a selected level in the shaft driven in Stage I, and drifts or crosscuts extended to the limits of the mineralized structure. An aggregate of not more than 750 feet of drifting and crosscutting shall be performed on this level.

Percussion long-hole drilling not exceeding 4,000 feet shall be performed from this level to further test the extent of mineralization. Drill stations shall be spaced no less than 100 feet apart, and no more than 6 holes shall be drilled at one station.

Raises totalling not more than 300 feet shall be driven from this level at locations not less than 200 feet apart. Maximum height for individual raises shall not exceed 75 feet.

Stage II

Stage II shall be dependent upon the results of the Stage I work and is subject to prior written approval by the Government.

The work will be a continuation of the inclined shaft with another level established for drifting, long-hole drilling, and raising.

Under Stage II not more than 290 feet of shaft sinking, 750 feet of drifting and crosscutting, 4,010 feet of long-hole drilling, and 300 feet of raising shall be performed.

Estimated Costs of the Project

Fixed Unit Costs

Stage I

290 feet shaft sinking @ $60.00/foot	$17,400.00	
150 feet timbering in shaft @ $10.00/foot	1,500.00	
750 feet drifting and crosscutting @ $40.00/foot	30,000.00	
4,000 feet long-hole drilling including assaying for gold and silver @ $1.00/foot	4,000.00	
300 feet raising @ $40.00/foot	12,000.00	
400 muck and channel samples for gold and silver assays @ $2.50/sample	1,000.00	
Total Stage I		$65,900.00

Stage II

290 feet shaft sinking @ $65.00/foot	$18,850.00	
150 feet timbering in shaft @ $10.00/foot	1,500.00	
750 feet drifting and crosscutting @ $40.00/foot	30,000.00	
4,010 feet long-hole drilling including assaying for gold and silver @ $1.00/foot	4,010.00	
300 feet raising @ $40.00/foot	12,000.00	
400 muck and channel samples for gold and silver assays @ $2.50/sample	1,000.00	
Total Stage II		$67,360.00
Total Estimated Cost Stage I		$65,900.00
Total Estimated Cost Stage II		67,360.00
Total Estimated Cost of the Project		$133,260.00
Government Participation @ 50%		$ 66,630.00

EXHIBIT B

NONDISCRIMINATION IN EMPLOYMENT

(Section 301, Executive Order 10925, March 6, 1961, as amended)

'During the performance of 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 non-discrimination 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.

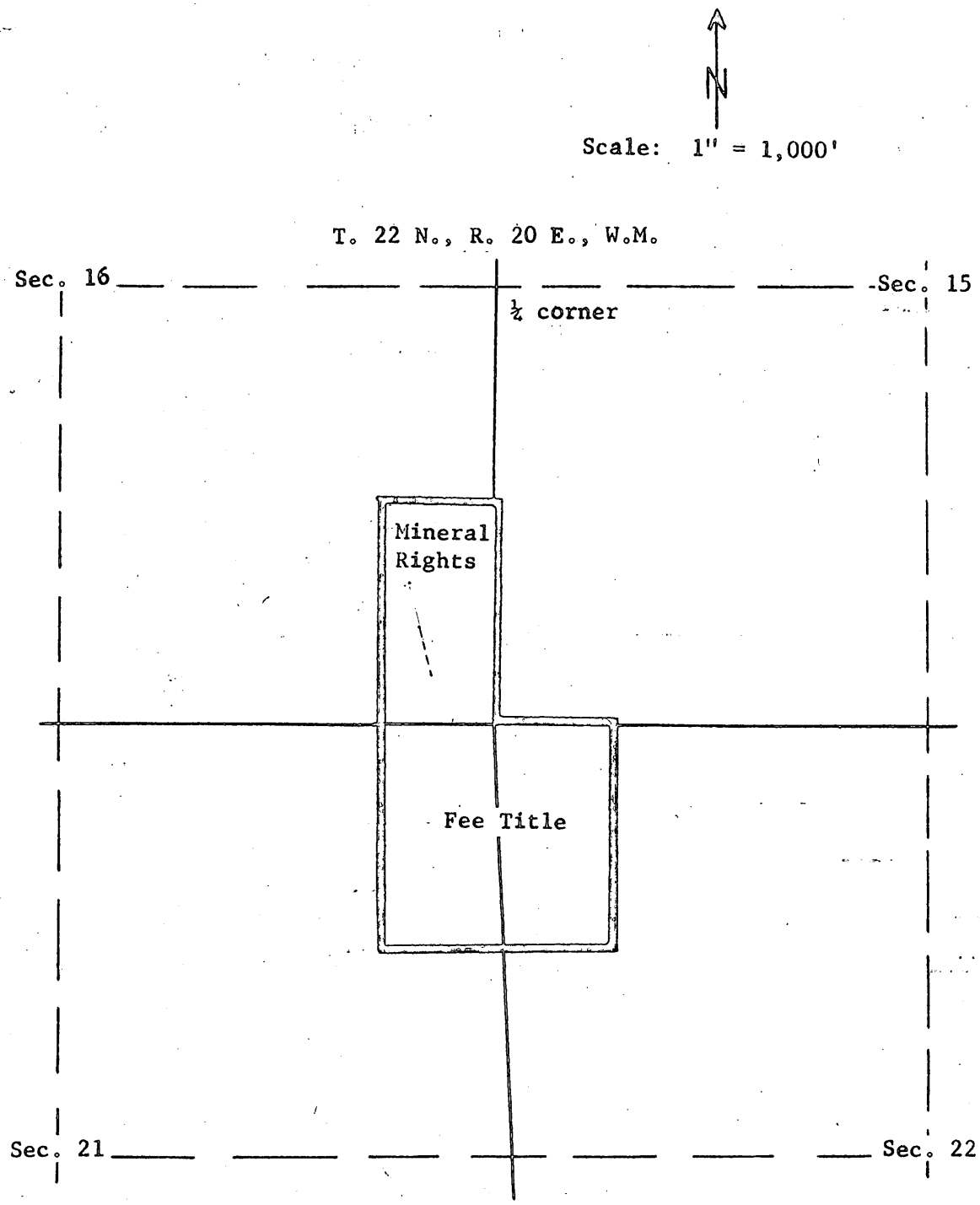
'(3) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided by the agency contracting officer, advising the said labor union or workers' representative of the contractor's 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, as amended, 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, as amended, 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.

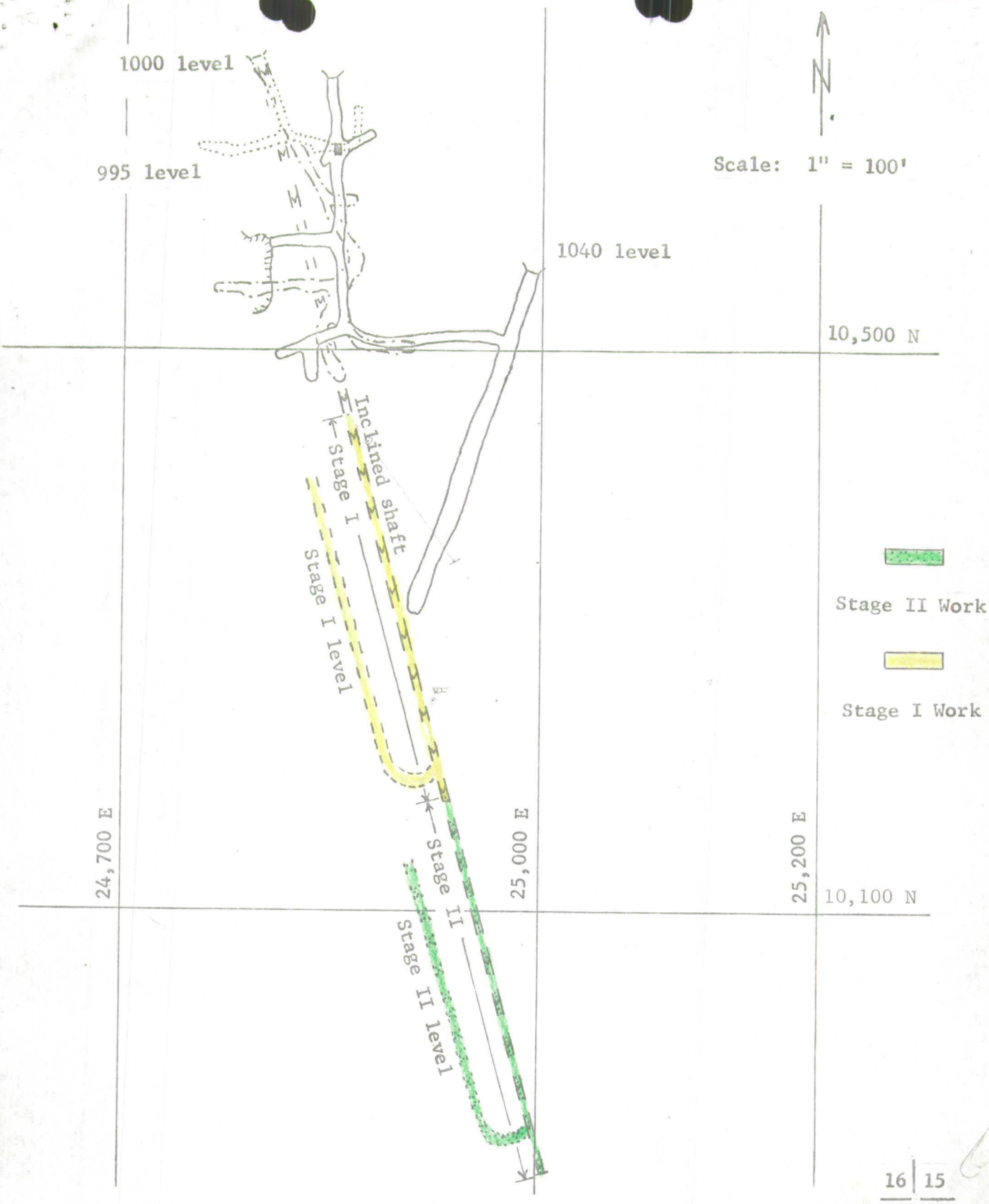
'(6) In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be cancelled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order No. 10925 of March 6, 1961, as amended, 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 paragraphs (1) through (7) 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, as amended, 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 noncompliance: 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.'"



Map Showing
Operator's Property Rights
B Reef Project
Chelan County, Washington

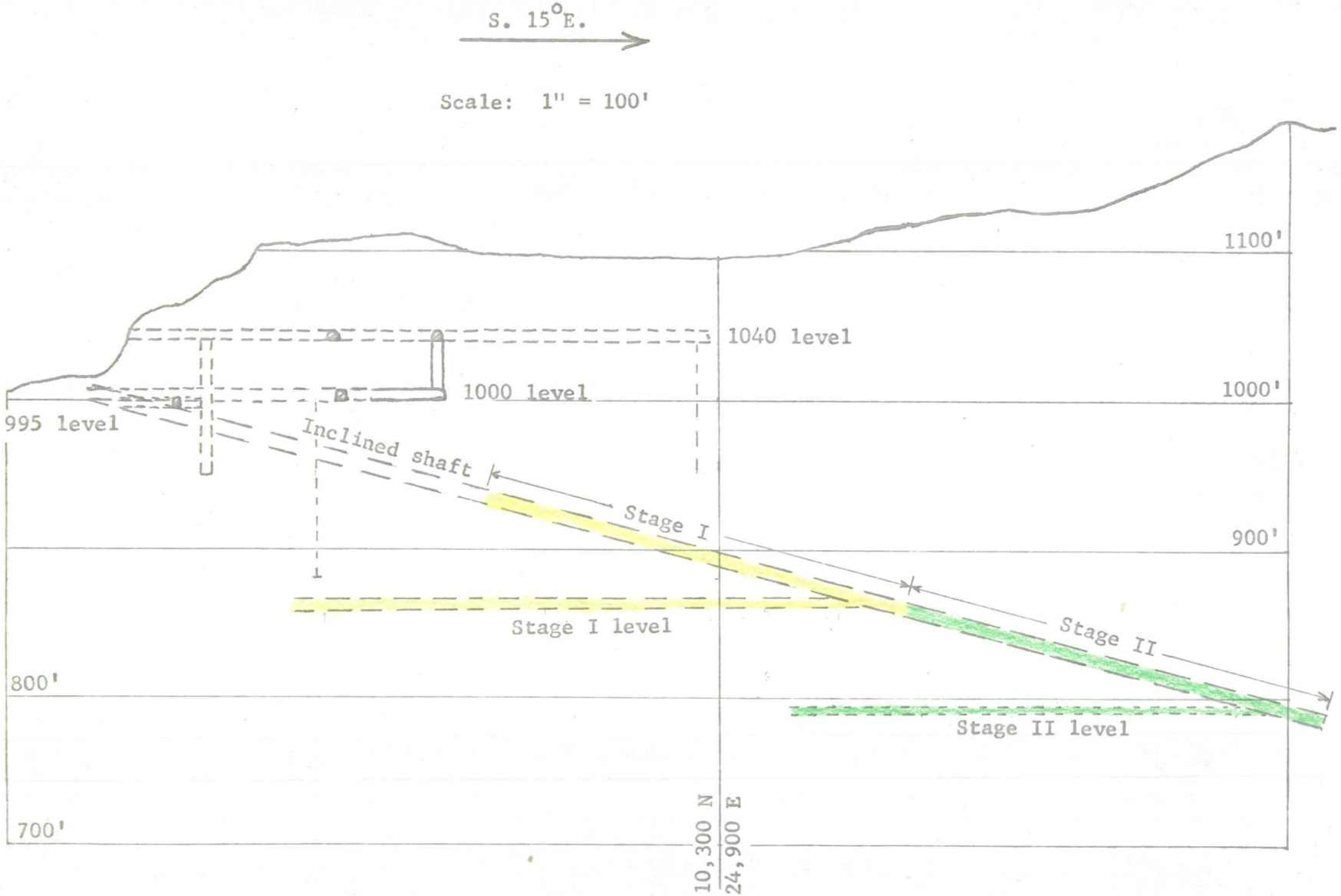
Figure 1



16 | 15
21 | 22

Map Showing
Underground Workings
and Proposed Exploration Work
B Reef Project
Chelan County, Washington

Figure 2



Cross Section
through
B Reef
Showing Underground Workings
and Proposed Exploration Work
Chelan County, Washington

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
2/8		120
		120
		110
		220
		120M

February 8, 1966

Memorandum

To: The File

From: Harold Kirkemo

Subject: OME-6460 (Gold)
Contract 2210
L-D Mines
B Reef
Chelan County, Washington
Contract 2210

Justification for Amendment No. 1

The Operator determined from a crosscut driven on his own account that a fault existed on the west side of B Reef which the inclined shaft would have intersected if continued on the planned course. On the map accompanying his December 1965 voucher, the Operator notes unaltered sandstone and shale west of the fault. This is a common situation on the outer limits of mineralized reefs in the district, and it suggests that the western limit or footwall of B Reef had been penetrated. Extending the shaft into unmineralized rock would not have served the purposes of the exploration program. The Field Officer notes that "the Operator reasonably and properly stopped the winze he had been driving," and changed the starting point and course of the shaft in order to stay within the mineralized reef and not intersect the fault.

I concur with the Field Officer's recommendation to amend the contract.

Harold Kirkemo

Harold Kirkemo

cc to: Director's Reading File
Division File
Economic Geology File
OME File
OME Reading File
Mr. Kirkemo

HKirkemo/gla 2-8-66

23263

In complete document

OFFICIAL COPY
O. M. E.
RECEIVED
UG 19 1965
INITIALS | CODE

L-D MINES AGREEMENT

THIS AGREEMENT, Made this _____ day of _____, 1961, between DAY MINES, INC., an Idaho corporation qualified to do business in the State of Washington, hereinafter referred to as "DMI," and EDWARD HILL LOVITT; BERNARD O. BRYNELSEN; FRANCIS CHANNING BUCKLAND; ALEXANDER WHIDDEN FISHER; ARTHUR C. HALL; and THELMA EDITH McDOWALL, of Wenatchee, Washington, HAROLD ALBERT TRUSWELL, of Kelowna, British Columbia, and GLORIA ELAINE LEMON, of Toronto, Ontario, Trustees under the Will of Vere Young McDowall, deceased; doing business as WENATCHEE MINING PARTNERSHIP, a partnership established by an agreement dated November 18, 1954, all of which partners are hereinafter collectively referred to as "WMP";

W I T N E S S E T H:

WHEREAS, WMP, Lovitt Mining Company, Inc., and E. H. Lovitt have heretofore operated a mining property in Township 22 North, Range 20 East, W.M., Chelan County, Washington, and

WHEREAS, heretofore or contemporaneously herewith, WMP has conveyed and transferred, or caused to be conveyed and transferred, to DMI an undivided thirty per cent (30%) interest in all of the mineral properties and mineral interests in which WMP has or controls any interest in in connection with said mining property, and has acquired or retained the remaining seventy per cent (70%) interest itself, and

WHEREAS, heretofore or contemporaneously herewith, DMI has purchased an undivided thirty per cent (30%) interest in the depreciable personal property herein described in which WMP and/or Lovitt Mining Company, Inc., have or control any interest and which is now situate upon, or used in conjunction with, the mining and exploration operations which have heretofore been conducted upon the above-mentioned mineral properties, and

WHEREAS, the parties hereto desire to develop and operate jointly all mineral veins and deposits now known or hereafter discovered on any of said properties, with joint operation expenditures and production to be shared by the parties in the ratio of thirty per cent (30%) for DMI and seventy per cent (70%) for WMP.

NOW, THEREFORE, it is agreed as follows:

1. TERM

The parties hereto agree that the lands and other properties hereinafter described shall be jointly operated under the name of L-D MINES for a term expiring upon the depletion of all commercial mineral deposits contained in said joint properties, or upon the expiration of fifty (50) years from the date hereof, whichever occurs sooner, unless sooner terminated in accordance with the terms of this agreement or except as otherwise provided in paragraph 6 herein.

2. PROPERTY

(a) DMI has heretofore or contemporaneously herewith acquired an undivided thirty per cent (30%) interest in all lands, unpatented mining claims, leasehold interests, mineral rights, and the like, shown in Schedule A attached hereto (which shall hereinafter be referred to as the "Joint Property"), and WMP now owns an undivided seventy per cent (70%) interest in said joint property itself. The parties hereto agree that they will execute all documents and do all things necessary to assure that the ownership interests in the joint property as of the date of this agreement are vested in a ratio of thirty per cent (30%) in DMI and seventy per cent (70%) in WMP.

(b) WMP agrees to terminate or cause to be terminated forthwith any and all operating agreements which presently exist between Levitt Mining Company, Inc., and/or E. H. Levitt, covering any part of the joint property.

(c) In the event either party acquires any lands, mining claims, leasehold interest, mineral rights, or the like, in any lands which are contiguous to, or which form a continuation of the mineral structures of the joint property during the term of this agreement, the party acquiring the same shall give to the other party written notice of such acquisition and the cost of acquiring the same within thirty (30) days after said acquisition, and such other party may, within three (3) months after the date of mailing such notice, at its option, make such property subject to the joint operation hereunder by purchasing an undivided interest in the same from the acquiring party. The purchase price shall be based upon the cost to the acquiring party, and shall be a percentage of such cost determined to keep the relative ownership interests the same as those of the joint property hereunder. Any such lands, mining claims, leasehold interests, mineral rights, or the like, which have been acquired by one party and in which the other party does not exercise the option to acquire an undivided interest shall not be a part of the joint operation, and the party acquiring the same shall have the right to use and operate the same for its sole benefit, but not to operate the same under the provisions of this agreement, except upon terms as shall be mutually agreed upon by the parties.

(d) The parties hereto agree that during the term of this agreement all joint property, including any lands, mining claims, leasehold interests, mineral rights, or the like, which are hereafter acquired, shall be used and/or exploited and operated by the parties solely in accordance with the terms and conditions of this agreement.

3. EQUIPMENT

(a) WMP has heretofore or contemporaneously herewith sold, conveyed, assigned and/or transferred or has caused to

WMP agrees to furnish a copy of said partnership agreement with all amendments to DMI, and to furnish copies to DMI of any amendments hereafter made, when adopted, and further furnish copies of all organizational documents of any successor organization.

(g) This agreement shall be construed according to the laws of the State of Washington.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed on the date and in the year first above written.

DAY MINES, INC.

By_____

Attest:_____

_____
Edward Hill Levitt

_____
Bernard O. Brynelson

_____
Francis Channing Buckland

_____
Alexander Whildden Fisher

_____
Arthur O. Hall

_____
Thelma Edith McDowall, Trustee U/W
of Vere Young McDowall

_____
Harold Albert Trumwell, Trustee U/W
of Vere Young McDowall

_____
Gloria Elaine Lemon, Trustee U/W of
Vere Young McDowall

d/b/a WENATCHEE MINING PARTNERSHIP

Incomplete document

L-D MINES AGREEMENT

THIS AGREEMENT, Made this _____ day of _____, 1961, between DAY MINES, INC., an Idaho corporation qualified to do business in the State of Washington, hereinafter referred to as "DMI," and EDWARD HILL LOVITT; BERNARD O. BRYNELSEN; FRANCIS CHANNING BUCKLAND; ALEXANDER WHIDDEN FISHER; ARTHUR O. HALL; and THELMA EDITH McDOWALL, of Wenatchee, Washington, HAROLD ALBERT TRUSWELL, of Kelowna, British Columbia, and GLORIA ELAINE LEMON, of Toronto, Ontario, Trustees under the Will of Vere Young McDowall, deceased; doing business as WENATCHEE MINING PARTNERSHIP, a partnership established by an agreement dated November 18, 1954, all of which partners are hereinafter collectively referred to as "WMP";

W I T N E S S E T H:

WHEREAS, WMP, Lovitt Mining Company, Inc., and E. H. Lovitt have heretofore operated a mining property in Township 22 North, Range 20 East, W.M., Chelan County, Washington, and

WHEREAS, heretofore or contemporaneously herewith, WMP has conveyed and transferred, or caused to be conveyed and transferred, to DMI an undivided thirty per cent (30%) interest in all of the mineral properties and mineral interests in which WMP has or controls any interest in in connection with said mining property, and has acquired or retained the remaining seventy per cent (70%) interest itself, and

WHEREAS, heretofore or contemporaneously herewith, DMI has purchased an undivided thirty per cent (30%) interest in the depreciable personal property herein described in which WMP and/or Lovitt Mining Company, Inc., have or control any interest and which is now situate upon, or used in conjunction with, the mining and exploration operations which have heretofore been conducted upon the above-mentioned mineral properties, and

WHEREAS, the parties hereto desire to develop and operate jointly all mineral veins and deposits now known or hereafter discovered on any of said properties, with joint operation expenditures and production to be shared by the parties in the ratio of thirty per cent (30%) for DMI and seventy per cent (70%) for WMP.

NOW, THEREFORE, it is agreed as follows:

1. TERM

The parties hereto agree that the lands and other properties hereinafter described shall be jointly operated under the name of L-D MINES for a term expiring upon the depletion of all commercial mineral deposits contained in said joint properties, or upon the expiration of fifty (50) years from the date hereof, whichever occurs sooner, unless sooner terminated in accordance with the terms of this agreement or except as otherwise provided in paragraph 6 herein.

2. PROPERTY

(a) DMI has heretofore or contemporaneously herewith acquired an undivided thirty per cent (30%) interest in all lands, unpatented mining claims, leasehold interests, mineral rights, and the like, shown in Schedule A attached hereto (which shall hereinafter be referred to as the "Joint Property"), and WMP now owns an undivided seventy per cent (70%) interest in said joint property itself. The parties hereto agree that they will execute all documents and do all things necessary to assure that the ownership interests in the joint property as of the date of this agreement are vested in a ratio of thirty per cent (30%) in DMI and seventy per cent (70%) in WMP.

(b) WMP agrees to terminate or cause to be terminated forthwith any and all operating agreements which presently exist between Lovitt Mining Company, Inc., and/or E. H. Lovitt, covering any part of the joint property.

(c) In the event either party acquires any lands, mining claims, leasehold interest, mineral rights, or the like, in any lands which are contiguous to, or which form a continuation of the mineral structures of the joint property during the term of this agreement, the party acquiring the same shall give to the other party written notice of such acquisition and the cost of acquiring the same within thirty (30) days after said acquisition, and such other party may, within three (3) months after the date of mailing such notice, at its option, make such property subject to the joint operation hereunder by purchasing an undivided interest in the same from the acquiring party. The purchase price shall be based upon the cost to the acquiring party, and shall be a percentage of such cost determined to keep the relative ownership interests the same as those of the joint property hereunder. Any such lands, mining claims, leasehold interests, mineral rights, or the like, which have been acquired by one party and in which the other party does not exercise the option to acquire an undivided interest shall not be a part of the joint operation, and the party acquiring the same shall have the right to use and operate the same for its sole benefit, but not to operate the same under the provisions of this agreement, except upon terms as shall be mutually agreed upon by the parties.

(d) The parties hereto agree that during the term of this agreement all joint property, including any lands, mining claims, leasehold interests, mineral rights, or the like, which are hereafter acquired, shall be used and/or exploited and operated by the parties solely in accordance with the terms and conditions of this agreement.

3. EQUIPMENT

(a) WMY has heretofore or contemporaneously herewith sold, conveyed, assigned and/or transferred or has caused to

WMF agrees to furnish a copy of said partnership agreement with all amendments to DMI, and to furnish copies to DMI of any amendments hereafter made, when adopted, and further furnish copies of all organizational documents of any successor organization.

(g) This agreement shall be construed according to the laws of the State of Washington.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed on the date and in the year first above written.

DAY MINES, INC.

By_____

Attest:_____

_____
Edward Hill Lovitt

_____
Bernard C. Brynelsen

_____
Francis Charming Buckland

_____
Alexander Whidden Fisher

_____
Arthur C. Hall

_____
Thelma Edith McDowall, Trustee U/W
of Vere Young McDowall

_____
Harold Albert Truswell, Trustee U/W
of Vere Young McDowall

_____
Gloria Midlno Lemon, Trustee U/W of
Vere Young McDowall

d/b/a WENATCHEE MINING PARTNERSHIP

Not applicable to OME-6460

FEE 6.10 y
FILED FOR RECORD
C. J. O'Connor
1964 MAR 13 PM 3 11
Lease -
BOOK 657 PAGE 487-91
CHELAN COUNTY AUDITOR
WENATCHEE, WASH. y

BOOK 657 PAGE 487

618141

MINING LEASE

THIS LEASE made this 1st day of March, 1964, between MAGGIE RIGGS, a widow, and surviving spouse of C. G. RIGGS, deceased, and STANLEY CHAPELLE and ZINA M. CHAPELLE, his wife, Lessors, and E. B. LOVITT, Lessee, WITNESSETH:

LESSORS respectively own the following described property, situate in Chelan County, State of Washington, to-wit:

> Tract One: The NW quarter of the SE quarter of the SE quarter of Section 16, Township 22 North, Range 20, E.W.M., AND
>
> Tract Two: The East half of the NE quarter of the SW quarter of the SE quarter of Section 16 Township 22 North, Range 20, E.W.M.,

The Lessors hereby lease to the Lessee the above described premises for the uses and purposes of exploring for, mining ores, and the removal of all metalliferous minerals of every kind under said premises, subject to the following agreements and conditions:

Lessee shall have the right during the term of this lease to explore for ores and to mine and remove from said premises all gold, silver or other metalliferous minerals of every kind. Said rights shall not include the right to occupy any part of the surface of said land or to damage any improvements upon the surface, and in removing any minerals Lessee shall properly provide all necessary support for mining tunnels, or other mining excavations, and should any depression, subsidence, damage or injury whatsoever be occasioned to the surface of the described lands or improvements thereon by reason of the mining operations thereunder, the Lessee, his heirs, successors

Mail (6p)

and assigns to this lease shall make compensation to the owners, their heirs and assigns in the amount of damage or injury so caused or occasioned, not exceeding the reasonable market value of the ownership rights of the lessors to the title and use of the surface of said lands, and Lessors agree to pay the taxes that shall be assessed to said lands.

The term of this lease shall be Nine-Nine (99) years, beginning March 1, 1964, provided the Lessee shall have the right, by giving notice of his election to terminate this lease, to terminate the lease and surrender the premises as hereinafter provided.

It is understood that the Lessee contemplates the exploration and development of commercial mining ores under said premises, and that in the event Lessee elects to terminate this lease as of the end of any lease year, after the first two years of this lease, Lessee may, by giving notice to the owners of the respective tracts, terminate this lease as to either, or as to both, of said tracts, by giving written notice to the owner of the tract at least thirty (30) days prior to the expiration of a current lease year, and by surrendering possession of the tract as to which the lease shall be terminated.

It is understood that this lease does not require the Lessee to conduct mining exploration or ore removal in any year, and in the event minerals are not mined and removed from the premises in any lease year, the Lessee shall only be required to pay the annual minimum rental hereinabove provided.

Lessee agrees to pay as rental, the sum of $150.00 annually to the owners of Tract One above described, and to the owners of Tract Two above described, shall pay annually a like

[illegible] at all reasonable times to have Lessor's representative

PAGE 657 REC 488

sum of $150.00. Said annual payments shall be made on the first day of March, 1964, and on the first day of March of each year that this lease shall remain in effect.

Lessee agrees to pay, as additional rentals, to the owners of said respective tracts, a royalty of four (4%) per cent of the "net smelter returns' from all commercial ore which the Lessee shall mine and remove from said premises, such additional rental to be paid semi-annually on or before November 30th and May 31st of each year, on account of the ore that has been sold during the preceding six (6) months period ending August 31, and February 28, next preceding, the amount of any royalties so to be paid to be reduced by the amount of the annual $150.00 rental payment above proved to be paid to the owner of said respective tracts.

"Net Smelter Returns" provided in the preceding paragraph, shall mean the proceeds received by the Lessee from the sale of all ore mined and sold from said respective rented premises, after deducting all costs and charges of transporting the ore from the mine to market, and all smelter and concentrating plant charges, and including all milling, smelting or other refining that may be incurred to complete the sale of the commercial minerals sold from the respective leased tracts, but there shall not be deducted the cost of mining and removing ore from the mine to the surface.

Any and all federal or state bullion, recovery, severance or other taxes levied or assessed against or upon the ore removed from said mine shall be paid by Lessee out of the gross receipts and should be deducted from the value of the ore per ton in determining the royalties payable hereunder.

The Lessors shall be entitled to inspections of all copies of all sale returns on the ore removed and sold, and shall have the right at all reasonable times to have Lessor's representative

inspect the leased premises and workings of any mining operations conducted under the premises.

IT IS MUTUALLY AGREED that the mineral rights hereby leased do not include any right of the Lessee to use or occupy any part of the surface of the leased tracts, either for ingress or egress to the minerals, or for the removal of ore therefrom, it being agreed that Lessee will, from points or places not on the leased premises, construct any tunnels, adits, or other operations for the removal of minerals under said premises. This lease includes only the minerals that underlie the two respective tracts above described, and the Lessors agree that the Lessee, in mining other areas, shall have the right to remove ores not on the leased premises, through any mining tunnels or stopes which Lessee may develop on the leased tracts.

It is understood and agreed that the Lessee shall have the right to assign this lease, or to, from time to time, sublet the lease rights hereunder, any assignment or subletting to be subject to all of the terms and conditions herein stated.

So long as the above named Lessors are the owners of the two tracts described in this lease, and pending further notice to the Lessee to the contrary, the rental and royalty payments may be paid jointly to Maggie Riggs and Stanley Chapelle, and the Lessors will segregate such payments to their joint satisfaction.

IN WITNESS WHEREOF the parties have hereunto set their hands as of the day and year first above written.

Stanley L. Chapelle

Maggie Riggs

Lessors

LISSEL

STATE OF WASHINGTON)
) SS
County of Chelan)

THIS IS TO CERTIFY that on this 5th day of March, 1964, before me the undersigned Notary Public, personally appeared MAGGIE RIGGS, a widow and surviving spouse of C. G. Riggs, STANLEY CHAPELLE and ZINA M. CHAPELLE, his wife, to me known to be the individuals described in and who executed the foregoing instrument, and acknowledged to me that they signed and executed the same as their free and voluntary act and deed, for the uses and purposes therein mentioned.

WITNESS my hand and official seal the day and year in this certificate first above written.

NOTARY PUBLIC in and for the State of Washington, residing at Wenatchee.

Not applicable to OME 6460

500

BOOK 657 PAGE 52-55

MINING LEASE

THIS LEASE made this 1st day of March, 1964, between [illegible] LEAVERS, a bachelor, and MABEL RUTH LEAVERS, a spinster, Lessors, and L. E. LOGITT, Lessee, WITNESSETH:

Lessors own the following described property, situate in Chelan County, State of Washington, to-wit:

SW NE SE quarter of Section 16, Township 22 North, Range 20, E.W.M.

The Lessors hereby lease to the Lessee the above described premises for the uses and purposes of exploring for, mining ores, and the removal of all metalliferous minerals of every kind under said premises, subject to the following agreements and conditions:

Lessee shall have the right during the term of this lease to explore for ores and to mine and remove from said premises all gold, silver or other metalliferous minerals of every kind. Said rights shall not include the right to occupy any part of the surface of said land or to damage any improvements upon the surface, and in removing any minerals Lessee shall properly provide all necessary support for mining tunnels, or other mining excavations, and should any depression, subsidence, damage or injury whatsoever be occasioned to the surface of the described lands or improvements thereon by reason of the mining operations thereunder, the Lessee, his heirs, successors and assigns to this lease shall make compensation to the owners, their heirs and assigns in the amount of damage or injury so caused or occasioned, not exceeding the reasonable market value of the ownership rights of the Lessors in the title and use of the surface of said lands, and Lessee agrees to pay the taxes that shall be assessed to said lands.

The term of this lease shall be Ninety Nine (99) years.

beginning March 1, 1964, provided the Lessee shall have the right by giving notice of his election to terminate this lease, to terminate the lease and surrender the premises as hereinafter provided.

It is understood that the Lessee contemplates the exploration and development of commercial mining ores under said premises, and that in the event Lessee elects to terminate this lease as of the end of any lease year, after the first two years of this lease, Lessee may, by giving notice to the owners of the leased property, terminate this lease by giving written notice of termination to the owners of the leased property at least thirty (30) days prior to the expiration of a current lease year, and by surrendering possession of the property.

It is understood that this lease does not require the Lessee to conduct mining exploration or ore removal in any year, and in the event minerals are not mined and removed from the premises in any lease year, the Lessee shall only be required to pay the annual minimum rental hereinabove provided.

Lessee agrees to pay as rental, the sum of ~~one~~ Two Hundred ~~Fifty~~ Dollars ($200.00) ~~($150.00)~~ annually to the owners of the leased premises. Said annual payments shall be made on the first day of March, 1964, and on the first day of March of each year that this lease shall remain in effect.

Lessee agrees to pay, as additional rental, to the owners of said tract, a royalty of four (4) per cent of the net smelter returns from all commercial ore which the Lessee shall mine and remove from said premises, such additional rental to be paid annually on or before November 30th and the 31st of each year on account of the ore that has been sold during the preceding six (6)

months period ending August 31, and February 28, next preceding the amount of any royalties so to be paid to be reduced by the amount of the annual ~~One~~ Two Hundred ~~Fifty~~ Dollars ($200.00) ~~($150.00)~~ rental payment above proved to be paid to the owners.

"Net Smelter Returns" provided in the preceding paragraph, shall mean the proceeds received by the Lessee from the sale of all ore mined and sold from said respective rented premises, after deducting all costs and charges of transporting the ore from the mine to market, and all smelter and concentrating plant charges, and including all milling, smelting or other refining that may be incurred to complete the sale of the commercial minerals sold from the leased premises, but there shall not be deducted the cost of mining and removing ore from the mine to the surface.

Any and all federal or state bullion, recovery, severance, or other taxes levied or assessed against or upon the ore removed from said mine shall be paid by Lessee out of the gross receipts and should be deducted from the value of the ore per ton in determining the royalties payable hereunder.

The Lessors shall be entitled to inspections of all copies of all sale returns on the ore removed and sold, and shall have the right at all reasonable times to have Lessor's representative inspect the leased premises and workings of any mining operations conducted under the premises.

IT IS MUTUALLY AGREED that the mineral rights hereby leased do not include any right of the Lessee to use or occupy any part of the surface of the leased tract, either for ingress or egress to the minerals, or for the removal of ore therefrom, it being agreed that Lessee will, from points or places not on the leased

premises, construct any tunnels, adits, or other operations for the removal of minerals under said premises. This lease includes only the minerals that underlie the tract above described, and the Lessors agree that the Lessee, in mining other areas, shall have the right to remove ores not on the leased premises, through any mining tunnels or stopes which Lessee may develop on the leased tract.

It is understood and agreed that the Lessee shall have the right to assign this lease, or to, from time to time, sublet the lease rights hereunder, any assignment or subletting to be subject to all of the terms and conditions herein stated.

IN WITNESS WHEREOF the parties have hereunto set their hands as of the day and year first above written.

Mabel Leavens
Mary Leavens
LESSORS

LESSEE

STATE OF WASHINGTON)
) ss.
COUNTY OF CHELAN)

THIS IS TO CERTIFY that on this 19th day of March, 1964, before me the undersigned Notary Public, personally appeared MARK M. LEAVENS, a bachelor, and MABEL RUTH LEAVENS, a spinster, to me known to be the individuals described in and who executed the foregoing instrument, and acknowledged to me that they signed and executed the same as their free and voluntary act and deed, for the uses and purposes therein mentioned.

WITNESS my hand and official seal the day and year in this certificate first above written.

Notary Public in and for the State of Washington, residing at Wenatchee

Copy of
Contract —
Keegan brothers and
Wenatchee Mining
Partnership — 1953.
and
Last page of document
showing transfer of ownership
of NW¼ NW¼ Sec. 22
from John and Laura Cheek
to Wenatchee Mining Partnership
April 20, 1954.

CONTRACT

[illegible] by and between JOHN [illegible], [illegible] KEEGAN and THOMAS [illegible], each individually [illegible] Owner, and EDWARD HILL [illegible], [illegible] [illegible] WERE McDOWALL and [illegible] doing [illegible] under the style of Wenatchee [illegible] [illegible] Purchaser,

[illegible] Owner [illegible] the purchase from the Owners the f[illegible] Chelan County, State of Washington, [illegible] to-wit:

Item 1 to be described [illegible] made a part of this [illegible] Chelan County, Washington [illegible]

Item [illegible] described in [illegible] a part hereof, [illegible]

The purchase price of [illegible] Thousand Dollars ($[illegible]),

Five Thousand Dollars [illegible] contract.
Five Thousand Dollars [illegible]
Five Thousand Dollars [illegible]
Five Thousand Dollars [illegible]
Five Thousand Dollars [illegible]
Five Thousand Dollars [illegible]
Five Thousand Dollars [illegible]
Five Thousand Dollars [illegible]

[illegible] 1953 [illegible] time [illegible] payments [illegible]

The Owners hereby [illegible] for

27 the year 1953

28 [illegible], and

29 year 1954 and

30 and before

31

1 date of this contract, and Purchaser assumes all risk of loss or damage to

2 the property or improvements, and any such loss or damage shall not reduce

3 the agreed purchase price, and likewise any taking of any part of the property

4 by this authority shall not operate as a failure of consideration.

Owners agree within thirty (30) days after the execution of this contract to furnish Purchaser with title insurance covering the property agreed to be sold, such title insurance to show clear and unencumbered title in the Owners, except as hereinafter specifically provided.

Owners agree, on payment of the purchase price to convey all property covered by this contract by good and sufficient warranty deed and by proper assignments of the leases referred to as Items 4, 5 and 6.

As to Item 2 of the property described in Exhibit A, it is understood that in lieu of the fee title thereof the Grantors are to convey only the ownership of the metallic minerals under said contract, all the perpetual right to mine said property and to remove metallic minerals therefrom, including the use of the surface for mining operations and all necessary easements and rights for mining purposes in connection therewith, and including the right of ingress and egress over a present road to the property described in Exhibit A, provided, however, that the Grantee shall not use or enjoy the surface of the area described as the East 437 feet of the North 400 feet of said Tract 2 of the Northeast Quarter of the Southeast Quarter, and the Grantee shall pay the Grantors the royalty on metallic minerals of every kind from said land [illegible] by underground workings thereon, but in the event of any mining operations conducted under the surface of the area not to be deemed or used by the Grantee for surface operations, the Grantee shall compensate the Owner of the surface for any damage that thereby may be done to improvements upon said reserved surface area, and may not conduct any mining operations under said reserved surface area without proper support of any underground operations that would endanger the owner's use of the reserved surface portion.

The taxes on said twenty acre tract shall be paid by the Grantors (less any portion that may be assessed for mining improvements) and the deed to be executed pursuant to this contract shall so provide.

As to Items 4 and 5, the Owners agree that the rentals payable under the lease from the State of Washington have been paid to the next ensuing anniversary date covered in said respective leases, and that [illegible]

performed necessary to keep said leases in good standing to such date respective anniversary dates, and the Purchaser agrees to pay all rentals hereafter becoming due and payable under each of said leases and to perform all agreements therein respectively agreed to to performed by the lessee.

Said assignments of leases from the State of Washington shall be made immediately following the execution of this contract and the Purchaser, following the approval of such assignments by the Commissioner of Public Lands, will execute a re-assignment thereof to the Owners.

There shall be placed in escrow at the National Bank of Commerce Bank, in Wenatchee Branch, (1) Deed to the property herein agreed to be conveyed, (2) Re-assignment of the the State Leases, and (3) Re-assignment of the Douglas County Lease, with a copy of this contract and appropriate escrow instructions to said bank that upon payment in full of the total purchase price all of said executed instruments are to be delivered to the Purchaser, and in the event of default in said payments and if the cancellation thereof, the escrow holder is to return said executed instruments to the Owners.

It is understood that the properties hereby contracted to be conveyed are intended to be used for mining purposes and that the Purchaser shall have the right during the term of this contract to mine any ores on said property and to sell and retain the ores and the proceeds, provided however that as to such ores or other materials the Purchaser shall pay to the Owners a royalty equivalent to ten per cent (10%) of all moneys received from the sale of all materials covered by this contract, such royalty to be paid not later than the twentieth of each month covering all minerals shipped from the premises during the preceding calendar month, and all such royalties that may be so paid to be credited upon the installments of purchase price due and payable under the terms of this contract.

This contract shall not be assigned without the written consent of the Owners, provided however consent is hereby given to assignment hereof to Lovitt Mining Company, a corporation, in the event the Purchaser desires to make Assignment to that Company.

Time is of the essence of this contract and in case of the failure of the Purchaser to make any of the payments or to perform any of the agreements by it herein agreed to be performed, the Sellers shall have the right to give the Purchaser such defaults and the Purchaser shall have thirty (30) days thereafter in which to remove such defaults, and in the event of Purchaser's failure so to do Owners shall have the right to terminate this contract, if they elect so to do, and in such case Owners shall be entitled to retain all moneys paid on the purchase price as agreed liquidated dam

6

to retain all moneys paid on the purchase price as agreed liquidated damages for the breach of said contract, and Purchaser shall have no further right or interest under this contract. Notices given under this contract shall be sent to the Purchaser at the following address:

c/o Lovitt Mining Company
Wenatchee, Washington

Payments to be made under this contract shall be made at the National Bank of Commerce Bldg., Wenatchee, Washington, for the account of the Owners.

IN WITNESS WHEREOF, the parties have executed this contract this 19th day of November, 1931.

REAL ESTATE EXCISE TAX
PAID
No. 5810
Chelan County Treasurer
T. E. McKoin
By [illegible]
Deputy

[signature]
[signature]
[signature]
[signature]
[signature]

STATE OF WASHINGTON)
) ss.
County of Chelan)

THIS IS TO CERTIFY that on this [illegible] day of November, 1931, before me, the undersigned Notary Public, personally appeared [illegible], [illegible] KEEGAN and THOMAS KEEGAN, each husband, to me known to be the individuals described in and who executed the foregoing instrument, and acknowledged to me that they signed and executed the same as their free and voluntary act and deed for the uses and purposes therein mentioned.

WITNESS my hand and official seal hereto affixed the day and year first above written.

[signature]
Notary Public in and for the State of Washington, residing at Wenatchee.

7

ITEM I.

All of Section 21, Township 22 North, Range 20 E.W.M., subject to
(1) Northern Pacific Coal and Iron Reservations, and
(2) Subject to the deed given Walker Cut Stone Company, Inc., dated June 9, 1950, conveying the rights to all building sand stone.

ITEM II.

The E½ of the SE¼ of the SE¼ of Section 16, Township 22 North, Range 20 E.W.M. Title to be conveyed as to this item is limited to conveyance of all metallic minerals and mineral deposits under said lands, together with the right to mine and remove such deposits, and the rights as specified and limited in the contract to which this exhibit is attached.

ITEM III.

The following described property in the Entiat Valley, viz:

Tract 1. That certain mining claim or premises, known as the Queen placer mining claim, situate in the Entiat Mining District, Chelan County, Washington, described as the Lot five of Section four in Township twenty-five north of Range twenty east of the Willamette Meridian, and containing twenty-six acres and fifty-six hundredths of an acre, according to the Supplemental Plat of said Section Four approved October 19, 1942, subject to the reservations contained in said Patent.

Tract 2. In Section 34, Township 25 North, Range 20, E.W.M. Beginning at the southwest corner of section 34, township 25 north, range 20 E.W.M., as a true point of beginning; thence from this true point of beginning by running east on the south line of said section 34 for 320 feet; thence north 12° 15' west for 264 feet; thence north 34° 46' west for 65 feet; thence north 73° 05' west for 222.2 feet to a point on the west line of said section 34, which point is 360 feet north of the southwest corner of said section 34; thence south on the west line of said section 34 for 360 feet to the said true point of beginning, containing 2.09 acres, more or less.

Tract 3. In Section 3, township 25 north, range 20 E.W.M. Beginning at the northwest corner of section 3, township 25 north, range 20 E.W.M., as a true point of beginning; thence from this true point of beginning by running east on the north line of said section 3 for 320 feet; thence south 5° 44' west for 110 feet to the left bank of the Entiat River; thence following the left bank of said Entiat River in a westerly direction for 213 feet to the west line of said section 3; thence north along the said west line of said section 3 for 42 feet to the said true point of beginning; containing 0.55 of an acre, more or less, excepting the following described portion of the above described Tract 3:

A tract of land containing seven thousands (0.007) of an acre, more or less, being a portion of Lot four (4) (sometimes known as the Northwest quarter of the Northwest quarter (NW¼ NW¼) of Section three (3), Township twenty-five (25) North, Range twenty (20) East, Willamette Meridian, more particularly described as follows: Commencing at the northwest section corner of said Section three (3); thence South 85° 34' 30" East 980.00 feet along the north line of Lot four (4) (sometimes known as the Northwest quarter of the

Northwest quarter (NW¼ NW¼) of said Section three (3); thence South 07° 22' 30" West 77.35 feet to the true point of beginning; running thence South 07° 22' 30" West 25.00 feet; thence North 76° 45' West along the left bank of the Quilat River a distance of 42.00 feet; thence North 07° 22' 30" East 25.00 feet; thence South 76° 45' East 42.00 feet to the true point of beginning;

and subject to the rights granted to the United States of America affecting Tracts 2 and 3, as contained in the deed from the Chamu to the United States of America, covering the total tract of .097 acres above described,

and subject to road rights of way and easements, if any, over and across tracts 2 and 3 above [illegible]

ITEM IV.

Lease (Contract for Mining) [illegible] March 14, 1949 for a term of [illegible] Contract No. 379, lands [illegible] Section 14, Township 22 [illegible]

ITEM V.

Mineral Prospecting Lease [illegible] Roogan, [illegible] of Washington Lease No. [illegible] Township 22 North, [illegible] [illegible] party or [illegible]

ITEM VI.

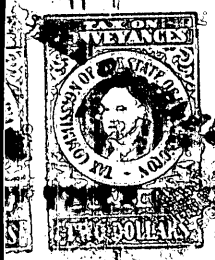
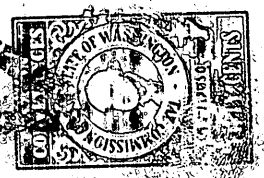
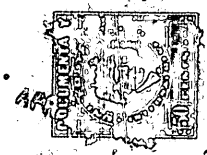
Lease from [illegible] Roogan, Lessee, [illegible] Section 23, Township [illegible] State of Washington.

OFFICIAL
COPY
O. M. E.
RECEIVED
AUG 19 1965
INITIALS DATE

then in hand paid, the receipt of which is hereby acknowledged, do hereby convey and warrant to EDWARD HILL LOVITT, FRANCIS CHANNING BUCKLAND, BERNARD O. BRYNELSEN, VERE McDOWALL and ALEXANDER WHIDDEN FISHER, doing business as and under the style of Wenatchee Mining Partnership, a Partnership, the following described land situate in Chelan County, State of Washington:

The northwest quarter of the northwest quarter of Section 22, Township 22 North, Range 20 E.W.M., Chelan County, Washington.

DATED this 20th day of April, 1954.

John W. Cheek
Laura Ann Cheek

STATE OF WASHINGTON)
(ss.
County of Chelan)

THIS IS TO CERTIFY that on this 20th day of April, 1954, before me, the undersigned Notary Public, personally appeared JOHN W. CHEEK and LAURA ANN CHEEK, his wife, to me known to be the individuals described in and who executed the foregoing instrument, and acknowledged to me that they signed and executed the same as their free and voluntary act and deed for the uses and purposes therein mentioned.

WITNESS my hand and official seal the day and year in this certificate first above written.

REAL ESTATE EXCISE TAX
PAID #6622
$ 6.30
County Treasurer
By

Notary Public in and for the State of Washington, residing at Wenatchee

Extra Copy

[illegible]

THOMAS KELLY, each unpaid [illegible]

RENARD HILL LOVITT, [illegible]

McDONALD and ALTHOUSE MINING [illegible]

of Penobscot Mining Partnership [illegible]

"Purchaser".

[illegible]

[illegible]

County, [illegible]

[illegible]

Thousand Dollars [illegible]

Five Thousand Dollars [illegible]

Five Thousand Dollars [illegible]

Five Thousand Dollars [illegible]

Five Thousand Dollars [illegible]

Five Thousand Dollars [illegible]

Five Thousand Dollars [illegible]

Eight Thousand [illegible]

[illegible]

1992 [illegible]

the principal [illegible]

The Owner [illegible]

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[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

date of this contract, and furnisher assumes all risk of loss or damage to the property or improvements, and any such loss or damage shall not reduce the agreed purchase price, and Lessee may take all or any part of the property [illegible] authority shall not operate as a waiver of condemnation.

Owners agree at [illegible] of this contract to furnish purchaser with title insurance covering the property agreed to be sold, such title insurance to show clear and unencumbered title in the Owners, except as hereinafter specifically provided.

Owners agree, on payment of the purchase price to convey all property covered by this contract by good and sufficient warranty deed and by proper assignments of the leases referred to as Items 4, 5 and 6.

As to Item 2 of the property described in Exhibit A, it is understood that in lieu of the fee title thereof the Grantors are to convey only the ownership of the metallic minerals under said tract and the perpetual right to mine said property and to remove metallic minerals therefrom, including the use of the surface for mining operations and all necessary occupancy and use for mining purposes in connection therewith, and including the right of ingress and egress over a present road in the adjoining Section 23, provided however that the Grantee shall not use or occupy the surface of an area described as the East 4?7 feet of the North 400 feet of said East Half of the Southeast Quarter of the Southeast Quarter, and the Grantee shall have the right to remove metallic minerals of every kind from said last described area by any underground workings thereon, but in the event of any mining operations conducted under the surface of the area not to be occupied or used by the Grantee for surface operations, the Grantee shall compensate the Owner of the surface for any damages that thereby may be done to improvements upon said reserved surface area, and may not conduct any mining operations under said reserved surface areas without proper support of any underground operations that would endanger the grantor's use of the reserved surface portion.

The taxes on said property [illegible] shall be paid by the Grantors (less any portion that may be assessed for mining improvements) and the deed to be executed pursuant to this contract shall so provide.

As to Items 4 and 5, the Owners agree that the rentals payable under said leases from the State of Michigan have been paid to the next ending [illegible] date fixed in said respective leases, and [illegible]

performed [illegible] respective anniversary dates, and the purchaser agrees to pay all rentals hereafter becoming due and payable under each of said leases and to perform all agreements therein respectively agreed to be performed by the lessee.

Said assignments of leases from the State of Washington shall be made immediately following the execution of this contract and the Purchaser, following the approval of such assignments by the Commissioner of Public Lands, will execute a re-assignment thereof to the Owners.

There shall be placed in escrow at the National Bank of Commerce, Bank, in Wenatchee Branch, (1) Deed to the property herein agreed to be conveyed, (2) Re-assignment of the two State leases, and (3) Re-assignment of the Douglas County leases, with a copy of this contract and appropriate escrow instructions to said bank that upon payment in full of the agreed purchase price all of said escrow instruments are to be delivered to the Purchaser, and in the event of default in this contract and of the cancellation thereof, the escrow holder is to return said escrowed instruments to the Owners.

It is understood that the properties hereby contracted to be conveyed are intended to be used for mining purposes and that the purchaser shall have the right during the term of this contract to mine any ores on said property and to sell and remove the same from the premises, provided however that as to such ores or other materials the Purchaser shall pay to the Owners a royalty equivalent to ten per cent (10%) of all receipts received from the sale of said materials covered by this contract, such royalty so to be paid not later than the twentieth of each month covering all minerals shipped from the premises during the preceding calendar month, and all such royalties that may be so paid to be credited upon the installments of purchase price [illegible] payable under the terms of this contract.

[illegible] the Owners, provided however Owners [illegible] to pay [illegible] to Lewis Mining Company, a corporation, [illegible] the purchase money to

[illegible] O'Connor [illegible] Wash.

make assignment to that Company.

Time is of the essence of this contract and in case of the failure of the Purchaser to make any of the payments or to perform any of the agreements by it herein agreed to be performed, the Sellers shall have the right to give the Purchaser such defaults and the Purchaser shall have thirty (30) days thereafter in which to remove such defaults, and in the event of Purchaser's failure so to do Owners shall have the right to terminate this Contract, if they elect so to do, and in such case Owners shall be entitled [illegible] to the purchase price as agreed liquidated [illegible]

to retain all money paid on the purchase price as liquidated damages for the breach of said contract. The Purchaser will have no further rights or interest under this contract. Notices given under this contract shall be sent to the Purchaser at the following address:

c/o Dorothy M. Hickey Gentry
Hermitage, Tennessee

Payments to be made under this contract shall be made at the [illegible] or at such other place as may be designated in writing from time to time by the Owners.

IN WITNESS WHEREOF, the parties have executed this contract on the 14th day of May, 1969.

ATTEST: [illegible]

PAID
[illegible]
Cheatham County Trustee
T. B. Hickman
By [illegible]
Deputy

STATE OF TENNESSEE)
)
County of Davidson)

THIS IS TO CERTIFY that on this [illegible] day of [illegible], 1969, before me, the undersigned Notary Public, [illegible], with whom [illegible] SIMMON and THOMAS HICKEY, [illegible] the [illegible] described in the [illegible] and who [illegible] that they signed and sealed the same [illegible] and deed for the uses and purposes [illegible].

WITNESS my hand and official seal [illegible] the day and year above written.

Notary Public [illegible] State of Tennessee
[illegible]

7 ITEM I.

All of Section 21, Township 22 North, Range 20 E.W.M., subject to:

(1) Northern Pacific Road and Iron Reservations, and

(2) Subject to the Deed given Walker Out Stone Company, Inc., dated June 9, 1950, conveying the rights to all building sand stone.

ITEM II.

The E½ of the SE¼ of the SE¼ of Section 16, Township 22 North, Range 20 E.W.M. Title to be conveyed as to this item is limited to conveyance of all metallic minerals and mineral deposits under said lands, together with the right to mine and remove such deposits, and the rights as specified and limited in the contract to which this exhibit is attached.

ITEM III.

The following described property in the Entiat Valley, viz:

Tract 1. That certain mining claim or premises, known as the Queen Placer mining claim, situate in the Entiat Mining District, Chelan County, Washington, described as the lot five of section four in Township twenty-five north of Range twenty east of the Willamette Meridian, and containing twenty-six acres and fifty-six hundredths of an acre, according to the Supplemental Plat of said Section Four approved October 19, 1942, subject to the reservations contained in said Patent.

Tract 2. In Section 34, Township 25 North, Range 20, E.W.M. Beginning at the southwest corner of section 34, township 25 north, range 20 E.W.M., as a true point of beginning; thence from this true point of beginning by running east on the south line of said section 34 for 320 feet; thence north 12° 15' west for 264 feet; thence north 34° 42' west for 65 feet; thence north 73° 05' west for 222.2 feet to a point on the west line of said section 34, which point is 360 feet north of the southwest corner of said section 34; thence south on the west line of said section 34 for 360 feet to the said true point of beginning, containing 2.09 acres, more or less.

Tract 3. In Section 3, township 25 north, range 20 E.W.M. Beginning at the northwest corner of section 3, township 25 north, range 20 E.W.M., as a true point of beginning; thence from this true point of beginning by running east on the north line of said section 3 for 320 feet; thence south 5° 42' west for 110 feet to the left bank of the Entiat River; thence following the left bank of said Entiat River in a westerly direction for 211 feet to the west line of said section 3; thence north along the said west line of said section 3 for 42 feet to the said true point of beginning; containing 0.55 of an acre, more or less, excepting the following described portion of the above described Tract 3:

A tract of land containing seven thousands (0.007) of an acre, more or less, being a portion of lot four (4) (sometimes known as the Northwest quarter of the Northwest quarter (NW¼ NW¼) of Section three (3), Township twenty-five (25) North, Range twenty (20) East, Willamette Meridian, more particularly described as follows: Commencing at the northwest section corner of said Section three (3); thence South 86° 38' 30" East 420.00 feet along the north line of lot four (4) (sometimes known as the Northwest quarter of the

Northeast quarter (NE¼ NE¼) of said section [illegible]; thence South 07° 22' 30" West 72.39 feet to the true point of beginning; running thence South 07° 22' 30" West 25.00 feet; thence North [illegible] West along the left bank of the Quillayute River a distance of 42.00 feet; thence North 07° 22' 30" East 25.00 feet; thence South 76° 45' East 42.00 feet to the true point of beginning.

and subject to the rights granted to the United States of America under Tracts 2 and 3, as certified on the deed from the Owners to the United States of America, covering a 15 foot easement strip of 0.07 acres above described,

and subject to road rights of way and easements, if any, over and across tracts 2 and 3 above described.

TRACT V.

Lease (Contract for Mining) from State of Washington to Mark O. Keegan dated March 17, 1969 for a term of twenty (20) years, [illegible] State of Washington Contract No. 372, covering the [illegible] and the [illegible] of the SW¼ of Section 15, Township 22 North, [illegible] Meridian.

TRACT VI.

Mineral Prospecting Lease from [illegible] to [illegible] Keegan, dated December 14, 1967, for a term of [illegible] years, being State of Washington Lease No. 1723 [illegible] Section 16, Township 22 North, Range [illegible] West, [illegible] NE¼ of the NW¼.

TRACT VII.

Lease from C. F. Firestone and [illegible], lessors, to Martin J. Keegan, lessee, dated February 28, 1967, for a term of sixty (60) years, granting right to remove minerals, [illegible] of the SE¼, Section 23, Township 22 North, Range [illegible], in Jefferson County, State of Washington.

and for and paid, the receipt of which is hereby acknowledged, do hereby convey and warrant to EDWARD HILL LOVITT, FRANCIS CHANSING BUCKLAND, BERNARD O. BRYNELSEN, VERE McDOWALL and ALEXANDER WHIDDEN FISHER, doing business as and under the style of Wenatchee Mining Partnership, a Partnership, the following described land situate in Chelan County, State of Washington:

The northwest quarter of the northwest quarter of Section 22, Township 22 North, Range 20 E.W.M., Chelan County, Washington.

DATED this 20th day of April, 1954.

STATE OF WASHINGTON)
(ss.
County of Chelan)

THIS IS TO CERTIFY that on this 20th day of April, 1954, before me, the undersigned Notary Public, personally appeared JOHN W. CHEEK and LAURA ANN CHEEK, his wife, to me known to be the individuals described in and who executed the foregoing instrument, and acknowledged to me that they signed and executed the same as their free and voluntary act and deed for the uses and purposes therein mentioned.

WITNESS my hand and official seal the day and year in this certificate first above written.

REAL ESTATE EXCISE TAX
PAID #6623
$ 6.30

Notary Public in and for the State of Washington, residing at Wenatchee.

Complete document
L-D Mines Agreement
except for Key Plan
which is with the
original application

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L-D MINES AGREEMENT

THIS AGREEMENT, Made this 1st day of December 1961, between DAY MINES, INC., an Idaho corporation qualified to do business in the State of Washington, hereinafter referred to as "DMI," and EDWARD HILL LOVITT; BERNARD C. BRYNELSEN; FRANCIS CHANNING BUCKLAND; ALEXANDER WHIDDEN FISHER; ARTHUR S. HALL; and THELMA EDITH McDOWALL, of Wenatchee, Washington, HAROLD ALBERT TRUSWELL, of Kelowna, British Columbia, and GLORIA ELAINE LEMON, of Toronto, Ontario, Trustees under the Will of Vere Young McDowall, deceased; doing business as WENATCHEE MINING PARTNERSHIP, a partnership established by an agreement dated November 18, 1954, all of which partners are hereinafter collectively referred to as "WMP";

W I T N E S S E T H:

WHEREAS, WMP, Lovitt Mining Company, Inc., and E. H. Lovitt have heretofore operated a mining property in Township 22 North, Range 20 East, W.M., Chelan County, Washington, and

WHEREAS, heretofore or contemporaneously herewith, WMP has conveyed and transferred, or caused to be conveyed and transferred, to DMI an undivided thirty per cent (30%) interest in all of the mineral properties and mineral interests in which WMP has or controls any interest in in connection with said mining property, and has acquired or retained the remaining seventy per cent (70%) interest itself, and

WHEREAS, heretofore or contemporaneously herewith, DMI has purchased an undivided thirty per cent (30%) interest in the depreciable personal property herein described in which WMP and/or Lovitt Mining Company, Inc., have or control any interest and which is now situate upon, or used in conjunction with, the mining and exploration operations which have heretofore been conducted upon the above-mentioned mineral properties, and

WHEREAS, the parties hereto desire to develop and operate jointly all mineral veins and deposits now known or hereafter discovered on any of said properties, with joint operation expenditures and production to be shared by the parties in the ratio of thirty per cent (30%) for DMI and seventy per cent (70%) for WMP.

NOW, THEREFORE, it is agreed as follows:

1. TERM

The parties hereto agree that the lands and other properties hereinafter described shall be jointly operated under the name of L-D MINES for a term expiring upon the depletion of all commercial mineral deposits contained in said joint properties, or upon the expiration of fifty (50) years from the date hereof, whichever occurs sooner, unless sooner terminated in accordance with the terms of this agreement or except as otherwise provided in paragraph 6 herein.

2. PROPERTY

(a) DMI has heretofore or contemporaneously herewith acquired an undivided thirty per cent (30%) interest in all lands, unpatented mining claims, leasehold interests, mineral rights, and the like, shown in Schedule A attached hereto (which shall hereinafter be referred to as the "Joint Property"), and WMP now owns an undivided seventy per cent (70%) interest in said joint property itself. The parties hereto agree that they will execute all documents and do all things necessary to assure that the ownership interests in the joint property as of the date of this agreement are vested in a ratio of thirty per cent (30%) in DMI and seventy per cent (70%) in WMP.

(b) WMP agrees to terminate or cause to be terminated forthwith any and all operating agreements which presently exist between Lovitt Mining Company, Inc., and/or E. H. Lovitt, covering any part of the joint property.

(c) In the event either party acquires any lands, mining claims, leasehold interest, mineral rights, or the like, in any lands which are contiguous to, or which form a continuation of the mineral structures of the joint property during the term of this agreement, the party acquiring the same shall give to the other party written notice of such acquisition and the cost of acquiring the same within thirty (30) days after said acquisition, and such other party may, within three (3) months after the date of mailing such notice, at its option, make such property subject to the joint operation hereunder by purchasing an undivided interest in the same from the acquiring party. The purchase price shall be based upon the cost to the acquiring party, and shall be a percentage of such cost determined to keep the relative ownership interests the same as those of the joint property hereunder. Any such lands, mining claims, leasehold interests, mineral rights, or the like, which have been acquired by one party and in which the other party does not exercise the option to acquire an undivided interest shall not be a part of the joint operation, and the party acquiring the same shall have the right to use and operate the same for its sole benefit, but not to operate the same under the provisions of this agreement, except upon terms as shall be mutually agreed upon by the parties.

(d) The parties hereto agree that during the term of this agreement all joint property, including any lands, mining claims, leasehold interests, mineral rights, or the like, which are hereafter acquired, shall be used and/or exploited and operated by the parties solely in accordance with the terms and conditions of this agreement.

3. EQUIPMENT

(a) WNP has heretofore or contemporaneously herewith sold, conveyed, assigned and/or transferred or has caused to

be sold, conveyed, assigned and/or transferred to DMI an undivided thirty per cent (30%) interest in and to all depreciable personal property now situate upon, or used in conjunction with, the joint property in connection with mining or exploration operations, as more completely set forth in Schedule B attached hereto. WHP has acquired or has retained the remaining seventy per cent (70%) undivided interest in said depreciable personal property.

(b) Subject to the provisions of paragraph 7(b) herein, DMI shall own an initial undivided thirty per cent (30%) interest and WHP shall own an initial undivided seventy per cent (70%) interest in all personal property acquired for use in the joint operation under this agreement and each party shall separately sell and dispose of its interest in such personal property as is no longer required in the joint operation. Either party may delegate authority to sell its interest in such personal property for periods not exceeding one year, provided that such authority shall be revocable at will.

4. MILL

(a) L-D Mines shall construct an all-flotation concentrator or mill upon the joint property for the joint use of the parties hereto with a capacity of approximately 300 tons per day, based upon a 24-hour day. Said mill shall be of standard, modern specifications, according to standards acceptable in the industry, and shall be suitable for processing the ore to be mined from the joint properties. The mill shall include dust control facilities, a sprinkler system for fire protection, power transformers, and initial tailings disposal facilities. Equipment used in the mill may be either new or used so long as it is in good operating condition. It is agreed that DMI shall have the sole right to design the mill and supervise the construction and equipping of the mill, all of which shall be done at the expense of L-D Mines, and DMI shall determine what items, if any, of used equipment

are included, and warrants such used equipment in like manner and to the same extent that manufacturers of similar equipment warrant the same when new. Due diligence shall be used in an attempt to complete construction within eight (8) months following the date of this agreement.

(b) The mill shall be the joint property of the parties hereto, and the initial ownership interests shall be thirty per cent (30%) in DMI and seventy per cent (70%) in WMP. DMI agrees to advance to L-D Mines the sums necessary as required to pay the actual cost of designing, constructing and equipping the mill and of the sums so advanced, only Three Hundred Thirty-one Thousand Dollars ($331,000.00) shall be reimbursed to DMI. In determining actual cost all engineering and other costs which are necessary and incidental to the construction of the mill, including all necessary equipment, shall be included. DMI agrees at its sole cost and expense to bear the actual cost of the mill to the extent that the actual cost of the mill exceeds Three Hundred Thirty-one Thousand Dollars ($331,000.00).

(c) L-D Mines shall repay the amount of the loan to DMI to the amount of Three Hundred Thirty-one Thousand Dollars ($331,000.00), plus interest at the rate of one per cent (1%) per annum on the declining unpaid balance, in the following manner: On or before the tenth (10th) day following receipt of the last proceeds after the close of each calendar quarter L-D Mines shall pay to DMI to be applied upon the loan, one-half (1/2) of the net milling benefit, as hereinafter defined, which is realized upon all concentrates, or products of ores produced from the joint property which were sold during such calendar quarter, or which normally would have been sold during such calendar quarter in the ordinary course of business, plus interest to the end of such calendar

quarter; provided, however, that the total payments upon principal of said loan shall not exceed One Hundred Fifty Thousand Dollars ($150,000.00) in any calendar year. Net milling benefit shall mean the difference between the proceeds realized by concentrating mine run ore on the premises and the proceeds which would have been obtained by direct shipment of equivalent mine run ore to the smelter at Tacoma, Washington, as determined in the manner hereinafter set forth.

The proceeds realized from concentrating mine run ore on the premises shall be the net returns received from the sale of concentrates or products of ores resulting from concentration during the calendar quarter, less milling costs and trucking charges to the railroad on such concentrates or products of ores, less railroad freight and/or express charges, and less smelter losses and smelter treatment charges, if such are not all deducted by the smelter, reduction plant, mint or other buyer of such products resulting from concentration.

The proceeds which would have been obtained by direct shipment of equivalent mine run ore shall be the net smelter returns computed as if the same tonnage had been shipped to the smelter at Tacoma, Washington, less trucking charges to the railroad, less railroad freight charges, and less smelter losses and smelter treatment charges, if such are not deducted in the smelter schedule. For purposes of computing these proceeds, the schedule of smelter charges and railroad freight rates applying to direct shipments in effect at the date of this agreement shall be utilized, copies of which are attached hereto as Schedule C.

Any royalties payable and any depreciation shall not be included as expenses under this Article 4(c); trucking costs from mine to railhead are agreed to be computed on the basis of thirty-seven (37¢) cents per dry ton.

(d) If at any time within three (3) years following the date of this agreement WMP determines it to be economically advantageous to install a cyanide treatment plant for flotation concentrates, such cyanide treatment plant shall be constructed as an extension of the flotation concentrator by L-D Mines in the same manner, and subject to the same limitations, as the original flotation concentrator. DMI agrees to advance to L-D Mines the sums necessary as required to pay the actual cost of designing, constructing and equipping the mill, and of the sums so advanced only Fifty-six Thousand Five Hundred Dollars ($56,500.00) shall be reimbursed to DMI. Such advance shall be repaid following repayment of the initial loan for mill construction, in the same manner as the original loan is repaid; i.e., at the rate of one-half (1/2) of the net milling benefit as hereinabove provided in subparagraph (c) and with interest at the rate of one per cent (1%) per annum on the declining unpaid balance.

(e) In the event this agreement is terminated prior to the full repayment of DMI for all sums loaned to L-D Mines for mill construction, or cyanide treatment plant construction DMI shall have a lien upon the mill buildings and all mill equipment, and is hereby authorized to sell and dispose of the same and to apply the proceeds of sale upon the balance of the outstanding loan, without recourse or liability of WMP or L-D Mines for any deficiency between the sale price and the unpaid balance.

(f) All payments to DMI as repayment of loans to L-D Mines for mill construction shall be considered expenses of the joint operation and shall be paid by the parties hereto in accordance with the expense sharing ratio set forth in paragraph 5(d) herein.

5. <u>OPERATION AND MANAGEMENT</u>

(a) The parties shall meet at least once each year and shall determine the budget and the program for (1) operation

of the joint property, (2) development thereof, and (3) exploration thereof. Either party may call a special meeting to propose modification of either the budget or the program for operation and development, or both, by giving the other party ten (10) days written notice of the purpose of the meeting, time and place of meeting. All such meetings shall be held in Wallace, Idaho, in Wenatchee, Washington, or in Spokane, Washington, unless otherwise mutually agreed. The individuals who are appointed to represent DMI and WMP at such meetings shall be individuals who are qualified in mining operation and development. Such representatives shall determine the budget and the program for operation, development and exploration for the ensuing year.

(b) Initially, the resident manager of the joint operation shall be E. H. Lovitt, and as such he shall supervise and carry out the operations of the joint operation in accordance with the program, budget and policies, determined by the parties hereto. Until determined otherwise by mutual agreement of the parties hereto in accordance with subparagraph (a) above, or in the absence of mutual agreement of the parties under subparagraph (a), E. H. Lovitt, while resident manager, shall be authorized to operate and develop the joint property in the same manner and program of operation and development that has prevailed in the past with the additional objective of producing a minimum of 6,500 dry tons of milling ore monthly or 78,000 tons yearly (which is the nominal capacity of the concentrator operating three eight-hour shifts per day at five days per week) with grades and underground costs to be consistent with prior results. E. H. Lovitt shall serve as resident manager until all advances by DMI to L-D Mines for mill construction have been repaid, and thereafter until he resigns, dies, becomes incapable of performing his duties, or loses the confidence of both parties hereto. Following the

death, resignation, removal or inability to act of E. M. Lovitt, the parties hereto shall agree upon a replacement resident manager for the joint operation.

(c) Except as provided in paragraph 7(b) below, DMI shall own thirty per cent (30%) of the ores, concentrates, and other products of ores extracted from the joint property and WMP shall own seventy per cent (70%) of the ores, concentrates, and other products of ores extracted from the joint property. Each of the parties shall separately take and dispose of its share of such ores, concentrates, and other products of ores, after extraction, provided, however, that either of the parties may grant to the other party the authority, subject to revocation at will, to market and sell its share of said ores, concentrates and other products of ores, but any contracts of sale made pursuant to such authority shall be for a period of time not in excess of the minimum needs of the industry, and in no event for a period of more than one year. In any division of ores, concentrates, or other products of ores made hereunder, care shall be taken that the division shall be made of ores, concentrates, or other products of ores which are uniform in value so that each party receives its pro rata share.

(d) Subject to paragraph 7(b) below, all costs, expenses and liabilities incurred in operations under this agreement shall be paid thirty per cent (30%) by DMI and seventy per cent (70%) by WMP, and shall be determined in accordance with generally accepted accounting principles, as the same have been accepted and applied by WMP and Levitt Mining Company, Inc., in the past. The parties hereto agree to maintain an agreed sum as working capital, to be contributed 70% by WMP and 30% by DMI, for the purpose of meeting current costs and expenses of the joint operation. The amount required to be maintained for this purpose shall be determined from time to time by the parties. Each party will

compute its own depletion, depreciation, amortization, and income taxes; and these items will not be considered expenses of the joint operation.

(e) Correct and complete books and accounts and records shall be kept and maintained at the L-D Mines office in Wenatchee, Washington, accurately reflecting in all reasonable detail the amount of all metals, minerals, or ores mined or recovered from the joint operation, the weight and assay value of all products shipped therefrom, and, if any sales have been made by one party for the other, the names and addresses of the parties to whom shipments of products were made, any and all returns received therefrom, the proceeds thereof, the costs of mining operations and capital expenditures. In addition, sampling and production records of the tonnages and grades of ores produced from the various working places shall be kept to serve as a basis for determining the amount of royalties to lessors of any mineral properties included in the joint property. L-D Mines shall be the disbursing agent for the joint operation and shall maintain its own staff, bank accounts, and the like, and shall maintain the books and accounts of the joint operation and shall be responsible for submitting all reports to the parties hereto.

(f) As soon as conveniently possible after termination of each calendar month, a statement of account in reasonable detail covering the costs and expenses of the joint operation for such month will be rendered to each party. Any adjustment necessary because of any error or omission in any such statement shall be made on the next statement following this discovery, provided, however, that after sixty (60) days from the date of mailing any such statement, it shall be deemed to be correct unless the party claiming an error or omission shall give notice to the other party within said sixty (60) day period.

(g) WEP's and DMI's accredited representatives shall,

at all reasonable times, have full and free access to the joint property and to the mill and all other plants and buildings on the joint property, and also the right to inspect and audit all books of records and accounts of the joint operation relating to operations under this agreement, and to inspect, check and if deemed advisable or desirable, make copies or extracts from any and all reports, records, memorandum, books of account, assayer's sampling, minting, refining, smelting, milling or concentrating returns, or other documents, vouchers, or memoranda in any way relating to or referring to said operation; provided, however, that such inspection, audit, checking and/or copying shall not unreasonably interfere with the operation hereunder.

(h) All real and personal property taxes levied or assessed upon the joint property or upon any personal property jointly held under this agreement shall be paid as joint operation expenses and shall be shared by the parties in accordance with the ratio established in subparagraph (d) above.

(i) At all times during the term of this agreement, for the account of and at the expense of the joint operation, insurance in all forms normally carried in the industry by similar operations shall be maintained insuring against such risks as are normally insured against in the industry. All such insurance policies shall insure the interests of the parties hereto as their interests may appear, and copies of all such policies shall be furnished to both parties. In addition, the operation shall be conducted so as to comply with all laws of the State of Washington relating to industrial insurance and unemployment compensation, at the expense of the joint operation.

(j) The liability of the parties shall be several and not joint. Each party shall be responsible only for its proportionate share of the obligations as provided herein and shall be liable only for its proportionate share of the cost of explora-

tion, development, mining and operation of the lands, mining claims, leasehold interests, mineral rights, and the like, subject to this agreement. Insofar as applicable to the parties hereto, each of such parties agrees to and does hereby elect to be excluded from the application of subchapter K of Chapter 1 of the Internal Revenue Code of 1954, or such part thereof as may be permitted or authorized by the Secretary of the Treasury of the United States or his delegates. The parties agree to file the election to be excluded from subchapter K, which will be attached to a partnership return together with a copy of this agreement as more specifically provided in Section 1.761-1 (a)(2)(iv) and other regulations promulgated under Section 761 of the Internal Revenue Code of 1954.

6. TERMINATION

(a) The parties may mutually agree to discontinue joint operation and terminate this agreement at any time. Either one of the parties hereto may terminate this agreement in the event the other party hereto (1) becomes in any way incapable of performance of its part of the agreement, including financially incapable; (2) wilfully or persistently commits a breach of the agreement, or otherwise conducts itself in matters relating to the joint operation in such a manner that it is not reasonably practicable to carry on the joint operation; or (3) the joint operation can only be carried on at a loss and either party is satisfied that further exploration is not economically practical.

(b) In the event of termination in accordance with this paragraph, either party may purchase the interest of the other party in all equipment, materials and supplies which were jointly owned and used in the joint operation at mutually agreeable prices. If the parties cannot agree upon prices, then the equipment, materials and supplies shall be sold at the best prices

obtainable and the net proceeds divided between the parties according to their interests therein. At the time of termination pursuant to this paragraph any existing liabilities of the joint operation shall be assumed by the parties in proportion to their respective interests at the time such liabilities were incurred. The parties agree, upon termination, to execute such deeds, assignments, or other documents as may be necessary to clarify the parties' interests in the joint property at the time of termination. In the event of any such termination all mill buildings, and their foundations, shall be considered as appurtenances to the joint property, and shall not be removed or sold, but all readily removable personal property in the mill shall be subject to sale according to this provision.

(c) It is understood and agreed that the death of a partner in WMP or the transfer of the interest of any of such partners shall not terminate this agreement, nor affect its continuance.

7. MISCELLANEOUS

(a) Except by a merger or consolidation with another corporation or by distribution in kind to its shareholders on a complete or partial liquidation, DMI shall not sell, lease, mortgage, pledge, hypothecate or otherwise transfer or dispose of any of its interests in this agreement or in any of the real and personal property subject hereto except as provided in this paragraph. Except by distribution to its partners on a complete or partial liquidation, WMP shall not sell, lease, mortgage, pledge, hypothecate or otherwise transfer or dispose of any of its interests in this agreement or in any of the real and personal property subject hereto except as provided in this paragraph. Either party may sell its interests in this agreement and the real and personal property subject hereto to a buying party, whose integrity and financial

responsibility are equal to those of the selling party and who agrees to be bound by the terms and conditions of this agreement. Prior to selling such interests to a buying party, the selling party must first give sixty (60) days written notice to the other party to this agreement of its desire to sell its interests, the name of said buying party, and the terms and conditions for which it can sell to said buying party. Within said sixty (60) day period the other party shall have the right to purchase the selling party's interest on said terms and conditions. If the other party does not exercise this right within said sixty (60) day period, then the selling party may sell its interest to said buying party on said terms and conditions within thirty (30) days after the expiration of said sixty (60) day period.

(b) If at any time one party hereto desires to continue the existing joint operation and the other party is unwilling to contribute its pro rata share of the expenses to be incurred in such continued operation, the party unwilling to contribute may elect not to contribute and shall give notice to the other party of the willing party's right to have L-D Mines proceed with the existing operation, and unless otherwise mutually agreed, such willing party may cause L-D Mines to proceed upon the following terms and conditions:

The willing party which desires to proceed may do so at its sole cost and expense and shall have the right to receive and own all ores, concentrates and other products of ores produced from the joint property until such time as the willing party has recovered all expenditures incurred in so proceeding, plus a bonus to the extent of 200% of all such expenditures. Thereafter, the parties hereto shall share the ores, concentrates and products of ores from the entire joint operation in the ratio which was in effect immediately prior to the commencement of such revised operation.

(c) Each of the partners of WMP individually, his successors and assigns, does hereby waive the right to bring an action for partition of his interests in this agreement or any real or personal property subject hereto, and each partner hereby covenants that during the existence of this agreement he shall not at any time resort to any action at law or in equity to partition his interests in this agreement or in any real or personal property subject hereto.

(d) The terms, covenants, provisions and conditions of this agreement are expressly made for the direct benefit of each of the lands and mineral interests subject to this agreement and are made by each party on behalf of its successors and assigns for the benefit of the lands and mineral interests of the other party and for the benefit of both parties, their successors and assigns and are intended to run with all such lands and mineral interests during the term of this agreement. All rights and obligations of each party shall inure to the benefit of and shall likewise be assumed by each and every successor, assignee or transferee of such participant, including heirs, personal representatives, executors, administrators, trustees and assigns.

(e) Any notice provided for herein may be given by delivery or by certified mail addressed to the party entitled to receive the same as follows:

Day Mines Day Building Wallace, Idaho	Wenatchee Mining Partnership Squilchuck Valley Wenatchee, Washington

(f) The partners of Wenatchee Mining Partnership agree that in the event any of the terms of this agreement are found to be in contravention of the terms of the partnership agreement of November 18, 1954, as amended, whereby the Wenatchee Mining Partnership was established, this agreement shall be deemed to be an amendment of said agreement and shall be controlling in any conflict.

WMP agrees to furnish a copy of said partnership agreement with all amendments to DMI, and to furnish copies to DMI of any amendments hereafter made, when adopted, and further furnish copies of all organizational documents of any successor organization.

(5) This agreement shall be construed according to the laws of the State of Washington.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed on the date and in the year first above written.

WITNESS:

DAY MINES, INC.

By Henry L. Day

Attest: Howard K. Burg

Edward Hill Levitt

Bernard O. Brynelsen

Francis Channing Buckland

Alexander Whidden Fisher

Arthur O. Hall

Thelma Edith McDowall, Trustee U/W of Vero Young McDowall

Harold Albert Truswell, Trustee U/W of Vero Young McDowall

Gloria Elaine Lemon, Trustee U/W of Vero Young McDowall

c/o/a WENATCHEE MINING PARTNERSHIP

WITNESS:

Delyse Maylum
SECRETARY

4820 GEORGIA ST.,
NORTH BURNABY.

AS TO BUCKLAND AND HALL.

WITNESS:

Margaret Carey
Secretary
[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

SCHEDULE A

THE TITLES

(Item 1.) The Patented Sam Lode Mining Claim in Section 22, Township 22 North, Range 20 E.W.M., Patent dated June 30, 1961, recorded July 31, 1961, in Book 614 of Mining Patents, pages 339 to 356, and designated Mineral Survey No. 1306, said mining claim covering the following described property:

Beginning at the west quarter corner of Section 22, Township 22 North, Range 20 East of the Willamette Meridian, Chelan County, Washington; thence N 2°54' W along the west section line of said Section 22 a distance of 1381.8 feet; thence S 88°29'24" E a distance of 202.55 feet; thence S 3°56' E a distance of 1383.58 feet; thence N 88°29'24" W a distance of 227.85 feet; EXCEPT that part thereof in the patented Macbeth mining claim Survey No. 758, and that part thereof located in Lot 1 of Section 22, Township 22 North, Range 20 E.W.M. (Sam Lode)

(Item 2.) The Patented Golden King Fraction Lode Mining Claim in Section 22, Township 22 North, Range 20 E.W.M., Patent dated June 30, 1961, in Book 614 of Mining Patents, pages 357 to 364, and designated Mineral Survey No. 1307, said mining claim covering the following described property:

Commencing at corner No. 1 of the Golden King Fraction Lode, U. S. Mineral Survey No. 1307, whence the quarter corner between Sections 21 and 22, Township 22 North, Range 20, E.W.M., Chelan County, Washington, bears N 88°31'14" W a distance of 1029.19 feet; and from said point of beginning thence N 49°38' E a distance of 219.28 feet; thence S 40°02'23" E

a distance of 480.48 feet; thence S 49°38' W a distance of 219.28 feet; thence N 40°02'23" W a distance of 480.48 feet to the place of beginning, EXCEPT that part thereof located in Lots 1 and 6, in Section 22, Township 22 North, Range 20 E.W.M., the land included in this mining claim being Lot 4 of said Section 22. (Golden King Fraction.)

(Item 3.) The East half of the Northwest quarter, NW¼NW¼, and Government Lot 1, all in Section 22, Township 22 North, Range 20 E.W.M. (Cain-Check.)

The Southwest quarter of the Southeast quarter of Section 16, Township 22 North, Range 20, E.W.M., Chelan County, Washington, EXCEPT the east half of the northeast quarter thereof, SUBJECT TO rights of way for all public roads. (Riggs Tract.)

(Item 4.) All of Section 21, Township 22 North, Range 20, E.W.M., Chelan County, Washington, SUBJECT TO (1) rights of way for all public roads, and to (2) Reservations and exceptions in deed from Northern Pacific Railway Company, as set forth in Book 54, Page 632, Chelan County records, of mineral coal and iron in said Section 21, and use of surface ground necessary for mining operations, with right of access to such reserved and excepted minerals for the purpose of exploring, developing and working the same, and to (3) The rights conveyed to Walker Cut Stone Co., Inc. by the deed recorded in Book 461, Page 408, as Auditors No. 435828, Chelan County records, granting the perpetual and sole right to remove from said Section 21, all building sandstone located thereon, together with other necessary rights incident thereto, all as more fully set forth in said

recorded instrument. Said recorded instrument recites, inter alia, "It is stipulated that the rights hereby conveyed do not include the right to remove metalliferous minerals or any oil, coal, silica sand or clay, and that the rights and interest hereby granted are subject to the superior right that in the removal of said building sandstone the operation conducted on said land shall not interfere with or retard any work being done on metalliferous mining operations upon the property." (Keegan.)

(Item 5.) (Mill site) That part of Government Lots 6 and 7 in Section 22, Township 22 North, Range 20, E.W.M., Chelan County, Washington, described as follows:

Starting at an iron post being the Southeast corner of the Golden King Patented Mining Claim, the point of beginning; thence along the south boundary of said claim S 49°57' 37" W 380 feet, more or less, to a point on the south boundary of the County Road (Methow Street) right of way; thence S 72° 02'23" E 309 feet; thence N 80°57'37" E 263 feet, more or less, to the intersection with the north boundary of Highway right of way No. 39; thence along said boundary line in a northeasterly direction for 300 feet; thence along a line perpendicular to said boundary line for 210 feet; thence run in a straight line for 208 feet, more or less; to the point of beginning, SUBJECT TO any existing easements for power lines, roads or irrigation canals. (Mill site.)

MINERAL RIGHTS

The mineral rights in and to the following described lands (Items 6, 7, 8 and 9) are the mineral rights in all minerals, of every kind, including but not limited to gold and silver and including the right to mine and remove such minerals and ores thereof,

and including the right to occupy such necessary portions of the surface of the described lands as may be necessary for all normal mining purposes, including tailings disposal, provided: (1) That in the event crops or surface improvements on said lands are damaged or the owners' use of the surface is interfered with, compensation shall be made to such owner for the exercise of any rights to use or damage the surface.

The mineral rights hereby conveyed are the mineral rights under the following portions of said described lands:

(Item 6.) Government Lots Five (5), Six (6), and Seven (7), and the Southwest quarter of the Southwest quarter; and the Southeast quarter, all in Section 22; the Southwest quarter of the Southwest quarter of Section 23, all in Township 22 North, Range 20, E.W.M., Chelan County, Washington, EXCEPT the following described tracts, namely:

Exception No. 1. Part of the S½ of the SW¼ of Section 22, Township 22 North, Range 20 E.W.M., Chelan County, Washington, described as follows: Commencing at the Southwest corner of Government Lot 5 in the NE¼ of the SW¼ of said Section 22; running S 2°39½' E along the West boundary of Government Lot 7 for 255.0 feet to the true point of beginning; thence S 76° W, 15.0 feet; thence S 23° W, 71.0 feet; thence N 67° W, 90 feet; thence due North, 74.0 feet; thence N 36° W, 60.5 feet; thence N 22° E, 82.0 feet; thence N 65° E, 97.5 feet; thence S 67° E, 166.0 feet; thence S 23° E to the point of intersection with the western boundary of the old county road known as Methow; thence in the southwesterly direction along said western boundary a distance of 132.0 feet; thence N 66° 45' W, 61.5 feet; thence in a Southwesterly direction to the true point of beginning. (Lovitt Homo.)

Exception No. 2. Part of the southeast quarter of the southwest quarter of Section 22, Township 22 North, Range 20 East of the Willamette Meridian, Chelan County, Washington, described as follows: Beginning at a cross on a stone marked "GI--M4-758" being the most westerly corner of the Golden King Mining Claim, designated by the surveyor general as Survey No. 758; thence southeasterly along southwesterly line of said claim 1473.0 feet to an 8 inch nail in pavement being the most southerly corner of said claim; thence S 21°51'30" W for 187.45 feet to the true point of beginning; thence S 74°37' E for 137.54 feet; thence S 15°23' W for 227.25 feet; thence N 86°15' W for 140.5 feet; thence N 15°23' E for 255.55 feet to the true point of beginning. (McDowall Home.)

Exception No. 3. Starting at the Southwest corner of the SE¼ of the SW¼ of Section 22, Township 22 North, Range 20 E.W.M., in the County of Chelan, State of Washington; hence West along the south boundary of the SW¼ of the SW¼ of Section 22, 335 feet, more or less; hence North along a line perpendicular to the aforementioned boundary 200 feet, more or less, to the Point of Intersection with the north boundary of Methow Street, being the Point of Beginning. Hence along the north boundary of Methow Street in a Northeasterly direction 380 feet, more or less; hence along a line perpendicular to the tangent at said point in a Northwesterly direction 128 feet, more or less; hence in a Southwesterly direction perpendicular to the aforementioned course 380 feet, more or less; hence in a Southeasterly direction to the Point of Beginning; being 1.02 Acres, more or less. (Controlled Atmosphere warehouse.)

Exception No. 4. The conveyed mineral rights in the lands included under this Item 6, are subject to any rights of N. W. L. Brown as lessee, under lease from M. F. Schons, et ux, dated May 17, 1930, to remove "clay, shale and rock", as recorded in Book 198, page 373, Chelan County Auditor records. (Schons)

(Item 7.) All that part of Section 8, Township 22 North, Range 20 East, Chelan County, Washington, more particularly described as follows: Beginning at the 1/4 Section corner on the south side of said Section 8, Township 22 North, Range 20, running thence north 86°12' east along the south line of Section 8, to the Southeast corner of the SW¼ of the SE¼ of said Section; thence North to the Northeast corner of the southwest quarter of the southeast quarter of Section 8, Township 22 North, Range 20 East; running thence South 86°14' West for a distance of 1336.1 feet; running thence south 15°25' west for a distance of 289.7 feet; running thence south 22°50' west for a distance of 115.6 feet; running thence south 43°19' west for a distance of 115.6 feet; running thence south 61°42' west for a distance of 438.3 feet; running thence south 52°19' west for a distance of 385.8 feet; running thence south 1°36' east for a distance of 426.4 feet to a point on the south line of said Section 8; running thence north 88°52' east for a distance of 1023.0 feet to the point of beginning, reserving therefrom an easement for road purposes over a strip of land 20 feet wide being ten feet on each side of the following described center line, said center line beginning at a point 142.7 feet north 86°12' east of the 1/4 section corner on the south side of said Section 8; thence running north 2°10' west for a distance of 520.0 feet; running thence North 31°09'

west for a distance of 134.2 feet; thence running north 3°40' west 174.65 feet; running thence north 40°03' west for a distance of 188.7 feet; running thence north 60°34' west for a distance of 159.0 feet to a point in the county road, and

Part of the east 1023 feet of the southeast quarter of the southwest quarter of Section 8, Township 22 North, Range 20 east of the Willamette Meridian, Chelan County, Washington, described as follows: Commence at the northeast corner of said subdivision and run thence S 86°14' W along the north line thereof for 103.5 feet to the center line of the county road; thence S 15°25' W along said center line of an intersection with a line drawn 150 feet south of and parallel with the north line of said subdivision, the true point of beginning; thence continue S 15°25' W to a point 289.7 feet, measured along said center line, from the said north line of said subdivision; thence S 22°50' W 115.6 feet; thence S 43° 19' W 115.6 feet; thence S 61°42' W 438.3 feet; thence S 52° 19' W to an intersection with a line drawn 100 feet east of and parallel with the west line of said east 1023 feet of the southeast quarter of the southwest quarter of Said Section 8; thence north on said parallel line to an intersection with said line drawn parallel with and 150 feet south of the north line of said subdivision; thence east on said parallel line to the true point of beginning, subject to the right of way for said county road along the southeasterly line thereof, and

Northwest Quarter of the Southwest Quarter of Section 8, Township 22 North, Range 20 E.W.M., and

Part of the Northwest Quarter of the Northeast Quarter of Section 17, Township 22 North, Range 20 East of the Willamette Meridian, Chelan County, Washington, described as follows:

Commencing at the Northwest corner of the Northeast Quarter of Section 17; thence East along the north boundary thereof for 237.4 feet; thence South 1°8' West for 20.4 feet; thence North 88°52' West for 236.5 feet, more or less, to the point of beginning.

Subject to the reserved oil and gas rights reserved to the United States of America, per patent recorded in Book 577, page 576, Chelan County Auditor's records.

The mineral rights conveyed in the foregoing described lands in Section 8, do not include any water rights, or the use of water, appurtenant to said lands in Section 8, and Grantors interest in said Section 8 lands are subject to existing roads, power line easements, and pumping plant agreements affecting or appurtenant to said Section 8 lands. (Neel.)

All that part of the south 1/2 of the southwest quarter of Section 8, Township 22 North, Range 20 East, Chelan County, Washington, more particularly described as follows: Beginning at a point on the south line of said Section 8, Township 22 North, Range 20 East, which point is 1617.0 feet north 88°52' east from the southwest corner of said Section 8; running thence north 1°39' west for a distance of 294.8 feet to a point in the center of the county road; running thence along the center of the county road north 71°08' east for a distance of 433.6 feet; running thence south 1°36' east for a distance of 426.4 feet to a point on the south section line of said Section 8; thence running south 88°52' west for a distance of 414.15 feet to the place of beginning, containing 3.43 acres. (Item 7.)

(Item 8.) All that part of the Southwest quarter of the Northeast quarter of Section 22, Township 22 North, Range 20, E.W.M., Chelan County, Washington, lying westerly of the County Road as established in February, 1945, EXCEPT the following two parcels of land:

1) Beginning at the intersection of the north line of said subdivision with the west line of the right of way for said county road and run thence west on said north line for 100 feet; thence turn 90° left and run 100 feet; thence turn

90° left and run to an intersection with said west right of way line; thence northerly along said right of way line to the point of beginning; and

2) Commence at said point of intersection of the north line of said subdivision and the west right of way line aforementioned and run thence southerly along said right of way line for 685 feet to the true point of beginning; thence run west on a line parallel with the north line of said subdivision for 140 feet; thence turn 90° left and run 300 feet, on a line parallel with the west line of said subdivision; thence turn 90° left and run east, parallel with the said north line of said subdivision, to an intersection with said West county road right of way line; thence northerly along said right of way line to the true point of beginning. (Bain.)

(Item 9.) The East one-half of the SE¼ SE¼ of Section 16, Township 22 North, Range 20 E.W.M., the mineral rights including, as to this twenty acre tract, all rights to use of the surface thereof for mining purposes, excepting the surface area reserved in the conveyance from J. J. Keegan to Wenatchee Mining Partnership recorded July 24, 1958, in Book 582, Page 610, and subject to existing roads. (Keegan.)

WATER RIGHTS

Appurtenant to the tract designated Item 5 of the foregoing conveyance is an undivided forty per cent (40%) interest in a well located on the real estate described in Item 6 of this conveyance. The use of water from said well is evidenced by Ground Water Certificate issued by the State of Washington, dated November 3, 1955, recorded November 9, 1955, in Book 509, page 337, Chelan County Auditor's Records, and the well equipped with pump and motor, is part of a domestic and irrigation system including

pipe lines and reservoir. Appurtenant to the ownership of the surface rights of the real estate described in Items 6 and 8 of this conveyance is the remaining sixty per cent (60%) of the ownership of said pumping water right, well and connected equipment, pipe lines and reservoir, and the owners respectively of the mineral rights are entitled to forty per cent (40%) of the waters available therefrom and with liability to pay forty per cent (40%) of the cost of operating and maintaining said well, such water right to be appurtenant to the property described as Item 5 (Mill site) and the surface owners own an undivided sixty per cent (60%) interest therein entitling the surface ownership to sixty per cent (60%) of the waters available therefrom and with liability to pay sixty per cent (60%) of the cost of operating and maintaining said well, such water right for irrigation and domestic use to be appurtenant to the surface ownership interest in the property described in Item 6 and Item 8 of this conveyance, and

It is further qualified that all other water rights for irrigation and domestic use which are appurtenant to the lands described in Items Six, Seven, Eight and Nine of this conveyance, are appurtenances to the surface ownership interest in such Items.

LEASES

The rights in leases included as part of this Schedule A, are the Lessee interest and rights under the following described Leases, designated Items 10, 11, 12, 13, and 14, as follows:

(Item 10.) Lease from WENATCHEE MINING COMPANY, a Washington corporation, as Lessor, to J. J. KEEGAN, as Lessee, dated November 20, 1936, and the supplement thereto and modification thereof dated respectively April 1, 1950, November 2, 1944, and November 20, 1936, and recorded in Volume 429 of

Chelan County Auditor's records at page 193 to 210 inclusive, leasing the patented mining claims designated as the Golden King and Macbeth Patented Mining Claims situate in Section 22, Township 22 North, Range 20 E.W.M., in Chelan County, State of Washington, and which lease is for a term expiring April 1, 1956, and the Lessee's rights under which lease were assigned by the said J. J. KEEGAN to EDWARD HILL LOVITT by assignment dated April 25, 1950. (Wenatchee Mining Co.)

(Item 11.) Lease from Vernon Neel and Marguerite Neel, his wife, Lessors, to Wenatchee Mining Partnership, dated February 10, 1950, recorded February 14, 1955, in Book 428, page 689, Chelan County Auditor's records, leasing for a term of 99 years, both the use and occupancy of the surface and the right to mine and remove minerals from the following described real estate situate in Chelan County, State of Washington, to-wit:

The NE¼ and S½ of Section 17, Township 22 North, Range 20 E.W.M., containing 480 acres more or less, and the SE¼ of the SE¼ of Section 8, Township 22 North, Range 20 E.W.M., and

All that part of the south half of the Southwest Quarter of Section 8, Township 22 North, Range 20 East, more particularly described as follows:

Beginning at the Southwest corner of said Section 8, running thence north 88°52' east along the south line of said Section 8 for a distance of 1617.0 feet; thence running north 1°39' west 294.8 feet to the true point of beginning of this description, continuing thence north 1°39' west to a point on the north line of the South half of the Southwest Quarter of said Section 8; running thence east along the north line of said South Half of the Southwest Quarter for a distance of 414.15 feet; running thence south 1°39' east to a point in

the center of the county road; running thence along the center line of the county road south 71°08' west for a distance of 433.6 feet to the point of beginning, containing 9.12 acres, and

All of the NE¼ of the SW¼ and that part of the East 1437.15 feet of the S½ of the SW¼ of said Section 8, lying North and West of the existing county road, except:

Exception 1. Beginning at the southeast corner of the Northeast Quarter of the Southwest Quarter, of Section 8, Township 22 North, Range 20 East, running thence west along the south line of said Northeast Quarter of the Southwest Quarter for a distance of 520 feet; running thence north 34° east for a distance of 950 feet to a point on the east line of said Northeast quarter of the Southwest Quarter; running thence South along the east line of said Northeast Quarter of the Southwest Quarter for a distance of 740 feet to the point of beginning, containing 4.4 acres, more or less.

Exception 2. That part of the S½ of the SW¼ of said Section 8 lying North and West of the existing county highway and lying East of a line 1023 feet West and parallel to the East line of said SE¼ of the SW¼, all in Township 22 North, Range 20 E.W.M. (Neel.)

The above exceptions numbered 1 and 2 are excluded only to the extent of granting to the Lessee any right to use or occupy the surface of the excepted tracts or to damage the surface or improvements on said excepted tracts, but said excepted tracts are included to the extent of giving the Lessee the right to mine and remove all minerals of every kind under the surface of said excepted tracts.

(Item 12.) Lease from Ivan Compton and wife to Wenatchee Mining Partnership, dated February 18, 1960, leasing right

to remove metalliferous ores from the following described lands in Chelan County, State of Washington:

The Northeast Quarter and the East Half of the Northwest Quarter of Section 27, Township 22 North, Range 20 East W.M., EXCEPT the south 480 feet thereof. (Compton.)

(Item 13.) Contract of Mining, dated March 14, 1949, between State of Washington, first party, and Martin Keegan, second party, leasing mineral rights for a term of twenty years, recorded June 10, 1950, Chelan County Auditor's records, Volume 461, page 204, and assigned December 4, 1953, by Martin Keegan to Wenatchee Mining Partnership by assignment recorded February 10, 1954, Chelan County Auditor's records, Volume 503, page 345. The said Mining Contract leases the NW¼ SE¼ and SE¼ SW¼ of Section 16, Township 22 North, Range 20 E.W.M. (80 acres).

(Item 14.) Contract of Mining between Lovitt Mining Company, Inc., first party, and J. R. Conrad, A. J. O'Connor and James A. O'Connor, respectively, for mining by the first party of the following properties, viz: (1) J. R. Conrad, N½ NW¼, Section 16, Township 22 North, Range 20 E.W.M. (80 acres), said J. R. Conrad being the lessee from the State of Washington, under a Mining Contract dated January 3, 1957, for a term of 20 years, recorded November 10, 1960, Chelan County Auditor's Records, Book 592, page 369, and (2) A. J. O'Connor, S½ NW¼, Section 16, Township 22 North, Range 20 E.W.M. (80 acres), said A. J. O'Connor being the lessee from the State of Washington, under a Mineral Prospecting Lease dated March 4, 1959, filed November 10, 1960, Chelan County Auditor's Records, Volume 592, page 366, with application of A. J. O'Connor to State of Washington, dated April 20, 1961, for

20 year Mining Contract pending, and (3) James A. O'Connor, N½ SW¼, Section 16, Township 22 North, Range 20 E.W.M. (80 acres), said James A. O'Connor being the lessee from the State of Washington under a Mineral Prospecting Lease dated March 4, 1959, filed November 10, 1960, Chelan County Auditor's Records, Volume 592, page 363, with application of James A. O'Connor to State of Washington, dated April 20, 1961, for 20 year Mining Contract pending.

SCHEDULE B

	DATE ACQUIRED
12B Eimco mucking machine	1949
12B-55 Eimco rock shover #5162	1950
14-1/2 x 9x7 IR XLE-2 air compressor	1950
Ventilating system	1949
Model 40-26 gas driven hoist	1949
Gardner hoists (2)	1949
Used hoists (2)	1950
1 ON NIH double drum hoist	1950
Used IR double drum hoist	1950
D-64 used IR #101 trigger hoist	1950
R-48 stoper 1" CO #626198	1950
#400 IQ Thor Stoper (2)	1950
#133 cement hammers (2)	1950
#75 wet rock drill QO #80763	1950
DA-30 drifter #650175	1950
#133 Thor chipping hammer	1950
R-4 8 stoper 7/8" chuck	1950
Joy 30" tunnel scraper bucket	1949
Model A34 Pacific scraper	1950
EC-40 Jaeger stationary compressor 160'	1950
Mancha type "B" trammer	1950
#24132 sample crusher	1950
Size 12 model 6339 Thor 3/4" impact wrench	1950
Used Ingersoll-Rand wagon drill PM-3	4/18/58
Used Gardner-Denver air hoist model MBA	10/9/58
Used Chicago-pneumatic air hoist model 10PS	10/9/58
#25 Thor paving breaker w/ 1 1/4" chuck	11/26/58
IR model KUA single drum hoist	1950
Used Mancha type B mine locomotive, complete with extra battery and box and motor generator set	
Gardner-Denver air leg drill model PL58-4	7/12/58
Gardner-Denver deep hole drill model SPH99	2/6/59
Gardner-Denver feed leg drill model SP8P	3/19/59
Used 1942 Ford 4x4 truck	7/28/59
#25640 Electric assay furnace	8/4/59
Gardner-Denver stoper drill model RB94P	8/23/59
1960 Oldsmobile 2 door sedan	10/20/59
Used 1948 Jeep flatbed	12/31/59
McCulloch 9-44A chain saw 18"	8/4/59
Deep hole drill Model SPH99	1/21/59
Electric motor panel	1/29/59
WA200 PEM arc welder	1950
Used Gardner-Denver D5-2 steel sharpener	1950
Gardner-Denver DF-1 drill steel oil forge	1950
DA-30 drifter 1-1/8" shank, 48" shell	1950
Mine dollie	1950
3 water tanks ?	1949
1949 Willys jeep 206623	1949
1948 Willys jeep 200191	1951
1953 Willys station wagon 4x4 new flatbed	1952
Eimco mucking machine 12B-55	1953
Mancha battery trammer #2361	1951
IR XLE-2 compressor JH218	1951
Jointer	1951
Voltamp starter for compressor	1951
Delta drill press	1951
Hydraulic press	1951
	1959

	DATE ACQUIRED
Jay double drum slusher hoist 5-211	1952
MRK-10 exhaust gas conditioner	1954
Model HD-9 Allis Chalmers tractor dozer	1953
Used hoisting equipment	1953
Chain cut-off saw and switcher	1953
Switcher, meter bases, etc. in hoist house	1953
A-256 Wright power saw	1953
Model 825 8-1/4" skilsaw	1953
#551 7" Skil disc sander	1953
Toledo rock drill rod machine	1953
Pump, water and fire fighting system	1953
Dry house equipment	1953
Assay equipment	1953
Used tempering furnace pyrometer	1954
FMP-2 Gilbarco farm pump	1954
22KW Woodborer #289385	1955
Worthington 3x2x3 horizontal steam pump	1955
Used Eimco model 21-B rocker shovel	1956
Used Gardner-Denver slusher	1956
Used 18" American lathe	1956
Diesel hydraulic locomotive - 5-ton FDT (used)	1957
10 ore cars - 82 cubic feet "Card" (used)	1957
GE welder on trailer - 200 Amp	1957
Caterpillar 955 Traxcavator	1957
Air compressor - assay office	1957
Used Austin Western motor grader - 99M	1957
Eimco rocker shovel	1957
Railcar mover	2/28/60
Used 1942 Dodge panel truck	3/11/60
Used 1949 Willys Jeep pickup	3/11/60
Hand hoist	3/11/60
Allis Chalmers H D6-G tractor	4/20/60
1957 used Chevrolet pickup	2/5/60
Mall pneumatic chain saw - 18" blade	1957
Steam cleaner - oil fired hypressure	1957
IR protable compressor model R-608 gyro flow	1952
Office Equipment	
RCA intercom units	1956
Floor polisher	1956
Remington printing calculator 99M	1957
Thermofax copy machine	10/18/60
F & E check protector	8/31/60
Buildings and additions	1950-51
Engineers' offices and additions	1954-55
Trackage	1950
Air and water lines	1950
Loading ramp	1954
Dry house	1955
Assay house	1955
Garage	1957
Mack truck W/5-6 cu yd dump body	1955
Mack Diesel truck (tractor)	1957
Dump Trailer	1959
4 used IR Model F M3 wagon drills W/D1x71WD drifter, 1 1/4" chuck	1961
1 DB30 Drifter W/1-1/8" chuck and 48" power feed	1961
1 used Model EUA Air tugger hoist	1961
1 used Model A5NHOJ Air slusher hoist	1961

The foregoing Schedule B includes both equipment which is attached to the joint property, and equipment not attached, all without designation or segregation, as to which particular items are personal property and which items are appurtenant to real estate.

Boundary Line Fence	1956-1959
Addition to mine office building	1961

* except excluded equipment, viz: Remington Hand Calculator, Marchant Calculator, typewriter, chair, desk, filing cabinet

SCHEDULE C

American Smelting Company contract with Lovitt Mining Company, Inc., schedule of smelter charges is as follows:

PRICE: The purchase price of the product is the sum of the payments less the sum of the deductions next below specified.

PAYMENTS

GOLD: If three-hundredths (0.03) of a troy ounce per net dry ton or over, pay for all at ninety-five percent (95%) of the net price per ounce paid by the United States Mints for gold recovered from domestic mine production on the fifteenth (15th) day following the date of delivery of product at Buyer's plant, provided, however, that the payment to be made for the gold content of Seller's product shall be subject to the terms and conditions of the "Gold Schedule" hereto attached and expressly made a part hereof. Nothing shall be paid for gold if assaying less than three-hundredths (0.03) of a troy ounce per net dry ton.

SILVER: Pay for ninety-five percent (95%) at the Handy and Harman New York silver quotation for the date of arrival of the lot at the plant of the Buyer. No minimum deduction. If, however, the silver content of Seller's product shall be qualified for delivery to coinage mints of the United States as provided in the "Silver Schedule" hereto attached and expressly made a part hereof, then, subject to the conditions set forth in said Schedule, the Seller shall be entitled to the better of two alternative bases of payment, as follows: The Handy and Harman New York silver quotation or the "Mint price", as defined in said schedule, whichever is higher on the quotation date, shall be used in determing the amount of payment to be made for silver hereunder.

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

From the total of the above, make the following

DEDUCTIONS

BASE CHARGE: Twenty-five cents ($0.25) per net dry ton of 2,000 pounds provided the sum of the payments for the gold and silver does not exceed Ten Dollars ($10.00) per net dry ton. Add to the Base Charge eleven and one-half percent (11-1/2%) of the excess over such payment of Ten Dollars ($10.00) to a maximum Base Charge of Five Dollars ($5.00) per net dry ton. Provided further that on ores for which the sum of the payments for gold and silver is Three Dollars ($3.00) or less per net dry ton, the Buyer will waive the Base Charge on net to exceed one thousand (1000) net dry tons of receipts during any calendar month.

SILICA: Add to the base charge seven cents ($0.07) for each unit deficiency in available silica below seventy percent (70%), fractions in proportion. To determine available silica deduct two-thirds of the iron assay from the silica assay.

ZINC: Five percent (5%) free; charge for excess at thirty cents ($0.30) per unit, fractions in proportion.

ARSENIC: One percent (1%) free; charge for excess at twenty-five cents ($0.25) per unit, fractions in proportion.

ANTIMONY: One percent (1%) free; charge for excess at fifty cents ($0.50) per unit, fractions in proportion.

NICKEL: Half of one percent (0.5%) free; charge for excess at Three Dollars ($3.00) per unit, fractions in proportion.

FREIGHT: Deduct freight and other advances made by Buyer.

SACKS: Deduct One Dollar ($1.00) per ton for ore shipped in sacks.

SAMPLING: Deduct a charge of Twelve Dollars and Fifty Cents ($12.50) for sampling lots of less than five (5) tons.

Great Northern Freight Rates, Wenatchee to Tacoma on ore shipments are as follows:

Freight valuation is 95% of assay value less smelter treatment charge. On the valuation so obtained freight rates are as follows:

$ -----	$ 4.00	$ 2.34
4.01	5.00	2.75
5.01	6.00	2.75
6.01	8.00	3.16
8.01	10.00	3.57
10.01	12.00	4.10
12.01	15.00	4.97
15.01	20.00	5.04
20.01	25.00	5.61
25.01	100.00	7.23
100.00	-----	7.74

Freight weight could be dry weight or weightometer mill weight if no water is introduced at this stage.

6/24/65

If contract issue is ignored, we may require financial statement from L-D Motors and Major Partner (Wm Taber Mining & Development) with letters from individuals. They would sell portion of stock to a public which then would get 50% of Thus we go on in court. JK

MINE OFFICE, NORMANDY 2-8657
PURCHASING, NORMANDY 2-8860

L-D MINES

P. O. Box 1668
Wenatchee, Washington

June 25, 1965

OFFICIAL COPY
O. M. E.
RECEIVED
JUN 28 1965
INITIALS | CODE
120
120
110

Mr. George Furnich, Jr., Acting Director
United States Department of the Interior
Office of Minerals Exploration
Washington 25, D.C.

Re: OME-6460 (Gold-Silver)
L-D Mines
B Reef
Chelan County, Washington.

Dear Mr. Furnich:

Thank you for your letter of June 17 regarding our application for assistance in exploring B reef.

As you requested, we have contacted the Seattle-First National Bank with reference to terms of loan repayment. Copies of our correspondence with them are enclosed.

Duplicates of this letter and the enclosures are being mailed to your Regional Office in Spokane to supplement our application.

Yours very truly,

E. H. Lovitt
Manager

EHLj
Enc.

MINE OFFICE, NORMANDY 2-8657
PURCHASING, NORMANDY 2-8860

L-D MINES
P. O. Box 1668
Wenatchee, Washington

June 21, 1965

Mr. Donald M. Kirby
Assistant Vice-President
Wenatchee Valley Branch
Seattle-First National Bank
Wenatchee, Washington

Re: Request for $250,000.00 credit

Dear Mr. Kirby:

In your letter of June 1, 1965 you indicate your willingness to consider a credit up to $250,000.00, but you do not indicate terms of repayment.

I wonder if you would be more specific in this respect.

Very truly yours,

E. H. Lovitt
Manager

EHLj

WENATCHEE VALLEY BRANCH
SEATTLE-FIRST NATIONAL BANK
ESTABLISHED 1870

WENATCHEE, WASHINGTON 98801

DONALD M. KIRBY, JR.
Assistant Vice President

June 24, 1965

Mr. E. H. Lovitt
L-D Mines
Route 1, Squilchuck
Wenatchee, Washington

Dear Mr. Lovitt:

With reference to your request for a $250,000 loan, you have asked us what terms and requirements we would be willing to consider. In my previous letter, I referred to short-term credit, rather than long-term and by this we would mean anything up to a year in duration and would probably consider either quarterly or monthly payments as satisfactory, provided the entire amount was amortized within that time.

Naturally, a credit of this size would need to be adequately collateraled and supported by personal guaranties of all of the individuals involved.

If you believe that the loan can meet these requirements, we would be pleased to discuss it further with you.

Very truly yours,

D. M. Kirby, Jr.
Assistant Vice President

DMK:jcp

MME FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS EXPLORATION

	DATE	INITIALS
TO: Chief, Div. of Exploration Operations	6/ 7/65	
1.		
2.		
3.		
4.		
5.		

OFFICIAL COPY
O. M. E.
RECEIVED
JUN 10 1965
INITIALS CODE

FROM: D. R. MacLaren
Acting Fld. Officer, Reg. I

FOR: Check items for action desired

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

REMARKS: Transmittal of Application for Assistance
L-D Mines (Gold-Silver)
B Reef Mine
Chelan County, Washington

In order to save time, the attached application is being forwarded to you. Maps are under separate cover in mailing tube.

M56300-59

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

MME Form 40
July 1962

RECEIVED
JUN 7 1965

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

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

OFFICIAL COPY
O. M. E.
RECEIVED
JUN 10 1965
INITIALS

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.)*

L-D Mines
P.O. Box 1668
Wenatchee, Washington 98801

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER: 6460

DATE RECEIVED: 6-10-65

REGION: I

DIVISION CODE:

BUSINESS ORGANIZATION *(Check one)*

- INDIVIDUAL [ ]
- CORPORATION [ ]
- PARTNERSHIP [ ]
- OTHER *(Specify)* [X] Joint Venture

STATE IN WHICH FIRM IS ORGANIZED: Washington

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE
Wenatchee Mining Partnership	P.O. Box 1668, Wenatchee, Washington 98801	
and		
Day Mines, Inc.	Box 1010, Wallace, Idaho 83873	

MINERAL(S) FOR WHICH YOU WISH TO EXPLORE: Gold and Silver

ESTIMATED COST OF PROJECT: $ 250,000.00

PROPERTY NAME	LOCATION COUNTY	STATE
B Reef	Chelan	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 two 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.

May 31, 1965
DATED

BY *(Signature)* E. H. Lovitt

Manager
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. 11879

MINE OFFICE, NORMANDY ~~2-8867~~
PURCHASING, NORMANDY ~~0-0960~~

L-D MINES

P. O. Box 1668
Wenatchee, Washington

May 31, 1965

To: Office of Minerals Exploration
U.S. Department of the Interior
Washington 25, D.C.

Re: Application for Financial Assistance in Minerals Exploration
(MME Form 40)

1. Financial Eligibility:

(a) Copies of letters to and replies from Columbia Valley Branch, National Bank of Commerce and the Wenatchee Valley Branch, Seattle-First National Bank are enclosed.

(b) Property owned by L-D Mines, P.O. Box 1668, Wenatchee, Washington. Ownership of L-D Mines is as follows:

70% - Wenatchee Mining Partnership
P.O. Box 1668
Wenatchee, Washington 98801

30% - Day Mines, Inc.
Box 1010
Wallace, Idaho 83873

Ownership of Wenatchee Mining Partnership is as follows:

53% - E. H. Lovitt
P.O. Box 1668
Wenatchee, Washington 98801

20% - Estate of Vere McDowall
Mrs. Thelma McDowall, Trustee
Box 117
Midway, Washington

10% - Dr. Frank C. Buckland
617 Metropolitan Building
Vancouver 1, B.C.
Canada

7% - B. O. Brynelsen
1050 Davie Street
Vancouver 5, B.C.
Canada

5% - A. W. Fisher
1403 Burrard Building
Vancouver 5, B.C.
Canada

5% - A. O. Hall
2767 Crescent View
North Vancouver
Vancouver, B.C.
Canada

May 31, 1965

L-D Mines
P.O. Box 1668
Wenatchee, Washington 98801

(c) L-D Mines is a going operation currently milling 300 tons per day. It has staff and equipment and all necessary facilities to do the work. L-D Mines expects to do the work on a unit cost basis with costs similar to those now being obtained on the property. Under these conditions it expects that ? the fifty percent supplied by OME will cover the bulk of the out-of-pocket expenses and that the L-D Mines treasury is sufficient to carry the balance.

2. Applicant's Rights in Land:

(a) We enclose a "Key Plan" which shows the category of all the mineral holdings of L-D Mines. We also enclose a description of all our holdings describing in detail the information required. There are no liens, mortgages, or other encumbrances on this property.

(b) The present operations of L-D Mines are located on or within a few feet of the boundary of Item 10 indicated on the "Key Plan" and described in the enclosed description of the property. The new discovery is on Item 9 and this is the starting point for the proposed exploration. ? Development will proceed south and east toward and perhaps into Items 3 and 4, shown on the "Key Plan", and described in the enclosed property description.

(c) Proposed workings are to be on properties where mineral rights are owned.

3. Physical Description:

(a) Enclosed are eight maps showing location of property, geology, assays, workings, and relation between existing mine and proposed development.

(b) L-D Mines owns the mineral rights on the property.

(c) L-D Mines shipped the following ore from the property to the Tacoma Smelter in 1964:

Month	Tons	Au Oz.	Tons x oz. Au	Ag Oz.	Tons x oz. Ag	Total Value
Feb /64	1029	.4648	478.279	.6015	618.943	$17,496.54
March/64	618	.2848	176.006	.6552	404.913	6,666.65
April/64	612	.394	241.128	.821	502.452	9,207.95
May /64	713	.349	248.837	.621	442.773	9,250.28
June /64	225	.185	41.625	.350	78.750	1,557.68
July /64	496	.335	166.160	.73	362.080	6,276.06
Aug /64	107	.425	45.475	.87	93.09	1,720.16
	3800	Av. $13.73	1397.510		2503.001	$52,175.32
	+ 540 tons/mos	0.36776		0.6586		

In addition, the following shipments were made from the property by the Wenatchee Mining Partnership:

Jan /57 - 307 tons averaging .12 oz. Au (36.840) and .325 oz. Ag (99.775) were shipped to Tacoma Smelter

July /58 - 209 tons averaging .50 oz. Au (104.500) and 1.24 oz. Ag (259.160) were shipped to Tacoma Smelter

4,316 tons 1,538.850 2,861.931

Avg. grade. 0.3565 oz Au 0.6630 oz Ag

L-D Mines
P.O. Box 1668
Wenatchee, Washington 98801

Tacoma Smelter settlement sheets are available, if required. Some of them may take time to find; however, they are all duly entered and audited in our books.

(d) The known ore reserves are shown on the enclosed plans and sections. Values all show in the drifts and in drill holes. The ores shipped in 1964 represent all the ores removed from the property in the performance of work during the 1964 season.

(e) The ores occur in quartz veins, in breccias and as replacements in arkosic sandstones. They are believed to be related to the incursion of volcanic intrusions in the area. Ore bodies discovered to date are generally not far removed from outcrops of these igneous rocks but have not been found in these rocks or on their immediate borders.

Ore forming minerals are native gold, electrum and naumanite. The gangue minerals are quartz, calcite and pyrite. The country rock is composed of quartz, orthoclase, plagioclase and minor biotite.

(f) During the period 1949 to 1964, inclusive, the L-D mining property produced 832,804 tons of ore having a gross value at the time it was produced of $13,483,419.00. Production is continuing on this property at the rate of 300 tons per day, but the grade of ore being treated is substantially less than that produced to date. There is a previous history of production. Figures are not available but it is generally assumed that the gross value of this production was of the order of $100,000.00.

Ores and ore forming conditions in this proposed exploration are very similar to those produced to date.

(g) Duplicate copies of all material is supplied. We do not require their return.

4. Accessibility of Property:

(a) The property is located at the south end of Miller Street, Wenatchee, Washington, approximately one-half mile from the city limits. In a straight line it is one and one-half mile from the Columbia River. The property may be reached by paved road. The name of the person who would meet the OME representative is:

E. H. Lovitt
P.O. Box 1668
Wenatchee, Washington
Phone - Office: NOrmandy 2-6117
Residence: NOrmandy 2-8806

(b) L-D Mines has a loading ramp on the Great Northern Railroad at Wenatchee, Washington, three miles from portal of the present workings.

5. Exploration Work:

(a) L-D Mines proposes to sink an incline shaft on a 25% grade and to drive lateral exploration tunnels at depths of 100 and 200 feet of vertical

May 31, 1965

L[illegible] Mines
P[illegible]. Box 1668
Wenatchee, Washington 98801

depth or at such other interval as information obtained from these workings would indicate. From these workings it is proposed to drill longholes and put in raises in an effort to discover ore bodies. By a combination of sinking, drifting, raising and longholing, it is hoped that an economic mining operation will be indicated. The general course of the workings is indicated on the accompanying plans.

(b) No access road is needed.

(c) We would be able to start work within a few days of the execution of a contract.

The inclined shaft would be put down at the rate of about 100 feet per month. As tunnel horizons are prepared, the tempo of the work would be increased. If the property responds to development, it is expected that the program would be completed in two years.

6. Experience:

I have been a "Professional Engineer" engaged in Geological Engineering for the past thirty years. I have been manager of the L-D operation since its start in 1949. I will supervise the work or appoint someone satisfactory to you.

7. Estimate of Costs:

I would like to have a fixed unit cost contract to cover all items of work to be performed under the terms of this contract.

E. H. Lovitt, Manager

L-D Mines
P.O. Box 1668
Wenatchee, Washington
98801

May 31, 1965

Mr. William F. Skillern
Vice-President
Columbia Valley Branch
National Bank of Commerce
Wenatchee, Washington

Dear Mr. Skillern:

We would like to make application for a loan to help defray the cost of exploration of a new discovery on our holdings in the Wenatchee area. You might wonder why we would beaapproaching you for funds now. The reasons are as follows:

(1) Our present operation at the moment is very thin - barely providing enough development to keep us in operation.

(2) Some $50,000.00 was spent by us during the year on this new discovery with very encouraging results, but clearly establishing the fact that further discovery will have to be made by sinking. The net result is that further discovery will have to be made before we can justify the type of workings necessary to make this operation economic.

(3) We propose to sink an incline shaft and from this working drive levels at depths of 100 feet and 200 feet vertically below the present discovery level. From these levels we propose to put in enough test holes to indicate ore reserves. We propose to carry on this type of development until sufficient ore reserves are indicated to sink a production shaft and bring the property into production or until such time as the property no longer looks like a good exploration bet.

(4) At the present moment we cannot be sure how much money will be required to bring the property into profitable operation but we are reasonably sure that it is beyond our present resources.

(5) We hesitate to embark on this venture without assurance that we could draw up to $250,000.00 to complete the undertaking.

(6) We offer this new mineral property as security with repayment of the loan as a first charge against the profits.

Time is of the essence. We are hoping for an early reply.

Very truly yours,

E. H. Lovitt
Manager

EHL/j

The National Bank of Commerce of Seattle

WENATCHEE AVENUE & ORONDO STREET
NOrmandy 2-8136

Wenatchee Valley Branch....P. O. BOX 1301, WENATCHEE, WASHINGTON

WILLIAM F. SKILLERN
VICE PRESIDENT & MANAGER

June 4, 1965

L-D Mines
P. O. Box 1668
Wenatchee, Washington

Attention: Mr. E. H. Lovitt, Manager

Gentlemen:

Your application for a loan to help defray the cost of exploration of a new discovery on your holdings in the Wenatchee area has been reviewed.

We do not consider this type of loan bankable, and are declining your application as submitted. The request for a $250,000.00 loan and the mineral property offerred as security are responsible for the declination.

Sincerely yours,

William F. Skillern
Vice President and Manager

WFS:as

L-D Mines
P.O. Box 1668
Wenatchee, Washington
98801

May 31, 1965

Mr. Donald M. Kirby
Assistant Vice-President
Wenatchee Valley Branch
Seattle-First National Bank
Wenatchee, Washington

Dear Mr. Kirby:

We would like to make application for a loan to help defray the cost of exploration of a new discovery on our holdings in the Wenatchee area. You might wonder why we would be approaching you for funds now. The reasons are as follows:

(1) Our present operation at the moment is very thin - barely providing enough development to keep us in operation.

(2) Some $50,000.00 was spent by us during the year on this new discovery with very encouraging results, but clearly establishing the fact that further discovery will have to be made by sinking. The net result is that further discovery will have to be made before we can justify the type of workings necessary to make this operation economic.

(3) We propose to sink an incline shaft and from this working drive levels at depths of 100 feet and 200 feet vertically below the present discovery level. From these levels we propose to put in enough test holes to indicate ore reserves. We propose to carry on this type of development until sufficient ore reserves are indicated to sink a production shaft and bring the property into production or until such time as the property no longer looks like a good exploration bet.

(4) At the present moment we cannot be sure how much money will be required to bring the property into profitable operation but we are reasonably sure that it is beyond our present resources.

(5) We hesitate to embark on this venture without assurance that we could draw up to $250,000.00 to complete the undertaking.

(6) We offer this new mineral property as security with repayment of the loan as a first charge against the profits.

Time is of the essence. We are hoping for an early reply.

Very truly yours,

E. H. Lovitt
Manager

EHL/j

WENATCHEE VALLEY BRANCH
SEATTLE-FIRST NATIONAL BANK
ESTABLISHED 1870

WENATCHEE, WASHINGTON 98801

DONALD M. KIRBY, JR.
Assistant Vice President

June 1, 1965

Mr. E. H. Lovitt
L-D Mines
Route 1, Squilchuck
Wenatchee, Washington

Dear Mr. Lovitt:

The Seattle-First National Bank has been pleased to consider your request of June 1, 1965, for a loan to conduct exploration in your mining properties in an attempt to uncover additional bodies of ore.

While we would be willing to consider a credit up to $250,000 to your company, it would have to be on a firm repayment basis with fixed payments over a short period of time as it is not our policy at the present time to seek long-term commercial loans. A repayment based on an increase in mine production would be out of the question.

We appreciate very much your giving us this opportunity and must regretfully decline your request.

Sincerely yours,

D. M. Kirby, Jr.
Assistant Vice President

DMK:lcp

L-D Mines
P.O. Box 1668
Wenatchee, Washington
98801

17

Item No. 2

SCHEDULE A

FEE TITLES

(Item 1.) The Patented Sam Lode Mining Claim in Section 22, Township 22 North, Range 20 E.W.M., Patent dated June 30, 1961, recorded July 31, 1961, in Book 614 of Mining Patents, pages 339 to 356, and designated Mineral Survey No. 1306, said mining claim covering the following described property:

Beginning at the west quarter corner of Section 22, Township 22 North, Range 20 East of the Willamette Meridian, Chelan County, Washington; thence N 2°54' W along the west section line of said Section 22 a distance of 1381.8 feet; thence S 88°29'24" E a distance of 202.55 feet; thence S 3°56' E a distance of 1383.58 feet; thence N 88°29'24" W a distance of 227.85 feet; EXCEPT that part thereof in the patented Macbeth mining claim Survey No. 758, and that part thereof located in Lot 1 of Section 22, Township 22 North, Range 20 E.W.M. (Sam Lode)

(Item 2.) The Patented Golden King Fraction Lode Mining Claim in Section 22, Township 22 North, Range 20 E.W.M., Patent dated June 30, 1961, in Book 614 of Mining Patents, pages 357 to 364, and designated Mineral Survey No. 1307, said mining claim covering the following described property:

Commencing at corner No. 1 of the Golden King Fraction Lode, U. S. Mineral Survey No. 1307, whence the quarter corner between Sections 21 and 22, Township 22 North, Range 20, E.W.M., Chelan County, Washington, bears N 88°31'14" W a distance of 1029.19 feet; and from said point of beginning thence N 49°58' E a distance of 219.26 feet; thence S 40°02'23" E

a distance of 480.48 feet; thence S 49°58' W a distance of 219.28 feet; thence N 40°02'23" W a distance of 480.48 feet to the place of beginning, EXCEPT that part thereof located in Lots 1 and 6, in Section 22, Township 22 North, Range 20 E.W.M., the land included in this mining claim being Lot 4 of said Section 22. (Golden King Fraction.)

(Item 3.) The East half of the Northwest quarter, NW¼NW¼, and Government Lot 1, all in Section 22, Township 22 North, Range 20 E.W.M. (Cain-Cheek.)

The Southwest quarter of the Southeast quarter of Section 16, Township 22 North, Range 20, E.W.M., Chelan County, Washington, EXCEPT the east half of the northeast quarter thereof, SUBJECT TO rights of way for all public roads. (Riggs Tract.)

(Item 4.) All of Section 21, Township 22 North, Range 20, E.W.M., Chelan County, Washington, SUBJECT TO (1) rights of way for all public roads, and to (2) Reservations and exceptions in deed from Northern Pacific Railway Company, as set forth in Book 54, Page 632, Chelan County records, of mineral coal and iron in said Section 21, and use of surface ground necessary for mining operations, with right of access to such reserved and excepted minerals for the purpose of exploring, developing and working the same, and to (3) The rights conveyed to Walker Cut Stone Co., Inc. by the deed recorded in Book 461, Page 408, as Auditors No. 435823, Chelan County records, granting the perpetual and sole right to remove from said Section 21, all building sandstone located thereon, together with other necessary rights incident thereto, all as more fully set forth in said

recorded instrument. Said recorded instrument recites, inter alia, "It is stipulated that the rights hereby conveyed do not include the right to remove metalliferous minerals or any oil, coal, silica sand or clay, and that the rights and interest hereby granted are subject to the superior right that in the removal of said building sandstone the operation conducted on said land shall not interfere with or retard any work being done on metalliferous mining operations upon the property." (Keegan.)

(Item 5.) (Mill site) That part of Government Lots 6 and 7 in Section 22, Township 22 North, Range 20, E.W.M., Chelan County, Washington, described as follows:

Starting at an iron post being the Southeast corner of the Golden King Patented Mining Claim, the point of beginning; thence along the south boundary of said claim S 49°57' 37" W 380 feet, more or less, to a point on the south boundary of the County Road (Mathew Street) right of way; thence S 72° 02'23" E 309 feet; thence N 83°57'37" E 263 feet, more or less, to the intersection with the north boundary of Highway right of way No. 39; thence along said boundary line in a northeasterly direction for 300 feet; thence along a line perpendicular to said boundary line for 210 feet; thence run in a straight line for 208 feet, more or less; to the point of beginning, SUBJECT TO any existing easements for power lines, roads or irrigation canals. (Mill site.)

MINERAL RIGHTS

The mineral rights in and to the following described lands (Items 6, 7, 8 and 9) are the mineral rights in all minerals, of every kind, including but not limited to gold and silver and including the right to mine and remove such minerals and ores thereof,

and including the right to occupy such necessary portions of the surface of the described lands as may be necessary for all normal mining purposes, including tailings disposal, provided: (1) That in the event crops or surface improvements on said lands are damaged or the owners' use of the surface is interfered with, compensation shall be made to such owner for the exercise of any rights to use or damage the surface.

The mineral rights hereby conveyed are the mineral rights under the following portions of said described lands:

(Item 6.) Government Lots Five (5), Six (6), and Seven (7), and the Southwest quarter of the Southwest quarter; and the Southeast quarter, all in Section 22; the Southwest quarter of the Southwest quarter of Section 23, all in Township 22 North, Range 20, E.W.M., Chelan County, Washington, EXCEPT the following described tracts, namely:

Exception No. 1. Part of the S½ of the SW¼ of Section 22, Township 22 North, Range 20 E.W.M., Chelan County, Washington, described as follows: Commencing at the Southwest corner of Government Lot 5 in the NE¼ of the SW¼ of said Section 22; running S 2°39½' E along the West boundary of Government Lot 7 for 255.0 feet to the true point of beginning; thence S 76° W, 15.0 feet; thence S 23° W, 71.0 feet; thence N 67° W, 90 feet; thence due North, 74.0 feet; thence N 36° W, 60.5 feet; thence N 22° E, 82.0 feet; thence N 68° E, 97.5 feet; thence S 67° E, 166.0 feet; thence S 23° E to the point of intersection with the western boundary of the old county road known as Methow; thence in the southwesterly direction along said western boundary a distance of 132.0 feet; thence N 66° 45' W, 61.5 feet; thence in a Southwesterly direction to the true point of beginning. (Levitt Home.)

Exception No. 2. Part of the southeast quarter of the southwest quarter of Section 22, Township 22 North, Range 20 East of the Willamette Meridian, Chelan County, Washington, described as follows: Beginning at a cross on a stone marked "GI--M4-758" being the most westerly corner of the Golden King Mining Claim, designated by the surveyor general as Survey No. 758; thence southeasterly along southwesterly line of said claim 1473.0 feet to an 8 inch nail in pavement being the most southerly corner of said claim; thence S 21°51'30" W for 187.45 feet to the true point of beginning; thence S 74°37' E for 137.54 feet; thence S 15°23' W for 227.25 feet; thence N 86°15' W for 140.5 feet; thence N 15°23' E for 255.55 feet to the true point of beginning. (McDowall Home.)

Exception No. 3. Starting at the Southwest corner of the SE¼ of the SW¼ of Section 22, Township 22 North, Range 20 E.W.M., in the County of Chelan, State of Washington; hence West along the south boundary of the SW¼ of the SW¼ of Section 22, ~~235~~ 335 feet, more or less; hence North along a line perpendicular to the aforementioned boundary 200 feet, more or less, to the Point of Intersection with the north boundary of Methow Street, being the Point of Beginning. Hence along the north boundary of Methow Street in a Northeasterly direction 380 feet, more or less; hence along a line perpendicular to the tangent at said point in a Northwesterly direction 128 feet, more or less; hence in a Southwesterly direction perpendicular to the aforementioned course 380 feet, more or less; hence in a Southeasterly direction to the Point of Beginning; being 1.02 Acres, more or less. (Controlled Atmosphere warehouse.)

Exception No. 4. The conveyed mineral rights in the lands included under this Item 6, are subject to any rights of N. W. L. Brown as lessee, under lease from M. P. Schons, et ux, dated May 17, 1930, to remove "clay, shale and rock", as recorded in Book 198, page 373, Chelan County Auditor records. (Schons)

(Item 7.) All that part of Section 8, Township 22 North, Range 20 East, Chelan County, Washington, more particularly described as follows: Beginning at the 1/4 Section corner on the south side of said Section 8, Township 22 North, Range 20, running thence north 86°12' east along the south line of Section 8, to the Southeast corner of the SW¼ of the SE¼ of said Section; thence North to the Northeast corner of the southwest quarter of the southeast quarter of Section 8, Township 22 North, Range 20 East; running thence South 86°14' West for a distance of 1336.1 feet; running thence south 15°25' west for a distance of 289.7 feet; running thence south 22°50' west for a distance of 115.6 feet; running thence south 43°19' west for a distance of 115.6 feet; running thence south 61°42' west for a distance of 438.3 feet; running thence south 52°19' west for a distance of 385.8 feet; running thence south 1°36' east for a distance of 426.4 feet to a point on the south line of said Section 8; running thence north 88°52' west for a distance of 1023.0 feet to the point of beginning, reserving therefrom an easement for road purposes over a strip of land 20 feet wide being ten feet on each side of the following described center line, said center line beginning at a point 142.7 feet north 86°12' east of the 1/4 section corner on the south side of said Section 8; thence running north 2°10' west for a distance of 520.0 feet; running thence North 31°09'

west for a distance of 134.2 feet; thence running north 3°40' west 174.65 feet; running thence north 40°03' west for a distance of 188.7 feet; running thence north 60°34' west for a distance of 159.0 feet to a point in the county road, and

Part of the east 1023 feet of the southeast quarter of the southwest quarter of Section 8, Township 22 North, Range 20 east of the Willamette Meridian, Chelan County, Washington, described as follows: Commence at the northeast corner of said subdivision and run thence S 86°14' W along the north line thereof for 103.5 feet to the center line of the county road; thence S 15°25' W along said center line of an intersection with a line drawn 150 feet south of and parallel with the north line of said subdivision, the true point of beginning; thence continue S 15°25' W to a point 289.7 feet, measured along said center line, from the said north line of said subdivision; thence S 22°50' W 115.6 feet; thence S 43° 19' W 115.6 feet; thence S 61°42' W 438.3 feet; thence S 52° 19' W to an intersection with a line drawn 100 feet east of and parallel with the west line of said east 1023 feet of the southeast quarter of the southwest quarter of Said Section 8; thence north on said parallel line to an intersection with said line drawn parallel with and 150 feet south of the north line of said subdivision; thence east on said parallel line to the true point of beginning, subject to the right of way for said county road along the southeasterly line thereof, and

Northwest Quarter of the Southwest Quarter of Section 8, Township 22 North, Range 20 E.W.M., and

Part of the Northwest Quarter of the Northeast Quarter of Section 17, Township 22 North, Range 20 East of the Willamette Meridian, Chelan County, Washington, described as follows:

Commencing at the Northwest corner of the Northeast Quarter of Section 17; thence East along the north boundary thereof for 237.4 feet; thence South 1°8' West for 20.4 feet; thence North 88°52' West for 236.5 feet, more or less, to the point of beginning.

Subject to the reserved oil and gas rights reserved to the United States of America, per patent recorded in Book 577, page 576, Chelan County Auditor's records.

The mineral rights conveyed in the foregoing described lands in Section 8, do not include any water rights, or the use of water, appurtenant to said lands in Section 8, and Grantors interest in said Section 8 lands are subject to existing roads, power line easements, and pumping plant agreements affecting or appurtenant to said Section 8 lands. (Neel.)

All that part of the south 1/2 of the southwest quarter of Section 8, Township 22 North, Range 20 East, Chelan County, Washington, more particularly described as follows: Beginning at a point on the south line of said Section 8, Township 22 North, Range 20 East, which point is 1617.0 feet north 88°52' east from the southwest corner of said Section 8; running thence north 1°39' west for a distance of 294.8 feet to a point in the center of the county road; running thence along the center of the county road north 71°08' east for a distance of 433.6 feet; running thence south 1°36' east for a distance of 426.4 feet to a point on the south section line of said Section 8; thence running south 88°52' west for a distance of 414.15 feet to the place of beginning, containing 3.43 acres. (Item 7.)

(Item 8.) All that part of the Southwest quarter of the Northeast quarter of Section 22, Township 22 North, Range 20, E.W.M., Chelan County, Washington, lying westerly of the County Road as established in February, 1945, EXCEPT the following two parcels of land:

1) Beginning at the intersection of the north line of said subdivision with the west line of the right of way for said county road and run thence west on said north line for 100 feet; thence turn 90° left and run 100 feet; thence turn

90° left and run to an intersection with said west right of way line; thence northerly along said right of way line to the point of beginning; and

2) Commence at said point of intersection of the north line of said subdivision and the west right of way line aforementioned and run thence southerly along said right of way line for 685 feet to the true point of beginning; thence run west on a line parallel with the north line of said subdivision for 140 feet; thence turn 90° left and run 300 feet, on a line parallel with the west line of said subdivision; thence turn 90° left and run east, parallel with the said north line of said subdivision, to an intersection with said West county road right of way line; thence northerly along said right of way line to the true point of beginning. (Bain.)

(Item 9.) The East one-half of the SE¼ SE¼ of Section 16, Township 22 North, Range 20 E.W.M., the mineral rights including, as to this twenty acre tract, all rights to use of the surface thereof for mining purposes, excepting the surface area reserved in the conveyance from J. J. Keegan to Wenatchee Mining Partnership recorded July 24, 1958, in Book 582, Page 610, and subject to existing roads. (Keegan.)

LEASES

The rights in leases included as part of this Schedule A, are the Lessee interest and rights under the following described Leases, designated Items 10, 11, 12, 13, and 14, as follows:

(Item 10.) Lease from WENATCHEE MINING COMPANY, a Washington corporation, as Lessor, to J. J. KEEGAN, as Lessee, dated November 20, 1936, and the supplement thereto and modification thereof dated respectively April 1, 1950, November 2, 1944, and November 20, 1936, and recorded in Volume 489 of

Chelan County Auditor's records at page 193 to 210 inclusive, leasing the patented mining claims designated as the Golden King and Macbeth Patented Mining Claims situate in Section 22, Township 22 North, Range 20 E.W.M., in Chelan County, State of Washington, and which lease is for a term expiring April 1, 1986, and the Lessee's rights under which lease were assigned by the said J. J. KEEGAN to EDWARD HILL LOVITT by assignment dated April 25, 1950. (Wenatchee Mining Co.)

(Item 11.) Lease from Vernon Neel and Marguerite Neel, his wife, Lessors, to Wenatchee Mining Partnership, dated February 10, 1950, recorded February 14, 1955, in Book 428, page 689, Chelan County Auditor's records, leasing for a term of 99 years, both the use and occupancy of the surface and the right to mine and remove minerals from the following described real estate situate in Chelan County, State of Washington, to-wit:

The NE¼ and S½ of Section 17, Township 22 North, Range 20 E.W.M., containing 480 acres more or less, and the SE¼ of the SE¼ of Section 8, Township 22 North, Range 20 E.W.M., and

All that part of the south half of the Southwest Quarter of Section 8, Township 22 North, Range 20 East, more particularly described as follows:

Beginning at the Southwest corner of said Section 8, running thence north 88°52' east along the south line of said Section 8 for a distance of 1617.0 feet; thence running north 1°39' west 294.8 feet to the true point of beginning of this description, continuing thence north 1°39' west to a point on the north line of the South half of the Southwest Quarter of said Section 8; running thence east along the north line of said South Half of the Southwest Quarter for a distance of 414.15 feet; running thence south 1°39' east to a point in

the center of the county road; running thence along the center line of the county road south 71°08' west for a distance of 433.6 feet to the point of beginning, containing 9.12 acres, and

All of the NE¼ of the SW¼ and that part of the East 1437.15 feet of the S½ of the SW¼ of said Section 8, lying North and West of the existing county road, except:

Exception 1. Beginning at the southeast corner of the Northeast Quarter of the Southwest Quarter, of Section 8, Township 22 North, Range 20 East, running thence west along the south line of said Northeast Quarter of the Southwest Quarter for a distance of 520 feet; running thence north 34° east for a distance of 950 feet to a point on the east line of said Northeast quarter of the Southwest Quarter; running thence South along the east line of said Northeast Quarter of the Southwest Quarter for a distance of 740 feet to the point of beginning, containing 4.4 acres, more or less.

Exception 2. That part of the S½ of the SW¼ of said Section 8 lying North and West of the existing county highway and lying East of a line 1023 feet West and parallel to the East line of said SE¼ of the SW¼, all in Township 22 North, Range 20 E.W.M. (Neel.)

The above exceptions numbered 1 and 2 are excluded only to the extent of granting to the Lessee any right to use or occupy the surface of the excepted tracts or to damage the surface or improvements on said excepted tracts, but said excepted tracts are included to the extent of giving the Lessee the right to mine and remove all minerals of every kind under the surface of said excepted tracts.

(Item 12.) Lease from Ivan Compton and wife to Wenatchee Mining Partnership, dated February 18, 1960, leasing right

to remove metalliferous ores from the following described lands in Chelan County, State of Washington:

The Northeast Quarter and the East Half of the Northwest Quarter of Section 27, Township 22 North, Range 20 East W.M., EXCEPT the south 480 feet thereof. (Compton.)

(Item 13.) Contract of Mining, dated March 14, 1949, between State of Washington, first party, and Martin Keegan, second party, leasing mineral rights for a term of twenty years, recorded June 10, 1950, Chelan County Auditor's records, Volume 461, page 304, and assigned December 4, 1953, by Martin Keegan to Wenatchee Mining Partnership by assignment recorded February 10, 1954, Chelan County Auditor's records, Volume 503, page 345. The said Mining Contract leases the NW¼ SE¼ and SE¼ SW¼ of Section 16, Township 22 North, Range 20 E.W.M. (80 acres).

(Item 14.) Contract of Mining between Lovitt Mining Company, Inc., first party, and J. R. Conrad, A. J. O'Connor and James A. O'Connor, respectively, for mining by the first party of the following properties, viz: (1) J. R. Conrad, N½ SW¼, Section 16, Township 22 North, Range 20 E.W.M. (80 acres), said J. R. Conrad being the lessee from the State of Washington, under a Mining Contract dated January 3, 1957, for a term of 20 years, recorded November 10, 1960, Chelan County Auditor's Records, Book 592, page 369, and (2) A. J. O'Connor, S½ NW¼, Section 16, Township 22 North, Range 20 E.W.M. (80 acres), said A. J. O'Connor being the lessee from the State of Washington, under a Mineral Prospecting Lease dated March 4, 1959, filed November 10, 1960, Chelan County Auditor's Records, Volume 592, page 366, with application of A. J. O'Connor to State of Washington, dated April 20, 1961, for 20 year Mining Contract pending, and (3) James A. O'Connor, N½ SW¼, Section 16, Township 22 North, Range 20 E.W.M. (80 acres), said James A. O'Connor being the lessee from the State of Washington under a Mineral Prospecting Lease dated March 4, 1959, filed November 10, 1960, Chelan County Auditor's Records, Volume 592, page 363, with application of James A. O'Connor to State of Washington, dated April 20, 1961, for 20 year Mining Contract pending.

KEY PLAN

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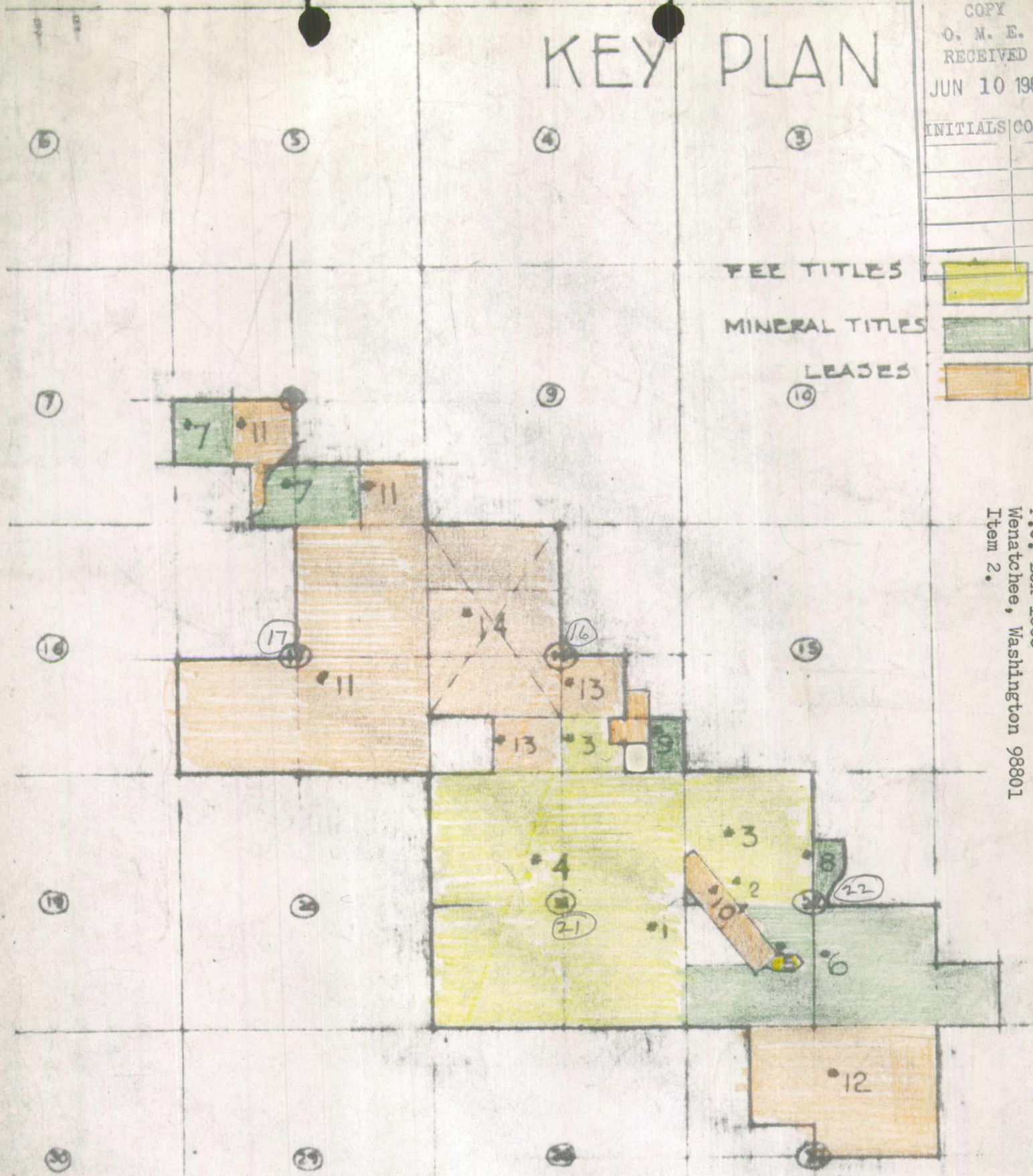
INITIALS | CODE

FEE TITLES
MINERAL TITLES
LEASES



L-D Mines
P.O. Box 1668
Wenatchee, Washington 98801
Item 2.

NOT TO SCALE

Sections 8, 16, 17, 21, 22, 23, 27, Tp. 22 N., Rg. 20 E.W.M.

OCT. - 1961

United States Department of the Interior

GEOLOGICAL SURVEY
RESTON, VA. 22092

In Reply Refer To:
Mail Stop 953

November 7, 1979

Mr. Vernon Neel
Neel Enterprises, Inc.
P.O. Box 592
524 North Wenatchee Avenue
Wenatchee, Washington 98801

Re: OME-~~6640~~ 6460 (Gold)
L-D Mines
B-Reef
Chelan County, Washington
Contract 2210

Dear Mr. Neel:

As you requested yesterday by phone, we are enclosing a copy of the subject contract with its amendments for your information.

By the terms of the subject Exploration Project Contract, as amended, all minerals mined or produced from September 24, 1965, to September 24, 1975, were subject to the Government's Royalty as set forth in said contract.

As the period during which production was subject to royalty has expired, the Government according to its present records retains no claim or lien against the property subject to the contract or any future production therefrom. We, therefore, closed our books and records on this contract on October 7, 1975.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo, Chief
Office of Minerals Exploration

Enclosures

One Hundred Years of Earth Science in the Public Service

rcvd 8/2/77

HA 10/6/77

United States Department of the Interior

GEOLOGICAL SURVEY
Box 25046
Denver Federal Center STOP 905
Denver, Colorado 80225

IN REPLY REFER TO:

July 29, 1977

MEMORANDUM

TO : Chief, Office of Mineral Exploration

FROM : Field Officer, Region I

SUBJECT: Post-royalty period visit
OME-6460 (Gold)
L-D Mine B Reef
Chelan County, Washington
Contract 2210

In company with T. H. Kiilsgaard, I visited the Gold King mine at Wenatchee, Washington, on Monday, July 18, 1977, to learn of recent developments. Cyprus Mining Company had optioned the property between the Gold King Mine and the B Reef and I understood there had been some development work.

On the day of my visit there was no activity, Fred Fritz, a local miner employed by Cyprus Mining company, told me that some work had been done but there obviously had been no production.

I attempted to visit Mr. Lovitt, manager of the L-D mine, but his wife informed me that Mr. Lovitt was ill and could not be visited. Mrs. Lovitt said that ~~no~~ the option with Cyprus Mining Company had expired but a new option agreement was being negotiated.

Willard P. Puffett

Willard P. Puffett

AMERICAN REVOLUTION BICENTENNIAL 1776-1976

OMB 6460

OFFICIAL COPY
O. M. E.
RECEIVED
OCT 15 1975
INITIALS CODE
HK

P.O. Box 1668
Wenatchee, Washington
October 9, 1975

Mr. Harold Kirkemo, Chief
Office of Minerals Exploration
Department of the Interior
Reston, Virginia 22092

Dear Harold:

I have your letter of October 7, 1975. You may be interested to know that things are about to become very active here. Cyprus Mines has taken over the mine - both the Gold King and "B" Reef. It is their intention to mine them both as open pits.

I wish to thank you for your assistance. Without it, I would have been unable to attract the necessary capital to bring the mines into production.

Will drop you a line from time to time as information becomes available.

Ermie and I send you our best regards -

Sincerely yours,

E. H. Lovitt

United States Department of the Interior

GEOLOGICAL SURVEY
RESTON, VIRGINIA 22092

October 7, 1975

Memorandum

To: Chief, Branch of Financial Management

From: Chief, Office of Minerals Exploration

Subject: Recording of realized loss under an OME contract

Write-off of the following realized loss under the listed OME contract is hereby authorized:

Contract	Docket	Operator	Write-off
2210	6460	L-D Mines	$29,386.25

Harold Kirkemo

cc:
DRF
MR Rdg.
OME Rdg.
OME Files
Mr. Kirkemo
Region I

HKirkemo/gpw

United States Department of the Interior

GEOLOGICAL SURVEY
RESTON, VIRGINIA 22092

October 7, 1975

Mr. E. H. Lovitt, Manager
L-D Mines
P.O. Box 1668
Wenatchee, Washington 98801

Re: OME-6460 (Gold)
L-D Mines
B-Reef
Chelan County, Washington
Contract 2210

Dear Mr. Lovitt:

By the terms of the subject Exploration Project Contract, as amended, all minerals mined or produced from September 24, 1965, to September 24, 1975, were subject to the Government's Royalty as set forth in said contract.

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

Sincerely yours,

Harold Kirkemo, Chief
Office of Minerals Exploration

cc:
DRF
MR Rdg.
OME Rdg.
OME Files
Mr. Kirkemo
Region I

HKirkemo/gpw

United States Department of the Interior

GEOLOGICAL SURVEY
RESTON, VIRGINIA 22092

IN REPLY REFER TO: Office of Minerals Exploration

September 24, 1975

Re: OME-6460 (Gold)
L-D Mines
B Reef
Chelan County, Washington
Contract 2210

L-D Mines
P.O. Box 1668
Wenatchee, Washington 98801

Gentlemen:

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

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

Sincerely yours,

Harold Kirkemo

Harold Kirkemo, Chief
Office of Minerals Exploration

OFFICIAL
COPY
O. M. E.
RECEIVED
OCT 6 1975

HK	HK

P.S.

Ed:

We know the period of royalty obligation terminates on this date but we would appreciate having a complete record in the event there was production in the past year.

Best regards,

Kirk

Form MME 63
(May 1970)

REQUEST FOR INFORMATION ON CERTIFIED PROJECT OR PROJECT UNDER ROYALTY AGREEMENT

1. Since December 14, 1974, has there been a change in ownership, lease, or sublease? *If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before.* Yes ☐ No ☑

2. Since December 14, 1974, has there been any production from the land subject to the contract? Yes ☐ No ☑

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

Purchaser (*name and address*)	Quantity	Value

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

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

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

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

Disposition of Material	Quantity	Value

Submitted by:

Name Edward H. Fall	*Title* Manager
Address PO Box 1668 Wenatchee Wash 98801	*Date* Oct 1/75

OFFICIAL COPY
O. M. E.
RECEIVED
MAR 3 1975
INITIALS | COPY
HK ~~HK~~

Office of Minerals Exploration
Building 53 - Northwest Wing - 2nd floor

February 27, 1975

Mr. E. H. Lovitt, Manager
B-Reef Mine
P. O. Box 1668
Wenatchee, Washington 98801

Re: OME-6460 (Gold)
L-D Mines B Reef
Chelan County, Washington
Contract 2210

Dear Mr. Lovitt:

A recent visitor to our office mentioned that Cyprus Mining Company is planning to open-pit the B-Reef. I am not sure where this man gained his information as he is not affiliated with Cyprus. This is good news, if true, as I am sure that an active mining operation on the B-Reef will be an economic boon to your area.

Please be reminded that the Government is to be notified if there has been a change in ownership of the B-Reef. The documentation of ownership should include statements that protect the Government's right to royalty on production until September 24, 1975.

Sincerely,

Willard P. Puffett
Field Officer, Region I
Office of Minerals Exploration

cc: OME ✓

WPP;mc:2/27/75

United States Department of the Interior

GEOLOGICAL SURVEY
XXXXXXXXXXXXXXXXXXXXXXXX
RESTON, VIRGINIA 22092

IN REPLY REFER TO: Office of Minerals Exploration

November 27, 1974

OFFICIAL COPY
O. M. E.
RECEIVED
JAN 17 1975

INITIALS	CODE
HK	HK

Re: OME-6460 (Gold)
L-D Mines
B Reef
Chelan County, Washington
Contract 2210

L-D Mines
P. O. Box 1668
Wenatchee, Washington 98801

Gentlemen:

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

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

Sincerely yours,

Harold Kirkemo

Harold Kirkemo, Chief
Office of Minerals Exploration

Form MME 63
(May 1970)

REQUEST FOR INFORMATION ON CERTIFIED PROJECT OR PROJECT UNDER ROYALTY AGREEMENT

1. Since September 27, 1973, has there been a change in ownership, lease, or sublease? *If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before.* Yes ☐ No ☑

2. Since September 27, 1973, has there been any production from the land subject to the contract? Tacoma Smelter will not receive the ore Yes ☐ No ☑

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

Expect milling facilities in the not too distant future

Purchaser (*name and address*)	Quantity	Value

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

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

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

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

Disposition of Material	Quantity	Value

Submitted by:

Name E.H. LOVITT	*Title* Manager
Address PO Box 1668 Wenatchee, Wash	*Date* Dec 14/74

Form 6-1017-A
(September 1973)

GO4

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
WASHINGTON, D.C. 20240

MINE INFORMATION SUPPLEMENT

O.M.B. No. 42-R1297.
Approval expires November 1976.

INDIVIDUAL COMPANY DATA—CONFIDENTIAL

Unless authorization is granted in the section above the signature, the data furnished in this report will be treated in confidence by the Department of the Interior, except that they may be disclosed to Federal defense agencies.

91 -ANNUAL REPORT FOR 1974
C77 4501625 53 A 53 4501625
I 10420 007 CHELAN
E & E MINING COMPANY
B REEF MINE
ATTN EDWARD LOVETT PRES
P O BOX 1668
WENATCHEE WA 98801

(Please correct if name or address has changed. Enter in the space below the name of mine and location.)

Name of mine B Reef Mine State Washington
County Chelan Section 22 Township 22 Range 20
Give name and address of operator if operated by someone else during year _____

Please complete the following form and return one copy. *See instructions on reverse side.*

1. Activity and production status during year *(enter "X" where applicable)*

- ☐ (1) Idle entire year
- ☐ (2) Abandoned (Date_____)
- ☐ (3) Assessment work only
- ☐ (4) Development work only (Complete Section 3.)
- ☐ (5) Exploration work only (Complete Section 5.)
- ☐ (6) Shipping from stockpiles
- ☐ (7) Treating materials from dumps or tailings
- ☐ (8) Leaching
- ☐ (9) Underground mining
- ☐ (10) Placer mining
- ☐ (11) Open-pit, quarry, or strip mine
- ☐ (12) Dredging
- ☐ (13) Well or pumping operation
- ☐ (14) Offshore mining (exclude dredging operations)
- ☐ (15) Other *(specify)* _____

2. Crude material mined or handled during year

Report the total quantity of crude ore mined, treated and shipped, and waste material from production operations. Crude ore covers both **LIQUID** and **SOLID MATERIALS.**

Please identify your **REPORTING UNIT** by placing an "X" in the appropriate box.

☐ (1) Pounds ☐ (2) Short tons ☐ (3) Long tons ☐ (4) Cubic yards ☐ (5) Gallons ☐ (6) Other *(specify)*____

Item (1)	Code	Quantity: Underground mining (2)	Quantity: Surface mining (3)
Crude ore mined	01		
Crude ore treated	02		
Crude ore shipped	03		
Waste material handled from production operations: Stripped material	04		
Other waste material	05		

Official use only			
Com. code	QU	Q	V

Official use only			
Com. code	QU	Q	V

EXPLORATION

Name and address of Exploration Division, if different from the address imprint

Name _____ Nearest city or town _____ State _____

5. Exploration for minerals by location, major commodity, and type of drilling during year

Exploration operation No. 1

	For Bureau of Mines office use Code
(1) Location State _____ County _____	
(2) Major commodity for which exploration work was done _____	

(3) Type of exploration drilling and footage

Type (1)	Code	Footage (2)
Diamond	01	
Churn	02	
Rotary	03	
Percussion	04	
Other drilling *(specify)*	05	
Trenching	08	

Exploration operation No. 2

	For Bureau of Mines office use Code
(1) Location State _____ County _____	
(2) Major commodity for which exploration work was done _____	

(3) Type of exploration drilling and footage

Type (1)	Code	Footage (2)
Diamond	01	
Churn	02	
Rotary	03	
Percussion	04	
Other drilling *(specify)*	05	
Trenching	08	

Exploration operation No. 3

	For Bureau of Mines office use Code
(1) Location State _____ County _____	
(2) Major commodity for which exploration work was done _____	

(3) Type of exploration drilling and footage

Type (1)	Code	Footage (2)
Diamond	01	
Churn	02	
Rotary	03	
Percussion	04	
Other drilling *(specify)*	05	
Trenching	08	

Exploration operation No. 4

	For Bureau of Mines office use Code
(1) Location State _____ County _____	
(2) Major commodity for which exploration work was done _____	

(3) Type of exploration drilling and footage

Type (1)	Code	Footage (2)
Diamond	01	
Churn	02	
Rotary	03	
Percussion	04	
Other drilling *(specify)*	05	
Trenching	08	

Name of person to be contacted regarding this report	Tel. area code	No.	Ext.

Address No. Street	City	State	Zip

May tabulations be published which could indirectly reveal the data reported above? ☐ (1) Yes ☐ (2) No

Signature	Title	Date

3. Development for minerals during year

"**DEVELOPMENT**" is work performed in preparing a proved ore body for mining. Include **CONTRACT WORK** done for you by contracting firms and work done by other units of your company.

Type of activity (1)	Code	Footage (2)	Ore and waste removed *(Short tons)* (3)
Shaft and winze sinking	02		
Raising	03		
Drifting, crosscutting, or tunneling	04		
Stripping	05		

4. Mining methods during year. For Surface and Underground, enter percentages of your total activities *(based on tonnage or tonnage equivalent)* devoted to the following mining operations.

Method (1)	Code	Percent (2)	Method (1)	Code	Percent (2)
Surface			Underground		
Open pit, quarry, or strip mine			Open stoping *(or rooms)* naturally supported	21	
Mechanical loading and hauling			Cut-and-fill stoping	22	
Preceded by drilling and blasting	11		Other artificially supported stoping	23	
Not preceded by drilling and blasting	12		Block caving	24	
Other loading and hauling	13		Other caving methods	25	
Other surface mining			Other stoping methods or combinations *(Please describe)*	26	
Dredging	14				
Mechanical excavation and nonfloat washing	15				
Pumping from wells, ponds, or stations	16				
Other *(specify)*	17				
Total		100	**Total**		100

Remarks:

OVER

GENERAL INSTRUCTIONS

Please complete and return one copy of this form to the Bureau of Mines, in the enclosed envelope. Complete a separate form for each establishment.

In completing this form reasonable estimates may be used wherever exact figures are not available. Do not report decimals or fractions. Round to the nearest whole number.

The results of this survey are used in statistical publications of the Bureau of Mines. These publications have a variety of users, including industry, State and Federal Government, private research agencies, and consulting firms. The publications often provide guidance on policy or assist users in decision-making. They form the statistical basis for action. Your cooperation is needed to make the results of this survey comprehensive, meaningful, accurate, and timely.

If you have any questions concerning this form, please contact the Division of Ferrous Metals, Bureau of Mines, Department of the Interior, Washington, D.C. 20240. Telephone 703-557-1568.

SPECIFIC INSTRUCTIONS

(Please follow these guides when completing the report form)

1. Activity and production status during year
   Show activity and production status during year. If more than one item applies, please indicate.
   If both exploration and development work are performed, check boxes (4) and (5).

2. Crude material mined or handled during year
   Report in this section the total quantity of crude ore mined, treated, and shipped and waste material handled from mining operations. Include under crude ore treated both milled and leached material. Include separately under waste material handled, stripped waste and other waste material handled during production operations. Stripped waste material for new mine development and mine expansion should be reported in Section 3. Do not include waste material from milling operations. Crude ore covers both liquid or solid materials. Please indicate reporting units.

3. Development for minerals during year
   Development is work performed in preparing a proved ore body for production. Include CONTRACT WORK done for you by contracting firms and work done by other units of your company. Under stripping include only that stripping that is performed for mine development. Stripped waste material resulting from production operations should be reported in Section 2.

4. Mining methods during year
   For surface and underground mining, enter percentages of your total activities *(based on tonnage)* applicable to your mining operations.

5. Exploration for minerals by location, major commodity, and type of drilling during year
   Exploration is work performed in searching for mineral deposits. Include CONTRACT WORK done for you by contracting firms and by other divisions of your company. Complete a separate block for each exploration operation. Additional forms are available upon request.

NOTE: If the Development and Exploration Sections must be completed by other personnel of your company, please forward the complete survey form to the responsible unit for completion prior to returning the survey form to the Bureau of Mines.

GENERAL INSTRUCTIONS

Please complete and return one copy of this form to the Bureau of Mines, in the enclosed envelope. Complete a separate form for each establishment.

In completing this form reasonable estimates may be used wherever exact figures are not available. Do not report decimals or fractions. Round to the nearest whole number.

The results of this survey are used in statistical publications of the Bureau of Mines. These publications have a variety of users, including industry, State and Federal Government, private research agencies, and consulting firms. The publications often provide guidance on policy or assist users in decision-making. They form the statistical basis for action. Your cooperation is needed to make the results of this survey comprehensive, meaningful, accurate, and timely.

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SPECIFIC INSTRUCTIONS

(Please follow these guides when completing the report form)

1. Activity and production status during year
   Show activity and production status during year. If more than one item applies, please indicate.
   If both exploration and development work are performed, check boxes (4) and (5).

2. Crude material mined or handled during year
   Report in this section the total quantity of crude ore mined, treated, and shipped and waste material handled from mining operations. Include under crude ore treated both milled and leached material. Include separately under waste material handled, stripped waste and other waste material handled during production operations. Stripped waste material for new mine development and mine expansion should be reported in Section 3. Do not include waste material from milling operations. Crude ore covers both liquid or solid materials. Please indicate reporting units.

3. Development for minerals during year
   Development is work performed in preparing a proved ore body for production. Include CONTRACT WORK done for you by contracting firms and work done by other units of your company. Under stripping include only that stripping that is performed for mine development. Stripped waste material resulting from production operations should be reported in Section 2.

4. Mining methods during year
   For surface and underground mining, enter percentages of your total activities *(based on tonnage)* applicable to your mining operations.

5. Exploration for minerals by location, major commodity, and type of drilling during year
   Exploration is work performed in searching for mineral deposits. Include CONTRACT WORK done for you by contracting firms and by other divisions of your company. Complete a separate block for each exploration operation. Additional forms are available upon request.

NOTE: If the Development and Exploration Sections must be completed by other personnel of your company, please forward the complete survey form to the responsible unit for completion prior to returning the survey form to the Bureau of Mines.

3. Development for minerals during year

"**DEVELOPMENT**" is work performed in preparing a proved ore body for mining. Include **CONTRACT WORK** done for you by contracting firms and work done by other units of your company.

Type of activity (1)	Code	Footage (2)	Ore and waste removed *(Short tons)* (3)
Shaft and winze sinking	02		
Raising	03		
Drifting, crosscutting, or tunneling	04		
Stripping	05		

4. Mining methods during year. For Surface and Underground, enter percentages of your total activities *(based on tonnage or tonnage equivalent)* devoted to the following mining operations.

Method (1)	Code	Percent (2)	Method (1)	Code	Percent (2)
Surface					
Open pit, quarry, or strip mine			Underground		
Mechanical loading and hauling			Open stoping *(or rooms)* naturally		
Preceded by drilling and blasting	11		supported	21	
Not preceded by drilling and blasting	12		Cut-and-fill stoping	22	
Other loading and hauling	13		Other artificially supported stoping	23	
Other surface mining					
Dredging	14		Block caving	24	
Mechanical excavation and nonfloat washing	15		Other caving methods	25	
Pumping from wells, ponds, or stations	16		Other stoping methods or combinations *(Please describe)*	26	
Other *(specify)*	17				
Total		100	**Total**		100

Remarks:

OVER

EXPLORATION

Name and address of Exploration Division, if different from the address imprint

Name _____ Nearest city or town _____ State _____

5. Exploration for minerals by location, major commodity, and type of drilling during year

Exploration operation No. 1

	For Bureau of Mines office use — Code
(1) Location State _____ County _____	
(2) Major commodity for which exploration work was done _____	

(3) Type of exploration drilling and footage

Type (1)	Code	Footage (2)
Diamond	01	
Churn	02	
Rotary	03	
Percussion	04	
Other drilling *(specify)*	05	
Trenching	08	

Exploration operation No. 2

	For Bureau of Mines office use — Code
(1) Location State _____ County _____	
(2) Major commodity for which exploration work was done _____	

(3) Type of exploration drilling and footage

Type (1)	Code	Footage (2)
Diamond	01	
Churn	02	
Rotary	03	
Percussion	04	
Other drilling *(specify)*	05	
Trenching	08	

Exploration operation No. 3

	For Bureau of Mines office use — Code
(1) Location State _____ County _____	
(2) Major commodity for which exploration work was done _____	

(3) Type of exploration drilling and footage

Type (1)	Code	Footage (2)
Diamond	01	
Churn	02	
Rotary	03	
Percussion	04	
Other drilling *(specify)*	05	
Trenching	08	

Exploration operation No. 4

	For Bureau of Mines office use — Code
(1) Location State _____ County _____	
(2) Major commodity for which exploration work was done _____	

(3) Type of exploration drilling and footage

Type (1)	Code	Footage (2)
Diamond	01	
Churn	02	
Rotary	03	
Percussion	04	
Other drilling *(specify)*	05	
Trenching	08	

Name of person to be contacted regarding this report	Tel. area code	No.	Ext.

Address No. Street	City	State	Zip

May tabulations be published which could indirectly reveal the data reported above? ☐ (1) Yes ☐ (2) No

Signature	Title	Date

Form 6-1017-A
(September 1973)

GO4

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
WASHINGTON, D.C. 20240

MINE INFORMATION SUPPLEMENT

O.M.B. No. 42-R1297.
Approval expires November 1976.

INDIVIDUAL COMPANY DATA-CONFIDENTIAL

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91 -ANNUAL REPORT FOR 1974
C77 4501625 53 A 53 4501625
1 10420 007 CHELAN
E & E MINING COMPANY
B REEF MINE
ATTN EDWARD LOVETT PRES
P O BOX 1668
WENATCHEE WA 98801

Please separate forms at perforations

An extra copy is provided for your files

(Please correct if name or address has changed. Enter in the space below the name of mine and location.)

Name of mine B-REEF Mine State Washington
County Chelan Section 22 Township 22 Range 20
Give name and address of operator if operated by someone else during year _____

Please complete the following form and return one copy. ***See instructions on reverse side.***

1. Activity and production status during year ***(enter "X" where applicable)***

- ☐ (1) Idle entire year
- ☐ (2) Abandoned (Date_____)
- ☐ (3) Assessment work only
- ☐ (4) Development work only (Complete Section 3.)
- ☐ (5) Exploration work only (Complete Section 5.)
- ☐ (6) Shipping from stockpiles
- ☐ (7) Treating materials from dumps or tailings
- ☐ (8) Leaching
- ☐ (9) Underground mining
- ☐ (10) Placer mining
- ☐ (11) Open-pit, quarry, or strip mine
- ☐ (12) Dredging
- ☐ (13) Well or pumping operation
- ☐ (14) Offshore mining (exclude dredging operations)
- ☐ (15) Other *(specify)* _____

2. Crude material mined or handled during year

Report the total quantity of crude ore mined, treated and shipped, and waste material from production operations. Crude ore covers both **LIQUID** and **SOLID MATERIALS.**

Please identify your **REPORTING UNIT** by placing an "X" in the appropriate box.

☐ (1) Pounds ☐ (2) Short tons ☐ (3) Long tons ☐ (4) Cubic yards ☐ (5) Gallons ☐ (6) Other *(specify)*____

Item (1)	Code	Quantity: Underground mining (2)	Quantity: Surface mining (3)
Crude ore mined	01		
Crude ore treated	02		
Crude ore shipped	03		
Waste material handled from production operations: Stripped material	04		
Other waste material	05		

Official use only			
Com. code	QU	Q	V

Official use only			
Com. code	QU	Q	V

United States Department of the Interior

GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242
~~XXXXXXXXXXXXXXXXXXXXXXXXXXXX~~
RESTON, VIRGINIA 22092

IN REPLY REFER TO: Office of Minerals Exploration

November 27, 1974

Re: OME-6460 (Gold)
L-D Mines
B Reef
Chelan County, Washington
Contract 2210

L-D Mines
P. O. Box 1668
Wenatchee, Washington 98801

Gentlemen:

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

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

Sincerely yours,

Harold Kirkemo

Harold Kirkemo, Chief
Office of Minerals Exploration

OFFICIAL
COPY
O. M. E.
RECEIVED
DEC 12 1974
INITIALS | CODE
HK | ~~HK~~

Copy to Region I

Form MME 63
(May 1970)

REQUEST FOR INFORMATION ON CERTIFIED PROJECT
OR PROJECT UNDER ROYALTY AGREEMENT

1. Since September 27, 1973, has there been a change in ownership, lease, or sublease? *If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before.* Yes ☐ No ☑

2. Since September 27, 1973, has there been any production from the land subject to the contract? Yes ☐ No ☑

Tacoma Smelter will not receive the ore

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

Expect milling facilities in the not too distant future

Purchaser (*name and address*)	Quantity	Value

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

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

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

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

Disposition of Material	Quantity	Value

Submitted by:

Name E. H. Lovitt	*Title* Manager
Address PO Box 1668, Wenatchee Wash 98801	*Date* Dec 14/74

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION
656 U. S. Court House
Spokane, Wash., 99201

May 16, 1974

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: Annual royalty inspection
OME-6460 (gold)
L-D Mines B Reef
Chelan County, Washington
Contract 2210

I visited Mr. Ed Lovitt in the L-D mines office in Wenatchee on Tuesday, May 7, 1974, to learn if mining was continuing at the B-Reef. Eleven carloads of ore had been shipped this spring and the Government has been paid a royalty of $696.65.

Mr. Lovitt told me that the smelter will no longer accept ore from the B-Reef mine and that it is going to be necessary to construct a treatment facility to up-grade the ore. He contemplates preparing three cement and asphalt slabs on which to heap-treat the ore with cyanide solution; the process will be similar to that currently being researched by the U. S. Bureau of Mines in Salt Lake City. Mr. Lovitt had been in conversation with officials of the Environment Protection Agency to get approval. He believes the treatment facility can be constructed before the end of summer this year.

The period during which the Government is entitled to a lien on production from the B-Reef extends to Sept. 24, 197~~4~~5. No royalty is currently due to the Government from production at the mine.

Willard P. Puffett
Willard P. Puffett

OFFICE OF MINERALS EXPLORATION
U. S. GEOLOGICAL SURVEY

TO: Chief, Branch of Financial Management FROM: Willard P. Puffett
Field Officer, Region I, Office of Minerals Exploration

ABSTRACT OF REMITTANCES

Date	Amount	Bank, City and State	Name of Remittor	Docket & Contract Numbers	Purpose
April 18, 1974	$696.65	Pacific National Bank of Washington Tacoma, Washington	American Smelting and Refining Company	0)ME-6460 L-D Mines B-Reef Chelan County, Washington Contract 2210	Royalty

REMARKS: (List smelter or mill lot numbers covered by royalties)

Smelter Lot 178 $ 209.63

Smelter Lot 202 487.02

April 19, 1974
Date Prepared

4/24/74
Date Received

Willard P. Puffett
Person Preparing Abstract

Lorraine E. Edelston
Person Receiving Remittance
Collection Officer

BRANCH OF BUDGET
AND FINANCE
APR 24 1974
RECEIVED
FINANCIAL REPORTS

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

CONTRACT NO.

DATE 4-18-74
SMELTER LOT NO. 178
MINE LOT NO.
MATERIAL BULK ORE
DATE RECEIVED 2-11-74
ENTRY
MINE NAME
CAR OR VESSEL SEE BELOW

STATEMENT OF SETTLEMENT

NAME OF SHIPPER
E & E MINING VENTURES, INC.
P.O. BOX 1668
WENATCHEE, WASH. 98801

GROSS WEIGHT LBS.
CONTAINERS LBS.
NET WEIGHT 576780 LBS.
MOISTURE %
NET DRY WEIGHT 548590 LBS.

METAL QUOTATIONS:	DATES	PRICE	LESS	NET
GOLD	2/18-22	$ 153.850	45.0¢	$ 153.400
SILVER			6.0¢	
LEAD				
COPPER				
COPPER				

	ASSAY & ANALYSIS		METAL CONTENTS							DEBITS		CREDITS	
GOLD		17	OZS.	46.6	OZS. LESS .02 oz. @ 92.5 %			38.0	OZS.			5829	20
SILVER		48	OZS.	132	OZS. @ 95.0 % MIN. .50		OZS.	—	OZS.				
LEAD		02	%		LBS. LESS	UNITS @	%		LBS.				
COPPER		16	%	878	LBS. LESS .50	UNITS @95.0 %		—	LBS.				
COPPER			%		LBS. LESS	UNITS @	%		LBS.				
ZINC			%	LESS	UNITS	% @		$					
ARSENIC		40	%	LESS	UNITS	% @							
ANTIMONY		—	%	LESS	UNITS	% @							
NICKEL		—	%	LESS	UNITS	% @							
BISMUTH			%	LESS	UNITS	% @							
TIN			%	LESS	UNITS	% @							
CHLORINE			%	LESS	UNITS	% @							
SILICA	78	2	%	LESS	UNITS	% @							
IRON	1	1	%	LESS	UNITS	% @							
LIME		9	%	LESS	UNITS	% @							
SULPHUR		—	%	LESS	UNITS	% @							
ALUMINA	7	2	%	LESS 5.0	UNITS 2.2	% @ 50.0¢		1	10				
SILICA DEF.			80.0% − 76.8 % = 3.2 % @ 35.0¢ PER UNIT					1	12				
BASE CHARGE													
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						548590	LBS. @ $	2	22	608	93		
SAMPLING AND ASSAYING													
FREIGHT 576780 LBS. @ $ 3.49 PER S TON $ 1006.49 SURCH. ~~TAXES~~ $ 21.14										1027	63		
SMELTER LABOR (DISCHARGING) $							SWITCHING $						
SACK CHARGE			LBS. @ $		PER TON								
IN SOLID BOTTOM CAR					LBS. @ $		PER TON						
UMPIRE CHARGES $					; CUSTOMS $		; REPRESENTATION $						
ADVANCED ON 3-19-74										3144	00		
ROYALTY 5.0% OF $4192.64 DUE: OFFICE OF MINERALS EXPLORATION										209	63		
✓ 20.0% ($838.53) @ 30.0% DUE: MRS. D. ZARELLI										251	56		
✓ ✓ ✓ @ 70.0% DUE: WENATCHEE MINING PARTNERSHIP										586	97		
75% = $3144.48 LESS ADVANCE $3144.00 DUE: E&E MINING									DUE SHIPPER		48	xxxxxxxx	xxxxx
									DUE SMELTER	xxxxxxxx	xxxxx		
									TOTALS	5829	20	5829	20

LOT	CAR	FRT. WT.	SETTLEMENT WET	H2O	DRY	FREIGHT ~~[illegible]~~	SURCH. ~~[illegible]~~	CONTENTS AU	AG	CU
	70162	121060	121060	4.40	115733	$211.25	$4.44	Subject to adjustment to		
	73364	106980	106980	4.93	101706	186.68	3.92	comply with the current		
	70786	110880	110880	5.35	104948	193.49	4.06	Presidential Economic		
	73324	119660	119660	5.05	113617	208.81	4.39	Stabilization Program		
	73530	118200	118200	4.75	112586	206.26	4.33			
			576780		548590	1006.49	21.14			

BRANCH OF BUDGET
AND FINANCE
APR 24 1974
RECEIVED
FINANCIAL REPORTS

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

CONTRACT NO.

DATE 4-18-74
SMELTER LOT NO. 202
MINE LOT NO.
MATERIAL BULK ORE
DATE RECEIVED 3-4-74
ENTRY
MINE NAME
CAR OR VESSEL SEE BELOW

STATEMENT OF SETTLEMENT

NAME OF SHIPPER: E & E MINING VENTURES, INC.
P.O. BOX 1668
WENATCHEE, WASH. 98801

GROSS WEIGHT ____ LBS.
CONTAINERS ____ LBS.
NET WEIGHT 801140 LBS.
MOISTURE ____ %
NET DRY WEIGHT 748537 LBS.

METAL QUOTATIONS:	DATES	PRICE	LESS	NET
GOLD	3/11-15	$ 164.270	45.0¢	$ 163.820
SILVER	✓	527.960¢	6.0¢	521.960¢
LEAD				
COPPER				
COPPER				

	ASSAY & ANALYSIS		METAL CONTENTS							DEBITS		CREDITS	
GOLD		22	OZS.	82.3	OZS. LESS .02 OZ. @ 92.5 %			69.2	OZS.			11336	34
SILVER		68	OZS.	255	OZS. @ 95.0 % MIN. .50		OZS.	68	OZS.			354	93
LEAD			%		LBS. LESS	UNITS @	%		LBS.				
COPPER		08	%	599	LBS. LESS .50	UNITS @95.0 %		—	LBS.				
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	82	0	%	LESS	UNITS	% @							
IRON	2	2	%	LESS	UNITS	% @							
LIME	1	1	%	LESS	UNITS	% @							
SULPHUR	—		%	LESS	UNITS	% @							
ALUMINA	7	2	%	LESS 5.0	UNITS 2.2	% @ 50.0¢		1	10				
SILICA DEF.			80.0% −79.2 % = .8 % @ 35.0¢ PER UNIT						28				
BASE CHARGE													
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						748537	LBS. @ $		138	516	49		
SAMPLING AND ASSAYING													
FREIGHT	805140		LBS. @ $ 3.49		PER S TON $ 1404.97		SURCH. ~~TAXES~~ $ 29.51			1434	48		
SMELTER LABOR (DISCHARGING) $							SWITCHING $						
SACK CHARGE			LBS. @ $		PER TON								
IN SOLID BOTTOM CAR					LBS. @ $		PER TON						
UMPIRE CHARGES $				: CUSTOMS $			: REPRESENTATION $						
ADVANCED ON													
ROYALTY	5.0 % OF $ 9740.30 DUE: OFFICE OF MINERALS EXPLORATION									487	02		
✓	20.0 % ($ 1948.06) @ 30.0 % DUE: MRS. D. ZARELLI									584	42		
✓	✓	✓	@ 70.0 % DUE: WENATCHEE MINING PARTNERSHIP							1363	64		
	75 % DUE: E & E MINING								DUE SHIPPER	7305	22	xxxxxxxx	xxxxx
									DUE SMELTER	xxxxxxxx	xxxxx		
									TOTALS	11691	27	11691	27

LOT	CAR	FRT. WT.	SETTLEMENT WET	H2O	DRY	FREIGHT	SURCH.	CONTENTS AU	AG	CU
	73580	102760	102900	7.10	95594	$ 179.32	$ 3.77	Subject to adjustment to		
	70839	117600	117960	8.15	108346	205.21	4.31	comply with the current		
	189870*	93720	94100	7.90	866666	174.50	3.66	Presidential Economic		
	71454	174520	174520	5.73	164520	304.54	6.40	Stabilization Program		
	16462	152700	153480	5.83	144532	266.46	5.60			
	17655	157560	158180	5.88	148879	274.94	5.77			
			801140		748537	1404.97	29.51			

*MIN. 100000 LBS

BRANCH OF BUDGET
AND FINANCE
APR 24 1974
RECEIVED
FINANCIAL REPORTS

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION
656 U. S. Court House
Spokane, Wash., 99201

March 22, 1974

OFFICIAL COPY
O. M. E.
RECEIVED
MAR 25 1974
INITIALS | CODE
HK

MEMORANDUM

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: Change in ownership
OME-6460
L-D Mines
B Reef
Chelan County, Washington
Contract 2210

Attached is a copy of the response I received to my letter of Feb. 4, 1974, addressed to Mr. E. H. Lovitt, L-D Mines. This brief response tells us who now owns the mine; apparently Mrs. D. Zarelli, Mr. Lovitt's mother-in-law, has purchased Day mines interest.

I do not consider this letter from Mr. Lovitt adequate response to my inquiry but I will not again write him unless you so direct. I understand that smelter payments are to be made directly to your office and that your letter to Mr. Vernon Neel, dated Feb. 12, 1974, has satisfactorily notified the Operators of the mine about the obligations to pay royalty to the Government whenever ore is sold.

Willard P. Puffett

Willard P. Puffett

Attachment

Re: OME-6460 (gold)
B-Reef
Chelan Co. Wa.
Contract 2210

Dear Mr Ruffet:-

"B" Reef is owned as follows:-
70% by Wenatchee Mining Partnership
30% "Day Interest" is owned
by Mrs D. Zarelli (my wifes mother)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION
656 U. S. Court House
Spokane, Wash., 99201

March 26, 1974

MEMORANDUM

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: Recent ore shipments
OME-6460
L-D Mines B-Reef
Chelan County, Washington
Contract 2210

I learned in a telephone conversation today with the settlement officer at the ASARCO smelter in Tacoma that they had received 11 carloads of ore from the B-Reef. Unfortunately the gold and silver values are very low and the silica is low. It will be some time before a settlement will be made. ASARCO is aware that the Government is entitled to royalty from these shipments.

Willard P. Puffett

Willard P. Puffett

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

March 26, 1974

Mr. E. H. Lovitt
L-D Mines
P. O. Box 1668
Wenatchee, Wa., 98801

Re: OME-6460 (gold)
B-Reef
Chelan County, Wa.
Contract 2210

Dear Mr. Lovitt:

Thank you for your brief note telling us that Mrs. Zarelli now owns the 30 percent Day interest in the B reef.

May I draw your attention to that part of Article 1 (c) of the OME contract which states:

"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."

Your note acquaints us with some of the facts but it does not fulfill the above-stated requirement of your contract. Will you please send us the copies of the agreement whereby Mrs. Zarelli has obtained the 30 percent Day interest.

Sincerely,

Willard P. Puffett
Field Officer, Region I

cc: OME
DRF
Puffett/at

FREDERICK M. CROLLARD, JR.
ATTORNEY AT LAW
DONEEN BUILDING - P. O. BOX 105
WENATCHEE, WASHINGTON 98801
TELEPHONE NORMANDY 2-2054

Re: OME 6460 (Gold)
L-D Mines
B Reef
Chelan County, Washington
Contract 2210

November 8, 1973

Mrs. Rosina Zarelli
c/o Mrs. Irmie Lovitt
P. O. Box 1668
Wenatchee, Washington

Dear Mrs. Zarelli:

Enclosed is a copy of the Quit-Claim Deed from Day Mines to you which I have prepared to replace the deed which was originally sent to the Bank. Also enclosed is a copy of my letter to Day Mines.

As you know, this deed merely conveys to you whatever interest Day Mines has in the property, which apparently is a 30% interest. It does not guarantee the title being free and clear of encumbrances and makes no warranties or guaranties of any kind. However, it does pass all the title Day Mines may have in that property.

I assume that the Bank will notify me, or you, or Mr. Lovitt when the deed has been received from Day Mines. At that time, you can then make the payment of $15,000.00 to Day Mines.

I also suggest that immediately after the deed is received that we have it recorded for your protection. In this regard, there will be a charge of $150.00 being 1% of the sale price as an excise tax imposed by the State of Washington upon all sales and purchases of real estate. If I may be of further assistance, please let me know.

Very truly yours,

Frederick M. Crollard, Jr.

FMCJR:lrc
Encs.

QUIT-CLAIM DEED

THE GRANTOR, DAY MINES, INC., a corporation of Wallace, Shoshone County, Idaho, for a valuable consideration, receipt of which is hereby acknowledged, does hereby convey, quit claim and transfer to ROSINA ZARELLI, a widow, of 1263 West 41st Avenue, Vancouver, British Columbia, Canada, Grantee, the following described property situated in Chelan County, Washington, to-wit:

(1) All its right, title and interest in and to all lands, mining claims (whether patented or unpatented), leasehold interests and mineral rights situated in Sections 8, 16, 17, 21, 22, 23 and 27 in Township 22 North, Range 20, E.W.M., as more particularly described in that certain deed from Edward Hill Lovitt, et al, to Day Mines, Inc. recorded March 23, 1962, in Book 635 at page 225, under Auditor's No. 591705, and as may be described in any other instruments conveying to the Grantor herein as grantee covering lands in said sections.

(2) TOGETHER WITH all of Grantor's right, title and interest in and to that certain L-D Mines Agreement dated December 1, 1961, between Day Mines, Inc. and Wenatchee Mining Partnership, a joint venture, and together with all the assets and liabilities thereof.

(3) TOGETHER WITH all and singular tenements, hereditaments and appurtenances thereunto belonging, and the reversions, remainders, rents, issues and profits thereof.

This indenture does not convey to Grantee that certain Ingersoll Rand PRE-2 Compressor and controls owned by Grantor and situated in a compressor building located on that certain Mill Site which is a part of Lots 6 and 7 in Section 22, Township 22 North, Range 20, E.W.M., Chelan County, Washington, which Grantor shall be entitled to store in said building until such time as Grantor shall desire to remove the same without cost to Grantor for storage and without cost to Grantor for damage which may occur to said compressor building by reason of the storage and removal of said compressor.

FREDERICK M. CROLLARD, JR.
ATTORNEY AT LAW
310 DONEEN BUILDING – P. O. BOX 2305
WENATCHEE, WASHINGTON 98801

February 12, 1974

Mr. Vernon Neel
P.O. Box 592
Wenatchee, Washington 98801

Re: OME-6460 (Gold)
L-D Mines
N Reef
Chelan County, Washington
Contract 2210

Dear Mr. Neel:

This is to confirm the main points of our telephone discussion today concerning royalty on production from the subject property under provisions of the OME contract.

Enclosed is a copy of Annex I to the contract describing the land subject to royalty, a copy of Figure 1 in the contract showing the land with reference to section boundaries, a copy of the letter dated May 25, 1967, to the Operator, L-D Mines, certifying possible production and advising of procedures for royalty payments, and a copy of the printed portion of the contract form showing repayment provisions.

Mr. Lovitt should have a copy of the OME contract and accompanying amendments and correspondence, but, if not, the enclosed material should suffice for your purpose. Please note Article 6 on pages 2 and 3 of the contract regarding repayment by the Operator.

Annex I did not specify any exclusions in the land subject to royalty payments under the OME contract, so royalty must be paid on all production from the land described and shown in the enclosures.

As I mentioned to you, ASARCO's Tacoma Smelter should be instructed to issue royalty checks payable to the U.S. Geological Survey, and to send them together with two copies of the smelter settlement sheets for each shipment to:

Office of Minerals Exploration
U.S. Geological Survey
National Center, Mail Stop 920
12201 Sunrise Valley Drive
Reston, Virginia 22092

Production to date by Mr. Lovitt at B Reef as well as future production is subject to royalty.

We are very pleased to learn that Mr. Lovitt is resuming his mining operations, and we wish him success in the venture. Fortunately, his success also will benefit your interest in the property.

Sincerely yours,

Harold Kirkemo, Chief
Office of Minerals Exploration

Enclosures

cc: Region I

DRF
MR Rdg.
OME Rdg.
OME Files
Mr. Kirkemo

HKirkemo/gpw

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

February 4, 1974

Mr. E. H. Lovitt
L-D Mines
P. O. Box 1668
Wenatchee, Washington 98801

Re: OME-6460 (gold)
B-Reef
Chelan Co., Wa.
Contract 2210

Dear Mr. Lovitt:

According to a recent article in our local newspaper, production is to be resumed at the B-Reef. Operators presumably will include a group of businessmen from Wenatchee.

I want to remind you that the period of royalty payment to the Government from production at the B-Reef extends to Sept. 24, 1975, or until the total amount contributed by the Government to the cited contract is repaid with interest.

We should also be notified of the change in ownership of the B-Reef, if one has taken place. This notification should include two copies of the lease or other legal document detailing the change.

I wish you all success in your plans to once again enter the gold mining business.

Sincerely,

Willard P. Puffett
Field Officer, Region I

cc: DRF
OME/w cy nsp article
Puffett/at

OSE-060 (Gold)
L-D Mines
B Reef
Chelan County, Washington
From: Spokane Daily Chronicle
January 31, 1974
Contract 2210

Vernon Neel (left) and Ed Lovitt inspect a specimen of gold ore at the new B-Reef Mine about a half mile from the Wenatchee city limits.

* * *

"Downtown" Diggings to Start Production

WENATCHEE, Wash. (AP) — In Wenatchee, they call it the downtown gold mine and it's ready to start production in the hills that surround this north central Washington city.

A new mine named the B-Reef officially goes into operation this week, the first time in seven years that active gold mining will be going on in the area.

Ed Lovitt, head of the operating company, and Vernon Neel, spokesman for the land ownership group, said today's rising gold prices make it economic to mine the low-grade ore.

The ore will be taken by rail to the American Smelting and Refining Co. smelter at Tacoma for refining.

Lovitt said five men, including him, will be employed initially on a single shift.

Officials said they were contemplating at least 25 years of operation.

The mines that formerly operated in the area now are considered worked out.

OFFICIAL
COPY
O. M. E.
RECEIVED
OCT 1 1973
INITIALS | CODE
Cac | 20 M
HK | ~~130~~

P.O. Box 1668
Wenatchee, Washington 98801
September 27, 1973

OMEGA 60

Mr. Harold Kirkemo
Office of Minerals Exploration
U.S. Geological Survey
Washington, D.C. 20244

Dear Harold:

Nice to hear from you even though it was just an inquiry.

For some stupid reason, I mislaid your letter before I had an opportunity to answer it, but the last shipment from "B" Reef was in November, 1966.

Sorry, I misplaced your letter. Am not certain this answers all of your questions.

Regards

Sincerely,

E. H. Lovitt

EHLjr

United States Department of the Interior

GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

IN REPLY REFER TO: Office of Minerals Exploration

September 24, 1973

AIRMAIL

L-D Mines
Post Office Box 1668
Wenatchee, Washington 98801

Re: OME-6460 (Gold)
L-D Mines
B Reef
Chelan County, Washington
Contract 2210

OFFICIAL COPY
O. M. E.
RECEIVED
OCT 1 1973
INITIALS | CODE
Cc Rom
HK 420

Gentlemen:

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

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

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

Copy to Region I

Form MME 63
(May 1970)

REQUEST FOR INFORMATION ON CERTIFIED PROJECT OR PROJECT UNDER ROYALTY AGREEMENT

1. Since **September 12, 1972**, has there been a change in ownership, lease, or sublease? *If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before.* Yes ☐ No ☑

2. Since **September 12, 1972**, has there been any production from the land subject to the contract? Yes ☐ No ☑

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

Purchaser *(name and address)*	Quantity	Value

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

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

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

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

Disposition of Material	Quantity	Value

Submitted by:

Name E.H. Lovitt	*Title* Manager L-O Mines
Address PO Box 1668 Wenatchee Wash 98801	*Date* Sept 27/73

Office Phone ~~[illegible]~~
Area code 509 663-1697

L-D MINES

Post Office Box 1668
WENATCHEE, WASHINGTON 98801

September 12, 1972

OFFICIAL COPY
O. M. E.
RECEIVED
SEP 19 1972

INITIALS	CODE
gla	130
HK	120
	220

Mr. Harold Kirkemo
Chief, Office of Minerals Exploration
United States Department of the Interior
Washington, D. C. 20242

Dear Harold:

I am enclosing herewith the information requested re OME-6460 (Gold)

As I recall we did not complete the work authorized under this project. It became financially impossible for us to proceed for two reasons:

(1) Our flotation plant recovered only 50% of the values in "B" Reef ores as compared to 95% or better in "A" Reef ores.

(2) Tacoma Smelter cancelled our "fluxing ore" contract. I really can't blame them for this, because we were milling all our "A" Reef ore and shipping concentrates to Kellogg, Idaho. Development ore from "B" Reef was shipped to Tacoma whenever we felt it would pay its way. In other word we used Tacoma Smelter as a sampling plant and were no longer a reliable source of fluxing ore.

As the matter stands at the monent we are supplying Tacoma Smelter with all its fluxing needs. The source is "Dry Gulch" and the product shipped is attrition scrubbed silica sand.

Recently Tacoma Smelter manager indicated that he would accept "B" Reef ore as fluxing material. Lack of a suitable mill or a smelter market during the past few years has made it impossible to do any further work on "B" Reef. It would now appear that there is an opportunity to proceed with further development. Hopefully it could lead to full production again in the Wenatchee area.

To reactivate OME-6460 would certainly make it easier for me to accomplish my purpose. Without this assistance I will strive to repeat my performance on the Gold King.

Please let me hear from you concerning this matter.

With best regards.

Puffett discussed this with Lovitt.
H. Kirkemo

Yours truly

E. H. Lovitt

HK

United States Department of the Interior

GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

IN REPLY REFER TO: Office of Minerals Exploration

September 6, 1972

AIRMAIL

L-D Mines
Post Office Box 1668
Wenatchee, Washington 98801

Re: OME-6460 (Gold)
L-D Mines
B Reef
Chelan County, Washington
Contract 2210

Gentlemen:

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

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

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

Copy made for R-I

Form MME 63
(May 1970)

REQUEST FOR INFORMATION ON CERTIFIED PROJECT OR PROJECT UNDER ROYALTY AGREEMENT

1. Since September 27, 1971, has there been a change in ownership, lease, or sublease? *If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before.* Yes ☐ No ☒

2. Since September 27, 1971, has there been any production from the land subject to the contract? Yes ☐ No ☒

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

Purchaser *(name and address)*	Quantity	Value

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

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

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

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

Disposition of Material	Quantity	Value

Submitted by:

Name E. H. Lovitt	*Title* Manager
Address PO Box 1668 Wenatchee Wash 98801	*Date* Sept 12, 72

United States Department of the Interior

GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

IN REPLY REFER TO: Office of Minerals Exploration

September 24, 1971

L-D Mines
Post Office Box 1668
Wenatchee, Washington 98801

Re: OME-6460 (Gold)
L-D Mines
B Reef
Chelan County, Washington
Contract 2210

Gentlemen:

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

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

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

OFFICIAL COPY
O. M. E.
RECEIVED
OCT 4 1971

INITIALS	CODE
[illegible]	130
HK	~~120~~

copy to R-I

Form MME 63
(May 1970)

REQUEST FOR INFORMATION ON CERTIFIED PROJECT OR PROJECT UNDER ROYALTY AGREEMENT

1. Since September 30, 1970, has there been a change in ownership, lease, or sublease? *If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before.* Yes ☐ No ☒

2. Since September 30, 1970, has there been any production from the land subject to the contract? Yes ☐ No ☒

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

Purchaser *(name and address)*	Quantity	Value

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

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

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

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

Disposition of Material	Quantity	Value

Submitted by:

Name L-D Mines	*Title* Manager
Address P. O. Box 1668 Wenatchee, Wash. 98801	*Date* September 27, 1971

United States Department of the Interior

GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

IN REPLY REFER TO: Office of Minerals Exploration

September 24, 1970

L-D Mines
Post Office Box 1668
Wenatchee, Washington 98801

Re: OME-6460 (Gold)
L-D Mines
B Reef
Chelan County, Washington
Contract 2210

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OCT 5 1970

INITIALS	CODE
gla	130
HK	120
	220

Gentlemen:

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

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

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

Copy to R-I

Form MME 63
(May 1970)

REQUEST FOR INFORMATION ON CERTIFIED PROJECT OR PROJECT UNDER ROYALTY AGREEMENT

1. Since October 6, 1969, has there been a change in ownership, lease, or sublease? *If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before.* Yes ☐ No ☑

2. Since October 6, 1969, has there been any production from the land subject to the contract? Yes ☐ No ☑

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

Purchaser *(name and address)*	Quantity	Value

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

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

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

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

Disposition of Material	Quantity	Value

Submitted by: L-D Mines

Name E.H. LOVETT	*Title* MANAGER
Address PO Box 1668 WENATCHEE WASH 98801	*Date* Sep 30 70

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION
656 U. S. Court House
W. 920 Riverside Ave.
Spokane, Wash. 99201

September 24, 1970

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O. M. E.
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SEP 28 1970

INITIALS	CODE
gla	320
	420
HK	420
	220

Memorandum

To : Chief, OME

From : Field Officer, Region I

Subject: Royalty Inspection
OME 6460 (Gold)
L-D Mines
B Reef
Chelan County, Washington
Contract 2210

I visited L-D mines' B Reef with Mr. John Haas, U. S. Geological Survey, on Friday morning, September 18, 1970. We spent about an hour in the L-D mines office discussing the geology of the area with Mr. E. H. Lovitt, major shareholder in L-D mines. Mr. Lovitt then accompanied us to the B-Reef where he unlocked the gates to the main incline so that Mr. Haas and I could enter and make an examination. Mr. Lovitt did not accompany us underground.

Mr. Haas collected several samples of small quartz veins and together we examined the mine walls to the now-flooded sump that was excavated under the OME contract.

There was no evidence of any recent mining activity at the B Reef, and obviously there has been no production since my last inspection on July 12, 1969. The period during which the Government is entitled to royalty on production from the B-Reef extends until September 24, 1975.

Willard P. Puffett

Willard P. Puffett

Attention: Harold Kirkemo

Nice to hear from you - even if it is on a government form.

Ed Lovitt

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HK | 70
228

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Office of Minerals Exploration
656 U. S. Court House
W. 920 Riverside Ave.
Spokane, Wash. 99201

February 20, 1970

Memorandum

To : Chief, Office of Minerals Exploration

From : Field Officer, OME, Region I

Subject: Summary Final Report
OME-6460 (Gold)
L-D Mines
B Reef
Chelan County, Washington
Contract 2210

INTRODUCTION

This report summarizes an OME exploration project for gold ore at the L-D Mines' B Reef, southwest of Wenatchee, Chelan County, Washington. The contract, dated September 24, 1965, was for a total of $133,260.00, of which the Government would contribute 50 percent or $66,630.00. Contract work started in December 1965 and was terminated on April 6, 1967. The contract was amended three times. Work included 330 feet of inclined shaft, 712 feet of drift, 150 feet of crosscut, 75 feet of inclined raise, and 1,510 feet of long-hole drilling. Total accepted cost of the work was $59,247.50 of which the Government contributed $29,623.75. The termination agreement included a pseudocertification provision whereby the Operator would pay to the Government the royalty on production provided for in the contract in the same manner and amount as if a Certification of Possible Production had been made. Royalties paid to the Government total $237.50, and are based on sales of 1,446.017 tons of crude ore sold between April 15 and November 7, 1966. The mine is now idle.

OPERATOR

L-D Mines
P. O. Box 1668
Wenatchee, Washington 98801

The company is a joint business venture organized in the State of Washington; ownership is divided as follows:

FINAL FIELD REPORT

Wenatchee Mining Partnership (70 percent interest)
P. O. Box 1668
Wenatchee, Washington 98801

Day Mines, Inc. (30 percent interest)
Box 1010
Wallace, Idaho 83873

Partners in the Wenatchee Mining Partnership and their individual interests are as follows:

53 percent	E. H. Lovitt P. O. Box 1668 Wenatchee, Washington 98801
20 percent	Estate of Vere McDowall Mrs. Thelma McDowall, Trustee Box 117 Midway, Washington 98042
10 percent	Dr. Frank C. Buckland 617 Metropolitan Building Vancouver 1, British Columbia Canada
7 percent	B. O. Brynelsen 1050 Davie Street Vancouver 5, British Columbia Canada
5 percent	A. W. Fisher 1403 Burrard Building Vancouver 5, British Columbia Canada
5 percent	A. O. Hall 2767 Crescent View North Vancouver Vancouver, British Columbia Canada

PROPERTY

The land consists of about 60 acres described as $E\frac{1}{2}SE\frac{1}{4}SE\frac{1}{4}$ sec. 16, $E\frac{1}{2}NE\frac{1}{4}NE\frac{1}{4}$ sec. 21, and the $W\frac{1}{2}NW\frac{1}{4}NW\frac{1}{4}$ sec. 22, all in T. 22 N., R. 20 E., W.M., Chelan County, Washington (fig. 1). Mineral rights are held for the land described in section 16, and fee titles are held for the land described in secs. 21 and 22 pursuant to the terms of the L-D Mines Agreement dated December 1, 1961.

The property is at the south end of Miller Street, Wenatchee, Washington, and is about one-half mile from the city limits. A paved road leads to the property. Altitudes range from about 1,000 feet to a maximum of 2,064 feet. Hillslopes are steep, and there is only sparse natural vegetation; trees are scarce.

Underground workings that had been completed prior to the OME contract included about 1200 feet on three levels (fig. 1), and explored a block of ground 380 feet long, 220 feet wide, over a vertical distance of 125 feet. Entrance to the underground workings is from two adits and an inclined shaft.

GEOLOGY

Gold occurs in silicified sediments of the Swauk Formation at the L-D Mines property. The Swauk Formation, of Eocene age, is composed of conglomerate, arkose, shale, and carbonaceous rocks (Foster, R. J., 1960, p. 103), rests unconformably on Swakane gneiss of pre-Ordovician age and is overlain unconformably by Yakima basalt of Mid-Miocene age (Coombs, 1950, p. 371). Andesite porphyry, basalt, dacite, rhyolite, and perlite have intruded the Swauk Formation near Wenatchee (Coombs, 1950, p. 371-372). The sedimentary rocks form northwesterly-trending folds and, in the mine area, are overturned along an anticlinal axis, here referred to as the Gold King anticline.

The silicified zones, locally referred to as "reefs," 200-1,300 feet long and 100-600 feet wide, are localized near the axis of the Gold Kind anticline. Five reefs, the Gold King, MacBeth, A, B, and C, have been explored for gold; the first two yielded about 367,500 ounces of gold and 420,000 ounces of silver from 833,000 tons.

Granitized arkose and spherulitic breccias associated with felsite have been found along the trend of the Gold King anticline (Coombs, 1950; Coombs, 1952); and attest to the action of hydrothermal solution and metasomatism. Possibly some of the spherulitic breccia described by Coombs is identical to one or more of the reefs. Perlitic rock is found underground in the B Reef mine (fig. 2) and this suggests that the B Reef is, in part, similar to the domed spherulitic breccia.

Three stages of hydrothermal alteration of arkose have been recognized in the mine area (H. Kirkemo, written comm., 1965):

1. Feldspar altered to sericite; bedding planes obliterated; rocks appear granitic.
2. Silicification and brecciation.
3. Resilicification of brecciated silicified rock.

Gold and silver is found in hydrothermally altered rock (any stage), but is not in unaltered rock. Minerals are typically epithermal and include native gold, electrum, naumannite, and aguilarite; pyrite, chalcopyrite, tetrahedrite, sphalerite, and stibnite are accessory minerals. Ore minerals are very fine grained and seldom are visible to the unaided eye.

The ore in the Gold King Reef is in widely spaced veins that are mined individually. The ore in the MacBeth Reef is in numerous, closely-spaced veins in intensely silicified, brecciated masses, and is mined in large blocks.

B Reef, about 250 feet long, 100 feet wide, and 100 feet thick, had been explored by three companies between 1950 and 1965. Shipments of 4,316 tons averaged 0.356 ounces gold and 0.663 ounces silver per ton. Silicified and brecciated sandstone appears granitized. Pebble dikes, some with pebbles 4 inches long, are present. A few quartz veins, 0.1-0.3 feet thick, and dipping 5°-25° W., contain adularia but no recognizable ore minerals. Some samples of the quartz vein contained more than an ounce of gold per ton. The assay maps indicate that the mineralized area rakes southward at a low angle. Long-hole drilling had intersected a zone below the 1040 level (fig. 1) that assayed 0.35 ounces gold per ton. The planned exploration was to delineate limits of this mineralized area.

PURPOSE OF PROJECT

The purpose of the project was to explore for gold-bearing ore bodies by shaft-sinking long-hole drilling, crosscutting, drifting, and raising in and along B Reef, a mineralized reef consisting of altered sedimentary rocks in the Swauk Formation of Eocene age, and associated igneous rocks.

CONTRACT

The contract, No. 2210, dated September 24, 1965, required that work start on or before February 1, 1966, and to be completed within 24 months from the date of the contract. The work was to be divided into two stages as follows:

Stage I.--From the face of the inclined shaft near mine coordinates 10,430 N., 24,820 E., and about 60 feet below floor level at the portal, continue the inclined shaft another 290 feet on approximately a -15° incline in a southerly direction to traverse the mineralized zone in B Reef.

To further explore the mineralized zone, a station shall be established at a selected level in the shaft driven in Stage I, and drifts and crosscuts extended to the limits of the mineralized structure. An aggregate of not more than 750 feet of drifting and crosscutting shall be performed on this level.

Percussion long-hole drilling not exceeding 4,000 feet shall be performed from this level to further test the extent of mineralization. Drill stations shall be spaced no less than 100 feet apart, and no more than 6 holes shall be drilled from one station.

Raises totaling not more than 300 feet shall be driven from this level at locations not less than 200 feet apart. Maximum height for individual raises shall not exceed 75 feet.

Stage II.--The work will be a continuation of the inclined shaft with another level established for drifting, long-hole drilling, and raising.

Under Stage II not more than 290 feet of shaft sinking, 750 feet of drifting and crosscutting, 4,010 feet of long-hole drilling, and 300 feet of raising shall be performed.

Estimated costs

Fixed Unit Costs

Stage I		
290 feet shaft sinking at $60.00/ft	$17,400.00	
150 feet timbering in shaft at $10.00/ft	1,500.00	
750 feet of drifting and crosscutting at $40.00/ft	30,000.00	
4,000 feet long-hole drilling, including assaying for gold and silver at $1.00/ft	4,000.00	
300 feet raising at $40.00/ft	12,000.00	
400 muck and channel samples for gold and silver assays at $2.50/sample	1,000.00	
Total Stage I		$ 65,900.00
Stage II		
290 feet shaft sinking at $65.00/ft	$18,850.00	
150 feet timbering in shaft at $10.00/ft	1,500.00	
750 feet of drifting and crosscutting at $40.00/ft	30,000.00	
4,010 feet long-hole drilling, including assaying for gold and silver at $1.00/ft	4,010.00	
300 feet raising at $40.00/ft	12,000.00	
400 muck and channel samples for gold and silver assays at $2.50/sample	1,000.00	
Total Stage II		$ 67,360.00
Total estimated cost of the project		$133,260.00
Government participation at 50 percent		$ 66,630.00

The contract was amended three times as follows:

Amendment No. 1, dated February 15, 1966, changed the beginning position of the inclined shaft to near mine coordinates 10,447 N., 24,866 E.

Amendment No. 2, dated August 23, 1966, permitted the inclined shaft to be extended 300 feet under Stage I. Changes could be made in the course and inclination of the shaft if required by geologic conditions or operating procedures. Crosscuts, drifts, or similar near-level workings were permitted to provide access for equipment necessary to continue shaft exploration to greater depth. A shaft station was allowed at a selected level, and drifts and crosscuts from this station were to be extended to the limits of the mineralized structure. No more than 755 feet of drifting and crosscutting shall be performed in Stage I.

Allowable shaft sinking under Stage II was decreased from 290 to 250 feet.

Total costs under Stage I were revised upward to $68,500.00, and those under Stage II were revised downward to $64,760.00.

Amendment No. 3, dated February 6, 1967, permitted 1,092½ feet of drifts, crosscuts, and raises to be driven from the station at a selected level in the shaft driven in Stage I. Additional exploration by drifting, crosscutting, and raising under Stage I could be undertaken with the balance of funds not utilized for the long-holing. Unit costs were revised to permit the changes; total costs for Stage I remained at $68,500.00.

PROJECT WORK

Contract work started in December 1965. Prior to the beginning of the contract, some lateral drifting from a point in the shaft about 80 feet above the OME starting point had found a fault limiting the ore; hence the shaft, under the OME contract, was sunk on a different bearing than originally planned. If the shaft had continued on the originally planned bearing, it would have crossed the fault into relatively unfavorable ground. The shaft was deepened 90 feet in December and an additional 83 feet in January 1966. Concurrent with the shaft sinking in January, the Operator, at his own expense drove a crosscut (920 level) to the west for 120 feet to intersect and explore the limiting fault.

Troubles in shaft sinking developed in February 1966. Soft ground was encountered after sinking an additional 30 feet. Front end loaders became stuck; two loaders were stuck simultaneously at one time. A fairly heavy flow of water further complicated the work. Part of the bottom of the shaft was filled; a short length of nearly level "drift" was driven, and a new incline was sunk for 27 feet where it intersected a fault and was abandoned. A new incline was started to the southwest but it encountered a fault at 68 feet and was abandoned. Another incline was started toward the northwest. The various headings of the shaft are shown on figures 1, 2, and 3; the faults encountered are shown on figure 2. The Operator did not want to explore the ground south of the faults for he believed these areas are unfavorable for ore.

In August 1966, the shaft was advanced to the level of the shaft-loading pocket. These workings were in shipping grade ore and 5 sixty-ton carloads were shipped with a sample grade of 0.40 ounce gold per ton. The Operator stated that the material shipped bore little resemblance to ore in other parts of the reef, and to account for the gold values there was only sparse pyrite and an occasional narrow quartz vein.

In September 1966, the loading pocket was completed and 33 feet of drift and 5 feet of crosscut were completed on the 873 level.

In October, the 873 level was advanced 74 feet to the north and 63 feet to the south. Two crosscuts, No. 2 and No. 3, were advanced 12 and 23 feet respectively.

In November, the 873 level was advanced 44 feet to the north, 30 feet to the south; No. 3 and No. 4 crosscuts were advanced 18 and 12 feet respectively and the No. 4 raise was driven 83 feet to connect with a sump on the upper workings (fig. 1).

In December 1966, the 873 level was advanced 81 feet to the north, 51 feet to the south and the No. 3, No. 5, and No. 6 crosscuts were advanced 26, 16, and 50 feet respectively. Three long holes totaling 424 feet were drilled from the No. 3 crosscut. This work approximately finished the drifting and crosscutting allowed under Stage I. An amendment, No. 3, was prepared to permit additional drifting with funds that had been unexpended for raising, long-hole drilling, and shaft timbering.

In January 1967, the 873 level was advanced 57 feet to the south and 57 feet to the north, and the No. 6 crosscut was extended 23 feet, a total of 137 feet. Eleven long holes totaled 1,086 feet. The drilling was unsuccessful in finding extensions of known ore sections.

The Operator, on March 14, 1967, requested that the contract be terminated because economics did not permit continuing the development work. The work had demonstrated the existence of a sizable body of ore containing 0.30 ounce gold per ton but the gold could not be recovered at a profit.

The contract was terminated effective March 1, 1967, by a termination agreement dated April 6, 1967. The accepted units of work and their costs done under the contract are as follows:

Item	No. of Units	Unit Cost	Total Cost
Shaft sinking	330 ft	$60.00	$19,800.00
Drifting	712 ft	40.00	28,480.00
Crosscutting	150 ft	40.00	6,000.00
Raising	75 ft	40.00	3,000.00
Long-hole drilling	1,510 ft	1.00	1,510.00
Muck and channel samples* assayed for gold and silver	183 samples	2.50	457.50
Total accepted costs			$59,247.50

The Government retains no equity in any equipment or supplies at the property.

* There were no channel samples; in lieu of channel sampling, the cuttings from the holes drilled for blasting were collected and assayed.

REPORTS

The Operator's final report was received on April 19, 1967. A Report of Review, based on an examination of the files in Washington, D. C., on April 26, 1967, was issued in May 1967. There have been no royalty reviews.

PROJECT RESULTS

Assay data from the completed OME work are shown on figure 3. These data reveal that most of the drilling and underground openings are in ground that contains less that 0.05 ounce gold per ton and from a trace to about an ounce of silver per ton. There are two areas that contain higher values in gold. Southeast of the sump and centered at about 10,300 N.-24,900 E. is a zone about 40 feet long in which assays range from 0.16 to 0.49 ounce gold per ton. It was from this area that 5 sixty-ton carloads were shipped. The other area of higher gold values is on the 873 level and the No. 3 long hole and is centered about 10,350 N.-24,830 E; the values here range from 0.25 to 0.46 ounces gold per ton. Above this level and in the 920 drift, the assays range from 0.06 to 0.43 ounces gold per ton.

The ground with the higher values of gold might be part of a zone that is nearly vertical or one that is an extension of the ore-bearing zone formerly found on the 1000 and 1040 level. If the latter, then the gold-bearing zone plunges about 22° S. 17° E. Most of the long holes are subparallel to this calculated bearing and none cross it at high angles. Therefore the exact trend and plunge of the ore-bearing zone has not been delineated.

For the purpose of calculating ore reserves, it is assumed that there are two small ore zones (fig. 2) on and near the 873 level that are part of ore shoots continuous between the 1,000 level to about 150 feet down plunge below the 873 level. The horizontal cross-section area of the two zones on the 873 level are 60 x 20 feet and 45 x 8 feet; assuming that the ore zone plunges about 22°, the slope distance between the 1,000 and 873 level is about 300 feet. Assuming a tonnage factor of 12 cubic feet per ton, there are 30,000 and 9,000 tons respectively in the two ore zones between the 873 and 1000 levels. Projecting them another 150 feet down plunge will add 15,000 and 4,500 tons. The total indicated tonnage in the two shoots therefore is 58,500 tons. Gold content is 0.25-0.30 ounces per ton, or a total of 14,625-17,550 ounces. This is the maximum that can be assigned to the ore shoots. If future work proves that the ore shoots are nearly vertical and discontinuous, the above figures will be meaningless.

The Operator's final report considers that the OME work developed an ore body that is 80 feet long, 50 feet wide, and 80 feet deep, containing 25,000 tons averaging $8.86 per ton (assuming gold at $35.00 per ton).

The silver content of the ore is less than 0.5 ounce per ton and will add only a small increment to the dollar value per ton of the ore.

The Operator believed that there is insufficient gold in the ore shoots to be mined profitably at present-day gold prices. Further exploration of the ore is not warranted.

There was no Certification of Possible Production; however, the termination agreement contained a pseudocertification under which a royalty will be due the Government on ore produced from the mine for a period between the date of the contract and September 24, 1975.

PRODUCTION AND ROYALTIES

The following shipments of crude ore were made from the B Reef during the OME contract work and represent the only production from the mine since the beginning of the contract:

Date of shipment	Tons (short dry)	Au Oz/ton	Ag Oz/ton	Net smelter returns	Royalty paid to Government.
4/15/66	108.596	.27	.64	$ 491.12	$ 24.56
8/19/66	176.264	.25	.37	649.40	32.47
9/9/66	231.183	.38	.33	1,550.95	77.55
9/16/66	115.348	.36	.34	702.74	35.14
9/27/66	216.621	.18	.29	352.91	17.65
10/11/66	115.114	.17	.26	152.00	7.60
11/1/66	240.933	.20	.42	583.26	29.16
11/7/66	241.958	.15	.50	267.34	13.37
Total	1,446.017			$4,749.72	$237.50

Total ounces gold: 345.8
Total ounces silver: 565

There are no royalties due to the Government

SUMMARY

The OME contract work explored an area about 475 feet long that is 80 feet-120 feet below and to the south of known ore at the B Reef. Two small areas contain 0.16-0.49 ounce gold and 0.20-0.92 ounce silver per ton in silicified sandstone. The rest of the area contains less than 0.1 ounce gold per ton. Faults separate silicified sandstone from barren sandstone; only long-hole drilling explored areas beyond the limiting faults.

The more richly mineralized ground might be an extension of ore found in the older, upper workings. If true, the ore rakes 22° S. 17° E. However, the "ore" in the OME workings might be part of a vertical zone.

The work did not find encouraging evidence of an ore body at the lower level in the mine and there is no reason to believe that additional exploration will be more successful. Government participation in exploring the B Reef further is not warranted.

REFERENCES CITED

Coombs, H. A., 1950, Granitization in the Swauk arkose near Wenatchee, Washington: Am Jour. Sci., v. 248, no. 6, p. 369-377.

_____, 1952, Spherulitic breccias in a dome near Wenatchee, Washington: Am. Mineralogist, v. 37, nos. 3 and 4, p. 197-206.

Foster, R. J., 1960, Tertiary geology of a portion of the central Cascade Mountains, Washington: Geol. Soc. America Bull., v. 71, no. 2, p. 99-126.

Enclosures

Willard P. Puffett

Willard P. Puffett

3 Maps (Figures 1, 2, and 3,
Final Field Report, OME-6460 Contract 2210
L-D MINES

IN REPLY REFER TO:
Office of Minerals Exploration

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

SEP 29 1969

L-D Mines
Post Office Box 1668
Wenatchee, Washington 98801

Re: OME-6460 (Gold)
L-D Mines
B Reef
Chelan County, Washington
Contract 2210

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

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

Copy to R-I

MME Form 63
Revised 7-65

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

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

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

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

	Quantity	Value

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

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

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

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

Disposition of Material	Quantity	Value

Submitted by: L-D Mines

Name [signature] Title Manager

Address P. O. Box 1668
Wenatchee, Wash. 98801 Date October 6, 1969

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
U.S. Court House, Rm. 656
West 920 Riverside Avenue
Spokane, Washington 99201
July 15, 1969

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Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, OME, Region I

Subject: Royalty Inspection
OME-6460 (Gold)
L-D Mines
B Reef
Chelan County, Washington
Contract 2210

I visited the L-D mine on Saturday, July 12, 1969, to learn if there had been any production recently from land of the subject contract. Mr. Bill Lancaster, employee of the mine, was at the property and informed me that only assessment work had been done on the B Reef. There was no mining activity for gold ore on other parts of the property. Recent work had been in developing a salable silica sand product.

Willard P. Puffett

Willard P. Puffett

Distribution:
OME(2)
Docket
CPF

IN REPLY REFER TO:
Office of Minerals Exploration

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

September 25, 1968

L-D Mines
Post Office Box 1668
Wenatchee, Washington 98801

Re: OME-6460 (Gold)
B Reef
Chelan County, Washington
Contract 2210

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Sincerely yours,

Frank E. Johnson

Frank E. Johnson
Chief, Office of
Minerals Exploration

Copy to Region I

MME Form 63
Revised 7-65

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

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

2. Since November 1966, has there been any production from the land subject to the contract? Yes [ ] No [X]

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

	Quantity	Value

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

Type	Quantity		Estimated Grade	Location
Ore	NONE	Tons		
Concentrates		Tons		
Other		Tons		

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

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

Disposition of Material	Quantity	Value

Submitted by:

Name [signature] Title Manager

Address P.O. Box 1668, Wenatchee, Wn. 98801 Date September 30, 1968

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
5/26/67	Kirkham	121
		116
		220

MAY 29 1967

Memorandum

To: Chief, Branch of Budget and Finance

From: Chief, Office of Minerals Exploration

Subject: OME-6460 (Gold)
L-D Mines
B Reef
Chelan County, Washington
Contract 2210

Enclosed is a copy of a letter dated May 17, 1967, from the Field Officer, Region I, transmitting to the Operator a copy of a Report of Cost Review issued May 1967, on the subject contract. A copy of said review also is enclosed.

FRANK E. JOHNSON (gla)

Frank E. Johnson

Enclosures

cc: Director's Reading File
Division File
Econ. Geol. File
OME Docket
OME Reading File
Region I

MMerrithew/mm (5/26/67)

23263

OME (2)

OFFICIAL COPY
O. M. E.
RECEIVED
MAY 19 1967
INITIALS CODE
gla 120
HK 120

GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
May 17, 1967

Mr. E. H. Lovitt, Manager
L-D Mines
P. O. Box 1668
Wenatchee, Washington 98801

Re: OME-6460 (Gold)
B Reef
Chelan County, Washington
Contract 2210

Dear Mr. Lovitt:

There is enclosed one copy of a Report of Cost Review of the above-cited contract which was prepared on April 26, 1967.

Sincerely yours,

D. R. MacLaren
Field Officer, OME
Region I

Enclosure

MLSmelser/mls
cc: OME(2)

Director's Reading File

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
5/15/67	Kiobamo	

AIRMAIL

MAY 15 1967

Memorandum

To: Field Officer, Region I

From: Chief, Office of Minerals Exploration

Subject: OME-6460 (Gold)
L-D Mines
B Reef
Chelan County, Washington
Contract 2210

Enclosed are two copies of a cost review issued May 1967.

If you concur in the facts as stated in this report, one copy should be sent to the Operator with any comments you may care to make, and the other copy retained for your files. As evidence of your concurrence, two copies of your letter transmitting the Operator's copy of the report should be furnished this office. If for any reason you do not concur, both copies of the report should be returned to this office with appropriate comments.

FRANK E. JOHNSON

Frank E. Johnson

Enclosure

cc: Director's Reading File
Division File
Econ. Geol. File
OME Docket
OME Reading File
130

MMerrithew/mm 5/15/67)

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

MAY 2 1967

OFFICIAL COPY
O. M. E.
RECEIVED
MAY 8 1967

Memorandum

To: Director, U.S. Geological Survey

From: Assistant Director, Contract and Grant Audit
Audit Operations, Office of Survey and Review

Subject: Review of Contract 2210
Docket No. OME-6460 (Gold)
L-D Mines, a Joint Venture
B Reef
Chelan County, Washington

Pursuant to a request April 4, 1967, from the Chief, Office of Minerals Exploration, we have made a cost review of Contract 2210, examining the contract and accounting records and files of OME and the Branch of Budget and Finance, U.S. Geological Survey. Four copies of the report of review are attached.

This project contemplated an exploration for gold under a two-stage contract. The contract was terminated by mutual agreement between the Government and the Operator before any work was performed under Stage II. The termination agreement provided, among other things, that the Operator would be liable to the Government for royalty on the value of any production from the property during a period of 10 years from the date of the contract, September 24, 1965, or until the Government's contribution to exploration costs had been repaid with interest at $6\frac{1}{4}$ percent, the same as if a certification of possible production had been issued.

The review indicates that proper settlements have been made with the Operator for the Government's 50 percent contribution to agreed fixed unit costs of work performed and that the Operator has submitted the final engineering report required by the terms of the contract.

Donald R. Mooney

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
April 20, 1967

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: OME-6460 (Gold)
L-D Mines
B Reef
Chelan County, Washington
Contract 2210

Enclosed are two copies of an acceptable Operator's final report. A set of geologic maps dated February 14, 1967, and a composite longitudinal section dated February 5, 1967, were forwarded by Reference Slip on March 17, 1967. As no OME work was done since the drafting of these maps, they may be considered as part of the final report.

D. R. MacLaren

Enclosures

April 18, 1967

Mr. D. R. MacLaren, Field Officer
Office of Minerals Exploration
Geological Survey
So. 157 Howard Street
Spokane, Washington 99204

OME-6460 (Gold)
B Reef
Chelan County, Washington
Contract 2210

Dear Mr. MacLaren:

I have your letter of April 13, 1967 in which you direct me to Item 3 of the Termination Agreement and Article 5 (c) of the contract.

I am under the impression that by now you have received complete assay plans and geological plans of all the workings performed under the terms of our contract. If this is not the case, please advise and I will endeavor to supply the deficiencies.

The enclosed report includes a geological and engineering evaluation of the results of the work done under Contract No. 6460 together with an estimate of ore reserves.

Very truly yours,

E. H. Lovitt
Manager

EHLjr
Enc

RECEIVED
APR 19 1967
SPOKANE, WASH.

Office Phone NOrmandy 2-6117

L-D MINES

Post Office Box 1668
WENATCHEE, WASHINGTON 98801

April 18, 1967

To: Department of the Interior
Office of Minerals Exploration
Geological Survey
So. 157 Howard Street
Spokane, Washington 99204

OPERATOR'S FINAL REPORT

1. OME No. 6460 (Gold)
Contract No. 2210
Operator: L-D Mines
Location: B Reef, Chelan County, Washington

2. Summary of Project:

Work under the terms of OME No. 6460 was started in December, 1965 and discontinued on February 5, 1967.

Work completed is as follows:

Drifting	712'	@ $40.00	$28,480.00
Crosscutting	150'	@ 40.00	6,000.00
Raising	75'	@ 40.00	3,000.00
Inclined Shaft	330'	@ 60.00	19,800.00
Longholes (percussion)	1510'	@ 1.00	1,510.00
Assays Au Ag	183	@ 2.50	457.50
Total			$59,247.50

OPERATOR'S FINAL REPT.

OME No. 6460 (Gold)
Contract No. 2210
L-D Mines
B Reef, Chelan Co., Wn.

3. Geological Features:

Ore bodies in the area are generally associated with silicified areas in arkosic sandstone. The silicification varies from intense silicification to rather mild silicification and is generally accompanied by the introduction of quartz veins. The quartz veins may be quite wide and very numerous, or very narrow and rather sparsely distributed. It cannot be said that grade of ore is related to the amount of the silicification or the number of the quartz veins. Faults or sheared argillaceous horizons in the sandstone have been effective in localizing the ore zones.

Volcanic intrusions parallel the siliceous zones but are generally a few hundred feed away from them.

4. Geological Engineering Report and Ore Reserves:

Prior to the advent of OME Contract No. 6460, L-D Mines had done considerable underground and surface work hoping to discover and outline ore bodies similar to those then being mined on the Gold King property.

Numerous longholes indicated an area 100' x 100' x 100' in which very interesting gold values were obtained. Underground and surface workings further substantiated these values. From these workings some 4,024 tons of ore, having a gross value of $54,338.86 (average value $13.50 per ton), were shipped to the Tacoma Smelter. Assuming this ore is representative of the entire block, the gross value of the ore body would be over $1,000,000.00. Since the workings were, to some extent, directed into the better areas encountered in the longhole drilling, it is quite possible that the total value of the ore represented in this block is not over $500,000.00.

It was hoped that work done under OME Contract No. 6460 would succeed in outlining very considerable extensions to this ore block. In this respect, the work was quite unsuccessful since it failed to discover any further extensions.

During the same period of investigation by L-D Mines, three longholes drilled from the 1046 level encountered values at an elevation approximately 100 feet below this level. These values lay vertically below a completely unsilicified area and suggested that silicification and gold values might progress at depth to the south toward the Gold King Mine. This area was one of the prime targets to be developed under OME Contract No. 6460.

OME No. 6460 (Gold)
Contract No. 2210
L-D Mines
B Reef, Chelan Co., Wn.

As a result of development in the section discussed in the paragraph above, we can now say that a body of ore 80' long, 50' wide and at least 80' deep has been developed. Ore was shipped from the body from the 920 crosscut, the lowest shaft workings, the draw pocket for the 873 level and the 873 level. The total amount shipped is 1,444 tons; the total gross value $12,801.03. The average contained value in Au and Ag is $8.86/ton. Since no effort was made to direct these workings to areas of better values, it is reasonable assumption that this block contains 25,000 tons of $8.86 ore, or a total value of nearly $250,000.00 in Au and Ag.

Continued drifting on the 873 level, beyond the limits of the above ore body, and longhole drilling failed to disclose any further ore zones. It is expected, however, that continued development of this silicified area at greater depth toward "A" Reef to the north and the Gold King Mine to the south would disclose further ore bodies. However, since the operating margin of profit on the average grade of ore that has been found in this district to-date has not been great, and since this margin of profit has continued to dwindle over the 18-year period of operation, it is doubtful that the camp can continue to operate at the present price of gold.

E. H. Lovitt, Manager

RECEIVED
APR 19 1967
O.M.E.
SPOKANE, WASH.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
April 20, 1967

OFFICIAL COPY

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: OME-6460 (Gold)
L-D Mines
B Reef
Chelan County, Washington
Contract 2210

Work under the subject contract was terminated effective March 1, 1967, by an agreement dated April 6, 1967.

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

Stage I -	Shaft sinking	330 feet
	Drifting, crosscutting, and raising	937 "
	Long hole drilling	1,510 "
	Muck and channel sample assays	183 assays

An acceptable final engineering and geological report was received from the Operator on April 19, 1967.

A Report of Review, in lieu of a final audit, is in order and requested. The original copies of the final (January-February 5, 1967) MME-60 and MME-61, together with supporting documentation were forwarded February 28, 1967.

D R MacLaren
D. R. MacLaren

MME FORM 6 REFERENCE SLIP

REV. 2- OFFICE OF MINERALS EXPLORATION

TO: Chief, OME — DATE 4/13/67 — INITIALS

1.

Re: OME-6460 (Gold)

2. L-D Mines

B Reef

3. Chelan County, Washington

Contract 2210

4.

D. R. MacLaren

5. D. R. MacLaren

FROM: Fld. Officer, Reg. I

OFFICIAL COPY O. M. E. RECEIVED APR 17 1967

INITIALS CODE

FOR: Check items for action desired

X Action ____ Reply for signature of

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions ____ Your information

REMARKS:

Transmittal of Gov't. and Budget and Finance copies of Termination Agreement for the above-referenced contract.

INT.-DUP. SEC., WASH., D.C. M56300-62

OME (2)

GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
April 13, 1967

OFFICIAL COPY

Mr. E. M. Lovitt, Manager
L-D Mines
P. O. Box 1668
Wenatchee, Washington 98801

Re: OME-6460 (Gold)
B Reef
Chelan County, Washington
Contract 2210

Dear Mr. Lovitt:

Thank you for returning the Termination Agreement so promptly.

Your attention is directed to item 3 of the Agreement and to Article 5(c) of the contract relative to an Operator's final report.

As soon as your final report is received, we will request a Report of Review upon the completion of which any funds which may be due L-D Mines will be released.

Sincerely yours,

D. R. MacLaren
Field Officer, OME
Region I

DRMacLaren/mls

cc: OME(2)

Director's Reading File

GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
April 10, 1967

OFFICIAL COPY
O. K. E.
RECEIVED
APR 12 1967
MINERALS | GOLD
120 MC
JSD 116
HK 120 K

Mr. E. H. Lovitt, Manager
L-D Mines
P. O. Box 1668
Wenatchee, Washington 98801

Re: OME-6460 (Gold)
B Reef
Chelan County, Washington
Contract 2210

Dear Mr. Lovitt:

There are enclosed the original and three copies of a proposed Termination Agreement to the referenced contract, signed by the Chief, Office of Minerals Exploration, U. S. Geological Survey, for the Government.

If the proposed agreement is satisfactory, please sign all four copies, retain the Operator's copy for your records, and return the original and two remaining copies to this office.

If the agreement is not satisfactory to you, please return all copies to this office unsigned with your statement of proposed changes for consideration.

Sincerely yours,

D. R. MacLaren
Field Officer, OME
Region I

Enclosures

MLSmelser/mls

cc: OME

Director's Reading File

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
4/4/67	Kirkemo	
"	Johnson	
5/9	Hilgzand	
5/5	[illegible]	
4/5	Cole	220
		1200

AIRMAIL

Memorandum

To: Field Officer, Region I

From: Chief, Office of Minerals Exploration

Subject: OME-6460 (Gold)
L-D Mines
B Reef
Chelan County, Washington
Contract 2210

Enclosed are the original and three copies of a proposed Termination Agreement, signed for the Government. Also enclosed is an extra copy for field use.

If the proposed agreement is satisfactory to you and the Operator all four copies should be signed by an authorized representative of the Operator. Thereafter, please distribute the copies in the usual manner.

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

FRANK E. JOHNSON

Frank E. Johnson

Enclosures

cc: Director's Reading File
Division File
Econ. Geol. File
OME Docket
OME Reading File
130

MMerrithew/mm (4/4/67)

23263

MME FORM 6 REFERENCE SLIP

REV. 2-5 OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. As~~sociate Solicitor~~ 6042		
2. Harold Kirkemo 4450		
3.		
4.		
5.		

FROM SOLICITOR 3-31-67

FROM: Frank E. Johnson, CHIEF, OME 3/29/67

FOR SIGNATURE

FOR: Check items for action desired

x Action ___ Reply for signature of ___

x Approval ___ Investigate ___ Surname

___ Comment ___ Recommendations ___ Signature

___ Conference ___ Rewrite ___ File

___ Instructions 3192 Your information

REMARKS: B-66-2052.11

INTERIOR DEPT.
MAR 29 1967
SOLICITOR

RECEIVED
MAR 30 1967
Division of Mineral Resources
General Legal Service

INT.-DUP. SEC., WASH., D.C. M56300-62

DRAFT 3/28/67
HKirkemo/gla

To Legal 3/29/67

~~120~~ HK 3/28/67

~~110~~ FJ 3/29

120M

EXPLORATION CONTRACT
L-D MINES
OME-6460

TERMINATION AGREEMENT

It is agreed this _____ day of _____, 1967, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and L-D Mines, hereinafter called the "Operator," parties to that certain Exploration Contract No. 2210, Docket No. OME-6460, dated September 24, 1965, hereinafter called the "Contract," that:

1. Effective March 1, 1967, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

2. The Government shall contribute only to the allowable costs of the work performed prior to said effective date.

3. The Operator shall promptly perform all winding-up and settlement actions provided for in the Contract, including furnishing to the Government three copies of a final report (in addition to the final monthly report) which 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.

4. The Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer (for example, if the Operator either transfers or fails to retain its interest in the land),

shall pay to the Government the royalty on production provided for in the Contract in the same manner and amount, for the same period, and subject to the same conditions provided for in the Contract as amended as if certification of possible production had been made, such certification being hereby waived by the Operator. In addition, all rights of the Government provided for in the Contract with respect to percentage royalty and liens to secure payment thereof, reports (including preservation of Operator's records), accounts, audits, and the right to recover any overpayments are hereby preserved.

5. The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of said Contract except as otherwise provided in this termination agreement.

IN WITNESS WHEREOF, these parties have executed this agreement as of the day and year first above written.

THE UNITED STATES OF AMERICA

By_____
Chief, Office of Minerals Exploration
U. S. Geological Survey

L-D MINES

By_____

Title_____

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
March 16, 1967

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: OME-6460 (Gold)
L-D Mines
B Reef
Chelan County, Washington
Contract 2210

Enclosed are two copies of a letter dated March 14, 1967, from the subject Operator requesting that the cited contract be terminated by mutual agreement.

In view of the Operator's expressed reasons for wishing to terminate and in view of his implication that the OME work completed has successfully demonstrated the existence of sizable bodies of ore that could easily result in production under more favorable economic conditions, it is recommended that a Termination Agreement including a pseudo-certification be prepared. The effective date of termination should be March 1, 1967.

D. R. MacLaren

Enclosures

cc: CPF

March 14, 1967

Mr. D. R. MacLaren, Field Officer
Office of Minerals Exploration
Geological Survey
So. 157 Howard Street
Spokane, Washington 99204

OME-6460 (Gold)
B Reef
Chelan County, Washington
Contract 2210

Re: The matter of proceeding to Stage II under the terms of our agreement

Dear Mr. MacLaren:

It is the opinion of Day Mines, Inc., as well as Wenatchee Mining Partnership, that even though development to date has been encouraging, economics do not justify continuing development work at this time. Since we have no way of predicting when the situation might change, our only alternative is to request that the contract be terminated by mutual agreement.

We feel that the work has been successful in demonstrating the existence of sizeable bodies of ore of a .30 Au grade and that the continued development of these ore bodies under more economic conditions could easily result in the reopening of this gold camp. We feel that it would be folly to try to extract the ore from these bodies at this time since their extraction would result in little, if any, profit. These ore bodies are of an unusual type and difficult to recognize. Without examples available for examination and sampling, it is a question whether the camp would ever be reopened.

I called Garth Crosby today; he promised faithfully to complete the maps immediately and forward the same to you.

Regards

Sincerely,

E. H. Lovitt
Manager

RECEIVED
MAR 16 1967
SPOKANE, WASH.

EHLjr

OFFICIAL COPY
O. M. E.
RECEIVED
MAR 20 1967

INITIALS	CODE
	120
	110
	120K

MMS FORM 6 REFERENCE SLIP
REV. 2-59 OFFICE OF MINERALS EXPLORATION

TO		DATE	INITIALS
1.	Chief, OME	3/17/67	
	Re: OME-6460 (Gold)		
2.	L-D Mines		
	B Reef		
3.	Chelan County, Wash.		
	Contract 2210		
4.	D R MacLaren		
5.	D. R. MacLaren		
FROM:	Fld. Officer, Reg. I		

FOR: Check items for action desired

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

REMARKS:

What about the 2nd. group?

INT.-DUP. SEC., WASH., D.C. M56300-62

Wenatchee Mineral Springs

DAY MINES SHUTS DOWN WASHINGTON GOLD MINE

GOLD KING OUT OF ORE THAT COULD BE MINED AT $35, SAYS FIRM'S HEAD

The Gold King Mine 3 miles south of Wenatchee was shut down last weekend after 17 years of operation.

"We just ran out of ore that could be mined and milled at the $35 price for gold," said Henry L. Day, president of Day Mines, Inc.

The price of gold has remained fixed at this price by the federal government since ~~1939.~~ 1934

For the last six years the mine has been a joint operation of Day Mines and Lovitt Mining Co. under the name of L-D Mines, Inc. Lovitt Mining Co. was organized by E. H. Lovitt, a Vancouver, B.C., mining engineer who was credited with making the mine pay where others had failed.

Day said the mine was milling 300 tons of ore per day. About 35 to 40 men were laid off, he said.

"The price of gold would have to double or more before it would pay to put the mine back in operation," he said.

The Gold King was the second-largest gold producer in Washington, being outranked only by the Knob Hill Mines' operation at Republic which includes production from Day Mines' adjoining Gold Dollar Mine.

It was profitable because of the high silica content of the ore, used in smelting copper concentrates at the Tacoma smelter, where the ore was shipped.

In December, 1965, the Washington State Division of Mines and Geology reported that the Gold King had yielded about $13.5 million in gold since 1949.

GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
March 14, 1967

OFFICIAL
COPY
O. M. E.
RECEIVED
MAR 16 1967
INITIALS | CODE

Mr. E. M. Lovitt, Manager
L-D Mines
P. O. Box 1668
Wenatchee, Washington 98801

Re: OME-6460 (Gold)
B Reef
Chelan County, Washington
Contract 2210

Dear Mr. Lovitt:

During our inspection of February 13 and 14, 1967, there was a brief discussion of what to do next. It was agreed that more consideration by L-D Mines should be given to this question before deciding which of three possible procedures you would prefer to follow.

If a recess of the OME contract is desired, you should request it stating in your request the reason for the recess, the date contract work ceased, and the date on or before which OME work will be resumed.

If you wish that the contract be terminated, by mutual agreement, you should so request, giving the reason for the termination and the date work ceased.

If you wish to proceed with Stage II, kindly advise us and give us the beginning and ending of any work stoppage of appreciable time that might have occurred between the completion of Stage I and the start of Stage II.

A note that accompanied your last voucher mentioned that the geologic maps had been sent to Mr. Garth Crosby for checking and that he would send them to us. As yet, they have not been received. Would you kindly check with him and see if you can spring them loose?

Sincerely yours,

D. R. MacLaren
Field Officer, OME
Region I

DRMacLaren/mls
cc: OME
Director's Reading File

MME FORM 60
SEPT. 1959

RECEIVED MAR 15 1967 OFFICIAL FILE COPY

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Docket No. OME 6460
Contract No.
14-23-090- 2210
Contract Amount $133,260.00
Gov't. Participation % 50 $ 66,630.00
Mineral(s) Gold

OPERATOR'S MONTHLY VOUCHER

For Month of Jan - Feb 5/1967

Operator's Name L-D Mines
Address P.O. Box 1668, Wenatchee, Washington 98801

COST CATEGORIES	FOR OPERATOR'S USE			FOR GOVERNMENT APPROVAL ONLY		
	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
~~Bulldozing~~ Raising		3000.00	3000.00			
Drifting	5430.00	23000.00	28480.00			
Crosscutting		6000.00	6000.00			
Drilling	1086.00	424.00	1510.00			
Inclined Shaft		19800.00	19800.00			
Assays Au Ag	40.00	417.50	457.50			
(2) Personal Services:						
Supervision & Technical						
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Timber						
Explosives						
Pipe						
Rail						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work						
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	6606.00	52641.50	59247.50			

I certify that the above bill is correct and just and that payment therefor has not been received.

Date 2-17-67 *Payee L-D Mines

Per E. H. Lovitt Title Manager

* When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$3,303.00 14X0804

Signature John
(Authorized Certifying Officer)

Date MAR 15 1967 Vou. No. 7107
(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2210

Signature D R Macharen Title Field Officer, Region I Date FEB 28 1967

Approved by OME Executive Officer or Alternate:

Signature D R Macharen Title Field Officer, Region I Date FEB 28 1967

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and ~~four~~ three copies of each of the three sections of this report to the OME regional Executive Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Executive Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

MME FORM 61
SEPT. 1959

RECEIVED
FEB 27 1967
SPOKANE, WASH.

HK 3/3/67

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT For Month of Jan/67 - Feb 5/67 Docket No. ONE 6460

Operator's Name L-D Mines Contract No. 14-23-090- 2210

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drifting	Ft	137	712	28480.00			
Crosscutting	Ft.		150	6000.00	137	937	37,480.00
Raising	Ft.		75	3000.00			
Shafts Inclined	Ft.		330	19800.00	—	330	19,800.00
Winzes							
Other Underground							
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion	Ft.	1086	1510	1510.00	1086	1510	1,510.00
Miscellaneous							
Assays Au Ag	Ea.	16	183	457.50	16	183	457.50
Roads and Trails							
Stripping							
Trenching							
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work							
TOTAL TO DATE *(per MME Form 60)*				59247.50			59,247.50

REMARKS

(Continue on back)

REMARKS
1 Amend No 3 combines drifting, crosscutting, and raising footage for a total of 1,092.5 ft @ 40.00/ft

(Continue on back)

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

Date 2-17-67 Operator L-D Mines

Per E. H. Lovitt Title Manager

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature [illegible]

Title Field Officer, Region I
Government Representative

Date FEB 28 1967

(INSTRUCTIONS ON REVERSE)

REMARKS *(Cont.)*

REMARKS *(Cont.)*

INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three ~~parts~~ of the Operator's Monthly Report. Submit the original and ~~four~~ three copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

February 24, 1967

Mr. D. R. MacLaren, Field Officer
Office of Minerals Exploration
Geological Survey
So. 157 Howard Street
Spokane, Washington 99204

Re: OME-6460 (Gold)
B Reef
Chelan County, Washington
Contract 2210

Dear Mr. MacLaren:

Enclosed please find Operator's Progress Report (MME Form 61), Operator's Monthly Voucher (MME Form 60), and assay certificates.

Work during the period consisted of drifting, crosscutting and longholing on the 873 level. The work was distributed as follows:

#1N was advanced	57 feet
#1S was advanced	57 feet
#6 was advanced	23 feet
	137 feet

The following longholes were completed:

From #1N	#1 hole + 10°	was drilled	128 feet North
	#2 hole + 10°	was drilled	48 feet North
	#3 hole + 40°	was drilled	112 feet South
From #1S	#1 hole + 10°	was drilled	88 feet in a southerly direction
	#2 hole + 10°	was drilled	120 feet in a southerly direction
	#3 hole + 10°	was drilled	64 feet in a westerly direction
	#4 hole + 10°	was drilled	88 feet in a southerly direction
	#5 hole ± 45°	was drilled	40 feet in a southerly direction
From #6	#1 hole + 10°	was drilled	144 feet in a southerly direction
	#2 hole + 60°	was drilled	142 feet in a northerly direction
	#3 hole + 10°	was drilled	112 feet in a northerly direction
	Total		1086 feet

The following maps are being mailed to you under separate cover:

Progress plan	4 copies	
Progress plan showing geology	4 copies	
Composite plan and longitudinal section		2 copies
Geological plan of each level		2 copies each

We have compiled Garth Crosby's field drawings to make the geological plans. We believe you will find them satisfactory. However, should you find them otherwise, please advise us and we will endeavor to complete them to your satisfaction.

We were disappointed with the drilling results. We had hoped that the drill holes would make substantial enlargements to the ore sections encountered in the underground workings.

With Best Regards

Yours truly,

E. H. Lovitt
Manager

EHLj
Enc

RECEIVED
FEB 27 1967

L—D MINES

ASSAY CERTIFICATE

Wenatchee, Wash., February 6 1967

Sample No.	Oz. Au.	Oz. Ag.	% Cu.	% Pb.	% Zn.			
			LONG-HOLE DRILLING ASSAYS					
40934	.01	.04						#1 +10° S
40935	.04	.06						
40936	.02	.04						
40937	.02	.04						
40938	.02	.06						
40939	.01	Trace						
40940	.01	Trace						
40941	.01	Trace						
40942	.01	Trace						
40943	.02	.04						
40944	.02	.04						
40945	.01	.06						#2 +10° S
40946	.03	.06						
40947	.01	Trace						
40948	.01	Trace						
40949	.01	.06						
40950	.01	Trace						
41001	.02	.06						
41002	.02	.06						
41003	.02	.04						
41004	.01	Trace						
41005	.01	Trace						
41006	.01	Trace						
41007	.02	Trace						
41008	.02	Trace						
41009	.03	.04						
41010	.21	.36						#3 +10°
41011	.02	.06						
41012	.02	.04						
41013	.01	.04						
41014	.01	Trace						
41015	.01	Trace						

CRAFTSMAN PTG. CO.

A. R. Lucasse
Assayer

L—D MINES

ASSAY CERTIFICATE

Wenatchee, Wash., February 6 1967

Sample No.	Oz. Au.	Oz. Ag.	% Cu.	% Pb.	% Zn.			
41016	.02	Trace						
41017	.02	.04						
41018	.02	.04						#4 +10°
41019	.02	Trace						
41020	.02	Trace						
41021	.01	Trace						
41022	.01	Trace						
41023	.08	.10						
41024	.23	.16						
41025	.10	.10						
41026	.02	.14						
41027	.01	.04						
41028	.02	.04						
41029	.02	Trace						#5 -45° S
41030	.01	Trace						
41031	.04	.10						
41032	.06	.08						
41033	.01	Trace						
40789	.01	Trace						#1 +10°
40790	.01	Trace						
40791	.01	Trace						
40792	.01	Trace						
40793	.04	.06						
40794	.02	.04						
40795	.01	Trace						
40796	.01	Trace						
40797	.02	.04						
40798	.01	Trace						
40799	.01	Trace						
40800	.02	.04						
40901	.01	Trace						
40902	.01	Trace						

CRAFTSMAN PTG. CO.

A. R. Lacasse
Assayer

L—D MINES

ASSAY CERTIFICATE

Wenatchee, Wash., February 6 19 67

Sample No.	Oz. Au.	Oz. Ag.	% Cu.	% Pb.	% Zn.			
40903	.01	.08						
40904	.02	.04						
40905	.01	.04						#2 +10° N
40906	.01	Trace						
40907	.01	Trace						
40908	.02	.04						
40909	.01	Trace						
40910	.01	Trace						
40911	.01	Trace						#3 +40° S
40912	.01	Trace						
40913	.01	Trace						
40914	.01	.10						
40915	.08	.34						
40916	.06	.14						
40917	.04	.20						
40918	.07	.32						
40919	.04	.10						
40920	.04	.18						
40921	.03	.08						
40922	.04	.12						
40923	.06	.16						
40924	.04	.06						
38987	.03	.04						#1 +10° S
38988	.02	.06						
38989	.02	.04						
38990	.01	.04						
38991	.01	Trace						
38992	.02	.04						
38993	.02	.08						
38994	.02	.04						
38995	.01	Trace						
38996	.02	.04						

CRAFTSMAN PTG. CO.

A. R. Lacasse
Assayer

L—D MINES

ASSAY CERTIFICATE

Wenatchee, Wash., February 6 19 67

Sample No.	Oz. Au.	Oz. Ag.	% Cu.	% Pb.	% Zn.			
38997	.02	.04						
38998	.02	Trace						
40751	.04	.06						
40752	.03	.04						
40753	.02	.04						
40754	.02	.10						
40755	.02	.06						
40756	.02	.04						
40757	.02	.18						#2 +60° N
40758	.04	.20						
40759	.03	.16						
40760	.03	.06						
40761	.04	.10						
40762	.02	.14						
40763	.06	.28						
40764	.02	.08						
40765	.01	.04						
40766	.01	.04						
40767	.02	.10						
40768	.10	.26						
40769	.04	.20						
40770	.04	.06						
40771	.02	.04						
40772	.04	.06						
40773	.04	.12						
40774	.06	.10						
40775	.02	.04						#3 +10° N
40776	.02	.04						
40777	.02	.06						
40778	.02	.12						
40779	.02	.20						
40780	.02	.06						
40781	.02	.10						

CRAFTSMAN PTG. CO.

A. R. Lacasse
Assayer

L—D MINES

ASSAY CERTIFICATE

Wenatchee, Wash., February 6 19 67

Sample No.	Oz. Au.	Oz. Ag.	% Cu.	% Pb.	% Zn.			
40782	.01	.06						
40783	.01	.04						
40784	.01	Trace						
40785	.01	Trace						
40786	.02	.04						
40787	.02	Trace						
40788	.02	Trace						

CRAFTSMAN PTG. CO.

A. R. Lacasse

Assayer

L—D MINES

ASSAY CERTIFICATE

Wenatchee, Wash., February 6 1967

Sample No.	Oz. Au.	Oz. Ag.	% Cu.	% Pb.	% Zn.			
			"B" REEF MUCK SAMPLES					
40336	.04	.06						
40339	.03	.04						
40335	.04	.06						
40337	.02	.04						
40340	.02	.06						
40343	.04	.06						
40345	.02	.06						
40346	.02	.04						
40349	.02	.06						
40334	.02	.08						
40338	.14	.26						
40341	.09	.12						
40342	.08	.20						
40344	.03	.06						
40347	.04	.06						
40348	.08	.18						

CRAFTSMAN PTG. CO.

A. R. Lacasse

Assayer

MME FORM 6
REV. 2

REFERENCE SLIP
OFFICE OF MINERALS EXPLORATION

	DATE	INITIALS
TO: Chief, OME	2/15/67	

1. Re: OME-6460 (Gold)
2. L-D Mines
   B Reef
3. Chelan County, Washington
   Contract 2210
4.
5.

FROM: Field Office, Reg I

OFFICIAL COPY
U. M. E.
RECEIVED
FEB 17 1967

INITIALS	CODE

FOR: Check items for action desired

X Action ___ Reply for signature
___ Approval ___ Investigate
___ Comment ___ Recommendations
___ Conference ___ Rewrite
___ Instructions ___ Your information

Surname
Signature
File

REMARKS: Transmittal of Gov't. and Budget and Finance's copies of Amendment No. 3 to the above-cited contract.

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

M56300-62

Office Phone NOrmandy 2-6117

L-D MINES

Post Office Box 1668
WENATCHEE, WASHINGTON 98801

February 21, 1967

Mr. Harold Kirkemo
5807 Folkstone Road
Bethesda, Maryland 20034

Dear Kirk:

The assay report on the sample taken by Younkers on the 1000 level at B Reef is Au 3.12 Ag 8.68 oz. per ton.

The assayer failed to understand that I just wanted the mineral itself assayed and, as a result, the whole specimen was run. If the naumanite-rich section alone were assayed, chances are the sample would have run 100 times as much.

Best regards

Yours very truly,

Ed Lovitt

EHLj

cc: A. Wisenborn

Ome (2)

February 14, 1967

OFFICIAL
COPY
O. M. E.
RECEIVED
FEB 17 1967
INITIALS | COPY
120 M
110
120 S
for file

Mr. D. R. MacLaren, Field Officer
Office of Minerals Exploration
So. 157 Howard Street
Spokane, Washington 99204

Re: OME-6460 (Gold)
B Reef
Chelan County, Washington
Contract 2210

Dear Mr. MacLaren:

The proposed Amendment No. 3 to the subject contract meets with our approval.

We have executed all four copies of the amendment and are enclosing the original and two, retaining the operator's copy for our files.

Vouchers, progress reports, maps, etc., for the month of January will be mailed shortly.

Sincerely yours,

E. H. Lovitt
Manager

Enclosures

OME

GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
February 10, 1967

OFFICIAL COPY
O. M. E.
RECEIVED
FEB 13 1967

INITIALS	CODE
	120
	110
	120
for Kirk	

Mr. L. H. Lovitt, Manager
L-D Mines
P. O. Box 1668
Wenatchee, Washington 98801

Re: OME-6460 (Gold)
B Reef
Chelan County, Washington
Contract 2210

Dear Mr. Lovitt:

Enclosed are the original and three copies of a proposed Amendment No. 3 (two pages) to the subject contract, signed by the Chief, Office of Minerals Exploration, for the Government.

If the proposed amendment is satisfactory to you, please sign all four copies, retain the Operator's copy, and return the other copies to this office.

If the amendment is not satisfactory, please return all copies unsigned to this office with a statement of your proposed changes for consideration.

Sincerely yours,

D. R. MacLaren
Field Officer, OME
Region I

Enclosures

MLSmelser/mls

cc: OME
Voucher File
MacLaren

Director's Reading File

MME FORM 6
REV. 2-

REFERENCE SLIP

OFFICE OF MINERALS EXPLORATION

	DATE	INITIALS
TO: Chief, OME	1/20/67	
1.	COPY	
Re: OME-6460 (Gold)	O. M. E.	
2. L-D Mines	RECEIVED	
B Reef	JAN 23 1967	
3. Chelan County, Wash.		
Contract 2210	INITIALS	
4.		
5. D. R. MacLaren		
FROM: Fld. Officer, Reg. I		

FOR: Check items for action desired

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

REMARKS: Transmittal of Monthly Voucher, Progress Report, Narrative, Sketch, and Assay Certificate for December 1966.

M56300-62

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

MME FORM 60
SEPT. 1959

RECEIVED JAN 12 1967 O.M.E.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Docket No. OME 6460
Contract No.
14-23-090- 2210
Contract Amount $ 133,260.00
Gov't. Participation % 50 $ 66,630.00
Mineral(s) Gold

OPERATOR'S MONTHLY VOUCHER For Month of December, 1966

Operator's Name L-D Mines
Address P.O. Box 1668, Wenatchee, Washington 98801

COST CATEGORIES	FOR OPERATOR'S USE			FOR GOVERNMENT APPROVAL ONLY		
	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
~~Bulldozing~~ Raising		3000.00	3000.00			
Drifting	8960.00	14040.00	23000.00			
Crosscutting		6000.00	6000.00			
Drilling	424.00	-	424.00			
Inclined Shaft		19800.00	19800.00			
Assays Au Ag	75.00	342.50	417.50			
(2) Personal Services:						
Supervision & Technical						
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Timber						
Explosives						
Pipe						
Rail						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work						
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	9459.00	43182.50	52641.50			

I certify that the above bill is correct and just and that payment therefor has not been received.

Date 1-12-67 *Payee L-D Mines

Per E. H. Lovitt Title Manager

* When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 4,729.50

Signature John 14X0804
(Authorized Certifying Officer)

Date FEB - 9 1967 Vou. No. 6158

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2210

Signature O.R. MacBarron Title Field Officer, Region I Date JAN 20 1967

Approved by OME Executive Officer or Alternate:

Signature O.R. MacBarron Title Field Officer, Region I Date JAN 20 1967

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

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The Operator submits the original and ~~four~~ three copies of each of the three sections of this report to the OME regional Executive Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

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Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

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Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

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The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Executive Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

RECEIVED
JAN 27 8 20 AM '67
BUREAU OF MINES

MME FORM 61
SEPT. 1959

RECEIVED
JAN 12 1967
O.M.E.
SACRAMENTO, WASH.

HK 1-27-67

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT For Month of December, 1966 Docket No. OME 6460

Operator's Name L-D Mines Contract No. 14-23-090- 2210

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drifting		224'	575'	23000.00	224	725	29,000.00
Crosscutting		-	150'	6000.00			
Raising			75'	3000.00	—	75	3,000.00
Shafts Inclined			330'	19800.00	—	330	19,800.00
Winzes							
Other Underground							
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion		424'	424'	424.00	424	424	424.00
Miscellaneous							
Assays Au Ag		30	167	417.50	30	167	417.50
Roads and Trails							
Stripping							
Trenching							
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work							
TOTAL TO DATE (per MME Form 60)				52641.50			52,641.50

REMARKS

(Continue on back)

REMARKS
1. Operator has included support for 54 additional long hole sample assays which he has not claimed. If claimed in future vouchers, will be accepted

(Continue on back)

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

Date January 12, 1967 Operator L-D Mines

Per E. H. Levitt Title Manager

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature D R Mackaren

Title Field Officer, Region II
Government Representative

Date JAN 20 1967

(INSTRUCTIONS ON REVERSE)

REMARKS *(Cont.)*

REMARKS *(Cont.)*

INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three ~~parts~~ of the Operator's Monthly Report. Submit the original and ~~four~~ three copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

January 12, 1967

Mr. D. R. MacLaren, Field Officer
Office of Minerals Exploration
Geological Survey
So. 157 Howard Street
Spokane, Washington 99204

Re: OME-6460 (Gold)
B Reef
Chelan County, Washington
Contract 2210

Dear Mr. MacLaren:

Enclosed please find Operator's Progress Report (MME Form 61), Operator's Monthly Voucher (MME Form 60), assay certificates and plan.

Work during the period consisted of drifting, crosscutting and longholing on the 873 level. The work was distributed as follows:

#1N was advanced	81 feet
#1S was advanced	51 "
#3 was advanced	26 "
#5 was advanced	16 "
#6 was advanced	50 "
Total	224 feet

From #3 tunnel, three longholes were completed:

#2 hole + 15° S was drilled	144 feet
#3 hole + 15° N was drilled	140 "
#5 hole + 15° S was drilled	140 "
Total	424 "

Holes #1 + 40°N and #4 -45°N: Both these holes encountered broken ground and failed to return satisfactory sludges. Their results are not considered reliable and are not included in this report.

Heading #1S is encountering faulted ground. It is expected that the mineralized area may have been moved as a result of this fault. The heading is being advanced to provide another drill station and it is hoped that the drilling therefrom will prove an extension of the mineralized area.

Heading #1N is being advanced to explore the ground below the mineralized areas encountered on the levels above.

Heading #5 was advanced to go through the control fault which runs parallel to and not far from the west wall of #1N and #1S.

Heading #6 is being prepared as a drilling station to further test the ground to the north and south of it.

We are approximately finished with the amount of drifting and crosscutting allowed under Stage I of our agreement. It is becoming apparent that we will be unable to comply with the terms of the agreement on spacing requirements and complete the amount of raising and drilling allowed under the terms of the contract.

Would it be permissible to do additional drifting to take the place of the unused raising, longhole drilling and shaft timbering? In other words, we would like to do the total dollar volume of work authorized in Stage I by doing more drifting and crosscutting and less raising and drilling.

Regards

Sincerely,

E. H. Lovitt
Manager

EHLj
Enc

RECEIVED
JAN 12 1967
O.M.E.
SPOKANE, WASH.

L—D MINES

ASSAY CERTIFICATE

Wenatchee, Wash., December 31 1966

Sample No.	Oz. Au.	Oz. Ag.	% Cu.	% Pb.	% Zn.			
			"B" REEF MUCK SAMPLES					
40320	.06	.20						
40324	.04	.10						
40326	.02	.04						
40328	.06	.42						
40330	.04	.12						
40333	.06	.10						
40311	.06	.32						
40304	.02	.08						
40306	.10	.30						
40314	.02	.08						
40316	.06	.68						
40318	.15	.32						
40323	.10	.23						
40325	.06	.14						
40327	.06	.10						
40331	.02	.04						
40332	.06	.14						
40303	.02	.26						
40307	.06	.08						
40309	.04	.06						
40312	.15	.48						
40302	.06	.10						
40305	.02	.12						
40308	.02	.06						
40310	.08	.26						
40313	.02	.06						
40315	.10	.16						
40317	.08	.18						
40319	.08	.12						
40322	.02	.06						

CRAFTSMAN PTG. CO.

A. R. Lacasse

Assayer

L—D MINES

ASSAY CERTIFICATE

Wenatchee, Wash., December 31 1966

Sample No.	Oz. Au.	Oz. Ag.	% Cu.	% Pb.	% Zn.			
			LONG-HOLE DRILLING ASSAYS - TESTHOLE #2 + 15°					
40663	.04	.06					0- 8'	0-90' Fault
40664	.06	.14					8-16'	
40665	.03	.04					16-24'	
40666	.02	.06					24-32'	
40667	.02	.04					32-40'	
40668	.01	Trace					40-48'	
40669	.01	Trace					48-56'	
40670	.01	Trace					56-64'	
40671	.01	Trace					64-72'	
40672	.02	.10					72-80'	
40673	.02	.06					80-88'	
40674	.01	.06					88-96'	90-144' Soft
40675	.01	Trace					96-104'	
40676	.02	.04					104-112'	
40677	.01	Trace					112-120'	
40678	.01	Trace					120-128'	
40679	.02	.06					128-136'	
40680	.01	Trace					136-144'	

CRAFTSMAN PTG. CO.

A. R. Lacasse
Assayer

L—D MINES

ASSAY CERTIFICATE

Wenatchee, Wash., December 31 1966

Sample No.	Oz. Au.	Oz. Ag.	% Cu.	% Pb.	% Zn.			
			ASSAYS OF TESTHOLE #3 + 15°					
40681	.14	.20					0- 8'	
40682	.03	.08					8- 16'	
40683	.02	.04					16- 24'	
40684	.16	.18					24- 32'	
40685	.06	.14					32- 40'	
40686	.04	.06					40- 48'	
40687	.03	.08					48- 56'	
40688	.04	.64					56- 64'	
40689	.02	.28					64- 72'	
40690	.06	.06					72- 80'	
40691	.10	.24					80- 88'	
40692	.04	.06					88- 96'	
40693	.04	.38					96-104'	
40694	.03	.16					104-112'	
40695	.04	.20					112-120'	
40696	.25	.56					120-128'	
40697	.32	.34					128-136'	
40698	.12	.14					136-140'	

CRAFTSMAN PTG. CO.

A. R. Lacasse
Assayer

L—D MINES

ASSAY CERTIFICATE

Wenatchee, Wash., December 31 19 66

Sample No.	Oz. Au.	Oz. Ag.	% Cu.	% Pb.	% Zn.			
			ASSAYS OF TESTHOLE #5 + 15°					
40705	.01	Trace					0- 8'	0-93' Fairly soft not fault
40706	.04	.06					8- 16'	
40707	.06	.10					16- 24'	
40708	.01	Trace					24- 32'	
40709	.01	Trace					32- 40'	
40710	.01	Trace					40- 48'	
40711	.06	.06					48- 56'	
40712	.04	.06					56- 64'	
40713	.02	.10					64- 72'	
40714	.02	.06					72- 80'	
40715	.02	.04					80- 88'	
40716	.07	.12					88- 96'	93-94' Fault
40717	.01	.08					96-104'	103-104' Fault
40718	.01	.04					104-112'	104-140' Sandstone
40719	.02	.04					112-120'	
40720	.01	Trace					120-128'	
40721	.01	Trace					128-136'	
40722	.01	Trace					136-140'	

CRAFTSMAN PTG. CO.

A. R. Lacasse
Assayer

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
2/3/67	Kirkemo	
"	Johnson	
2/3	Mayo	
	Butler	

AIRMAIL

Memorandum

To: Field Officer, Region 1

From: Chief, Office of Minerals Exploration

Subject: OME-6460 (Gold)
L-D Mines
B Reef
Chelan County, Washington
Contract 2210

Enclosed are the original and three copies of proposed Amendment No. 3 (two pages) to the subject contract, signed for the Government. An extra copy is enclosed for field use.

If the proposed amendment is satisfactory to you and the Operator, all four copies should be signed by an authorized representative of the Operator and distributed in the usual manner.

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

FRANK E. JOHNSON

Frank E. Johnson

Enclosures

cc: Director's Reading File
Division File
Economic Geology File
OME file
OME Reading file
Mr. Kirkemo
130

GLAult/a 2-2-67

23263

MME FORM 6 REFERENCE SLIP

REV. 2-5 OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. ~~Assoc. Sol. - MR, Rm. 6554~~ ~~Through Room 6042~~		
2. Mr. Kirkemo, Rm. 4459		
3. FROM SOLICITOR		
4.		
5. FOR SIGNATURE		
FROM: Chief, OME	1/27/67	

FOR: Check items for action desired

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

REMARKS:

319

INTERIOR DEPT.

JAN 30 1967

SOLICITOR

B-66-2052.11

RECEIVED

JAN 30 1967

Division of Mineral Resources

and General Legal Services

INT.-DUP. SEC., WASH., D.C. M56300-62

DRAFT 1/26/67
HKirkemo/gla

To Legal 1/27/67

120 HK 1/26/67
~~110~~ HK "
120M

EXPLORATION CONTRACT
L-D MINES
OME-6460

AMENDMENT NO. 3

It is agreed this _____ day of _____, 1967, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and L-D Mines, hereinafter called the "Operator," that Exploration Contract No. 2210 (OME-6460), dated September 24, 1965, as amended, is further amended effective the date of the contract as follows:

In Exhibit A:

1. Under the heading Description of the Work, Stage I:

(a) The second paragraph in Amendment No. 2 is revised to read as follows:

"A level shall be established at a selected point in the shaft driven on Stage I, and ~~not less than~~ 1,092½ feet of drifts, crosscuts, and raises may be driven therefrom to further explore the mineralized zone. Additional exploration by drifting, crosscutting and raising ~~on~~ under Stage I may be undertaken ~~on~~ with the balance of funds not necessary for long-hole drilling."

(b) The fourth paragraph is revised to read as follows:

"Raises may be driven from this level at locations not less than 200 feet apart. Maximum height for individual raises shall not exceed 75 feet."

2. Under the heading Estimated Costs of the Project, Stage I, as amended, the items are revised to read as follows:

330 feet shaft sinking @ $60.00/foot	$19,800.00	
1,092.5 feet drifting, crosscutting, and raising @ $40.00/foot	43,700.00	
4,000 feet long-hole drilling, including assaying for gold and silver, @ $1.00/foot	4,000.00 1/	
400 muck and channel samples for gold and silver assays @ $2.50/sample	1,000.00	
Total Stage I		$68,500.00

1/ Unexpended funds may be applied to drifting, cross cutting, and raising at $40.00/foot.

This amendment shall not be construed to increase the estimated total cost of the contract, the aggregate amount which the Government may be required to contribute, nor the fixed unit cost of any item of work.

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By_____
Chief, Office of Minerals Exploration
U. S. Geological Survey

L-D MINES

By_____

Title

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
January 30, 1967

OFFICIAL COPY O. M. E. RECEIVED FEB 1 1967

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: OME-6460 (Gold)
L-D Mines
B Reef
Chelan County, Washington
Contract 2210

In his Monthly Narrative Report for December 1966, dated January 12, 1967, the Operator requested authorization to exceed the Stage I drifting and crosscutting authorized by the contract applying to the cost thereof some of the funds provided for shaft timbering,* and long hole drilling.

This was discussed by telephone with Harold Kirkemo and with the Operator. This memorandum will confirm the conclusions reached and the recommendations made at that time.

The purpose of the contract is to explore for gold ore by shaft sinking, long hole drilling, crosscutting, drifting, and raising in and along the B reef. As is the case with any exploration project, the number of units of work of various kinds cannot be predetermined with complete and inflexible accuracy. This is especially true in this case due to the nature of the ore occurrences. Of the units of work provided in Stage I of the contract, there remain unused the following:

150' of shaft timbering at $10/ft	$1,500.00
225' of raising at $40/ft	9,000.00
3,576' of long hole drilling at $1/ft	3,576.00
30' of crosscutting and drifting at $40/ft	1,200.00
Funds available for completing Stage I	$15,276.00

The B reef has not yet been completely explored and the remaining 30 feet of drifting and crosscutting is insufficient to complete Stage I exploration. It is also clear that the presently provided

*raising

amount of raising and long hole drilling will not be fully necessary; no part of the shaft required timbering and, as the ground appears to be standing well, it is doubtful if any will be required.

The results of the work completed to date clearly indicate the advisability of continuing exploration under Stage I. The most feasible means of doing so is to continue drifting and crosscutting, raising where indicated by the results of this work, and additional long hole drilling. However, as it is impossible to predetermine with precision how much drifting, crosscutting, raising, and long hole drilling may be required and in order to give reasonable flexibility in the use of these methods of exploration, it is recommended that an amendment be prepared to permit under one item drifting, crosscutting, and/or raising.

The Fixed Unit Costs for Stage I would then be somewhat as follows:

330 ft shaft sinking at $60/ft	$19,800.00
1,092.5 ft drifting, crosscutting and/or raising at $40/ft	43,700.00
4,000* ft long hole drilling including assaying for gold and silver at $1/ft	4,000.00
400 muck and channel samples for gold and silver assays at $2.50/sample	1,000.00
Total Stage I	$68,500.00

*Unexpended funds may be applied to drifting, crosscutting, and/or raising at $40/ft

This recommendation does not change the total cost of Stage I as provided by Amendment No. 2, nor does it change the total cost of the contract.

D. R. MacLaren

Office Phone NOrmandy 2-6117

L-D MINES

Post Office Box 1668
WENATCHEE, WASHINGTON 98801

Rec'd. 1/23/67
with voucher

January 12, 1967

Mr. D. R. MacLaren, Field Officer
Office of Minerals Exploration
Geological Survey
So. 157 Howard Street
Spokane, Washington 99204

Re: OME-6460 (Gold)
B Reef
Chelan County, Washington
Contract 2210

Dear Mr. MacLaren:

Enclosed please find Operator's Progress Report (MME Form 61), Operator's Monthly Voucher (MME Form 60), assay certificates and plan.

Work during the period consisted of drifting, crosscutting and longholing on the 873 level. The work was distributed as follows:

#1N was advanced	81 feet
#1S was advanced	51 "
#3 was advanced	26 "
#5 was advanced	16 "
#6 was advanced	50 "
Total	224 feet

From #3 tunnel, three longholes were completed:

#2 hole + 15° S was drilled	144 feet
#3 hole + 15° N was drilled	140 "
#5 hole + 15° S was drilled	140 "
Total	424 "

Holes #1 + 40°N and #4 -45°N: Both these holes encountered broken ground and failed to return satisfactory sludges. Their results are not considered reliable and are not included in this report.

Heading #1S is encountering faulted ground. It is expected that the mineralized area may have been moved as a result of this fault. The heading is being advanced to provide another drill station and it is hoped that the drilling therefrom will prove an extension of the mineralized area.

Heading #1N is being advanced to explore the ground below the mineralized areas encountered on the levels above.

Heading #5 was advanced to go through the control fault which runs parallel to and not far from the west wall of #1N and #1S.

Heading #6 is being prepared as a drilling station to further test the ground to the north and south of it.

We are approximately finished with the amount of drifting and crosscutting allowed under Stage I of our agreement. It is becoming apparent that we will be unable to comply with the terms of the agreement on spacing requirements and complete the amount of raising and drilling allowed under the terms of the contract.

Would it be permissible to do additional drifting to take the place of the unused raising, longhole drilling and shaft timbering? In other words, we would like to do the total dollar volume of work authorized in Stage I by doing more drifting and crosscutting and less raising and drilling.

Regards

Sincerely,

E. H. Lovitt
Manager

EHLj
Enc

RECEIVED
JAN 12 1967
O. M. E.
SPOKANE, WASH.

MME FORM 6 REFERENCE SLIP

REV. OFFICE OF MINERALS EXPLORATION

	DATE	INITIALS
TO: Chief, OME	12/22/66	
1. Re: OME-6460 (Gold)		
2. L-D Mines		
B Reef		
3. Chelan County, Wash.		
Contract 2210		
4. D. R. MacLaren		
5.		
FROM: Fld. Officer, Reg. I		

FOR: Check items for action desired

X Action ___ Reply for signature of ___ Surname

___ Approval ___ Investigate ___ Signature

___ Comment ___ Recommendations ___ File

___ Conference ___ Rewrite

___ Instructions ___ Your information

REMARKS: Transmittal of Monthly Voucher, Progress Report, Narrative, Sketch, and Assay Certificate for November 1966.

120 M

120

120 M

90 B & X 12/28/66

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

M56300-62

MME FORM 60
SEPT. 1959

RECEIVED DEC 14, 1966

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S MONTHLY VOUCHER

For Month of November/1966

Operator's Name L-D Mines
Address P.O. Box 1668, Wenatchee, Wash. 98801

Docket No. OME 6460
Contract No. 14-23-090-2210
Contract Amount $133,260.00
Gov't. Participation % 50 $66,630.00
Mineral(s) Gold

COST CATEGORIES	FOR OPERATOR'S USE: MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	FOR GOVERNMENT APPROVAL ONLY: MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
Raising 75' @ $40	3000.00	—	3000.00			
Drifting 104' @ $40	4160.00	9880.00	14040.00			
Crosscutting		6000.00	6000.00			
Drilling						
Inclined Shaft		19800.00	19800.00			
27 Assays @ $2.50	67.50	275.00	342.50			
(2) Personal Services:						
Supervision & Technical						
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Timber						
Explosives						
Pipe						
Rail						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work						
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	7227.50	35955.00	43182.50			

I certify that the above bill is correct and just and that payment therefor has not been received.

Date 12-12-66 *Payee L-D Mines

Per [signature] Title Manager

* When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$3,613.75 14X0804

Signature [signature]
(Authorized Certifying Officer)

Date JAN 6 1967 Vou. No. 5315

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2210

Signature D.R. Mechaver Title Field Officer, Region I Date DEC 22 1966

Approved by OME Executive Officer or Alternate:

Signature D.R. Mechaver Title Field Officer, Region I Date DEC 22 1966

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and ~~four~~ three copies of each of the three sections of this report to the OME regional Executive Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Executive Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

RECEIVED
GEOLOGICAL SURVEY
DEC 29 11 48 AM '66
GEOLOGY & FINANCE
459178

MME FORM 61
SEPT. 1959

RECEIVED
DEC 14, 1966

HK
12/28/66

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT For Month of November/66 Docket No. OME 6460

Operator's Name _____ Contract No. 14-23-090-2210

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drifting		104'	351'	14040.00	104	501	20,040.00
Crosscutting		-	150'	6000.00	—		
Raising		75	-	3000.00	75	75	3,000.00
Shafts		-	330'	19800.00	—	330	19,800.00
Winzes							
Other Underground							
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous							
Assays Au Ag		27	137	342.50	27	137	342.50
Roads and Trails							
Stripping							
Trenching							
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work							
TOTAL TO DATE *(per MME Form 60)*				43182.50			43,182.50

REMARKS

(Continue on back)

REMARKS

(Continue on back)

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

Date 12-12-66 Operator L-D Mines

Per _____ Title Manager

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature _____

Title Field Officer, Region I
Government Representative

Date DEC 22 1966

(INSTRUCTIONS ON REVERSE)

REMARKS *(Cont.)*

REMARKS *(Cont.)*

INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and ~~four~~ three copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

BUDGET & FINANCE
DEC 29 11 48 AM '68
RECEIVED
U.S. GEOLOGICAL SURVEY
4591789

December 12, 1966

Mr. D. R. MacLaren, Field Officer
Office of Minerals Exploration
Geological Survey
So. 157 Howard Street
Spokane, Washington 99204

Re: OME-6460 (Gold)
B Reef
Chelan County, Washington
Contract 2210

Dear Mr. MacLaren:

Enclosed please find Operator's Progress Report (MME Form 61), Operator's Monthly Voucher (MME Form 60), assay certificate and plan.

During the period, headings on the 873 level were advanced a total of 104 feet. In addition, one raise was driven from this level. The work was distributed as follows:

#1N was advanced	44	feet
#1S was advanced	30	"
#3 was advanced	18	"
#4 was advanced	12	"
	104	"
#4 Raise from #4 Heading	83	" (75' billed)

The #4 raise driven from #4 heading was advanced 83 feet to connect with the bottom of the sump shown on the plan. The sump is the first section of shaft that was abandoned. The raise serves a variety of purposes; it provides sample information, geological information, and improves ventilation. Because of the limitation of 75 feet for raises, we are only billing for this amount.

The #3 heading has encountered a fault striking in a SE direction. This is possibly the same fault encountered in our shaft headings. Indications are that the rock is silicified on the other side of the fault. We hope this means an extension of the mineralized zone.

Regards

Yours truly,

E. H. Lovitt
Manager

RECEIVED
DEC 14 1966

Enc.

L—D MINES

ASSAY CERTIFICATE

Wenatchee, Wash., November 30 1966

Sample No.	Oz. Au.	Oz. Ag.	% Cu.	% Pb.	% Zn.			
			"B" REEF MUCK SAMPLES					
No Tag	0.04	0.14						#1 North
39731	0.04	0.06						"
39742	0.04	0.10						"
39745	0.04	0.06						"
39747	0.04	0.06						"
No Tag	0.04	0.10						#1 South
39729	0.06	0.72						"
39748	0.04	0.06						"
39749	0.07	0.10						"
39730	0.18	0.20						#3
39481	0.08	0.12						"
39482	0.02	0.06						"
39483	0.08	0.14						"
39484	0.14	0.18						"
39732	0.04	0.06						1st to 13th Rse Rd
39733	0.06	0.14						"
39734	0.03	0.04						"
39735	0.02	0.04						"
39736	0.06	0.08						"
39737	0.02	0.06						"
39738	0.02	0.10						"
39739	0.06	0.06						"
39740	0.06	0.04						"
39741	0.06	0.14						"
39743	0.04	0.04						"
39744	0.08	0.10						"
39746	0.04	0.08						"

CRAFTSMAN PTG. CO.

A. R. Shearer
Assayer

MME FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS EXPLORATION

		DATE	INITIALS
TO: Chief, Branch of Budget and Finance		11/17/66	
1.			
Re: OME-6460 (Gold) L-D Mines	OFFICIAL COPY		
2. B Reef Chelan County, Wash.	O. M. E. RECEIVED		
3. Contract 2210	NOV 21 1966		
4.			
D. R. MacLaren			
5.			
FROM: Fld. Officer, Reg. I			

FOR: Check items for action desired

X Action ____ Reply for signature of ____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions ____ Your information

REMARKS: Transmittal of Monthly Voucher, Progress Report, Narrative, Sketch, and Assay Certificate for October 1966.

INT.-DUP. SEC., WASH., D.C. M56300-62

MME FORM 60
SEPT. 1959

RECEIVED
NOV 14, 1966

OFFICIAL COPY
RECEIVED
DEC 2 1966
U. S. M. E. ANCHORAGE

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

HK
11/28/66

Docket No. OME 6460
Contract No.
14-23-090- 2210
Contract Amount $133,260.00
Gov't. Participation % 50 $ 66,630.00
Mineral(s) Gold

OPERATOR'S MONTHLY VOUCHER

For Month of October, 1966

Operator's Name L-D Mines
Address P.O. Box 1668, Wenatchee, Washington 98801

COST CATEGORIES	FOR OPERATOR'S USE			FOR GOVERNMENT APPROVAL ONLY		
	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
Bulldozing						
Drifting 171'	6840.00	3040.00	9880.00			
Crosscutting	-	6000.00	6000.00			
Drilling						
Inclined Shaft	-	19800.00	19800.00			
27 Assays Au Ag	67.50	207.50	275.00			
(2) Personal Services:						
Supervision & Technical						
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Timber						
Explosives						
Pipe						
Rail						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work						
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	6907.50	29047.50	35955.00			

I certify that the above bill is correct and just and that payment therefor has not been received.

Date 11-9-66 *Payee L-D Mines

Per [signature] Title Manager

* When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$3453.75

14X0804

Signature [signature]
(Authorized Certifying Officer)

Date DEC 12 1966 Vou. No. 4647

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2210

Signature O R MacKaren Title Field Officer, Region I Date NOV 17 1966

Approved by OME Executive Officer or Alternate:

Signature O R MacKaren Title Field Officer, Region I Date NOV 17 1966

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and ~~four~~ three copies of each of the three sections of this report to the OME regional Executive Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Executive Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

MME FORM 61
SEPT. 1959

RECEIVED
NOV 14, 1966

HR
11/22/66

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT For Month of October, 1966 Docket No. OME 6460

Operator's Name L-D Mines Contract No. 14-23-090- 2210

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drifting		171'	247'	9880.00	171	395	$ 15,880.00
Crosscutting		-	150'	6000.00			
Raising							
Shafts Inclined		-	330'	19800.00	—	330	19,800.00
Winzes							
Other Underground							
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous							
Assays Au Ag		27	110	275.00	27	110	275.00
Roads and Trails							
Stripping							
Trenching							
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work							
TOTAL TO DATE *(per MME Form 60)*				35955.00			$ 35,955.00

REMARKS

(Continue on back)

REMARKS

(Continue on back)

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

Date 11-9-66 Operator L-D Mines

Per [signature] Title Manager

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature [signature]

Title Field Officer, Region 8
Government Representative

Date NOV 17 1966

(INSTRUCTIONS ON REVERSE)

REMARKS (Cont.)

REMARKS (Cont.)

INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and ~~four~~ three copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

November 9, 1966

Mr. D. R. MacLaren, Field Officer
Office of Minerals Exploration
Geological Survey
So. 157 Howard Street
Spokane, Washington 99204

Re: OME-6460 (Gold)
B Reef
Chelan County, Washington
Contract 2210

Dear Mr. MacLaren:

Enclosed please find Operator's Progress Report (MME Form 61), Operator's Monthly Voucher (MME Form 60), assay certificate and plan of the work accomplished during the month of October.

Work during the period was all on the 873 sub and a total of 171 feet of drifting and crosscutting was completed. The work was distributed as follows:

#1 N was advanced	74 feet
#2 was advanced East	12 "
#1 S was advanced	62 "
#3 was advanced	23 "
Total	171 "

The 33 feet of drift put in on this level during the month of September was widened to make room for dumping cars. No charge is made for this work.

The whole 873' level is now tracked with 20 pound rails. Work is proceeding with mucking machine, mine car and locomotive.

The #3 heading will be advanced to intersect the shaft on grade.

It is hoped that during the month of November some raising as well as drifting and crosscutting will be completed. Stations will soon be provided for longhole testing.

Regards

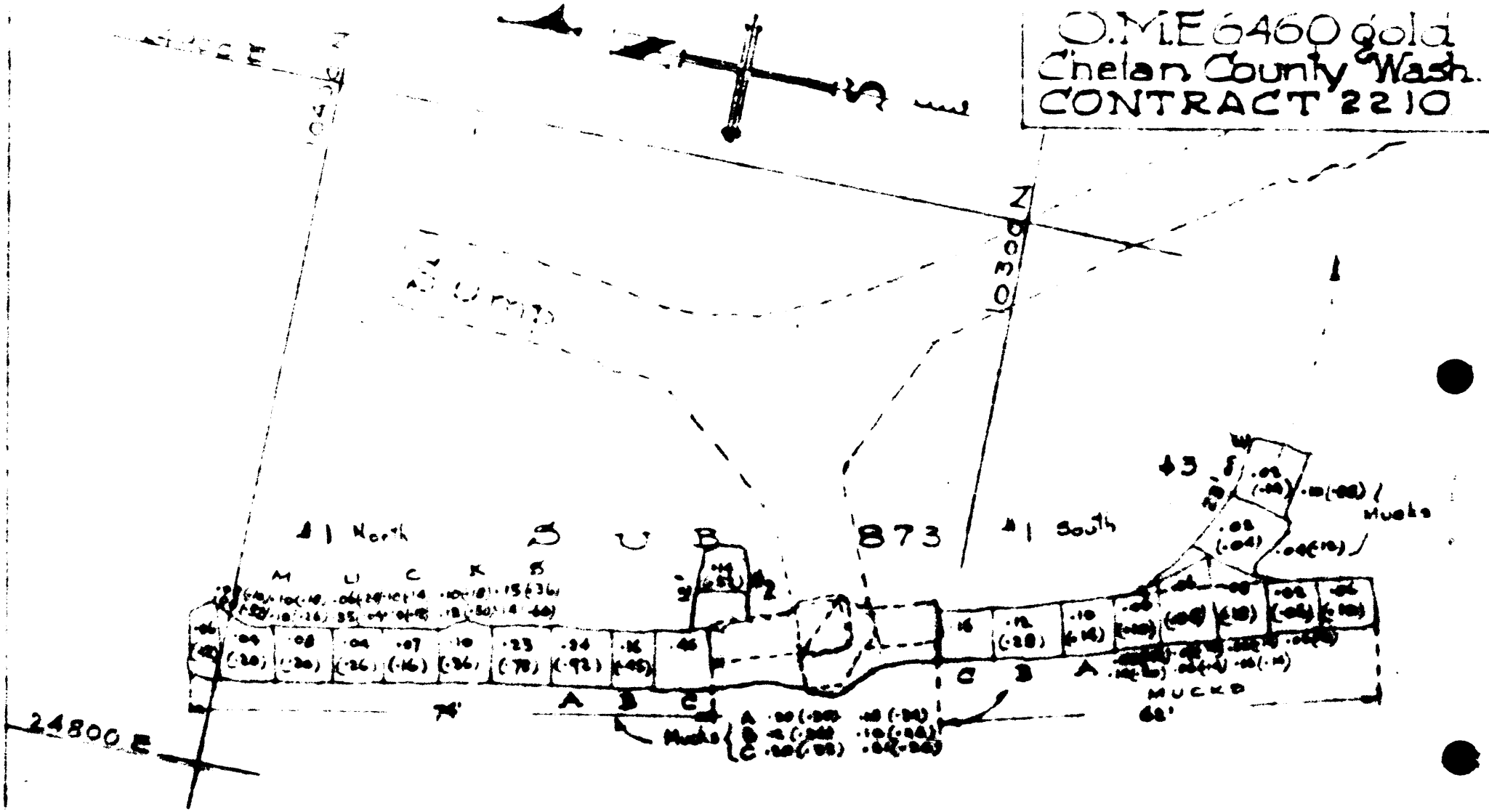
Yours truly,

E. H. Lovitt
Manager

RECEIVED
NOV 14 1966
OMS

EHLj
Enc.

O.M.E 6460 gold
Chelan County Wash.
CONTRACT 2210



Assays:
Gold, silver, ounces per ton. Silver in brackets
Workings, mostly drift outline
Muck samples indicated

27 Muck samples
171' Drifting

L.D. MINES WENATCHEE
BY REP. WILL/SS WASH
Scale 1" = 10'

L—D MINES

ASSAY CERTIFICATE

Wenatchee, Wash., October 31 1966

Sample No.	Oz. Au.	Oz. Ag.	% Cu.	% Pb.	% Zn.			
			"B" REEF MUCK SAMPLES					
38298	0.20	0.32						
38299	0.21	0.26						
38300	0.12	0.26						
39701	0.10	0.26						
39702	0.20	0.38						
39703	0.18	0.34						
39704	0.15	0.36						
39705	0.14	0.60						
39706	0.08	0.12						
39707	0.14	0.20						
39708	0.07	0.10						
39709	0.06	0.14						
39710	0.10	0.18						
39711	0.12	0.50						
39713	0.10	0.14						
39714	0.10	0.12						
39715	0.06	0.10						
39716	0.06	0.14						
39717	0.35	0.64						
39718	0.10	0.18						
39719	0.10	0.26						
39721	0.06	0.10						
39722	0.04	0.12						
39723	0.02	0.10						
39724	0.04	0.52						
39727	0.10	0.28						
No Tag	0.06	0.24						

CRAFTSMAN PTG. CO.

O. R. Lorasso

Assayer

RECEIVED
NOV 14, 1966
OMB

MME FORM 60
SEPT. 1959

RECEIVED
OCT 14 1966

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S MONTHLY VOUCHER

For Month of September, 1966

Docket No. OE 6460
Contract No. 14-23-090-2210
Contract Amount $ 133,260.00
Gov't. Participation % 50 $ 66,630.00
Mineral(s) Gold

Operator's Name L-D Mines
Address P.O. Box 1668, Wenatchee, Washington 98801

COST CATEGORIES	FOR OPERATOR'S USE			FOR GOVERNMENT APPROVAL ONLY		
	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
Bulldozing						
Drifting 76'	3040.00	-	3040.00			
Crosscutting 5'	200.00	5800.00	6000.00			
Drilling						
Inclined Shaft 29'	1740.00	18060.00	19800.00			
15 Assays Au Ag	37.50	170.00	207.50			
(2) Personal Services:						
Supervision & Technical						
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Timber						
Explosives						
Pipe						
Rail						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work						
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	5017.50	24030.00	29047.50			

I certify that the above bill is correct and just and that payment therefor has not been received.

Date 9-30-66 *Payee L-D Mines

Per [signature] Title Manager

* When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 2508.75

Signature [signature] 14X0804
(Authorized Certifying Officer)

Date NOV 8 1966 Vou. No. 3790

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2210

Signature D R MacKeren Title Field Officer, Region I Date OCT 24 1966

Approved by OME Executive Officer or Alternate:

Signature D R MacKeren Title Field Officer, Region I Date OCT 24 1966

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and ~~four~~ three copies of each of the three sections of this report to the OME regional Executive Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Executive Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

MME FORM 61
SEPT. 1959

RECEIVED
OCT 14 1966

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT For Month of September, 1966 Docket No. ONR 6460

Operator's Name L-D Mines Contract No. 14-23-090- 2210

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drifting		76'	76'	3040.00			
Crosscutting		5'	150'	6000.00	81	226	9,040.00
Raising							
Shafts Inclined		29'	330	19800.00	29	330	19,800.00
Winzes							
Other Underground							
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous							
Assays Au & Ag		15	83	207.50	15	83	207.50
Roads and Trails							
Stripping							
Trenching							
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work							
TOTAL TO DATE *(per MME Form 60)*				$29047.50			29,047.50

REMARKS

(Continue on back)

REMARKS

(Continue on back)

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

Date 9-30-66 Operator L-D Mines

Per [signature] Title Manager

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature [signature]

Title Field Officer, Region I
Government Representative

Date OCT 24 1966

(INSTRUCTIONS ON REVERSE)

REMARKS *(Cont.)*

REMARKS *(Cont.)*

INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and ~~four~~ three copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

INT.DUP.,D.C.59- 27162

October 11, 1966

Mr. D. R. MacLaren, Field Officer
Office of Minerals Exploration
Geological Survey
Sc. 157 Howard Street
Spokane, Washington 99204

Re: OME-6460 (Gold)
B Reef
Chelan County, Washington
Contract 2210

Dear Mr. MacLaren:

Enclosed please find our usual monthly reports plus plans and assay certificates.

During the month the loading pocket at elevation 861' was completed. This involved 43' (18' + 25') of tunnel. In addition, the shaft was advanced another 30' to form a sump.

Work finally got started on the 873' level development authorized in Stage I. At the present time this is a slusher drift, but as soon as sufficient room has been made for a car, motor and muckingmachine, track will be laid. A total of 33' of drift and 5' of crosscut was put in during the period. Work on this level should advance quite rapidly during the month of October.

Sincerely yours,

E. H. Lovitt
Manager

EHLj
Enc.

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OCT 14, 1966

L—D MINES

ASSAY CERTIFICATE

Wenatchee, Wash., September 30 19 66

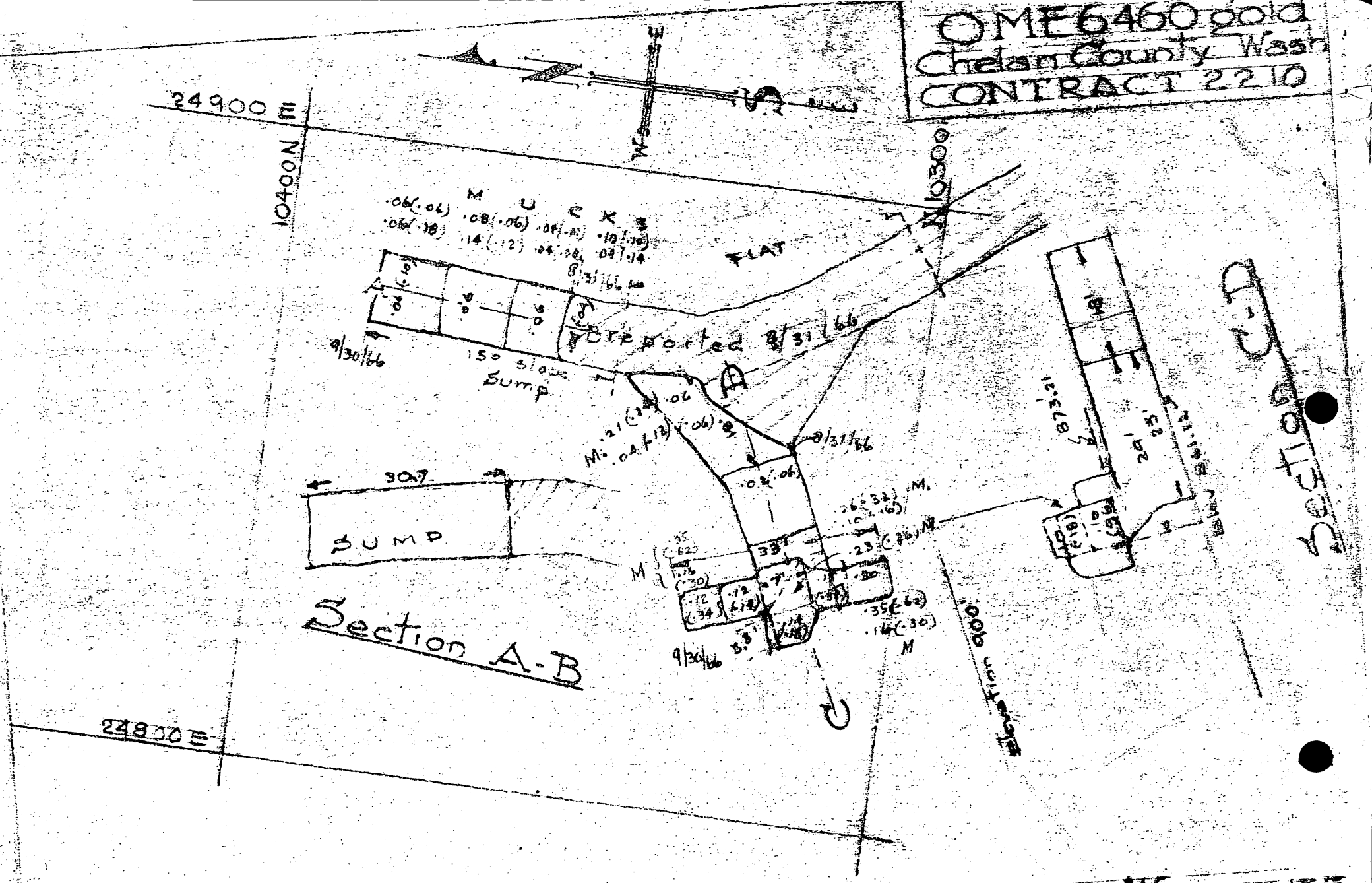
Sample No.	Oz. Au.	Oz. Ag.	% Cu.	% Pb.	% Zn.			
		"B" REEF MUCK SAMPLES						
38277	0.10	0.10						
38278	0.04	0.14						
38279	0.21	0.24						
No tag	0.04	0.12						
38285	0.04	0.10						
38286	0.04	0.08						
38287	0.26	0.32						
38288	0.08	0.08						
38289	0.14	0.12						
38291	0.06	0.18						
38292	0.06	0.06						
38293	0.10	0.16						
38294	0.23	0.26						
38296	0.16	0.30						
38297	0.35	0.62						

CRAFTSMAN PTG. CO.

O. A. Kaufman

Assayer

OME 6460 gold
Chelan County Wash
CONTRACT 2210



I.D MINES WENATCHEE WASH
'B' REEF 9/30/66
scale 20' = 1"

Assays:
Gold & silver. ounces per ton. Silver in brackets
Drillcuttings inside shaft-outline
Mucks as indicated 15 Muck samples

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~~FJ~~ ~~110~~
~~HR~~ ~~100 K~~

Chief, Branch of Budget & Finance

D. R. MacLaren
Field Officer, OME
Region I

11/ 7/66	$13.37	National Bank of Washington Tacoma, Washington	(AS&R, Tacoma Smelter) L-D Mines	OME-6460 2210	Royalty

REMARKS: Short number of mill lot tonnages covered by royalties:

Mine Lots B-93, B-91, B-94, and B-95 (Smelter Lot 2766). Date shipment received 10/24/66.

11/ 8/66

M. L. Smelser

11/14/66

Lorraine E. Edelston

CONTRACT NO. 767

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

DATE 11/7/66
SMELTER LOT NO. 2766
MINE LOT NO. Below
MATERIAL Bulk Ore
DATE RECEIVED 10/24/66
ENTRY
MINE NAME
CAR OR VESSEL Below

STATEMENT OF SETTLEMENT

NAME OF SHIPPER: L-D Mines, P.O. Box 1668, Wenatchee, Washington

GROSS WEIGHT ____ LBS.
CONTAINERS ____ LBS.
NET WEIGHT 505760 LBS.
MOISTURE ____ %
NET DRY WEIGHT 483916 LBS.

METAL QUOTATIONS:	DATES	PRICE	LESS	NET
GOLD		$ 34.9125		
SILVER				
LEAD				
COPPER				
COPPER				

	ASSAY & ANALYSIS		METAL CONTENTS						DEBITS		CREDITS	
GOLD		15	OZS. 36.3	OZS. @ 94.00% Min. .030gs				29.0 OZS.			1012	46
SILVER		50	OZS. 121	OZS. @ 95	% MIN. .500ZS.			– OZS.				
LEAD			%	LBS. LESS	UNITS @	%		LBS.				
COPPER			%	LBS. LESS	UNITS @	%		LBS.				
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	78.4		% LESS	UNITS	% @							
IRON	4.2		% LESS	UNITS	% @							
LIME			% LESS	UNITS	% @							
SULPHUR			% LESS	UNITS	% @							
ALUMINA			% LESS	UNITS	% @							
BASE CHARGE								50				
LABOR	PER HR. $		BASE $	@	c FOR EA.	c						
OIL	PER BBL. $		BASE $	@	c FOR EA.	c						
METAL VALUE PER TON $ 4.18			BASE $ 10.00	@ – %				–				
TOTAL TREATMENT PER TON				483916	LBS. @ $			50	120	98		
SAMPLING AND ASSAYING												
FREIGHT 502720	LBS. @ $ 2.09		PER ____ TON $				TAXES $		525	34		
SMELTER LABOR (DISCHARGING) $							SWITCHING $ 98.80		98	80		
SACK CHARGE	LBS. @ $		PER TON									
IN SOLID BOTTOM CAR			LBS. @ $		PER TON							
UMPIRE CHARGES $			; CUSTOMS $		; REPRESENTATION $							
ADVANCED ON												
ROYALTY 5	% OF $ 267.34		Check to: U.S. Dept. of the Interior, Office of Minerals Exploration, Region 4, Rm. 157 Howard St., Spokane, Washington 99204						(13	37)		
							DUE SHIPPER		253	97	xxxxxxxx	xxxxx
							DUE SMELTER		xxxxxxxx	xxxxx		
			Frt. Valuation $ 3.55				TOTALS		1012	46	1012	46

Mine

LOT	CAR	FRT. WT.	SETTLEMENT WET	SETTLEMENT H2O	SETTLEMENT DRY	ASSAYS AU	ASSAYS AG	ASSAYS CU	CONTENTS AU	CONTENTS AG	CONTENTS CU
B-93	73730	125700	127140	4.45	121482						
✓ 91	73736	122060	123480	4.70	117676						
✓ 94	73750	130500	130560	4.23	125037						
✓ 95	73721	124460	124580	3.90	119721						
		502720	505760		483916						

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PIONEER BUSINESS FORMS, INC. 83967

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

CONTRACT NO. 767

DATE 11/1/66
SMELTER LOT NO. 2728
MINE LOT NO. Below
MATERIAL Bulk Ore
DATE RECEIVED 10/17/66
ENTRY
MINE NAME
CAR OR VESSEL Below

STATEMENT OF SETTLEMENT

NAME OF SHIPPER: L-D. Mines, P.O. Box 1668, Wenatchee, Washington

GROSS WEIGHT ____ LBS.
CONTAINERS ____ LBS.
NET WEIGHT 504540 LBS.
MOISTURE ____ %
NET DRY WEIGHT 481867 LBS.

METAL QUOTATIONS:	DATES	PRICE	LESS	NET
GOLD		$34.9125		
SILVER				
LEAD				
COPPER				
COPPER				

	ASSAY & ANALYSIS	METAL CONTENTS					DEBITS		CREDITS	
GOLD	20	OZS. 48.2	OZS. @ 94.00 % Min. 0303N	41.0	OZS.				1431	41
SILVER	42	OZS. 101	OZS. @ 95 % MIN. .50 OZS.	-	OZS.					
LEAD		%	LBS. LESS	UNITS @ %	LBS.					
COPPER		%	LBS. LESS	UNITS @ %	LBS.					
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	7.48	% LESS	UNITS	% @						
IRON	3.6	% LESS	UNITS	% @						
LIME		% LESS	UNITS	% @						
SULPHUR		% LESS	UNITS	% @						
ALUMINA		% LESS	UNITS	% @						
BASE CHARGE						50				
LABOR	PER HR. $	BASE $	@	c FOR EA.	c					
OIL	PER BBL. $	BASE $	@	c FOR EA.	c					
METAL VALUE PER TON $ 5.94		BASE $ 10.00	@	- %		-				
TOTAL TREATMENT PER TON			481867	LBS. @ $		50	120	47		
SAMPLING AND ASSAYING										
FREIGHT 503100	LBS. @ $ 2.50	PER TON $		TAXES $			628	88		
SMELTER LABOR (DISCHARGING)	$			SWITCHING $ 98.80			98	80		
SACK CHARGE	LBS. @ $	PER TON								
IN SOLID BOTTOM CAR		LBS. @ $		PER TON						
UMPIRE CHARGES $	; CUSTOMS $		; REPRESENTATION $							
ADVANCED ON										
ROYALTY 5 % OF $ 583.26		check to: U.S. Dept. of the Interior, Office of Minerals Exploration, Region 1 Sp. 157 Howard St., Spokane, Washington 99204					29	16		
					DUE SHIPPER		554	10	xxxxxxxx	xxxxx
					DUE SMELTER		xxxxxxxx	xxxxx		
		Frt. Valuation $5.21			TOTALS		1431	41	1431	41

LOT	CAR	FRT. WT.	SETTLEMENT WET	H2O	DRY	ASSAYS AU	AG	CU	CONTENTS AU	AG	CU
B-88	73769	121520	121580	4.70	115866						
B-89	73597	128280	128240	4.28	122751						
B-90	73705	121620	121640	4.20	116531						
B-92	73764	131680	133080	4.78	126719						
		503100	504540		481867						

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Chief, Branch of Budget and Finance

D. R. MacLaren
Field Officer, Region I

10/11/64	$7.60	National Bank of Washington Tacoma, Washington	(AS&R, Tacoma Smelter) L-D Mines	OME-6460 2210	Royalty

REMARKS: (List numbers of mill lot numbers covered by royalty)

Mine Lots B-86,87 (Smelter Lot 2437) Date shipment received by smelter 9/21/66.

10/12/66
Date Prepared

M. L. Smelser
Person Preparing Voucher

10/14/66
Date Received

Lorraine E. Eckenstein
Person Receiving Voucher

767

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

DATE 10/11/66
SMELTER LOT NO. 2437
MINE LOT NO. Below
MATERIAL Bulk Ore
DATE RECEIVED 9/21/66
ENTRY
MINE NAME
CAR OR VESSEL Below

STATEMENT OF SETTLEMENT

NAME OF SHIPPER L-D Mines
P.O. Box 1668
Wenatchee, Washington

GROSS WEIGHT ____ LBS.
CONTAINERS ____ LBS.
NET WEIGHT 242960 LBS.
MOISTURE ____ %
NET DRY WEIGHT 230228 LBS.

METAL QUOTATIONS:	DATES	PRICE	LESS	NET
GOLD		$34.9125		
SILVER				
LEAD				
COPPER				
COPPER				

	ASSAY & ANALYSIS		METAL CONTENTS							DEBITS		CREDITS	
GOLD		17	OZS.	19.6	OZS. @	94.00% Min .030		16.1	OZS.			562	09
SILVER		26	OZS.	30	OZS. @	95.00% MIN. .50	OZS.	–	OZS.				
LEAD			%		LBS. LESS	UNITS @	%		LBS.				
COPPER			%		LBS. LESS	UNITS @	%		LBS.				
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	8	%	LESS	UNITS	% @							
IRON	29		%	LESS	UNITS	% @							
LIME			%	LESS	UNITS	% @							
SULPHUR			%	LESS	UNITS	% @							
ALUMINA			%	LESS	UNITS	% @							
BASE CHARGE									50				
LABOR	PER HR. $		BASE $		@	¢ FOR EA.	¢						
OIL	PER BBL. $		BASE $		@	¢ FOR EA.	¢						
METAL VALUE PER TON $ 4.88			BASE $ 10.00		@	– %			–				
TOTAL TREATMENT PER TON					230228	LBS. @ $			50	57	56		
SAMPLING AND ASSAYING													
FREIGHT 242500 LBS. @ $ 2.50 PER ___ TON $								TAXES $		303	13		
SMELTER LABOR (DISCHARGING) $								SWITCHING $ 49.40		49	40		
SACK CHARGE			LBS. @ $			PER TON							
IN SOLID BOTTOM CAR					LBS. @ $		PER TON						
UMPIRE CHARGES $			; CUSTOMS $			; REPRESENTATION $							
ADVANCED ON													
ROYALTY 5 % OF $ 152.00			Check to: U.S. Dept. of the Interior, Office of Minerals Exploration, Region 1, No. 157 Howard St., Spokane, Washington 99204							(760)			
								DUE SHIPPER		144	40	xxxxxxxx	xxxxx
								DUE SMELTER		xxxxxxxx	xxxxx		
			Frt. Valuation $4.16					TOTALS		562	09	562	09

LOT	CAR	FRT. WT.	SETTLEMENT WET	SETTLEMENT H2O	SETTLEMENT DRY	ASSAYS AU	ASSAYS AG	ASSAYS CU	CONTENTS AU	CONTENTS AG	CONTENTS CU
B-86	73747	121720	121640	5.43	115035						
B-87	73712	120780	121320	5.05	115193						
		242500	242960		230228						

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OCT 11, 1966

UNITED STATES
DEPARTMENT OF THE INTERIOR

OFFICE OF MINERALS EXPLORATION
GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
October 4, 1966

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OCT 6 1966
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120
FRJ 110
HR 120K

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: Interim Inspection Report
OME-6460 (Gold)
L-D Mines
B Reef
Chelan County, Washington
Contract 2210

The subject property was visited September 12 and 13, 1966. As my arrival at the property on the afternoon of the 12th was within a few minutes of blasting time, it was decided to visit the OME workings the morning of the 13th and to go through the mill the afternoon of the 12th.

In the absence of Mr. E. H. Lovitt, Mr. O. D. Thompson, Mine Superintendent, accompanied the examiner during an inspection of the OME workings. The crosscut from the shaft for the first level has been completed. From the end of the crosscut a raise will be driven to about 15 feet and the drifting will be started from the top of the raise. The planned operational procedure is to lay rails in the drift and hand tram the muck, dumping it down the raise. From here the muck will be scooped up by front end loaders and trammed to the surface.

Perhaps, the most striking feature is the complete inability of anyone without considerable experience in the mine to determine by eye where ore values may be found. Occasionally, hairlike stringers of quartz may be detected, but even in these areas, some assays show mill-grade material, others do not. It is hoped that on the next inspection Lovitt will be present to give a clearer picture than I could get from Thompson.

D. R. MacLaren
D. R. MacLaren
MCS

Distribution:
OME(Orig.&1)
Docket
MacLaren

Chief, Branch of Budget and Finance

D. R. MacLaren
Field Officer, Region I

Date	Amount	Bank	Source of Receipts	Account	Type
9/27/66	$17.65	National Bank of Washington Tacoma, Washington	(AS&R, Tacoma Smelter) L-D Mines	OME-6460 2210	Royalty

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INITIALS	CODE
Coe	210 P
	~~120~~
JB	~~110~~
HR	~~12~~

Mine Lots B-82, B-83, B-84, and B-85 (Smelter Lot 2432) Date shipment received by smelter 9/12/66.

9/28/66
Date Prepared

M. L. Smelser
Mineral Resources Accountant

10/3/66
Date Received

Lorraine E. Edelston
Mineral Accounting Technician

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

CONTRACT NO. 767

DATE 9/27/66
SMELTER LOT NO. 2432
MINE LOT NO. Below
MATERIAL Bulk Ore
DATE RECEIVED 9/12/66
ENTRY
MINE NAME
CAR OR VESSEL Below

STATEMENT OF SETTLEMENT

NAME OF SHIPPER: L-D Mines, P.O. Box 1668, Wenatchee, Washington

GROSS WEIGHT		LBS.
CONTAINERS		LBS.
NET WEIGHT	459480	LBS.
MOISTURE		%
NET DRY WEIGHT	433242	LBS.

METAL QUOTATIONS:	DATES	PRICE	LESS	NET
GOLD		$34.9125		
SILVER				
LEAD				
COPPER				
COPPER				

	ASSAY & ANALYSIS		METAL CONTENTS		DEBITS		CREDITS	
GOLD		18	OZS. 39.0	OZS. @ 94.00% Min .030 32.5 OZS.			1134	66
SILVER		29	OZS. 63	OZS. @ 95 % MIN. .50 OZS. – OZS.				
LEAD			%	LBS. LESS UNITS @ % LBS.				
COPPER		–	%	LBS. LESS UNITS @ % LBS.				
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	6	% LESS	UNITS % @				
IRON	3	4	% LESS	UNITS % @				
LIME			% LESS	UNITS % @				
SULPHUR			% LESS	UNITS % @				
ALUMINA			% LESS	UNITS % @				
BASE CHARGE				50				
LABOR	PER HR. $		BASE $	@ c FOR EA. c				
OIL	PER BBL. $		BASE $	@ c FOR EA. c				
METAL VALUE PER TON $	5.24		BASE $ 10.00	@ – % –				
TOTAL TREATMENT PER TON			433242	LBS. @ $ 50	108	31		
SAMPLING AND ASSAYING								
FREIGHT 459700	LBS. @ $ 2.50	PER TON $		TAXES $	574	64		
SMELTER LABOR (DISCHARGING) $				SWITCHING $ 98.80	98	80		
SACK CHARGE	LBS. @ $	PER TON						
IN SOLID BOTTOM CAR		LBS. @ $	PER TON					
UMPIRE CHARGES $	; CUSTOMS $		; REPRESENTATION $					
ADVANCED ON								
ROYALTY 5 % OF $ 352.91			Check to: U.S. Department of the Interior, Office of Minerals Exploration, Region 1, So. 157 Howard St., Spokane, Washington 99204		17	65		
				DUE SHIPPER	335	26	xxxxxxxx	xxxxx
				DUE SMELTER	xxxxxxxx	xxxxx		
			Frt. Valuation $4.47	TOTALS	1134	66	1134	66

Mine

LOT	CAR	FRT. WT.	SETTLEMENT WET	H2O	DRY	ASSAYS AU	AG	CU	CONTENTS AU	AG	CU
B-82	73738	116740	116740	4.15	111895						
✓83	73742	116560	116480	5.95	109549						
✓84	73748	117740	117640	6.68	109782						
✓85	73707	108660	108620	6.08	102016						
		459700	459480		433242						

PIONEER BUSINESS FORMS, INC. 83067

SEP 28 1966

U.S. DEPARTMENT OF THE INTERIOR
U.S. BUREAU OF MINES

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Sept 23 1966

INITIALS	CODE
	120 M
	110
HK	120K

TO: Chief, Branch of Budget and Finance

FROM: D. R. MacLaren
Field Officer, Region I

- ABSTRACT OF REMITTANCES -

Date	Amount	Bank, City and State	Name of Remitter	Mines A Control Number	Purpose
9/16/66	$33.14	National Bank of Washington Tacoma, Washington	(AS&R, Tacoma Smelter) L-D Mines	OME-6460 2210	Royalty

REMARKS: (List smelter or mill lot numbers covered by royalties)

Mines Lots B-80 and 81 (Smelter Lot 2314) Period September 1966

9/19/66
Date Prepared

M. L. Smelser
Keeper Preparing Abstract

9/22/66
Date Received

Lorraine E. Edwards
Supervisor Receiving Remittance

D

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

CONTRACT NO. 767

DATE 9/16/66
SMELTER LOT NO. 2314
MINE LOT NO. Below
MATERIAL Bulk Ore
DATE RECEIVED 8/23/66
ENTRY
MINE NAME
CAR OR VESSEL Below

STATEMENT OF SETTLEMENT

NAME OF SHIPPER L-D Mines
P.O. Box 1668
Wenatchee, Washington

GROSS WEIGHT ____ LBS.
CONTAINERS ____ LBS.
NET WEIGHT 242740 LBS.
MOISTURE ____ %
NET DRY WEIGHT 230696 LBS.

METAL QUOTATIONS:	DATES	PRICE	LESS	NET
GOLD		$34.9125		
SILVER				
LEAD				
COPPER				
COPPER				

	ASSAY & ANALYSIS	METAL CONTENTS		DEBITS	CREDITS
GOLD	36	OZS. 41.5 OZS. @ 94.00 % Min .03oz	38.0 OZS.		1326 67
SILVER	34	OZS. 39 OZS. @ 95 % MIN. .50 OZS.	– OZS.		–
LEAD		% LBS. LESS UNITS @ %	LBS.		
COPPER		% LBS. LESS UNITS @ %	LBS.		
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	76 6	% LESS UNITS % @			
IRON	3 2	% LESS UNITS % @			
LIME		% LESS UNITS % @			
SULPHUR		% LESS UNITS % @			
ALUMINA		% LESS UNITS % @			
BASE CHARGE			50		
LABOR	PER HR. $	BASE $ @ c FOR EA. c			
OIL	PER BBL. $	BASE $ @ c FOR EA. c			
METAL VALUE PER TON $ 11.50		BASE $ 10.00 @ 11.5%	17		
TOTAL TREATMENT PER TON		230696 LBS. @ $	67	77 28	
SAMPLING AND ASSAYING					
FREIGHT 242560 LBS. @ $ 4.10 PER ____ TON $		TAXES $		497 25	
SMELTER LABOR (DISCHARGING) $		SWITCHING $ 49.40		49 40	
SACK CHARGE LBS. @ $ PER TON					
IN SOLID BOTTOM CAR LBS. @ $ PER TON					
UMPIRE CHARGES $; CUSTOMS $; REPRESENTATION $					
ADVANCED ON					
ROYALTY 5 % OF $ 702.74		Check to: U.S. Department of the Interior Office of Mineral Exploration Region 1 So. 157 Howard St. Spokane, Washington 99204		35 14	
		DUE SHIPPER		667 60	xxxxxxxx xxxxxx
		DUE SMELTER		xxxxxxxx xxxxxx	
		Frt. Valuation $10.30 TOTALS		1326 67	1326 67

Mine

LOT	CAR	FRT. WT.	SETTLEMENT WET	H2O	DRY	ASSAYS AU	AG	CU	CONTENTS AU	AG	CU
B-80	73238	120740	120840	5.78	113855						
B-81	73755	121820	121900	4.15	116841						
		242560	242740		230696						

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PIONEER BUSINESS FORMS, INC. 83967

7

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SEP 15 1966

To: Chief, Branch of Budget and Finance

From: D. R. MacLaren
Field Officer, Region I

CODE
L-10
~~120-AW~~
~~H10~~
~~120-K~~

- ABSTRACT OF REMITTANCES -

Date	Amount	Bank, City and State	Name of Remitter	Docket & Contract Number	Purpose
9/9/66	$77.55	National Bank of Washington Tacoma, Washington	(AS&R, Tacoma Smelter) L-D Mines	OME-6460 2210	Royalty

REMARKS: (List smelter or mill lot numbers covered by royalties)
Mine Lots B-76, 77, 78 and 79 (Smelter Lot 2277) Period August 1966

9/12/66
Date Prepared

M. L. Smelser
Person Preparing Abstract

9/14/66
Date Received

Lorraine E. Edinton
Person Receiving Remittance

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

CONTRACT NO. 767

DATE 9/9/66
SMELTER LOT NO. 2377
MINE LOT NO. Below
MATERIAL Bulk Ore
DATE RECEIVED 8/16/66
ENTRY
MINE NAME
CAR OR VESSEL Below

STATEMENT OF SETTLEMENT

NAME OF SHIPPER: L-D Mines, P.O. Box 1668, Wenatchee, Washington

GROSS WEIGHT ____ LBS.
CONTAINERS ____ LBS.
NET WEIGHT 487280 LBS.
MOISTURE ____ %
NET DRY WEIGHT 462366 LBS.

METAL QUOTATIONS:	DATES	PRICE	LESS	NET
GOLD		$34.9125		
SILVER				
LEAD				
COPPER				
COPPER				

	ASSAY & ANALYSIS		METAL CONTENTS								DEBITS		CREDITS	
GOLD		38	OZS. 87.8	OZS. @ 94.00%	Min: .03 oz	80.9	OZS.						2824	42
SILVER		33	OZS. 76	OZS. @ 95	% MIN. .50	OZS.	-	OZS.						
LEAD			%	LBS. LESS	UNITS @	%		LBS.						
COPPER			%	LBS. LESS	UNITS @	%		LBS.						
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	79.2		% LESS	UNITS	% @									
IRON	2.5		% LESS	UNITS	% @									
LIME			% LESS	UNITS	% @									
SULPHUR			% LESS	UNITS	% @									
ALUMINA			% LESS	UNITS	% @									
BASE CHARGE								50						
LABOR	PER HR. $		BASE $	@	c FOR EA.	c								
OIL	PER BBL. $		BASE $	@	c FOR EA.	c								
METAL VALUE PER TON $ 12.22			BASE $ 10.00	@ 11.5%				26						
TOTAL TREATMENT PER TON				462366	LBS. @ $			76			175	70		
SAMPLING AND ASSAYING														
FREIGHT 487300 LBS. @ $ 4.10 PER ___ TON $							TAXES $				998	97		
SMELTER LABOR (DISCHARGING) $							SWITCHING $ 98.80				98	80		
SACK CHARGE LBS. @ $ PER TON														
IN SOLID BOTTOM CAR LBS. @ $ PER TON														
UMPIRE CHARGES $; CUSTOMS $; REPRESENTATION $														
ADVANCED ON														
ROYALTY 5 % OF $1550.95 Check to: U. S. Department of the Interior, Office of Minerals Exploration, Region 1, Rm. 157 Howard St., Spokane, Washington 99204											77	55		
							DUE SHIPPER				1473	40	XXXXXXXX	XXXXXX
							DUE SMELTER				XXXXXXXX	XXXXXX		
Freight Valuation $10.27							TOTALS				2824	42	2824	42

Mine

LOT	CAR	FRT. WT.	SETTLEMENT WET	H2O	DRY	ASSAYS AU	AG	CU	CONTENTS AU	AG	CU
B-76	73759	121020	120960	5.65	114126						
77	73597	121720	121720	4.75	115938						
78	73712	116600	116620	5.30	110439						
79	73613	127960	127980	4.78	121863						
		487300	487280		462366						

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PIONEER BUSINESS FORMS, INC. 03967

MME FORM 60.
SEPT. 1959

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SEP 1 1966

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OFFICE OF MINERALS EXPLORATION
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SEP 1 1966
INITIAL CHECK

OPERATOR'S MONTHLY VOUCHER

For Month of July & August/66

Docket No. OME 6460
Contract No.
14-23-090- 2210
Contract Amount $133,260.00
Gov't. Participation % 50 $66,630.00
Mineral(s) Gold

Operator's Name L-D Mines
Address P.O. Box 1668, Wenatchee, Wash. 98801

COST CATEGORIES	FOR OPERATOR'S USE			FOR GOVERNMENT APPROVAL ONLY		
	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
Bulldozing						
Drifting						
Crosscutting 72'	2880.00	2920.00	5800.00			
Drilling						
31' Inclined Shaft	1860.00	16200.00	18060.00			
42 Assays Au Ag (March/66 to date)	105.00	102.50	207.50			
(2) Personal Services:						
Supervision & Technical						
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Timber						
Explosives						
Pipe						
Rail						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work						
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	4845.00	19222.50	24067.50			

.00 T
2,422.50
3,476.00
5,898.50 T
14X0804

I certify that the above bill is correct and just and that payment therefor has not been received.

Date 8-31-66 *Payee L-D Mines

Per [signature] Title Manager

* When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ [illegible]
14X0804

Signature [illegible] (Authorized Certifying Officer)

Date SEP 14 1966 Vou. No. 2226

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2210

Signature D.R. MacRoven Title Field Officer, Region I Date SEP 2 1966

Approved by OME Executive Officer or Alternate:

Signature D.R. MacRoven Title Field Officer, Region I Date SEP 2 1966

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and ~~four~~ three copies of each of the three sections of this report to the OME regional Executive Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Executive Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

MME FORM 61
SEPT. 1959

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SEP 1 1966

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT For Month of July & August/66 Docket No. OME 6460

Operator's Name L-D Mines Contract No. 14-23-090- 2210

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drifting							
Crosscutting		72'	145'	5800.00	72	145	5,800.00
Raising							
Shafts Inclined		31'	301'	18060.00	31	301	18,060.00
Winzes							
Other Underground							
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous							
Assays - Au & Ag Mar/66 to date		42	83	207.50	42	68 ll	170.00 ll
Roads and Trails							
Stripping							
Trenching							
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work							
TOTAL TO DATE (per MME Form 60)				24067.50			24,030.00

REMARKS

(Continue on back)

REMARKS

ll 15 assays of drill hole cuttings claimed in Dec'65 and Jan'66 not acceptable

(Continue on back)

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

Date 8-31-66 Operator L-D Mines

Per [signature] Title Manager

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature D P MacLaren

Title Field Officer, Region I
Government Representative

Date SEP 2 1966

(INSTRUCTIONS ON REVERSE)

REMARKS *(Cont.)*

REMARKS *(Cont.)*

INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three ~~parts~~ of the Operator's Monthly Report. Submit the original and ~~four~~ three copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

August 31, 1966

Mr. D. R. MacLaren, Field Officer
Office of Minerals Exploration
Geological Survey
So. 157 Howard Street
Spokane, Washington 99204

Re: OME-6460 (Gold)
B Reef
Chelan County, Washington
Contract 2210

Dear Mr. MacLaren:

Enclosed please find Operator's Progress Report (MME Form 61), Operator's Monthly Voucher (MME Form 60), assay certificates and plans.

Work for the period involved was conducted during the first two weeks of July and throughout the month of August. (The mine was closed for holidays during the last two weeks in July) It proceeded along the lines outlined in our previous report. We are very happy that this work now has official OME approval.

The shaft has now been advanced to the level of the shaft-loadingpocket and the necessary workings at this level are well advanced. It is interesting to note that almost all the workings put in during this period have been in ore of shipping grade. Five sixty-ton cars have been shipped. Our truck sample-grade on these cars is .40 oz. Au. More cars will be shipped in the next few days. The material being shipped bears very little resemblance to ore. To account for the gold values there is only an occasional, very narrow, quartz vein and rather sparse pyrite-mineralization.

Regards,

Yours truly,

E. H. Levitt
Manager

EHLj
Enclosures

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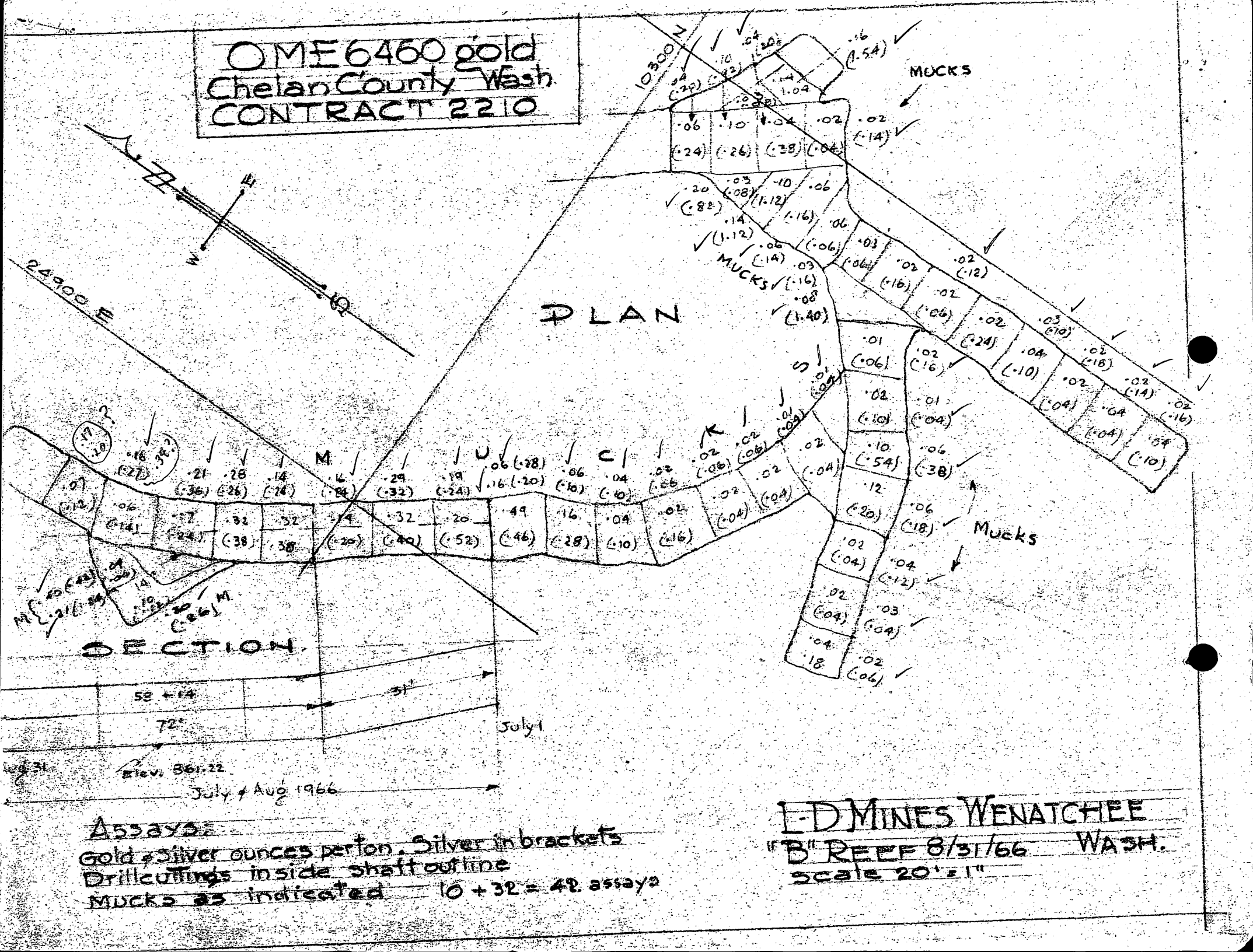
SEP 1 1966
OMS

OME 6460 gold
Chelan County Wash
CONTRACT 2210



Assays:
Gold & Silver ounces per ton. Silver in brackets
Drillcuttings inside shaft outline
Mucks as indicated 10 + 32 = 42 assays

I-D MINES WENATCHEE
"B" REEF 8/31/66 WASH.
scale 20' = 1"

L—D MINES

ASSAY CERTIFICATE

Wenatchee, Wash., August 31 1966

Sample No.	Oz. Au.	Oz. Ag.	% Cu.	% Pb.	% Zn.			
		"B" REEF MUCK SAMPLES						
35827	0.04	0.20						
35829	0.10	0.92						
35831	0.04	0.20						
35834	0.02	0.14						
35836	0.20	0.82						
35839	0.14	1.12						
35842	0.16	1.54						
36677	0.06	0.14						
36679	0.03	0.16						
36687	0.03	0.10						
36688	0.02	0.18						
36689	0.02	0.14						
36690	0.02	0.16						
36691	0.08	1.40						
36692	0.02	0.16						
No Tag	0.01	0.04						
37574	0.02	0.12						
38251	0.06	0.38						
38252	0.06	0.18						
38253	0.04	0.12						
38254	0.03	0.04						
38255	0.02	0.06						
38256	0.01	0.04						
38257	0.01	0.04						
38258	0.02	0.06						
38259	0.02	0.06						
38260	0.02	0.06						
38261	0.04	0.10						
38262	0.06	0.10						
38263	0.06	0.28						
38264	0.16	0.20						
38265	0.19	0.24						
No Tag	0.29	0.32						

CRAFTSMAN PTG. CO.

(continued)

A. R. Lacasse

Assayer

L—D MINES

ASSAY CERTIFICATE

Wenatchee, Wash., August 31 19 66

Sample No.	Oz. Au.	Oz. Ag.	% Cu.	% Pb.	% Zn.			
	"B" REEF MUCK SAMPLES							
38266	0.16	0.24						
38267	0.14	0.24						
38268	0.28	0.26						
38269	0.21	0.36						
38270	0.17	0.20						
38271	0.16	0.34						
38272	0.20	0.26						
38273	0.40	0.42						
38274	0.21	0.24						

CRAFTSMAN PTG. CO.

A. R. Lorasso
Assayer

MME FORM 60
SEPT. 1959

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AUG 3 1966

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Docket No. OME 6460
Contract No. 14-23-090-2210
Contract Amount $ 133,260.00
Gov't. Participation % 50 $ 66,630.00
Mineral(s) Gold

OPERATOR'S MONTHLY VOUCHER

For Month of March thru June/66

Operator's Name L-D Mines
Address P.O. Box 1668, Wenatchee, Wash. 98801

COST CATEGORIES	FOR OPERATOR'S USE			FOR GOVERNMENT APPROVAL ONLY		
	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
Bulldozing						
Drifting						
Crosscutting 73.0'	2920.00	—	2920.00			
Drilling						
67.2' Inclined Shft	4032.00	12168.00	16200.00			
Assays Au Ag	—	102.50	102.50			
(2) Personal Services:						
Supervision & Technical						
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Timber						
Explosives						
Pipe						
Rail						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work						
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	6952.00	12270.50	19222.50			

I certify that the above bill is correct and just and that payment therefor has not been received.

Date 7-16-66 *Payee L-D Mines

Per [signature] Title Manager

* When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 3476.00

Signature [signature] 14X0804
(Authorized Certifying Officer)

Date 9-14 Vou. No. 2226

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2210

Signature D.R. MacRae Title Field Officer, Region I Date AUG 30 1966

Approved by OME Executive Officer or Alternate:

Signature D.R. MacRae Title Field Officer, Region I Date AUG 30 1966

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and ~~four~~ three copies of each of the three sections of this report to the OME regional Executive Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Executive Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

MME FORM 61
SEPT. 1959

RECEIVED
AUG 3 1966

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT

For Month of March thru June, 1966 Docket No. OME 6460

Operator's Name L-D Mines Contract No. 14-23-090- 2210

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drifting							
Crosscutting		73.0	73.0	2920.00	73	73	2,920.00
Raising							
Shafts Inclined		67.2	270.0	16200.00	67.2	270	16,200.00
Winzes							
Other Underground							
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous							
Assays-Au & Ag		-	41	102.50	-	26 [1]	65.00 [1]
Roads and Trails							
Stripping							
Trenching							
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work							
TOTAL TO DATE (per MME Form 60)				$19222.50			19,185.00

REMARKS

(Continue on back)

REMARKS

[1] See note [1] for Feb '66 (MME-61)

Narrative Report sent to OME 7/6/66

(Continue on back)

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

Date 7-16-66 Operator L-D Mines

Per E. H. Lovitt Title Manager

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature D. R. MacPherson

Title Field Officer, Region I
Government Representative

Date AUG 30 1966

(INSTRUCTIONS ON REVERSE)

REMARKS *(Cont.)*

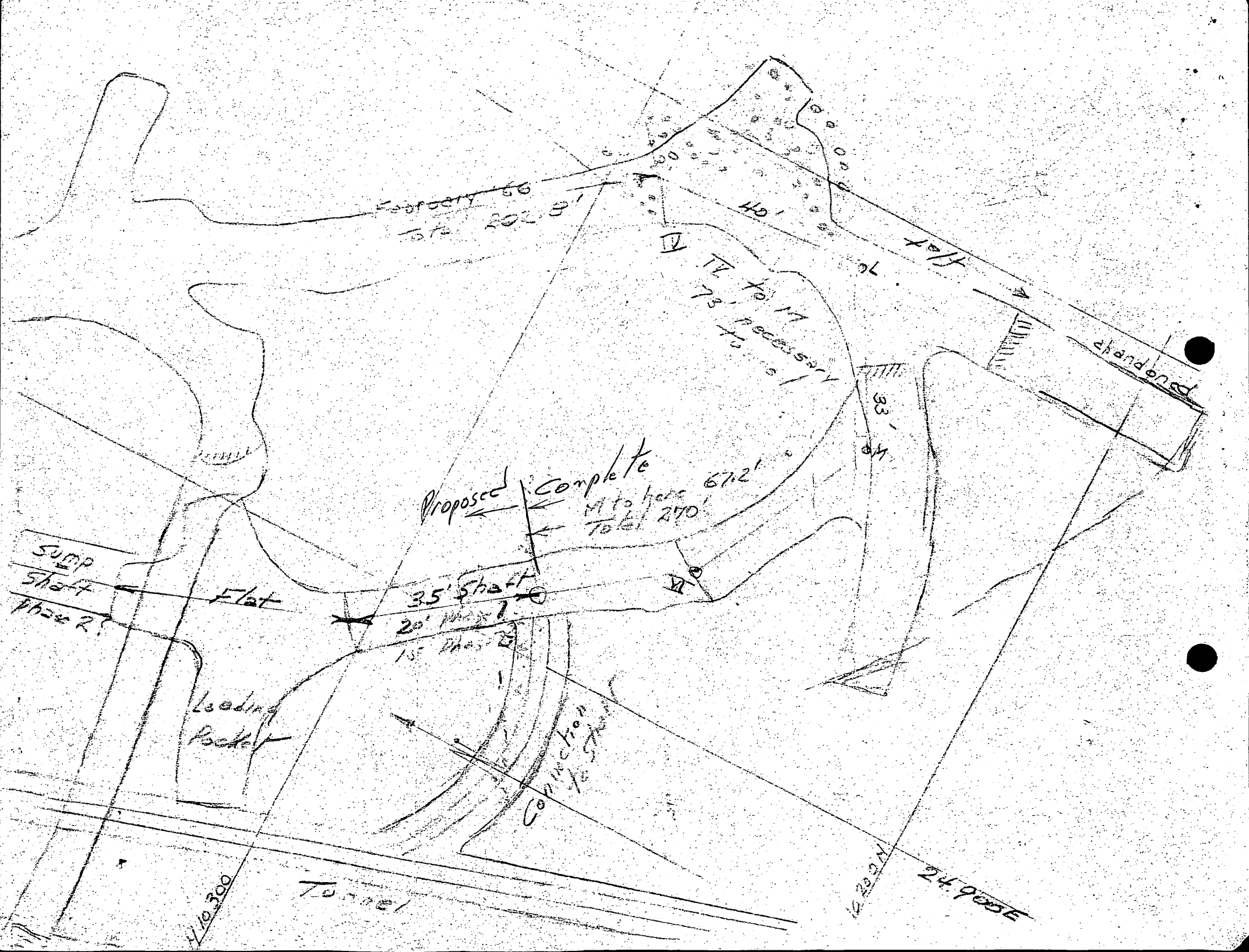
REMARKS *(Cont.)*

INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and ~~four~~ three copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.


Flat
abandoned
Proposed
Complete
Sump
Shaft
Phase 2
Flat
35' Shaft
Loading
Pocket
Tunnel
24 pose

MME FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS EXPLORATION

TO: Chief, OME	DATE	INITIALS
1.	8/30/66	
Re: OME-6460 (Gold)		
2. L-D Mines		
B Reef		
3. Chelan County, Wash.		
Contract 2210		
4.		
5. D. R. MacLaren		
FROM: Fld. Officer, Reg. I		

OFFICE COPY

O. M. E.

RECEIVED

SEP 1 1966

FOR: Check items for action desired

X Action ____ Reply for signature of

____ Approval ____ Investigate

____ Comment ____ Recommendations

____ Conference ____ Rewrite

____ Instructions ____ Your information

INITIALS	CODE
	120 M
	Surname 110
	Signature
HK	File 120 K
	120

REMARKS:

INT.-DUP. SEC., WASH., D.C. M56300-62

HOME OFFICE, HOBART 3-[illegible]
PURCHASING, HOBART 3-[illegible]

L-D MINES

P.O. Box 1668
Wenatchee, Washington

August 25, 1966

U.S. Department of the Interior
Geological Survey
S. 157 Howard Street
Spokane, Washington 99204

Dear Sirs:

Due to requirements for receiving our audited financial report at an early date, we would appreciate your completion of the enclosed form and mailing it to our independent public accountants, Price Waterhouse & Company, 1200 Fifth Avenue, Seattle, Washington 98101, at your earliest opportunity.

Yours very truly,

/s/ E. H. Lovitt

E. H. Lovitt
Manager

Enc.

RECEIVED
AUG 26 1966
U.S.
[illegible]

PRICE WATERHOUSE & CO.
1200 FIFTH AVENUE
SEATTLE, WASHINGTON 98101

August 25, 1966

U.S. Department [illegible]

Geological Su[illegible]

S. 157 Howar[illegible]
Spokane, Wa[illegible]

Dear Sir:

[illegible]

The accounts of the above company show that, under date of [illegible] No. 14-23-090-2210, Docket No. [illegible] deposits of gold was outstandi[illegible] of which is to be paid by the F[illegible] and which is repayable [illegible] extracted.

Requests f[illegible] work completed to February [illegible] have been made and paid. There [illegible]

To facilitate our examination of these accounts, will you kindly compare the above statement with your records, noting on this form any exceptions you have to the statement.

Please sign the form in the space indicated below and return in the enclosed envelope directly to us, Price Waterhouse & Co., 1200 Fifth Avenue, Seattle, Washington 98101.

Yours very truly,

PRICE WATERHOUSE & CO.

Authorized:

L.D Mines

E. H. Lovitt, Manager

The foregoing statement is correct except as noted:

By Office of Minerals Exploration Title Chief

Date September 2, 1966

MME FORM 6
REV. 2-59

REFERENCE SLIP
OFFICE OF MINERALS EXPLORATION

	DATE	INITIALS
TO: Chief, OME	8/30/66	
1.		
2. Re: OME-6460 (Gold) L-D Mines		
3. B Reef Chelan County, Washington Contract 2210		
4.		
5.		
FROM:		

OFFICIAL COPY
O. M. E.
RECEIVED
SEP 1 1966
INITIAL & CODE
Cat 210
120
110
Surface
K

FOR: Check items for action desired

X Action ___ Reply for signature ___ Surface
___ Approval ___ Investigate ___ Signature
___ Comment ___ Recommendations ___ File
___ Conference ___ Rewrite
___ Instructions ___ Your information

REMARKS:

Transmittal of Gov't. and Budget and Finance copies of Amendment No. 2 to the above-cited contract.

M56300-62

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

Ome(2)

August 29, 1966

Mr. D. R. MacLaren, Field Officer
Office of Minerals Exploration
So. 157 Howard Street
Spokane, Washington 99204

Re: OME-6460 (Gold)
B Reef
Chelan County, Washington
Contract 2210

Dear Mr. MacLaren:

The proposed Amendment No. 2 to the subject contract meets with our approval.

We have executed all four copies of the amendment and are enclosing the original and two, retaining the operator's copy for our files.

Vouchers, progress reports, maps, etc., for the months of July and August will be mailed shortly.

Sincerely yours,

E. H. Lovitt
Manager

Enclosures

RECEIVED
AUG 29 1966

GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
August 25, 1966

OFFICIAL
COPY
O. M. E.
RECEIVED
AUG 29 1966

Mr. L. E. Lovitt, Manager
L-O Mines
P. O. Box 1668
Wenatchee, Washington 98801

Re: OME-6460 (Gold)
B Reef
Chelan County, Washington
Contract 2210

Dear Mr. Lovitt:

In accordance with your request for an amendment to the contract specifications made necessary by unforeseeable structural problems, enclosed are the original and three copies of a proposed Amendment No. 2 (3 pages) to the subject contract, signed by the Chief, Office of Minerals Exploration, for the Government.

If the proposed amendment is satisfactory to you, please sign all four copies, retain the Operator's copy, and return the other copies to this office.

If the amendment is not satisfactory, please return all copies unsigned to this office with a statement of your proposed changes for consideration.

Sincerely yours,

D. R. MacLaren
Field Officer, OME
Region I

Enclosures

MLSmelser/mls

cc: OME
Voucher File
MacLaren

Director's Reading File

OFFICIAL COPY
O. M. E.
RECEIVED
AUG 26 1966
INITIALS | CODE
HK | 120 AL
110
120 K

Chief, Branch of Budget and Finance

D. R. Maclaren
Field Officer, Region I

- SCHEDULE OF REMITTANCES -

Date	Amount	Bank, City and State	Form of Remittance	Contract # Contract	Purpose
4/19/66	$32.47	National Bank of Washington Tacoma, Washington	(AS&R, Tacoma Smelter) L-D Mines	OME-6460 2210	Royalty

REMARKS: (List smelter or mill lot numbers covered by royalties)

Mine Lots B-76, B-77, & B-78 (Smelter Lot 2079) Period July 1966

8/22/66
Date Prepared

M. L. Smelser
Person Preparing Abstract

8/25/66
Date Received

Lorraine E. Edwards
Person Receiving Remittance

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

CONTRACT NO. 767

DATE 8-19-66
SMELTER LOT NO. 2079
MINE LOT NO. See below
MATERIAL Bulk Ore
DATE RECEIVED 7-21-66
ENTRY
MINE NAME
CAR OR VESSEL See below

STATEMENT OF SETTLEMENT

NAME OF SHIPPER: L-D. Mines, P.O. Box 1668, Wenatchee, Washington

GROSS WEIGHT ____ LBS.
CONTAINERS ____ LBS.
NET WEIGHT 372940 LBS.
MOISTURE ____ %
NET DRY WEIGHT 352529 LBS.

METAL QUOTATIONS:		DATES	PRICE	LESS	NET
GOLD			34.9125		
SILVER	H+H	7/25-30	128.900	—	128.900
LEAD					
COPPER					
COPPER					

	ASSAY & ANALYSIS		METAL CONTENTS							DEBITS		CREDITS	
GOLD		.25	OZS. 44.1	OZS. @ 94	% (Min deduct .03)	38.8 OZS.						1354	60
SILVER		.37	OZS. 65	OZS. @ 95	% MIN. 1/2 OZS.	— OZS.							
LEAD			%	LBS. LESS	UNITS @	%	LBS.						
COPPER			%	LBS. LESS	UNITS @	%	LBS.						
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	79.8		% LESS	UNITS	% @								
IRON	2.8		% LESS	UNITS	% @								
LIME			% LESS	UNITS	% @								
SULPHUR			% LESS	UNITS	% @								
ALUMINA			% LESS	UNITS	% @								
MISC CHARGE									.50				
LABOR	PER HR. $		BASE $	@	c FOR EA.	c							
OIL	PER DBL. $		BASE $	@	c FOR EA.	c							
METAL VALUE PER TON $ 7.69			BASE $	@	%								
TOTAL TREATMENT PER TON					352529	LBS. @ $	.50			88	13		
SAMPLING AND ASSAYING													
FREIGHT 373180	LBS. @ $ 2.91		PER S TON $			TAXES $				542	97		
SMELTER LABOR (DISCHARGING)	$					SWITCHING $				74	10		
SACK CHARGE	LBS. @ $		PER TON										
IN SOLID BOTTOM CAR			LBS. @ $		PER TON								
UMPIRE CHARGES $			; CUSTOMS $		; REPRESENTATION $								
ADVANCED ON													
ROYALTY 5 % OF $ 649.40			Check to: U.S. Department of Interior, Office of Minerals Exploration, Ridgeway 1 South 154 Howard St., Spokane, Washington 99204							32	47		
						DUE SHIPPER				616	93	xxxxxxxx	xxxxxx
						DUE SMELTER				xxxxxxxx	xxxxxx		
Freight Calculation #6.79						TOTALS				1354	60	1354	60

Mine

LOT	CAR	FRT. WT.	SETTLEMENT WET	SETTLEMENT H2O	SETTLEMENT DRY	ASSAYS AU	ASSAYS AG	ASSAYS CU	CONTENTS AU	CONTENTS AG	CONTENTS CU
B-76	73712	124780	124720	4.78	118758						
B-77	73613	125280	125240	5.40	118477						
B-78	73751	123120	122980	6.25	115294						
		373180	372940		352529						

RECEIVED
AUG 22 1966

PIONEER BUSINESS FORMS, INC. 89967

(6)

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
8/16	Kirkemo	120
8/18	Johnson	110
8-19	Weeks	220
8-22	Kamer	
		110
8/23	Cal	220
		120M

AIRMAIL

Memorandum

To: Field Officer, Region I

From: Chief, Office of Minerals Exploration

Subject: OME-6460 (Gold)
L-D Mines
B Reef
Chelan County, Washington
Contract 2210

The original and three copies of a proposed Amendment No. 2 (three pages) to the subject contract, signed for the Government, are enclosed in response to your memorandum of July 27, 1966, and the Operator's letter requesting the amendment received by your office on July 18, 1966. An extra copy of the proposed amendment is enclosed for field use.

If the proposed amendment is satisfactory to you and the Operator, all four copies should be signed by an authorized representative of the Operator. Thereafter, please distribute the copies in the usual manner.

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

You will note that we did not change the total estimated cost of the project as you had suggested. We increased the footage for crosscutting and drifting in Stage I by 5 feet, and the cost for this item by $200.00 (5 ft. at $40.00/ft.). This offsets the decrease of $200.00 in the total cost for shaft sinking on Stages I and II. The uncertainties of the ultimate requirements for work and funds under this project compel retaining the funds at the level originally made available by the contract.

FRANK E. JOHNSON (gfi)

Frank E. Johnson

Enclosures

cc: Director's Reading File
Division File
Economic Geology File
OME File
OME Reading File
Mr. Kirkemo
130

HKirkemo/gla 8-16-66

23263

MME FORM 6
REV. 2-59

REFERENCE SLIP
OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. Assoc. Sol. --MR, Rm. 6504 Through Rm. 6042		
2. Mr. Kirkemo, Rm. 4459		
3.		
4.		
5.		

FROM: Chief, OME

FOR: Check items for action desired

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

REMARKS:

B-66-2052.11

FROM SOLICITOR

INTERIOR DEPT.
AUG 11 1966
SOLICITOR

AUG 15 1966
FOR SIGNATURE

RECEIVED
AUG 12 1966
Division of Mineral Resources
General Legal Services

M56300-62

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

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
8'10	Kirkemo	120
		110
8/11	Col	220
		120M

File not attached

AIRMAIL

AUG 1 1 1966

Memorandum

To: Field Officer, Region I

From: Chief, Office of Minerals Exploration

Subject: OME-6460 (Gold)
L-D Mines
B Reef
Chelan County, Washington
Contract 2210

We are returning herewith the Operator's sketch map and his request for Amendment No. 2 as requested.

The Operator's tentative voucher for March through June 1966 showing the deductions made by you appears to be acceptable by the terms of the contract as amended by Amendment No. 2 when executed. When the latter document has been signed by the Operator, submittal of the voucher for March-June work will be in order.

FRANK E. JOHNSON

Frank E. Johnson

Enclosures

cc to: Director's Reading File
Division File
Economic Geology File
OME docket
OME Reading File
Harold Kirkemo
130

HKirkemo/gla 8-10-66

23263

MINE OFFICE, NORMANDY 2-8657
PURCHASING, NORMANDY 2-8860

L-D MINES

P.O. Box 1668
Wenatchee, Washington

OFFICIAL COPY
O. M. E.
RECEIVED
JUL 18 1966
INITIALS | CODE
120 ~~220~~
~~120~~ 110
120 K

D.R. MacLaren, Field Officer
Office of Minerals Exploration
Geological Survey
50 157 Howard St
Spokane, Wash. 99204

Re: OME-6460 (Gold)
L-D Mines
B Reef
Chelan County, Wash
Contract 2210

Dear Mr MacLaren:

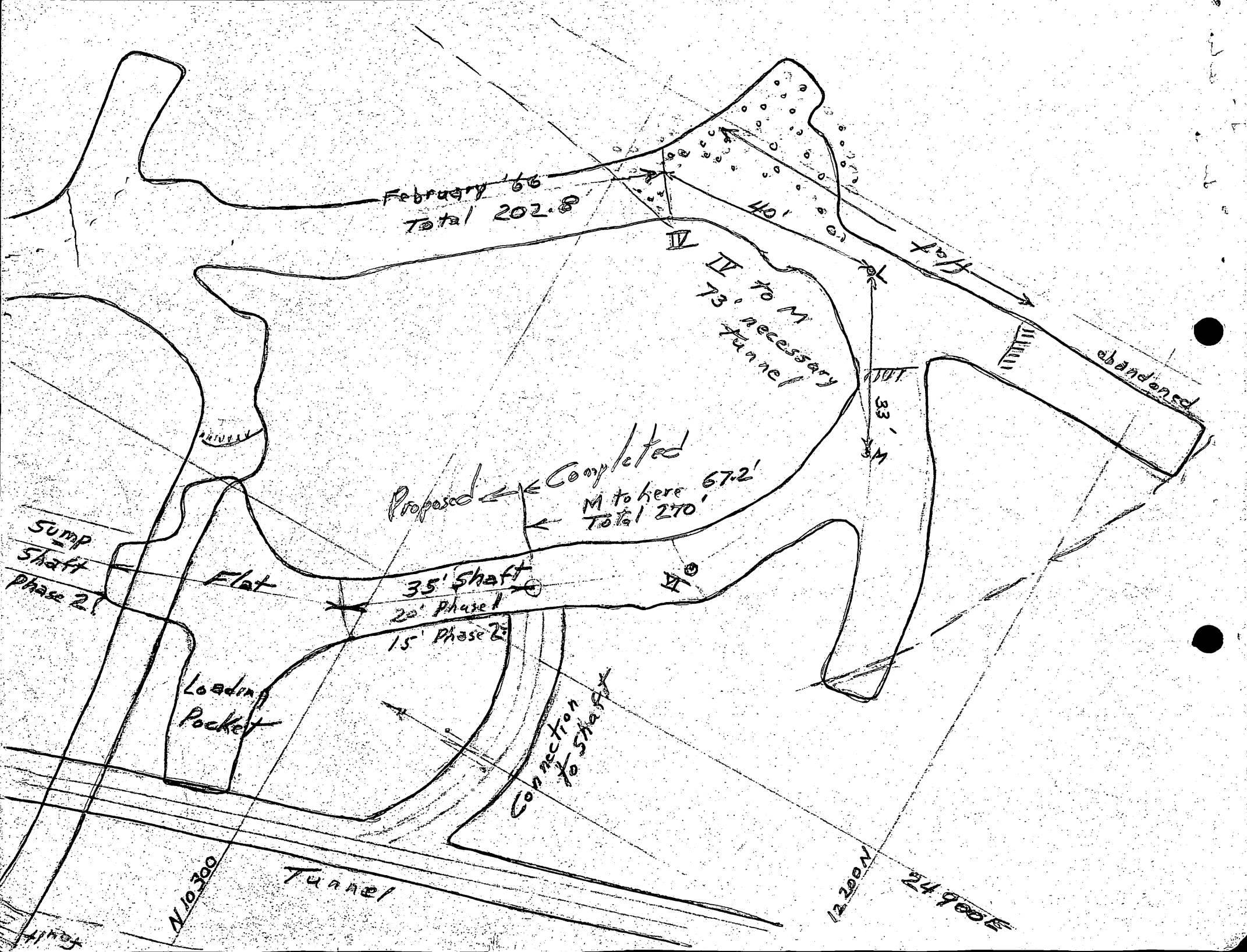
I am enclosing the following

1. Operator's Progress Report Mar thru June /66
2. Operator's Monthly Voucher " " " "
3. Map showing progress to date + proposed development. Changes are necessitated by structural conditions. It is hoped that no further changes will be necessary because of structural conditions.

Please consider this an application for permission to make these changes.

Very truly yours

[signature]
Pres. Lovitt


February '66
Total 202.8
IV
IV to M
73' necessary
Tunnel
40'
Left
abandoned
33'
M
Completed
Proposed
M to here 67.2'
Total 270'
Sump
Shaft
Phase 2
Flat
35' Shaft
20' Phase 1
15' Phase 2
VI
Loading
Pocket
Connection
to Shaft
Tunnel
N 10,300
12,200 N
24,900 E
Left

RECEIVED
JUL 18 1966

Wopers
Voucher
Mar. thru
June '66

Docket copy

DRAFT
HKirkemo/gla
8-10-66

120 HK
~~110~~ HK

EXPLORATION CONTRACT
L-D MINES
OME-6460

AMENDMENT NO. 2

It is agreed this _____ day of _____, 1966, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and L-D Mines, hereinafter called the "Operator," that Exploration Contract No. 2210 (OME-6460), dated September 24, 1965, as amended, is further amended effective the date of the contract as follows:

In Exhibit A:

1. Under the heading Description of the Work, Stage I, the first paragraph, as amended by Amendment No. 1, is further revised to read as follows:

"From the face of the inclined shaft near mine coordinates 10,447 N., 24,866 E., and about 60 feet below floor level at the portal, continue the inclined shaft about 330 feet on an approximate grade of -15° in a southerly direction within competent or mineralized rocks. Should geological conditions cause operating problems or if the limits of the mineralized zone are penetrated, the course and grade of the shaft may be changed as necessary to gain depth and to continue exploration. Crosscuts, drifts, or similar near-level workings may be driven in order to provide access for equipment necessary to continue shaft exploration to greater depths."

2. The second paragraph is revised to read as follows:

"To further explore the mineralized zone, a station shall be established at a selected level in the shaft driven on Stage I, and drifts and crosscuts extended to the limits of the mineralized structure. An aggregate of not more than 755 feet of drifting and crosscutting, including the footage of drifting or crosscutting necessary to continue the shaft, shall be performed in Stage I."

3. Under the heading Description of the Work, Stage II, the third paragraph is revised to read as follows:

"Under Stage II not more than 250 feet of shaft sinking, 750 feet of drifting and crosscutting, 4,010 feet of long-hole drilling, and 300 feet of raising shall be performed."

4. Under the heading Estimated Costs of the Project, Fixed Unit Costs,

(a) the first and third items and the total for Stage I are revised to read as follows:

Stage I

330 feet shaft sinking @ $60.00/foot	$19,800.00	
755 feet drifting and crosscutting @ $40.00/foot	30,200.00	
Total Stage I		$68,500.00

(b) the first item and total for Stage II are revised to read as follows:

Stage II

250 feet shaft sinking @ $65.00/foot	$16,250.00	
Total Stage II		$64,760.00

(c) the summary of costs is revised to read as follows:

Total Estimated Cost Stage I	$68,500.00
Total Estimated Cost Stage II	$64,760.00

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

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By_____
Chief, Office of Minerals Exploration
U. S. Geological Survey

L-D MINES

By_____

Title_____

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
July 27, 1966

OFFICIAL COPY
O. M. E.
RECEIVED
JUL 29 1966
INITIALS | CODE
ga | 120
JCS | 110
HIR | 120

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: OME-6460 (Gold)
L-D Mines
B Reef
Chelan County, Washington
Contract 2210

The L-D mine was visited the afternoon of June 2, 1966, and various matters relative to contract obligations and vouchering requirements were clarified during a discussion with E. H. Lovitt, Manager-Partner.

At his own expense the Operator drove an inclined shaft to a point about 264 feet southerly from and 65 feet below the floor of the shaft at the portal. This point is the start of the OME project. From the starting point, the shaft was continued at about -15° in a southerly direction from 232.8 feet. In the final 30 feet, front end loaders which were used for tramming ground down into the suddenly softened shaft bottom until eventually two were stuck. The Operator followed the only feasible method of continuing the shaft. The last 30 feet were filled and a horizontal opening was driven 76 feet southerly to pass the soft ground, then the Operator resumed winzing at -12° for 27 feet where a fault was encountered. Here the fault strikes E-W and dips 65° S. From his experience elsewhere on the property, the Operator determined that the rock beyond the fault was not ore producing, and that further work in this direction would be useless. This work actually involved 229.8 feet of shaft and 76 feet of crosscut, of which only 202.8 feet of shaft and 40 feet of crosscut is claimed for OME support.

Returning to point L shown on his maps, he turned southwesterly and drove 33 feet from L to M, at -7°, and 35 feet from M to a, at -14°, for a total of 68 feet at an average grade of -13°. Just before reaching point a, a fault was encountered, beyond which the rock was identified as unfavorable for ore deposition. This work actually involved 35 feet of shaft and 33 feet of crosscut, of which only 33 feet of crosscut is claimed for OME support.

With the continuation of exploration southerly and southwesterly thus established as futile, the Operator adopted the only feasible

procedure. From M he turned northwesterly and drove 32 feet from M to VI at -9°, and 35.2 feet from VI to the present face. This work involved 67.2 feet of shaft, all of which is claimed for OME support.

It is concluded that the Operator did all that could be done in his attempt to follow the specifications of the contract, and that he showed uncommonly good judgment in the various changes he had to make in order to pursue the intent of the contract which is to explore for a gold ore body in this area. It is also concluded that the situations requiring his departures from the specifications developed rapidly and that, under the circumstances, he could not request separate amendments for each change as it had to be made. Finally, it is concluded that he properly waited until he knew precisely what changes should be made before requesting an amendment. His basic request is included in a letter dated July 1, 1966, with maps, and is supplemented by a more up-to-date map showing the work completed through June 1966. A copy of this map, a copy of his March through June MME Form 61, and a copy of his covering letter are enclosed.

Although all the work was completed in good faith, and totals 332 feet of shaft inclined from -7° to -15°, and 109 feet of drift and crosscut, he has limited the work claimed in his progress report to a total of 270 feet of shaft and 73 feet of crosscut as follows:

Shaft	Feet	Crosscut	Feet
OME start to pt. IV	202.8	Pt. IV to pt. L	40
Pt. M to pt. VI	32.0	Pt. L to pt. M	33
Pt. VI to face	35.2		—
Totals	270.0		73

The present face of the shaft is about 60 feet below the start of the OME work or about 120 feet below the floor at the portal of the shaft. From this point the Operator proposes to drive a curved crosscut about 50 feet westerly and from the end of the crosscut to drift northerly. As nearly as I can tell, the crosscut will end and the drift will start near the fault exposed at point a. He also proposes to continue the shaft 20 feet under Stage I and 15 feet under Stage II. He would then drive, under Stage II, a flat segment about 45 feet long for a loading pocket, followed by 25 feet of shaft to serve as a sump.

Unforeseeable structural problems clearly justify an amendment to the specifications under each stage of the contract. Rewording of the specifications to fit the changes required by the structure situation is a bit involved and will be a little less confusing if shafting through the proposed sump and the drifting are all included under Stage I. This would increase the amount of shaft sinking under Stage I by 40 feet or from 290 feet to 330, but would reduce the Stage II sinking by the same amount or to 250 feet. The costs of each stage would change proportionately and the total cost of the project would be reduced by $200.00. This change, or transfer of footage between stages, is recommended because:

1. The request itself is reasonable and will reduce the cost of the project by $200.00 or the Government's share by $100.00.

2. Stage II depends upon the results of Stage I. Therefore, unless the additional 40 feet of shaft and the loading pocket required to start the Stage I drifting are included in Stage I, drifting at this horizon could not be approved.

3. It will simplify the vouchering and processing of vouchers if all work necessary to complete Stage I is contained in that stage.

It is suggested that as of February 15, 1966, Amendment No. 1 be rescinded and a new Amendment No. 1 be substituted therefor. The new Amendment No. 1 will be unchanged through item 1 under Exhibit A, but would continue something like:

2. Under the heading <u>Description of the Work</u> - <u>Stage I,</u> the first paragraph is revised to read as follows:

> "From the face of the inclined shaft near mine coordinates 10,447 N., 24,866 E., and about 60 feet below the floor level at the portal, continue the inclined shaft about 205 feet on approximately a -15° incline in a southerly direction. From near the bottom of the shaft drive a curving crosscut through the general directions of south to southwest for approximately 75 feet. From near the end of the crosscut, resume sinking in a northwesterly to northerly direction at approximately a -9° to -15° incline for a distance of about 100 feet. From the bottom of the winze, drift about 45 feet northerly for a loading pocket from the north end of which excavate a sump by sinking a shaft not more than 25 feet at approximately -15°."

Suggested omit, or [illegible] by [illegible] general [illegible]

205 - 15° S X cut 75' [illegible]
100' 9° [illegible] 45' "
25' - 15
330' 3. 150'

Perhaps the detailed wording of the new Amendment No. 1 as suggested above could be simplified somewhat and still cover the situation if it went something like this:

> ". . . continue the inclined shaft about 330 feet on an approximate average incline of -15° in a southerly direction. Should presently unknown structural problems be encountered that might make it advisable to complete the shaft in a northerly direction, 120 feet of crosscut, driven horizontally and/or at an inclination of less than -15° may be driven to reverse the direction of the shaft which shall then be continued at an average incline of -15° in a northerly direction. The intent of this work is to traverse the mineralized zone in B Reef as schematically as shown on figures 2 and 3."

The 120 feet of crosscut and drift should be deducted from the 750 feet presently provided in second paragraph in this section. This should cause no operational problem because the drift will be starting about 100 to 120 feet northerly from its originally intended start.

Possibly the last sentence of the second paragraph should be changed to read: "An aggregate of not more than 630 feet of drifting and crosscutting shall be performed on this level."

The amendment should continue something like:

Under the heading Description of the Work - Stage II, the third paragraph is revised to read: "Under Stage II not more than 250 feet of shaft sinking, 750 feet of drifting and crosscutting, 4,010 feet of long-hole drilling, and 300 feet of raising shall be performed."

Under the heading Estimated Costs of the Project, Fixed Unit Costs, the first item and the total for Stage I are revised to read respectively: "330 feet shaft sinking at $60.00/foot--$19,800.00 and $68,300.00." The first item and the total for Stage II are revised to read respectively: "250 feet shaft sinking at $65.00/foot--$16,250.00 and $64,760.00. The total Estimated Cost of the Project and the Government Participation at 50 percent are revised to read respectively: "$133,060.00 and $66,530.00."

D. R. MacLaren

D. R. MacLaren

Enclosures

MME FORM 61
SEPT. 1959

c o p y

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

c o p y

OPERATOR'S PROGRESS REPORT

For Month of Mar thru June/66 Docket No. OME-6460

Operator's Name L-D Mines Contract No. 14-23-090- 2210

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drifting							
Crosscutting		73.0	73.0	2,940.00	73	73	2,920.00
Raising							
Shafts Inclined		67.2	270.0	16,200.00	67.2	270	16,200.00
Winzes							
Other Underground							
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous							
Assays Au & Ag			41	102.50	—	26	65.00
Roads and Trails							
Stripping							
Trenching							
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work							
TOTAL TO DATE (per MME Form 60)				19,242.54			19,185.00

REMARKS

Copy of Voucher rec'd from Operator made in Field Office for your use - need not be returned.

(Continue on back)

REMARKS

L1 73' @ $40/ft = $2,920.00
L2 see note L1 MME 61 for Feb '66.

(Continue on back)

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

Date July 16/66 Operator L-D Mines

/s/
Per E. H. Lovitt Title Manager

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature

Title
Government Representative

Date

(INSTRUCTIONS ON REVERSE)

REMARKS (Cont.)

REMARKS (Cont.)

INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and ~~four~~ three copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

One

GEOLOGICAL SURVEY
No. 157 Howard Street
Spokane, Washington 99204
July 27, 1966

OFFICIAL COPY
O. M. E.
RECEIVED
JUL 29 1966
INITIALS | CODE
120
110

Mr. H. H. Lovitt, Manager
L-D Mines
P. O. Box 1668
Wenatchee, Washington 98801

Re: OME-0460 (Gold)
L-D Mines
B Reef
Chelan County, Washington
Contract 2210

Dear Mr. Lovitt:

Your request for an amendment to the contract specifications made necessary by unforeseeable structural problems is being processed. Until it is prepared and executed, I will be unable to approve your voucher for the period March through June 1966.

The Progress Report and Voucher forms in long hand are no problem. However, so that I may proceed with the processing when the time comes to do so, will you please initial the following alterations that appear on the enclosed MME Forms 60 and 61 and return the forms:

On MME Form 60, under Totals to Date, opposite Assays, $102.50, on both copies.

On MME Form 61, under Costs to Date, opposite Assays, $102.50 on all four copies and opposite Total to Date, $19,245.50 on three copies and $19,242.50 and $16,305.50 on the fourth copy.

Sincerely yours,

D. R. MacLaren
Field Officer, OME
Region I

Enclosures

DRMacLaren/mls

cc: OME(2)
Voucher File

MacLaren

Director's Reading File

OME-6460 Ome (2)

July 15, 1966

PHOTOSTAT COPY

HK 110 ~~120~~

~~221~~

6460

Tacoma Smelter
P.O. Box 1605
Tacoma, Washington

Attention: Mr. Merle Teats

Dear Merle:

Work going on at B reef is being done on an OME contract. Under the terms of our agreement five percent of the net smelter returns is payable to:

U. S. Department of the Interior
Office of Minerals Exploration
Region 1
So. 157 Howard Street
Spokane, Washington 99204

Do you think we could persuade you to remit these funds direct? It is a much cleaner way of doing things and I believe you prefer to do it this way.

Regards,

Ed Levitt
Manager

EHLj
cc-OME

MME FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS EXPLORATION

	DATE	INITIALS
TO: Chief, OME	03/17/67	
1. Re: OME-6460 (Gold)	COPY	
2. L-D Mines	O. M. E.	
B Reef	RECEIVED	
3. Chelan County, Wash.	MAR 20 1967	
Contract 2210	INITIALS CODE	
4. D R MacLaren		
5. D. R. MacLaren		
FROM: Fld. Officer, Reg. I		

FOR: Check items for action desired

____ Action ____ Reply for signature of ____ Surname

____ Approval ____ Investigate ____ Signature

____ Comment ____ Recommendations ____ File

____ Conference ____ Rewrite

____ Instructions X Your information

REMARKS:

Transmittal of Composite and Geologic Maps submitted by Operator.

INT.-DUP. SEC., WASH., D.C. M56300-62

Maps in duplicate
Received July 8, 1966 with
letter to MacLaren from Operator

OME

MINE OFFICE, NORMANDY 2-0067
PURCHASING, NORMANDY 2-0060

L-D MINES

P.O. Box 1668
Wenatchee, Washington

April 18, 1966

OFFICIAL
COPY
O. M. E.
RECEIVED
APR 1966

~~120 PK~~
FID ~~110~~
FIR 120 K

U.S. Department of the Interior
Office of Minerals Exploration
Region 1
So. 157 Howard Street
Spokane, Washington

Re: OME 4460 (Gold)
L-D Mines
B Reef
Chelan County, Washington

Attention: Mr. D. R. MacLaren
Acting Field Officer

Dear Sirs:

Enclosed is check No. 5672 for $24.56 in payment of the 5% royalty due the OME on Smelter Lot No. 587. Duplicate copies of the Statement of Settlement from the Tacoma Smelter are attached.

There will be no Operator's Progress Report or Voucher for the month of March, 1966.

Sincerely,

E. H. Lovitt
Manager

jj
Enc.

MINE OFFICE, NORMANDY 2-8657
PURCHASING, NORMANDY 2-8860

L-D MINES

P. O. Box 1668
Wenatchee, Washington

April 12, 1966

Mr. Harold Kirkemo
5807 Folkstone Road
Bethesda, Maryland 20034

Dear Kirk:

Many thanks for the copies of Research Exploration and Development and Mineral Resources of Washington.

Re: Your query re B Reef

I am very happy with our results to date and at the moment have good reason to think we may have another mine.

Shaft sinking, however, is progressing very slowly. We have purchased some new equipment which we expect to be able to put into use in the next few days and are hoping it will make quite a difference in the speed of the work.

We have only about another 100 feet of shaft before we reach the required drifting elevation. Some time will be consumed in developing a station and loading facility. After that drifting operations should proceed quite rapidly.

Regards,

Ed Lovitt

EHLj

OFFICE OF MINERAL EXPLORATION
U.S. GEOLOGICAL SURVEY

TO: Chief, Branch of Budget and Finance

FROM: D. R. MacLaren
Field Officer, Region I

- ABSTRACT OF REMITTANCES -

Date	Amount	Bank, City and State	Name of Remitter	Docket & Contract Numbers	Purpose
4/18/66	$24.56	Wenatchee Valley Branch, Seattle First National Bank Wenatchee, Washington	L-D Mines	OME-6460 2210	Royalty

OFFICIAL COPY
O. M. E.
RECEIVED
APR 22 1966

INITIALS	CODE
Cal	210
	~~120~~
44	~~110~~
HR	120

REMARKS: (List smelter or mill lot numbers covered by royalties)
(Period: March 1966)

4/19/66
Date Prepared

D. R. MacLaren
Person Preparing Abstract

4/21/66
Date Received

Lorraine E. Edelston
Person Receiving Remittance

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

CONTRACT NO. 767

RECEIVED
APR 19 1966
OFFICE
SPOKANE DISTRICT

STATEMENT OF SETTLEMENT

DATE 4/15/66
SMELTER LOT NO. 587
MINE LOT NO. B-71 B-72
MATERIAL Bulk Ore
DATE RECEIVED 3/14/66
ENTRY
MINE NAME "B" Reef
CAR OR VESSEL Beloit

NAME OF SHIPPER L-D Mines
P. O. Box 1668
Wenatchee, Washington

GROSS WEIGHT		LBS.
CONTAINERS		LBS.
NET WEIGHT	231160	LBS.
MOISTURE		%
NET DRY WEIGHT	217195	LBS.

METAL QUOTATIONS:	DATES	PRICE	LESS	NET
GOLD		$ 34.9125		
SILVER 7+7.	3/21-25	128.900¢		
LEAD				
COPPER				
COPPER				

	ASSAY & ANALYSIS		METAL CONTENTS							DEBITS		CREDITS	
GOLD		27	OZS. 29.3	OZS. @ 94.00%	Min .030	26.0	OZS.					907	72
SILVER		64	OZS. 70	OZS. @ 95	% MIN. 1/2	OZS. 16	OZS.					20	62
LEAD			%	LBS. LESS	UNITS @	%	LBS.						
COPPER			%	LBS. LESS	UNITS @	%	LBS.						
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	78	0	% LESS	UNITS	% @								
IRON	3	0	% LESS	UNITS	% @								
LIME			% LESS	UNITS	% @								
SULPHUR			% LESS	UNITS	% @								
ALUMINA			% LESS	UNITS	% @								

BASE CHARGE up to $ 10.00 per ton								50			
LABOR	PER HR. $	BASE $	@	c FOR EA.	c						
OIL	PER BBL. $	BASE $	@	c FOR EA.	c						
METAL VALUE PER TON $ 8.55	BASE $ 10.00	@	- %					-			
TOTAL TREATMENT PER TON				217195	LBS. @ $			50	54	30	
SAMPLING AND ASSAYING											
FREIGHT 229220	LBS. @ $ 2.91	PER	TON $			TAXES $			333	52	
SMELTER LABOR (DISCHARGING)	$					SWITCHING $ 49.40			49	40	
SACK CHARGE	LBS. @ $	PER TON									
IN SOLID BOTTOM CAR		LBS. @ $		PER TON							
UMPIRE CHARGES $	; CUSTOMS $			; REPRESENTATION $							
ADVANCED ON											
Lot 2208 Dated 11/1/65 Due Asarco									57	10	
ROYALTY	% OF $										
						DUE SHIPPER			434	02	xxxxxxxx xxxxx
						DUE SMELTER			xxxxxxxx	xxxxx	
Freight Valuation $ 7.63						TOTALS			928	34	928 34

LOT	CAR	FRT. WT.	SETTLEMENT WET	H2O	DRY	ASSAYS AU	AG	CU	CONTENTS AU	AG	CU
B-71	73724	111600	113300	5.20	107408						
B-72	74620	117620	117860	6.85	109787						
		229220	231160		217195						

PIONEER BUSINESS FORMS, INC. 83967

Royalty = $491.12 @ 5% = $24.56

L-D MINES
P. O. BOX 1668
WENATCHEE, WASHINGTON

APR 19 1966

April 18, 1966

OFFICIAL COPY
O. M. E.
RECEIVED
APR 21 1966
INITIALS
HK

U.S. Department of the Interior
Office of Minerals Exploration
Region 1
So. 157 Howard Street
Spokane, Washington

Re: OME 6460 (Gold)
L-D Mines
B Reef
Chelan County, Washington

Attention: Mr. D. R. MacLaren
Acting Field Officer

Dear Sirs:

Enclosed is check No. 5672 for $24.56 in payment of the 5% royalty due the OME on Smelter Lot No. 587. Duplicate copies of the Statement of Settlement from the Tacoma Smelter are attached.

There will be no Operator's Progress Report or Voucher for the month of March, 1966.

Sincerely,

E. H. Lovitt
Manager

j
Enc.

MINE OFFICE, NORMANDY 2-8687
PURCHASING, NORMANDY 2-8660

L-D MINES

P O Box 1668
Wenatchee Washington

April [illegible]

Mr. [illegible]
5000 Tolson [illegible]
Bethesda, Maryland [illegible]

Dear Kirk:

Many thanks for the copies of Research Exploration and Development and Mineral Resources of Washington.

Re: Your query re E Reef

I am very happy with our results to date and at the moment have good reason to think [illegible] other mine.

Shaft sinking, however, is progressing very slowly. We have purchased some new equipment which we hope to be able to put into use in the next few [illegible] which will make little difference in the speed of the mine.

We have only about another 100 feet of shaft before we reach the required drifting elevation. Some time will be consumed in developing a station and loading facility. After that drifting operations should proceed quite rapidly.

Regards,

Ed Levitt

EHL:

MME FORM 60
SEPT. 1959

RECEIVED
MAR 21 1966
OME

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Docket No. OME 6460
Contract No.
14-23-090- 2210
Contract Amount $ 133,250.00
Gov't. Participation % 50 $ 66,630.00
Mineral(s) Gold

OPERATOR'S MONTHLY VOUCHER

For Month of February, 1966

Operator's Name L-D Mines
Address P.O. Box 1668, Wenatchee, Washington 98801

COST CATEGORIES	FOR OPERATOR'S USE			FOR GOVERNMENT APPROVAL ONLY		
	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
Bulldozing						
Drifting						
Crosscutting						
Drilling						
83' Inclined Shaft	4980.00	7188.00	12168.00			
11 Assays Au Ag	27.50	75.00	102.50			
(2) Personal Services:						
Supervision & Technical						
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Timber						
Explosives						
Pipe						
Rail						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work						
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	5007.50	7263.00	12270.50			

I certify that the above bill is correct and just and that payment therefor has not been received.

Date 3-15-66 *Payee L-D Mines

Per [signature] Title Manager

* When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 7503.75

Signature [signature] 14X0804
(Authorized Certifying Officer)

Date MAR 30 1966 Vou. No. 7404

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2210

Signature D R MacBaren Title Field Officer, Region I Date MAR 22 1966

Approved by OME Executive Officer or Alternate:

Signature D R MacBaren Title Field Officer, Region I Date MAR 22 1966

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and ~~four~~ three copies of each of the three sections of this report to the OME regional Executive Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Executive Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

MME FORM 61
SEPT. 1959

RECEIVED
MAR 21 1966

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S ~~PROGRESS~~ OME REPORT For Month of February, 1966 Docket No. OME 6460

Operator's Name L-D Mines Contract No. 14-23-090-2210

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drifting							
Crosscutting							
Raising							
Shafts Inclined		83'	202.8'	12,168.00	83	202.8	12,168.00
Winzes							
Other Underground							
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous							
Assays Au Ag		11	41	102.50	11	26 ℄	65.00
Roads and Trails							
Stripping							
Trenching							
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work							
TOTAL TO DATE (per MME Form 60)				12,270.50			12,233.00

REMARKS

(Continue on back)

REMARKS
℄ Operators claimed units to date include 15 assays previously disallowed - See note ℄ MME-61's for Dec. '65 and Jan. '66

(Continue on back)

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

Date 3-15-66 Operator L-D Mines

Per [signature] Title Manager

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature [signature]

Title Field Officer, Region I
Government Representative

Date MAR 22 1966

(INSTRUCTIONS ON REVERSE)

REMARKS *(Cont.)*

REMARKS *(Cont.)*

INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and ~~four~~ three copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

March 17, 1966

Mr. D. R. MacLaren, Field Officer
Office of Minerals Exploration
Geological Survey
So. 157 Howard Street
Spokane, Washington 99204

Re: OME-6460 (Gold)
L-D Mines
B Reef
Chelan County, Washington
Contract 2210

Dear Mr. MacLaren:

Enclosed please find Operator's Progress Report (MME Form 61), Operator's Monthly Voucher (MME Form 60), assay certificates and plans.

We still do not have a geological plan. However, Garth Crosby has indicated that he will be here soon and we should get one at that time. The ground is still hard and silicified but the rock-type has changed from sandstone to conglomerate. The conglomerate came in from the left rib and after several rounds has filled the entire shaft. It shows evidence of mineralization, narrow quartz stringers and streaks of pyrite.

The tunnel driven to the fault from Point II (not authorized under OME 6460) crossed a number of quartz veins and provided interesting gold values for the last forty feet before encountering the so-called fault. This fault may become the footwall or hanging wall of the ore zone as the case may be. In the previous crosscut it was forming the footwall. In this crosscut it stands approximately vertical. On the other side of this fault we find unsilicified arkosic sandstone. The foregoing conditions are typical of those associated with much of the ore discovered in this area to-date.

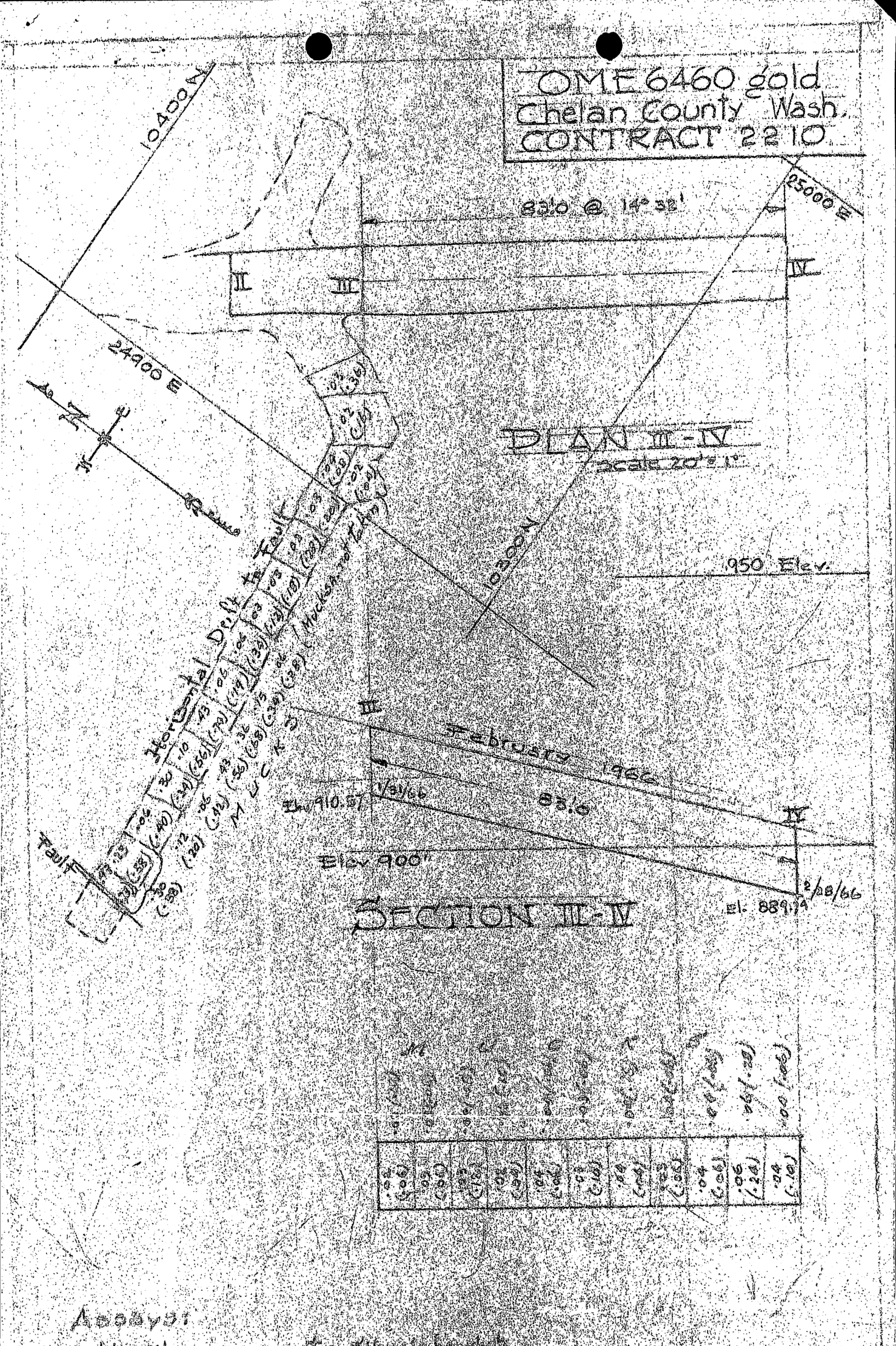
Our information at the moment is that the shaft is progressing away from the ore. As a consequence, we are turning the shaft a few degrees to the south in an effort to parallel the control fault.

Sincerely,

E. H. Lovitt
Manager

RECEIVED
MAR 21 1966
OME

EHLj
Enc.



Assays:
Gold & Silver ounces per ton, Silver in brackets
Drill Cuttings inside shaftoutline
Mucks as indicated.

L-D MINES WENATCHEE
"B" REEF 2/28/66 WASH.
scale 20' = 1"

L—D MINES

ASSAY CERTIFICATE

Wenatchee, Wash., March 15 1966

Sample No.	Oz. Au.	Oz. Ag.	% Cu.	% Pb.	% Zn.			
		"B" REEF MUCK Samples						
35805	0.02	0.18						
35807	0.05	0.06						
35809	0.04	0.08						
35811	0.02	0.10						
35813	0.04	0.06						
35815	0.03	0.06						
35817	0.04	0.16						
35819	0.04	0.06						
35821	0.04	0.06						
35823	0.06	0.28						
35825	0.04	0.06						

CRAFTSMAN PTG. CO.

A. R. [illegible]

Assayer

RECEIVED
MAR 2 1 1965
OME

MME FORM 60
SEPT. 1959

RECEIVED
FEB 16 1966

OFFICIAL COPY

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Docket No. OME 6460
Contract No.
14-23-090- 2210
Contract Amount $ 133,260.00
Gov't. Participation % 50 $ 66,630.00
Mineral(s) Gold

OPERATOR'S MONTHLY VOUCHER

For Month of January 1966

Operator's Name L-D Mines
Address P.O. Box 1668, Wenatchee, Washington 98801

COST CATEGORIES	FOR OPERATOR'S USE			FOR GOVERNMENT APPROVAL ONLY		
	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
Bulldozing						
Drifting						
Crosscutting						
Drilling						
25.8' Inclined Shaft	1548.00	5640.00	7188.00			
6 Assays Au-Ag	15.00	60.00	75.00			
(2) Personal Services:						
Supervision & Technical						
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Timber						
Explosives						
Pipe						
Rail						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work						
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	1563.00	5700.00	7263.00			

I certify that the above bill is correct and just and that payment therefor has not been received.

Date 2-14-66 *Payee L-D Mines

Per R. H. Lovitt Title Manager

* When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 777.75 cal P

Signature 14X0804
(Authorized Certifying Officer)

Date MAR 18 1966 Vou. No. 7003

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2210

Signature [illegible] Title Field Officer, Region I Date FEB 17 1966

Approved by OME Executive Officer or Alternate:

Signature [illegible] Title Field Officer, Region I Date FEB 17 1966

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and ~~four~~ three copies of each of the three sections of this report to the OME regional Executive Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Executive Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

MME FORM 61
SEPT. 1959

RECEIVED
FEB 16 1966
OME

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT

For Month of January 1966 Docket No. OME 6460

Operator's Name L-D Mines Contract No. 14-23-090- 2210

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drifting							
Crosscutting							
Raising							
Shafts Inclined		25.8'	119.8'	7188.00	25.8	119.8	7,188.00
Winzes							
Other Underground							
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous							
6 Assays Au-Ag		6	30	75.00	3 L1	15 L1	37.50
Roads and Trails							
Stripping							
Trenching							
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work							
TOTAL TO DATE (per MME Form 60)				$7263.00			7,225.50

REMARKS

(Continue on back)

REMARKS

L1 3 assays claimed for drill hole cuttings disallowed - see also note L1 December 1965 MME-61

(Continue on back)

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

Date 2-14-66 Operator L-D Mines

Per E. H. Lovitt Title Manager

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature [illegible]

Title Field Officer, Region 1
Government Representative

Date FEB 17 1966

(INSTRUCTIONS ON REVERSE)

REMARKS *(Cont.)*

REMARKS *(Cont.)*

INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and ~~four~~ three copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

February 15, 1966

Mr. D. R. MacLaren, Acting Field Officer
U.S. Department of the Interior
Office of Minerals Exploration Region I
So. 157 Howard Street
Spokane, Washington 99204

Re: OME 6460 (Gold)
Contract No. 14-23-090-2210

Dear Mr. MacLaren:

Enclosed please find Operator's Progress Report (MME Form 61), Operator's Monthly Voucher (MME Form 60), assay certificates and plans.

We do not have a geological plan but expect to have one for the February report. Conditions remain the same as for the preceding month.

Progress was slow during the month of January due partly to a heavy but apparently temporary flow of water and partly to mechanical difficulties with our shaft sinking equipment. Both of these problems have been solved for the moment.

Yours very truly,

E. H. Lovitt
Manager

EHLj
Enc.

RECEIVED
FEB 16 1966

OME 6460 gold
Okanogan County Wash.
CONTRACT

10500 N

24900 E

10400 E

I — December Report

Plan I-II

Section II-II

10 10 (tr)

Drill Cuttings inside stoppings
Muckes as indicated

"B" REEF 1/3/46 WASH.
Scale 20' = 1"

L—D MINES

ASSAY CERTIFICATE

Wenatchee, Wash., January 31 19 66

Sample No.	Oz. Au.	Oz. Ag.	% Cu.	% Pb.	% Zn.			
		"B" REEF inclined shaft.						
34578	0.02	0.10	D.C.					
34579	0.02	0.06	Muck					
34580	0.04	0.10	D.C.					
34581	0.04	0.16	Muck					
34584	0.02	trace	D.C.					
34585	0.02	trace	Muck					

* D.C. Denotes Drill Cutting

CRAFTSMAN PTG. CO.

A. R. Lucas

Assayer

UNITED STATES
DEPARTMENT OF THE INTERIOR
U. S. Geological Survey
Branch of Budget and Finance
Washington, D. C. 20242

ADMINISTRATIVE SUSPENSION STATEMENT

Name and Address of Payee: L-D Mines
P.O. Box 1668
Wenatchee, Washington 98801

Amount Claimed:	Differences (Explained Below)	Amount Approved
$1,563.00	$7.50	$1,555.50
Bu. Voucher No.	Payee's Invoice No.	Period
	OME 6460 Contract # 2210	January, 1966

EXPLANATION

3 assays of drill hole cuttings not allowable under contract.

Any reclaim for items deducted must be supported by the original of this statement and submitted to the office shown above.

E. Gibson

Branch of Budget and Finance

MME FORM 60
SEPT. 1959

RECEIVED JAN 24 1966 OME

OFFICIAL COPY RECEIVED MAR 1 3 1966 INITIALS

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Docket No. OME 6460
Contract No. 14-23-090-2210
Contract Amount $ 133,260.00
Gov't. Participation % 50 $ 66,630.00
Mineral(s) Gold

OPERATOR'S MONTHLY VOUCHER

For Month of December, 1965

Operator's Name L-D Mines
Address P.O. Box 1668, Wenatchee, Washington 98801

COST CATEGORIES	FOR OPERATOR'S USE: MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE	FOR GOVERNMENT APPROVAL ONLY: MONTHLY TOTAL	PREVIOUSLY REPORTED	TOTALS TO DATE
Fixed Unit Costs and						
(1) Independent Contracts:						
Bulldozing						
Drifting						
Crosscutting						
Drilling						
94' Inclined Shaft	$5640.00	None	$5640.00			5640.00
24 Assays Au-Ag	60.00	None	60.00			30 00
(2) Personal Services:						
Supervision & Technical						
Outside Consultants						
Labor						
(3) Operating Mat'l. & Supplies:						
Timber						
Explosives						
Pipe						
Rail						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehab. & Repairs:						
Buildings, Fixtures, etc.						
Operating Equipment						
(6) New Buildings, Fixtures, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Analytical Work						
Payroll Taxes						
Employee's Liability Ins.						
TOTALS	$5700.00	None	$5700.00			5670.00

I certify that the above bill is correct and just and that payment therefor has not been received.

Date 1-20-66 *Payee L-D Mines

Per E. H. Lovitt Title Manager

* When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

(INSTRUCTIONS ON REVERSE)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 2835.00 cal P

Signature 14X0804
(Authorized Certifying Officer)

Date MAR 18 1966 Vou. No. 7008

(SEE OTHER SIDE)

Certification by Government Representative:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating an exploration project in accordance with the terms of Contract No. 2210

Signature: Donald R. Wachsen Title Field Officer, Reg. I Date January 31, 1966

Approved by OME Executive Officer or Alternate:

Signature Donald R. Wachsen Title Field Officer, Reg. I Date January 31, 1966

OPERATOR'S MONTHLY REPORT

The Operator, under an Office of Minerals Exploration contract, is required to report monthly to the Government. The report consists of three parts.

FIRST, the Operator's Monthly Voucher on MME Form 60 listing the project costs incurred and claimed by the Operator is the voucher basis for payment of the Government's share of the cost.

SECOND, the Operator's Progress Report on MME Form 61 is a statistical report of the units and cost of of work performed under the contract.

THIRD, the Operator's Narrative Report is a concise description of the work performed, results accomplished, and any unusual situations encountered, illustrated and supported by engineering-geological maps or sketches, drill hole logs, assay reports, etc., as pertinent.

The Operator submits the original and ~~four~~ three copies of each of the three sections of this report to the OME regional Executive Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, MME FORM 60

After all applicable spaces are filled in, the Operator or his agent must sign the certification in the lower left corner. Categories (2) through (7) apply to "Actual Cost" contracts only.

Under "Fixed Unit Costs" and Category (1) report, (a) the total fixed unit costs of work performed under contract provisions for contribution by the Government on a basis of "fixed unit costs"; and (b) the claimed costs of work performed on a unit-price basis by independent contractors.

Under Category (2) include the claimed costs of all payrolled and invoiced supervisory, technical, and labor personnel, except the costs for services applicable to Categories (5) and (6).

Under Category (3) include the claimed costs of all project materials and supplies other than those used for work under Categories (5) and (6).

Under Category (4) report claimed rentals on equipment belonging to a third party, claimed payments or obligations for payments on the Operator's purchase of equipment, and claimed depreciation for the use of Operator-owned equipment.

Under Categories (5) and (6) include all claimed costs of labor, supervision, technical services, operating materials and supplies, and all other items used in (5) the initial rehabilitation and repairs of existing buildings, fixtures, installations (exclusive of mine workings), and operating equipment; and (6) the installation or construction of new buildings, fixtures, and fixed improvements (exclusive of mine workings). Do not report these costs under Categories (2), (3), (4), and (7).

Under Category (7) include all miscellaneous claimed costs such as repairs (other than initial) and maintenance of equipment, sampling and analysis, travel, communication, accounting, office expenses, and the Operator's share of payroll taxes and insurance.

Except for amounts claimed under "fixed unit costs" provisions of the contract, all costs claimed in this voucher must be supported by documentary evidence consisting of: (a) certified copies or transcripts of payrolls which list each employee, wage rate, period of employment, gross earnings, itemized deductions, and net earnings; (b) original or certified copies of invoices, statements of accounts, or purchase orders which indicate items of materials or services, quantities, unit prices, total charges, and payment terms; and (c) certified memoranda of the Operator for such items as depreciation of Operator-owned equipment, unemployment taxes, and employee's liability insurance. The certification may be stated thus, "Certified True Copy (or Transcript)", followed by the signature of the Operator or his agent. One copy of each document should accompany the original of this voucher.

The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Executive Officer if he determines that it is impracticable for an Operator to submit this material. In any case of waiver of this requirement an "on-site" audit by an OME auditor is mandatory prior to payment of the final Operator's Monthly Voucher.

MME FORM 61
SEPT. 1959

RECEIVED
JAN 24 1966

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

OPERATOR'S PROGRESS REPORT For Month of December, 1965 Docket No. OME 6460

Operator's Name L-D Mines Contract No. 14-23-090-2210

OPERATION	UNITS	FOR OPERATOR'S USE: UNITS THIS MONTH	UNITS TO DATE	COSTS TO DATE	FOR GOVERNMENT USE: APPROVED UNITS THIS MONTH	APPROVED UNITS TO DATE	APPROVED COSTS TO DATE
Drifting							
Crosscutting							
Raising							
Shafts Inclined		94'	94'	$5640.00	94	94	$ 5640.00
Winzes							
Other Underground							
Drilling, Core-Diamond							
Rotary							
Drilling, Non-core-Diamond							
Rotary							
Churn							
Percussion							
Miscellaneous							
Assays Au Ag		24	24	60.00	12	12	30.00
Roads and Trails							
Stripping							
Trenching							
Test Pitting							
Other Surface Work							
Initial Rehabilitation and Repairs							
Rehabilitation of Mine Workings							
New Buildings, Fixtures, etc.							
Operating Equipment Purchases							
Analytical Work							
TOTAL TO DATE (per MME Form 60)				$5700.00			$ 5670.00

REMARKS

(Continue on back)

REMARKS

12 assays were of drill cuttings from each round drilled — not long holes
May be reinstated if contract is amended

(Continue on back)

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

Date 1-20-66 Operator L-D Mines

Per E. H. Lovitt Title Manager

A willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction is a criminal offense. (U.S. Code, Title 18, Sec. 1001.)

I certify that the information above is complete and accurate to the best of my knowledge and belief.

Signature Donald R. Wackerman

Title Field Officer Reg. I
Government Representative

Date January 31, 1966

(INSTRUCTIONS ON REVERSE)

REMARKS *(Cont.)*

REMARKS *(Cont.)*

INSTRUCTIONS FOR PREPARING OPERATOR'S PROGRESS REPORT, MME FORM 61

This report is the second of the three parts of the Operator's Monthly Report. Submit the original and ~~four~~ three copies.

The cost for each operation should be the total of all claimed costs attributable to that type of work with two exceptions, namely—operating equipment purchased and analytical work which are stated separately. For example, drifting costs should be the total of all costs chargeable to drifting including supervision, technical services, timbering (if any), etc. Similarly, drilling costs should include the cost of cementing, reaming, core boxes, etc. This procedure of distribution holds whether the contract was written on an actual cost or a unit cost basis, or some combination of the two. Distribute the cost of such general items as supervision, equipment rented, etc. according to relative footages or on some other conventional basis. The item "Initial Rehabilitation and Repairs" covers all rehabilitation and/or repairs other than the rehabilitation of mine workings.

The item titled "Drilling, Non-core Percussion" includes all drilling performed with wagon, jack-hammer, stoper and mounted drills. The several items labelled "Other" are provided to take care of particular exploration operations not specified on this form.

January 20, 1966

U.S. Department of the Interior
Division of Exploration Operations
Office of Minerals Exploration Region 1
So. 167 Howard Street
Spokane, Washington 99204

Attention: Mr. D. R. MacLaren, Acting Field Officer

Dear Sirs: Re: OME 6460 (Gold)

Enclosed are the three parts of Standard Form 41 requested in Mr. Woodward's letter of October 25 together with Voucher Form 60 and Progress Report Form 61. Pertinent maps are being forwarded to you under separate cover.

During the month of December, 1965 work performed under the terms of OME 6460 consisted simply of sinking the incline shaft 90 feet from the starting point. Conditions similar to those encountered at the higher elevations, plus modest gold and silver values, persisted to depth attained.

In the preceding months lateral working put in at a point 80 feet above the starting point encountered a limiting fault with pronounced rock change and lack of silicification beyond the fault. For this reason the section of shaft from G_1 to G_2 was abandoned and a new direction (the present direction) was taken in an effort to stay parallel to this limiting fault. At Point II more lateral workings (not authorized under the terms of OME 6460) are being put in to check the limiting fault before proceeding with shaft sinking authorized under the terms of OME 6460.

Since we expect to find most of our better gold values close to limiting faults, we are encouraged rather than discouraged with the gold values obtained to date.

Yours very truly,

E. H. Lovitt
Manager

RECEIVED
JAN 31 1966

EHLj
Enc

L—D MINES

ASSAY CERTIFICATE

Wenatchee, Wash., Nov.23 to Dec.31 19 65

Sample No.	Oz. Au.	Oz. Ag.	% Cu.	% Pb.	% Zn.			
		SAMPLES TAKEN FROM "B" REEF						
34551	0.02	0.38	D.C.					
34552	0.02	0.04	Muck					
34553	0.02	0.18	D.C.					
34554	0.02	0.36	Muck					
34556	0.06	0.06	Muck					
34557	0.03	0.42	D.C.					
34558	0.03	0.08	Muck					
34559	0.02	0.06	D.C.					
34560	0.02	0.06	Muck					
34561	0.10	0.08	D.C.					
34562	0.02	0.04	Muck					
34564	0.10	0.10	D.C.					
34565	0.10	0.26	Muck					
34566	0.06	0.12	D.C.					
34567	0.06	0.14	Muck					
34568	0.04	0.10	D.C.					
34569	0.04	0.16	Muck					
34570	0.02	0.06	D.C.					
34571	0.03	0.08	Muck					
34572	0.04	0.28	D.C.					
34573	0.04	0.04	Muck					
34574	0.04	0.06	D.C.					
34575	0.04	0.06	Muck					
34576	0.04	0.32	D.C.					

* Denotes D.C. as Drill Cuttings

CRAFTSMAN PTG. CO.

A. R. Lacasse
Assayer

UNITED STATES
DEPARTMENT OF THE INTERIOR
U. S. Geological Survey
Branch of Budget and Finance
Washington, D. C. 20242

ADMINISTRATIVE SUSPENSION STATEMENT

Name and Address of Payee: L-D Mines
P.O. Box 1668,
Wenatchee, Washington 98801

Amount Claimed:	Differences (Explained Below)	Amount Approved
$5,700.00	$30.00	$5,670.00
Bu. Voucher No.	Payee's Invoice No.	Period
	OME #6460 Contract# 2210	December, 1965

EXPLANATION

12 assays of drill cuttings not allowable under contract.

Any reclaim for items deducted must be supported by the original of this statement and submitted to the office shown above.

Branch of Budget and Finance

MME FORM 6
REV. 2-

REFERENCE SLIP

OFFICE OF MINERALS EXPLORATION

TO: Chief, OME

	DATE	INITIALS
1.	2/24/66	
2.		
3.		
4.		
5.		

OFFICIAL COPY
O. M. E.
RECEIVED
FEB 28 1966
INTERIM COPY

Re: OME-6460 (Gold)
L-D Mines
B Reef
Chelan County, Wash.
Contract 2210

D. R. MacLaren

FROM: Fld. Officer, Reg. I

~~110~~ ~~120~~ ~~120~~

FOR: Check items for action desired

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

REMARKS: Transmittal of the Gov't., Fiscal Section, and extra OME copy of Amend. No. 1 to the above-cited contract.

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

M56300-62

OME

February 23, 1966

Mr. D. R. MacLaren, Field Officer
Office of Minerals Exploration
Geological Survey
So. 157 Howard Street
Spokane, Washington 99204

Re: OME-6460 (Gold)
L-D Mines
B Reef
Chelan County, Washington
Contract 2210

Dear Mr. MacLaren:

The proposed Amendment No. 1 to the subject contract is satisfactory. All copies have been signed. We have retained the Operator's Copy for our file and enclose the other four as per instructions in your letter of February 21, 1966.

We trust you will find these to be in order.

Yours very truly,

E. H. Lovitt
Manager

EHLj
Enc. 4

OME

GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
February 21, 1966

Mr. E. H. Lovitt
Manager
L-D Mines
P. O. Box 1668
Wenatchee, Washington

110
120
120
Kirkland

Re: OME-6460 (Gold)
L-D Mines
B Reef
Chelan County, Washington
Contract 2210

Dear Mr. Lovitt:

Pursuant to the request in your letter of January 26, 1966, enclosed are the original and four copies of proposed Amendment No. 1 (two pages) to the subject contract, signed for the Government.

If the proposed amendment is satisfactory to you, please sign all five copies, retain the Operator's copy, and return the other copies to this office.

If the amendment is not satisfactory, please return all copies unsigned to this office with a statement of your proposed changes for consideration.

Government contribution to the cost of assaying drill cuttings from rounds drilled in a face has been disallowed. The balance of your two vouchers will be released upon receipt from you of the executed copies of this amendment.

In the even you find it advisable to make future changes in the specifications set forth in the contract and Amendment No. 1, prior Government approval will cause less delay in the payment of vouchers. This can often be done by telephone, and in any case a call will start the ball rolling if an amendment to the contract should be necessary.

Sincerely yours,

D. R. MacLaren
Field Officer, OME
Region I

Enclosures

DRMacLaren/mls
cc: OME
MacLaren
Voucher File
Director's Reading File

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
2/10/66	Kirkemo	
	Selfridge	
"	Johnson	
2/14	Gilsgaard	
2/14	Ivert	
2/14	Ely	
2-15	Cole	210
		120

FEB 1 5 1966

Memorandum

To: Field Officer, Region I

From: Chief, Office of Minerals Exploration

Subject: OME-6460 (Gold)
L-D Mines
B Reef
Chelan County, Washington
Contract 2210

In reference to your memorandum of January 31, 1966, enclosed are the original and four copies of proposed Amendment No. 1 (two pages) to the subject contract, signed for the Government. An extra unsigned copy of the proposed amendment is also enclosed for field use.

If the proposed amendment is satisfactory to you and the Operator, all five copies should be signed by an authorized representative of the Operator. Thereafter, please distribute the copies in the usual manner.

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

(signed) FRANK E. JOHNSON

Frank E. Johnson

Enclosures

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Reading File
Mr. Selfridge
Mr. Kirkemo

MMerrithew/mm (2/10/66)

23263

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
2/7/66	Kirkemo	120
	Selfridge	120
2/7	Johnson	110
2/7	CAC	220
		120 M

AIRMAIL

FEB 7 1966

Memorandum

To: Field Officer, Region I

From: Chief, Office of Minerals Exploration

Subject: OME-6460 (Gold)
L-D Mines
B Reef
Chelan County, Washington
Contract 2210

In accord with your recommendation, an amendment to change the coordinates for the starting point of the inclined shaft under the OME contract is in preparation and will be sent to you as soon as possible for execution by the Operator. The coordinates are being changed from "10,430 N. and 24,820 E." to "10,447 N. and 24,865 E."

We are in accord with your recommendation to disallow payment for assaying the drill cuttings from the rounds drilled in the shaft. The balance of the voucher $5,670.00) will be forwarded for payment upon receipt from the Operator of the amendment now in preparation.

We suggest that you remind the Operator that in the future, approval of the Government obtained prior to making changes in the program will cause less delay in payment of the vouchers. Also, you should remind him that the contract allows work to within 100 feet of the property line. The present course of the shaft may bring the workings close to this limiting boundary; and if it has to be changed again to a more easterly course, the shaft would extend beyond the point where payment is possible.

(Signed) FRANK E. JOHNSON

Frank E. Johnson

HKirkemo/mm (2/7/66)
cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Reading File
Mr. Selfridge
Mr. Kirkemo

23263

MME FORM 6
REV. 2

REFERENCE SLIP
OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. ~~Associate Solicitor 6042~~		
2. Harold Kirkemo 4450		
3. INTERIOR DEPT. B-66-2052.11		
4. FEB - 8 1966		
5. SOLICITOR		
FROM: Frank E. Johnson, OME	2/7/66	

FROM SOLICITOR

FOR SIGNATURE

FOR: Check items for action desired

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

REMARKS:

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

M56300-62

Docket

DRAFT 2/7/66
HKirkeme/mm

EXPLORATION CONTRACT
L-D MINES
OME-6460

AMENDMENT NO. 1

It is agreed this _____ day of _____, 1966, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and L-D Mines, hereinafter called the "Operator," that Exploration Contract No. 2210 (OME-6460), dated September 24, 1965, is amended effective the date of the contract as follows:

In Exhibit A:

1. Under the heading General Provisions, page 2, third paragraph, line 5, change coordinates from "10,430 N., and 24,820 E." to "10,447 N., and 24,866 E."

2. Under the heading Description of the Work, page 3, Stage I, first paragraph, line 2, change coordinates from "10,430 N., and 24,820 E." to "10,447 N., and 24,866 E."

This amendment shall not be construed to ~~change~~ increase the estimated total cost of the contract, ~~nor~~ the aggregate amount which the Government may be required to contribute, nor the fixed unit cost of any item of work.

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By _____
Chief, Office of Minerals Exploration
U. S. Geological Survey

L-D MINES

By _____

Title

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
2/2	Selfridge	120
"	Johnson	110
2/2	[illegible]	220
		120M

FEB 2 1966

Memorandum

To: Bureau Compliance Officer

From: Chief, Office of Minerals Exploration

Subject: Equal Employment Opportunity under Government Contracts

Enclosed are two copies each of Parts I and II and one copy of Part III, Standard Form 41, Compliance Report--Construction, submitted by L-D Mines, OME-6460, Contract 2210, for the last quarter of 1965. Formerly, one copy of each of the parts was sent to the President's Committee on Equal Employment Opportunity.

Listed below are the contracts which are in excess of $100,000 and to which Standard Form 41 should probably be sent for the first quarter of 1966:

OME-6460 Contract 2210 L-D Mines
OME-6436 Contract 2203 Cortez Joint Venture
OME-6288 Contract 2166 Bulldog Mountain, Inc.
OME-6289 Contract 2169 Richmond Hill Exploration Company, Inc.

The exact status of OME-6308, Contract 2182, Ruby Silver Mines, Inc., is not presently known. Should further work be approved, it would also be necessary to send Standard Form 41 to the company. It is believed that you have the addresses of these companies.

(signed) FRANK E. JOHNSON

Frank E. Johnson

Enclosures

cc to: Director's Reading File
Division File
Economic Geology File
OME Docket 6460
OME Reading File
Mr. Selfridge

GCSelfridge/gla 2-2-66

(cys also: Dockets OME-6288, 6289, 6436, 6308, and GCS EEO file)

23263

MME FORM 6 REFERENCE SLIP
REV. 2-59 OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. Chief, OME	1/25/66	
Re: OME-6460 (Gold)		
2. L-D Mines		
B Reef		
3. Chelan County, Wash.		
Contract 2210		
4.		
D R MacLaren		
5. D. R. MacLaren		
FROM: Field Officer, Reg. I		

OFFICIAL COPY
O. M. E.
RECEIVED
JAN 27 1966
INITIALS CODE

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: The attached Standard Form 41 (Parts I, II, and III) was received with the Monthly Progress Report and Voucher from the above-cited Operator.

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

STANDARD FORM 41
(PART 1)
January 1963
PRESIDENT'S COMMITTEE ON EQUAL EMPLOYMENT OPPORTUNITY
41 CFR CH. 60 41-102

COMPLIANCE REPORT —CONSTRUCTION

(Construction, Alteration and Repair Contracts)

NONDISCRIMINATION PROVISIONS OF U.S. GOVERNMENT CONTRACTS

IMPORTANT. — Please read the accompanying instruction sheet which tells you how to prepare and when to submit each part of this report.

SUBMIT REPORT IN TRIPLICATE TO	CONTRACTING AGENCY	ADDRESS
	Department of the Interior	Washington, D. C. 20240
	U. S. Geological Survey	
	Office of Minerals Exploration	Washington, D. C. 20240

Part I. — COMPANY-WIDE POLICIES AND EMPLOYMENT DATA

Section A. — CONTRACTOR AND PROJECT IDENTIFICATION

1. CONTRACTOR'S REPORTING STATUS *(Check one block only to indicate your status for the project covered by this report)* [X] a. PRIME CONTRACTOR [ ] b. SUBCONTRACTOR

CROSS REFERENCE IDENTIFICATION	EMPLOYER IDENTIFICATION NO.	CODE (Leave blank)
2. NAME AND ADDRESS OF CONTRACTOR SUBMITTING THIS REPORT L-D Mines P.O. Box 1668 Wenatchee Washington 98801	91-0729734	
3. NAME AND ADDRESS OF PRINCIPAL OFFICE OF THE COMPANY L-D Mines P.O. Box 1668 (~~Route-1~~) Wenatchee, Washington 98801		
4. NAME AND ADDRESS OF PARENT COMPANY IF AN AFFILIATED COMPANY A joint venture composed of Day Mines, Inc. and Wenatchee Mining Partnership. WMP is Edward H. Lovitt, A. W. Fisher, Estate of Vere McDowall, A. O. Hall, F. C. Buckland, B. O. Brynelsen		

5. PROJECT NAME, LOCATION, AND CONTRACT NO.
OME 6460 (Gold)
Chelan County, Washington
Contract No. 2210

6. PRIME CONTRACTOR'S NAME AND ADDRESS *(Complete only when block 1b above is checked)*
N/A

Section B. — PREVIOUS COMPLIANCE REPORT CROSS REFERENCE (See Instructions 4a and 4d)

7. Have you filed a completed Part I of this report in connection with any other contract or subcontract during the current reporting period? [ ] YES [X] NO

7a. If "Yes," give the following and then complete only item 18 on reverse.

(1) NAME AND ADDRESS OF CONTRACTING AGENCY WITH WHOM FILED	(2) PROJECT NAME AND LOCATION	
	(3) CONTRACT NO.	(4) DATE FILED

7b. If "No," complete the balance of Part I.

Section C. — COMPANY EMPLOYMENT POLICY	YES	NO
8. Have you established a company-wide employment policy to assure that equal employment opportunity is given to all persons without regard to race, creed, color, or national origin?	X	
9. Have you communicated such policy in writing to all departments, offices, and facilities? *(If communicated by other means, explain.)*	X	
10. Have you assigned responsibility and put into effect procedures to assure that company-wide employment policy is understood and implemented by managerial, administrative, and supervisory personnel?	X	
11. If you sponsor or finance educational or training programs for the benefit of any employees, or prospective employees, are all such persons given the opportunity to participate without regard to race, creed, color, or national origin?		None

(Continue on reverse)

Section D. — RECRUITMENT AND ADVERTISEMENT	YES	NO
12. Have all of the company's recruitment sources (other than unions) been notified that all qualified applicants will receive consideration for employment without regard to race, creed, color, or national origin? We have had no occasion to hire additional		N/A
12a. Has this been done in writing? employees in the office or at the project site		N/A
13. Has each such recruitment source advised the company that it will refer all qualified applicants for employment to the company without regard to race, creed, color, or national origin?		N/A
14. If the company recruits employees through advertising, does such advertising make clear that all qualified applicants will receive consideration for employment without regard to race, creed, color, or national origin?		N/A

Section E. — COMPANY EMPLOYMENT DATA SUMMARY

This section pertains ONLY to employment at the employer's principal office and branch establishments and employment data furnished should include ALL employees at such office and establishments.

15. EMPLOYMENT BY WORK CLASSIFICATIONS, RACE, AND SEX
(For pay period nearest 15th of month preceding that in which this report is due.)

WORK CLASSIFICATIONS (See Instruction 3)	TOTAL ALL EMPLOYEES	MALE EMPLOYEES				FEMALE EMPLOYEES			
		TOTAL MALES	MINORITY GROUPS (See Inst. 7)			TOTAL FEMALES	MINORITY GROUPS (See Inst. 7)		
			NEGRO	OTHER ____	OTHER ____		NEGRO	OTHER ____	OTHER ____
OFFICIALS AND MANAGERS	3	3							
PROFESSIONAL	1	1							
TECHNICAL	2	2							
OFFICE AND CLERICAL	2	1				1			
SALES WORKERS									
JOURNEYMEN AND MECHANICS	34	34							
APPRENTICES									
LABORERS	3	3							
SERVICE WORKERS									
TOTALS	45	44				1			

16. EMPLOYMENT STATISTICS WERE OBTAINED FROM WHICH SOURCE: [X] RECORDS (If available) [ ] VISUAL CHECK [ ] OTHER (Specify) ____

17. REMARKS

It is our intention to handle this project with our present crew.

18. DATE	SIGNATURE AND TITLE	ADDRESS
	E. H. Lovitt, Manager	P.O. Box 1668 Wenatchee, Wash 98801

(Willfully false statements on this Report are punishable by law (U.S. Code, Title 18, Section 1001)

STANDARD FORM 41
(PART II)
January 1963
PRESIDENT'S COMMITTEE ON EQUAL EMPLOYMENT OPPORTUNITY
41 CFR CH. 60 41-202

COMPLIANCE REPORT—CONSTRUCTION
(Construction, Alteration and Repair Contracts)
NONDISCRIMINATION PROVISIONS OF U.S. GOVERNMENT CONTRACTS

IMPORTANT.—Please read the accompanying instruction sheet which tells you how to prepare and when to submit each part of this report.

SUBMIT REPORT IN TRIPLICATE TO	CONTRACTING AGENCY	ADDRESS
	Department of the Interior	Washington, D. C. 20240
	U. S. Geological Survey	
	Office of Minerals Exploration	Washington, D. C. 20240

Part II.—EMPLOYMENT CONDITIONS AT THE PROJECT SITE

Section A.—CONTRACTOR AND PROJECT IDENTIFICATION

1. CONTRACTOR'S REPORTING STATUS (Check one block only to indicate your status for the project covered by this report) [X] a. PRIME CONTRACTOR [ ] b. SUBCONTRACTOR

CROSS REFERENCE IDENTIFICATION	EMPLOYER IDENTIFICATION NO.	CODE (Leave blank)
2. NAME AND ADDRESS OF CONTRACTOR SUBMITTING THIS REPORT L-D Mines P.O. Box 1668 Wenatchee Washington 98801	91-0729734	

3. PROJECT NAME, LOCATION, AND CONTRACT NO.
OME 6460 (Gold)
Chelan County, Washington
Contract No. 2210

4. PRIME CONTRACTOR'S NAME AND ADDRESS (Complete only when block 1b above is checked)
N/A

Section B.—ORGANIZATIONS OF WORKERS	YES	NO
5. Has a collective bargaining agreement or other contract or understanding been made with a labor union (or unions) which covers the performance of any work on this project?		N/A
6. Has the notice (Standard Form 38) advising the union of the company's obligations under the nondiscrimination provisions of Government contracts been sent to each such union by you or your trade representative?		N/A
7. Has each such union notified you or your trade representative that its policies and practices are consistent with the nondiscrimination provisions?		N/A
8. If "No," identify such union(s) and describe efforts made to obtain such information.		
9. Are any workers for the project covered by this report being recruited through union locals?		N/A
10. If "Yes," identify such unions and indicate those unions with which you have collective bargaining agreements or other understandings involving the use of hiring halls.		

Section C.—APPRENTICESHIP TRAINING	YES	NO
11. Do you employ or intend to employ apprentices on this project?		X
12. If "Yes," are applicants for such employment employed without regard to race, creed, color, or national origin?		
13. Is your apprenticeship program registered with a State Apprenticeship Agency or the Bureau of Apprenticeship and Training, U.S. Department of Labor?		N/A
14. Does your apprenticeship program contain an equal employment opportunity provision?		N/A

Section D.—RECRUITMENT SOURCES		U.S. EMPL. SERV.	STATE EMPL. SERV.	DIRECT HIRING	UNION	OTHER
15. CHECK PRINCIPAL SOURCES FOR:	a. CONSTRUCTION WORKERS					N/A
	b. OTHER WORKERS					

Section E.—SUBCONTRACTS	YES	NO
16. Have you awarded any subcontracts for work covered by your contract or subcontract for this project?		X
17. Has the nondiscrimination clause been included in all of your subcontracts subject to Executive Order 10925?		N/A
18. Have all such subcontractors covered by these reporting requirements been instructed to file compliance reports and been furnished with report forms and instructions?		N/A

(Continue on reverse)

Section F.—GENERAL

19. (Optional.) Describe briefly any actions other than those referred to in this report that have been taken which affect this project to assure that equal employment opportunity is given to all employees and applicants for employment without regard to race, creed, color, or national origin. Use this page if additional space is needed to fully answer the foregoing questions.

It is our intention to handle this project with the present crew.

20. DATE	SIGNATURE AND TITLE	ADDRESS
	E. H. Lovitt, Manager	P.O. Box 1668 Wenatchee, Wash 98801

(Willfully false statements on this Report are punishable by law (U.S. Code, Title 18, Section 1001)

☆ U.S. GPO: 1963—O—653281

STANDARD FORM 41
(PART III)
January 1963
PRESIDENT'S COMMITTEE ON EQUAL EMPLOYMENT OPPORTUNITY
41 CFR CH. 60 41-301

COMPLIANCE REPORT—CONSTRUCTION

(Construction, Alteration and Repair Contracts)

NONDISCRIMINATION PROVISIONS OF U.S. GOVERNMENT CONTRACTS

IMPORTANT.—Please read the accompanying instruction sheet which tells you how to prepare and when to submit each part of this report.

SUBMIT REPORT IN DUPLICATE TO

CONTRACTING AGENCY	ADDRESS
Department of the Interior	Washington, D. C. 20240
U. S. Geological Survey	
Office of Minerals Exploration	Washington, D. C. 20240

Part III.—EMPLOYMENT DATA SUMMARY AT THE PROJECT SITE

Section A.—CONTRACTOR AND PROJECT IDENTIFICATION

1. CONTRACTOR'S REPORTING STATUS (*Check one block only to indicate your status for the project covered by this report.*) [X] a. PRIME CONTRACTOR [ ] b. SUBCONTRACTOR

CROSS REFERENCE IDENTIFICATION	EMPLOYER IDENTIFICATION NO.	CODE (Leave blank)
2. NAME AND ADDRESS OF CONTRACTOR SUBMITTING THIS REPORT L-D Mines P.O. Box 1668 Wenatchee, Washington 98801	91-0729734	

3. PROJECT NAME, LOCATION, AND CONTRACT NO.	4. CONSTRUCTION DATES (Estimated or Actual) a. STARTING	b. COMPLETION
OME 6460 (Gold) Chelan County, Washington Contract No. 2210	2-1-66	2-1-68

5. PRIME CONTRACTOR'S NAME AND ADDRESS (*Complete only when block 1b above is checked*)

N/A

6. CONTRACTOR'S SCOPE OF WORK (*Major activity*) UNDER CONTRACT AT THIS PROJECT	CODE (Leave blank)
Shaft sinking and tunneling	

Section B.—CURRENT EMPLOYMENT AT THE PROJECT SITE

7. BY RACE AND WORK CLASSIFICATIONS		TOTAL EMPLOYEES	MINORITY GROUPS (See Instruction 7) TOTAL NEGRO	TOTAL OTHER _____	TOTAL OTHER _____	CODE (Leave blank)
OTHER EMPLOYEES (See Instructions 2h & 3)	SUPERVISORS	2				
	PROFESSIONAL	1				
	TECHNICAL					
	OFFICE AND CLERICAL					
	SERVICE WORKERS					
CONSTRUCTION WORKERS (See Instruction 2g)	FOREMEN*					
	JOURNEYMEN AND MECHANICS*	5				
	HELPERS*					
	APPRENTICES*					
	LABORERS	1				
	GRAND TOTALS	9				

If more than one trade is employed, separately tabulate each trade in item 8 on the reverse.

(Continue on reverse)

8. CONSTRUCTION WORKERS BY RACE AND TRADE (*Excluding Laborers*)

WORK CLASSIFICATIONS (Tabulate each trade separately and specify the applicable trade in each case)		TOTAL EMPLOYEES	MINORITY GROUPS (See Inst. 7)			CODE (Leave blank)
TRADE	LEVEL		TOTAL NEGRO	TOTAL OTHER _____	TOTAL OTHER _____	
a. Diesel & Automotive	FOREMEN					
	JOURNEYMEN & MECHANICS	1				
	HELPERS					
	APPRENTICES					
b. Steel Sharpener	FOREMEN					
	JOURNEYMEN & MECHANICS	1				
	HELPERS					
	APPRENTICES					
c. Miners	FOREMEN					
	JOURNEYMEN & MECHANICS	3				
	HELPERS	1				
	APPRENTICES					
d.	FOREMEN					
	JOURNEYMEN & MECHANICS					
	HELPERS					
	APPRENTICES					
e.	FOREMEN					
	JOURNEYMEN & MECHANICS					
	HELPERS					
	APPRENTICES					
f.	FOREMEN					
	JOURNEYMEN & MECHANICS					
	HELPERS					
	APPRENTICES					
g.	FOREMEN					
	JOURNEYMEN & MECHANICS					
	HELPERS					
	APPRENTICES					
h.	FOREMEN					
	JOURNEYMEN & MECHANICS					
	HELPERS					
	APPRENTICES					
i.	FOREMEN					
	JOURNEYMEN & MECHANICS					
	HELPERS					
	APPRENTICES					
j.	FOREMEN					
	JOURNEYMEN & MECHANICS					
	HELPERS					
	APPRENTICES					

9. DOES THE EMPLOYMENT REPORTED ABOVE REPRESENT PEAK EMPLOYMENT? ☐ YES ☒ NO

10. IF "NO," GIVE THE ACTUAL DATE PEAK EMPLOYMENT WAS REACHED OR THE ESTIMATED DATE PEAK EMPLOYMENT WILL BE REACHED.

a. ACT. DATE

b. EST. DATE Not determined

11. MINORITY GROUP EMPLOYMENT STATISTICS WERE OBTAINED FROM WHICH SOURCE: ☐ RECORDS (*If available*) N/A ☐ VISUAL CHECK ☐ OTHER (*Specify*) _____

12. GIVE CLOSING DATE OF PAYROLL PERIOD ENDING NEAREST THE 15TH OF THE MONTH IN WHICH THIS REPORT IS DUE December 15 19 66

13. REMARKS

14. DATE

SIGNATURE AND TITLE E. H. Lovitt, Manager

ADDRESS P.O. Box 1668 Wenatchee, Wash 98801

(Willfully false statements on this Report are punishable by law (U.S. Code, Title 18, Section 1001))

October 25, 1965

OFFICIAL COPY
1965

Mr. E. H. Lovitt
Manager, L-D Mines
Box 1668
Wenatchee, Washington 98801

Dear Mr. Lovitt:

Subject: OMM 6460 (gold)
Chelan County, Washington
Contract 2210

Reference is made to Article 10 and to Exhibit B relative to non-discrimination in employment, which is attached to the subject contract, dated September 24 for $133,260.

Enclosed are the three parts of Standard Form 41, "Compliance Report--Construction," which should be completed as indicated and submitted in triplicate with your first voucher, or shortly thereafter. Before completing each part, please review the accompanying instructions carefully and complete all boxes as appropriate, with indication concerning those parts not applicable. Please note that in Item 4 of Part 1, names and addresses of the co-venturers should be shown. Inasmuch as Parts I and III do not list "miners, etc." as such, we suggest you use the block "journeyman and mechanics" for the required information.

If you have any questions, please write me.

Sincerely yours,

Douglas R. Woodward

Douglas R. Woodward
Bureau Compliance Officer - Contracts

Enclosures

Copy to: Mr. Selfridge

DAB
10/25/65

OME

GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
October 12, 1965

OFFICIAL COPY
O. M. E.
RECEIVED
OCT 14 1965
120 m
120

Mr. E. H. Lovitt, Manager
L-D Mines
P. O. Box 1668
Wenatchee, Washington 98801

Re: OME-6460 (Gold)
L-D Mines
B Reef
Chelan County, Washington
Contract 2210

Dear Mr. Lovitt:

We are enclosing a three-month supply of Operator's monthly Voucher and Progress Report, MME Forms, 60 and 61. The original and three copies of the completed report forms as well as the narrative, maps, assays, and all technical data, should be submitted 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 in 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. The enclosed poster should be kept exhibited in a conspicuous place available to both employees and applicants for employment.

We would appreciate your advising us when the OME contract work has started.

Sincerely yours,

D. R. MacLaren
Field Officer, OME
Region I

Enclosures

MLSmelser/mls
cc: OME

Director's Reading File

MME FORM 6 REFERENCE SLIP

REV. 2 OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. Chief, OME	10/8/65	
2.		
3.		
4.		
5. D. R. MacLaren		
FROM: Field Officer, Region I		

D R MacLaren

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: OME-6460 (Gold)
L-D Mines
B Reef
Chelan County, Wash.
Contract 2210

Transmittal of the Gov't., Audit, and Fiscal Section's copies of the above-cited contract.

M56300-59

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

Ore

DAY MINES, INC.

WALLACE, IDAHO

October 7, 1965

Col 210
~~120 M~~
HK 120
~~120~~

United States Department of the Interior
Geological Survey
8 157 Howard Street
Spokane, Washington 99204

RE: OME-6460 (Gold)
L-D Mines
B Reef
Chelan County, Washington

Gentlemen:

Enclosed herewith please find original and three copies of the OME Contract with L-D Mines, properly executed by L-D Mines, Wenatchee Mining Partnership, and Day Mines, Inc.

Yours very truly,

DAY MINES, INC.

b/ Wray D. Farmin
Wray D. Farmin, Vice-President

WDF:es
cc: L-D. Mines

2 PM - 10/8/65

Mr. Johnson;

Mary Smelzer of Spokane called to say they had received the signed contract listed below 10/8/65 -

Re: OME-6460 (Gold)
L-D Mines
B Reef
Chelan County, Washington

Beulah

P. R. sent to Kilsgaard 10/13/65 - (BL)

OFFICIAL COPY
O. M. E.
RECEIVED
SEP 30 1965
INITIALS | CODE
MK. 9/30 | 120 K
Noted gla 9/30 | 120 M

GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
September 28, 1965

Mr. E. H. Lovitt, Manager
L-D Mines
P. O. Box 1668
Wenatchee, Washington 98801

Re: OME-6460 (Gold)
L-D Mines
B Reef
Chelan County, Washington

Dear Mr. Lovitt:

Enclosed are the original and four copies of a proposed contract for the subject property. The contract consists of MME Form 51 (5 pages), Annex I (1 page), Exhibit A (4 pages), Exhibit B (1 page), and three maps (figs. 1, 2, and 3). All copies of the contract have been signed by the Acting Director for the Government. The date for commencement of the work has been inserted.

You or whoever will be in charge of carrying out the project work under this contract are urged to read carefully all the specifications set forth in Exhibit A. Without prior Government approval subsequently confirmed in writing, the Government may refuse to contribute to the cost of any work that does not conform to those specifications. Your attention is specifically directed to Article 10 and Exhibit B. Appropriate forms to meet the compliance requirements will be sent with forms for reporting monthly progress and vouchering.

If the terms and conditions are satisfactory, sign all copies, keep the Operator's copy, and return the other copies to this office.

If any part of the proposed contract is not satisfactory, please return all copies unsigned to this office with a statement of your proposed changes for consideration.

The 6½ percent interest accrues from the date on which the individual payments are made by the Government and like the principal is payable from royalty on production.

Sincerely yours,

D. R. MacLaren
Field Officer, OME
Region I

Enclosures
Enclosures

MLSmelser/mls
cc: OME
Director's Reading File

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
	Selfridge	
9/27	Johnson	
9-21	Wiecha	
9/21	Hall	
	Baker 9/21	
9/24	Cal	210

SEP 24 1965

Memorandum

To: Acting Field Officer, Region 1

From: Chief, Office of Minerals Exploration

Subject: OMX-6460 (Gold)
L-D Mines
B Reef
Chelan County, Washington

Enclosed are the original and four copies of a proposed contract for the subject property. The contract consists of MME Form 51 (5 pages), Annex I (1 page), Exhibit A (4 pages), Exhibit B (1 page), and three maps (Figures 1, 2, and 3). An extra copy of the contract is also enclosed for field use. All copies of the contract have been signed by the Director for the Government. The date for commencement of the work has been inserted.

If the proposed contract is satisfactory to you and the Applicant, all five copies should be signed by an authorized representative of the Applicant. Thereafter, please distribute the copies in the usual manner.

Please advise the Applicant that the 6½ percent interest accrues from the dates on which the 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.

(Signed) FRANK E. JOHNSON

Frank E. Johnson

Enclosures

MMerrithew/mm (9/20/65)
cc: Director's Reading File
Division File
Economic Geology File
OME File
OME Reading File
Mr. Selfridge

23263

9/19/65

George: Re: OME-6460
L-D Mines
B Reef
Chelan County, Washington

Herewith the L-D Mines contract received from Legal about 4:15 P.M. Friday.

I have reviewed it and note corrections are needed as follows:

Page	Paragraph	Line	Correction
1 (MME 51)	3	4	Change $66,230 to read $66,630.
3 (Exhibit A)	1	3	Change "or" to read "on".
3 (Exhibit A)	4	2	"200 feet apart" must be what we intended although the original reads "20 feet apart". I guess we didn't catch it on the original as an error.

Will you please ask Marion to print additional copies of the 3 figures (originals attached) and color them according to the set with the copies of the contract (yellow for Stage I and green for Stage II) ?

Kirk

Kirk

I summarized the Gov't copy.

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
9/13/65	Kirkemo	120
	Lofgren	120
9/13	Johnson	110
9/13	Cole	220
		120 M

SEP 13 1965

Mr. E. H. Lovitt
Manager
L-D Mines
P. O. Box 1668
Wenatchee, Washington 98801

Re: OME-6460 (Gold)
L-D Mines
B Reef
Chelan County, Washington

Dear Mr. Lovitt:

Thank you for the L-D Mines Agreement received in the Washington Office September 9, 1965.

Sincerely yours,

(signed) FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

MMerrithew/mm
9/13/65
cc: Director's Reading File
Division File
Economic Geology File
OME File
OME Reading File
Region I
Mr. Kirkemo

23263

DRAFT
HKirkemo/mm
9/10/65

Docket

MME Form 51
June 1963

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
[redacted]*

EXPLORATION CONTRACT
(Short Form)

Docket No.	Commodity	Contract No.	County	State
OME -6460	Gold	14-23-090-	Chelan	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

L-D Mines, a joint venture composed of Wenatchee Mining Partnership and Day Mines, Inc.,

whose mailing address is P. O. Box 1668, Wenatchee, Washington 98801, hereinafter called the "Operator," as follows:

ARTICLE 1. 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 February 1, 1966 (Date), and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within 24 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 $133,260.00 The Government will contribute 50 percent of the total fixed unit costs of the work performed, not in excess of $ 66,630.00 in accordance with the provisions of Articles 4 and 5.

(c) Interest computation.-- Simple interest 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:

See Annex I

(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:

See Annex I

*U. S. Geological Survey

(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 four 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 three 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 two 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 or producer)), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. No costs of the Operator or producer 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 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 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 or producer shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such pruchaser 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 or producer.

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 10. Nondiscrimination in Employment.--The provisions respecting nondiscrimination in employment which are required by section 301 of Executive Order 10925, dated March 6, 1961, as amended and supplemented, are attached hereto as Exhibit B and are hereby incorporated in and made a part of this contract.

ARTICLE 11. Disputes.--Any dispute arising under this contract which is not disposed of by agreement shall be decided by the Director, [redacted]* who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Operator. The decision of the Director, [redacted]* 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, [redacted]* a written appeal addressed to the Secretary of the Interior. 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, [redacted]*" as used herein includes his duly authorized representative.

ARTICLE 12. Work Hours Act of 1962 - Overtime Compensation.--This contract, to the extent that it is of a character specified in the Work Hours Act of 1962 (Public Law 87-581, 76 Stat. 357-360) and is not covered by the Walsh-Healey Public Contracts Act (41 U.S.C. 35-45), is subject to the following provisions and to all other provisions and exceptions of said Work Hours Act of 1962.

(a) Overtime requirements.--No Operator or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any laborer or mechanic to be employed on such work in excess of eight hours in any calendar day or in excess of forty hours in any workweek unless such laborer or mechanic receives compensation at a rate of not less than one and one-half times his basic rate of pay for all hours worked in excess of eight hours in any such calendar day or in excess of forty hours in any such workweek, as the case may be.

(b) Violations; liability for unpaid wages; liquidated damages.--In the event of any violation of the clause set forth in subparagraph (a) of this paragraph, the Operator and any subcontractor responsible therefor shall be liable to any affected employee for his unpaid wages. In addition, such Operator and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed, with respect to each individual laborer or mechanic employed in violation of the clause set forth in subparagraph (a) of this paragraph, in the sum of $10 for each calendar day on which such employee was required or permitted to work in excess of eight hours or in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in subparagraph (a) of this paragraph.

(c) Withholding for unpaid wages and liquidated damages.--The [redacted]* may withhold or cause to be withheld, from any moneys payable on account of work performed by the Operator or subcontractor, such sums as may administratively be determined to be necessary to satisfy any liabilities of such Operator or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in subparagraph (b) of this paragraph.

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.

***U. S. Geological Survey**

ARTICLE 14. Changes and added provisions.--

Executed in quintuplicate the day and year first above written.

L-D MINES, MANAGING COVENTURER
(Operator)

By

E. H. Lovitt
Title Manager

THE UNITED STATES OF AMERICA

By

Director
U. S. Geological Survey

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]

Wenatchee Mining Partnership

By

Title

Day Mines, Inc.

By

Title

INT.-DUP. SEC., WASH., D.C. 31011

HKirkemo/mm
9/9/65

EXPLORATION CONTRACT
L-D MINES
OME-6460

ANNEX I

The land, including all rights pertaining thereto, referred to in Article 2 of the contract consists of about 60 acres described as E½SE¼SE¼ sec. 16, E½NE¼NE¼ sec. 21, and the W½NW¼NW¼ sec. 22, all in T. 22 N., R. 20 E., Willamette Meridian, Chelan County, Washington. Mineral rights are held for the land described in section 16, and fee titles are held for the land described in secs. 21 and 22 pursuant to the terms of the L-D Mines Agreement dated 1 December 1961.

This tract of land is shown in heavy outline on Figure 1, entitled "Map Showing Operator's Propperty Rights, B Reef Project, Chelan County, Washington," which is attached hereto and made a part hereof.

EXPLORATION CONTRACT
L-D MINES
OME-6460

EXHIBIT A

The purpose of the project is to explore for gold-bearing ore bodies by shaft sinking, long-hole drilling, cross-cutting, drifting, and raising in and along B reef, a mineralized reef consisting of altered sedimentary rocks in the Swauk formation of Eocene age, and associated igneous rocks.

General Provisions

All significantly mineralized areas traversed by the exploratory workings shall be sampled by collecting a representative bulk sample of each round broken in significantly mineralized areas. In addition, channel samples cut normal to the trends of the deposits at intervals of not more than 5 feet may be taken where more detailed information is desired. Long-hole drill cuttings showing significant mineralization shall be sampled. No individual long-hole sample shall represent more than 8 feet of hole.

Samples from whatever source shall be split as necessary and assayed for gold and silver. The Operator shall store one split of each sample in a suitable container properly identified as to source and location for Government inspection and possible use. With prior Government approval, the Operator may dispose of the stored samples.

True copies of assay certificates of all samples shall be submitted with the Operator's monthly reports, which shall also

include maps or sketches showing the work completed during the reporting period, the location, width, and assay values of the samples, and the general geologic formations and structures traversed by the workings.

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

No work under this contract shall be performed closer than 100 feet to the outer boundary of the project area.

The location, direction, and extent of each work item shall be subject to prior Government approval.

The work shall be divided into two stages. The Operator shall perform all the Stage I and as much of the Stage II work as is approved and confirmed in writing by the Government.

Prior to undertaking Stage I of the project and within a reasonable time (4 months) after executing this contract, the Operator at his own cost and expense shall drive an inclined shaft southward through previously explored ground in B reef to a point near mine coordinates 10,430 N., and 24,820 E. This point is about 270 feet south of and about 60 feet lower in elevation than the floor of the shaft at the portal.

Under the contract, the inclined shaft shall be not less than 10 by 7 feet in cross section in the clear of timber, and shall be timbered as necessary using standard 8-by 8-inch cut or equivalent

round timbers. Air lines, water lines, and ventilation pipe shall not be less than 4-inch, 2-inch, and 16-inch diameter, respectively. Rails shall be installed where necessary and shall be not less than 30-pound size.

The drifts and crosscuts shall be not less than 5 by 7 feet in cross section and shall be timbered as necessary using standard 8 by 8-inch drift sets or equivalent round timber. Mine rails shall be of not less than 20-pound size, air lines not less than 3-inch diameter, water lines not less than 1-inch diameter, and ventilation pipe not less than 14-inch diameter.

Raises shall be 5 by 7 feet in cross section, and be divided into a manway and chute by a row of 8 by 8-inch stulls with 3-inch lagging nailed to the stulls on the chute side.

Description of the Work

The approximate locations of the work described for Stages I and II are shown in plan view on Figure 2, entitled "Map showing Underground Workings and Proposed Exploration Work, B Reef Project, Chelan County, Washington," and in elevation view on Figure 3, entitled "Cross Section through Underground Workings and Proposed Exploration Work, B Reef Project, Chelan County, Washington." Both figures are attached hereto and made part hereof.

Stage I

From the face of the inclined shaft near mine coordinates 10,430 N., 24,820 E., and about 60 feet below floor level at the

portal, continue the inclined shaft another 290 feet on approximately a -15° incline in a southerly direction to traverse the mineralized zone in B reef as schematically shown on Figures 2 and 3.

To further explore the mineralized zone, a station shall be established at a selected level in the shaft driven in Stage I, and drifts or crosscuts extended to the limits of the mineralized structure. An aggregate of not more than 750 feet of drift and crosscutting shall be performed on this level.

Percussion long-hole drilling not exceeding 4,000 feet shall be performed from this level to further test the extent of mineralization. Drill stations shall be spaced no less than 100 feet apart, and no more than 6 holes shall be drilled at one station.

Raises totalling not more than 300 feet shall be driven from this level at locations not less than 20 feet apart. Maximum height for individual raises shall not exceed 75 feet.

Stage II

Stage II shall be dependent upon the results of the Stage I work and is subject to prior written approval by the Government.

The work will be a continuation of the inclined shaft with another level established for drifting, long-hole drilling, and raising.

Under Stage II not more than 290 feet of inclined shaft sinking, 750 feet of drifting and crosscutting, 4,010 feet of long-hole drilling, and 300 feet of raising shall be performed.

Estimated Costs of the Project

Fixed Unit Costs

Stage I

290 feet shaft sinking @ $60.00/foot	$17,400.00	
150 feet timbering in shaft @ $10.00/foot	1,500.00	
750 feet drifting and crosscutting @ $40.00/foot	30,000.00	
4,000 feet long-hole drilling including assaying for gold and silver @ $1.00/foot	4,000.00	
300 feet raising @ $40.00/foot	12,000.00	
400 muck and channel samples for ~~gold~~ gold and silver assays @ $2.50/sample	1,000.00	
Total Stage I		$65,900.00

Stage II

290 feet shaft sinking @ $65.00/foot	$18,850.00	
150 feet timbering in shaft @ $10.00/foot	1,500.00	
750 feet drifting and crosscutting @ $40.00/foot	30,000.00	
4,010 feet long-hole drilling including assaying for gold and silver @ $1.00/foot	4,010.00	
300 feet raising @ $40.00/foot	12,000.00	
400 muck and channel samples for gold and silver assays @ $2.50/sample	1,000.00	
Total Stage II		$67,360.00

Total Estimated Cost Stage I	$65,900.00
Total Estimated Cost Stage II	67,360.00
Total Estimated Cost of the Project	$133,260.00
Government Participation @ 50%	$ 66,630.00

OME-6460
L-D Mines
Chelan County, Washington

Rights to land involved in the B Reef Project, L-D Mines, are described on the following pages and paragraphs of the L-D Mines Agreement, Dec. 1, 1961, and in Schedule A attached thereto:

Subject	Document	Page	Paragraph
Interest in joint property	L-D Mines Agreement	2	2 and 3
E½SE¼SE¼ Sec. 16	Schedule A	3	Last
"	" "	4	First
" (Item 9)	" "	10	3rd
E½NE¼NE¼ Sec. 21 ((Item 4)	" "	2	4th
W½NW¼NW¼ Sec. 22 (Item 3)	" "	2	2nd

Items 4 and 9, above, were acquired by the Wenatchee Mining Partnership from the Keegan brothers in accordance with a contract dated Nov. 19, 1953, wherein Exhibit A identified these items as Item I and II, respectively.

Item 3, above, was acquired by the Wenatchee Mining Partnership from John W. Cheek and Laura Ann Cheek, on April 20, 1954, as shown on last page of document with said date.

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
9/8/65	Kirkemo	120
	[illegible]	120
9/8	Johnson	110
9/8	cal	220
		120 m

SEP 8 1965

Mr. E. M. Lovitt
Manager
L-D Mines
P. O. Box 1668
Wenatchee, Washington 98801

Re: OME-6460 (Gold)
L-D Mines
B Reef
Chelan County, Washington

Dear Mr. Lovitt:

This is to acknowledge receipt of a map showing mine coordinates at the portal of the inclined shaft and copies of letters from the joint venture partners regarding proportionate share of participation in the costs of the proposed exploration.

Upon receipt of a true and complete copy with legible dates and signatures of the L-D Mines Agreement, which Mr. Kirkemo has requested by phone, we will continue processing your application.

Sincerely yours,

(signed) FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

HKirkemo/mm (9/8/65)
cc: Director's Reading File
Division File
Economic Geology File
OME File
OME Reading File
Region I
Mr. Kirkemo

23263

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
	Seibridge	120
9/8	Kg	110

September 8, 1965

Memorandum

To: The File

From: Harold Kirkemo, Office of Minerals Exploration

Subject: OME-6460 (Gold)
L-D Mines
B Reef
Chelan County, Washington

I phone Mr. E. H. Lovitt, Manager, L-D Mines, Wenatchee, Washington, yesterday to inquire about and to discuss the following items:

1. Where was the copy of the L-D Mines Agreement promised by Mr. Lovitt by phone August 20? A copy will be mailed immediately.

2. A copy of a map showing mine coordinates of the portal of the inclined shaft was received an hour after yesterday's conversation with Mr. Lovitt.

3. The cost of assaying, reliability of channel and muck sampling, sample intervals in long-hole drilling, weight of rail in shaft, spacing of stations for long-hole drilling, and pattern of holes were discussed. The pertinent data will be incorporated in the draft of the contract.

Mr. Lovitt reported that the face of the inclined shaft was about 210 feet from the portal, that water under artesian pressure had been encountered in a drill hole ahead of the shaft, and that samples from two rounds of muck in the shaft had assayed 0.80 and 0.40 ounce gold, respectively. The tentative point for the start of OME participation in driving this shaft is at 270 feet from the portal.

Harold Kirkemo

Harold Kirkemo

HKirkemo/mm
cc: Director's Reading File
Division File
Economic Geology File
OME File
OME Reading File
Kirkemo

8623

MINE OFFICE, NORMANDY 2-8657
PURCHASING, NORMANDY 2-8860

L-D MINES

P. O. Box 1668
Wenatchee, Washington

September 7, 1965

OFFICIAL COPY
O. M. E.
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SEP 9 1965

INITIALS	CODE
	120
	120

Mr. Frank E. Johnson
Chief, Office of Minerals Exploration
U.S. Department of the Interior
Washington 25, D. C.

Re: OME-6460 (Gold)
L-D Mines
B-Reef
Chelan County, Washington

Dear Mr. Johnson:

Following our telephone conversation with Mr. Kirkemo this morning, we prepared and enclose a copy of the L-D Mines Agreement between Day Mines, Inc., and the Wenatchee Mining Partnership.

filed left-hand file

If this is not satisfactory, we will forward the original document for your inspection.

Yours very truly,

E. H. Lovitt
Manager

Enc.

MINE OFFICE, NORMANDY 2-8657
PURCHASING, NORMANDY 2-8860

L-D MINES

P. O. Box 1668
Wenatchee, Washington

August 26, 1965

OFFICIAL
COPY
O. M. E.
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AUG 30 1965

INITIALS	CODE
	120
HK	120

Mr. Frank E. Johnson
Chief, Office of Minerals Exploration
United States Department of the Interior
Washington 25, D.C.

Re: OME-6460 (Gold)
L-D Mines
B-Reef
Chelan County, Washington

Dear Mr. Johnson:

Enclosed please find copies of the letters you requested.

Regarding the requested coordinates of shaft, we are preparing a map with this information. It should be in the mail tomorrow or the next day.

Yours very truly,

E. H. Lovitt
Manager

Enc

WENATCHEE MINING PARTNERSHIP

P.O. Box 1668

Wenatchee, Washington

August 26, 1965

Manager
L-D Mines
P.O. Box 1668
Wenatchee, Washington

Re: Proposed Exploration Program on "B" Reef

Dear Sir:

If the OME will put up 50% or better of the costs of doing this work, we will put up our share of the remaining cost.

We have been interested in the program for sometime, but have hesitated to take the full risk.

Yours very truly,

WENATCHEE MINING PARTNERSHIP

E. H. Lovitt, Manager

DAY MINES, INC.
WALLACE, IDAHO
83873

HENRY L. DAY
PRESIDENT

SKYLINE 2-1161 (OFFICE)
SKYLINE 3-7271 (RESIDENCE)

August 25, 1965

Mr. E. H. Lovitt, Manager
L-D Mines,
P. O. Box 1668,
Wenatchee, Washington.

Dear Mr. Lovitt:

We have reviewed your proposed exploration program on "B" reef.

We believe the program has considerable merit, but we are heavily committed on other projects which we feel have greater merit. As a consequence, we would not bear our full share of the cost. With the OME putting up 50% of the cost, we would be willing to put up our proportionate share of the remaining 50% of the cost.

Yours very truly,

Henry L. Day.

HLD:KAE
Encls. 3 dc

MME Form 7
(2/63)

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Date	Surname	Code
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"	HK	110
8/20	cae	220
		120M

August 20, 1965

Memorandum

To: The File

From: Harold Kirkemo, Office of Minerals Exploration

Subject: OME-6460 (Gold)
L-D Mines
B Reef
Chelan County, Washington

The L-D Mines Agreement received yesterday from Mr. E. H. Lovitt, Manager, L-D Mines, was reviewed informally this morning by Mr. Robert W. Long, Assistant Solicitor. The lack of a date and of signatures, and the absence of 12 pages from the 16-page document were deemed sufficient reasons by Mr. Long to request a better copy from Mr. Lovitt. Clarification of an ambiguous statement in the Agreement was suggested also.

I phoned Mr. Lovitt and requested the following information:

1. A clear duplicate copy of the L-D Mines Agreement showing date and signatures, or an actual copy of the document for review in the Solicitor's office. The latter would be returned to Mr. Lovitt.

2. Clarification of the third paragraph on the first page of the Agreement. As now stated, it is not certain that this is the first and only conveyance or transfer to DMI (Day Mines, Inc.) of WMP (Wenatchee Mining Partnership) interests.

3. Mine coordinates of the portal of the proposed inclined shaft.

Mr. Lovitt promised prompt mailing of the legal papers as soon as his lawyer returned from vacation, possibly on August 23.

The shaft on B reef already has been driven nearly 100 feet. The tentative starting point for continuing the shaft as an OME project is at 270 feet from the portal. This point may be reached by October 1.

Harold Kirkemo

Harold Kirkemo

HKirkemo/gla
cc to: Division File
Director's Reading File
Economic Geology File
OME File
OME Reading File
Harold Kirkemo

23263

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
8/19	[illegible]	110
		120

August 18, 1965

Memorandum

To: The File

From: Harold Kirkemo, Office of Minerals Exploration

Subject: OME-6460 (Gold) ✓
L-D Mines
B Reef
Chelan County, Washington

On Tuesday morning August 17, 1965, the writer phoned Mr. E. H. Lovitt, Manager, L-D Mines, in Wenatchee, Washington, to:

1. Request true copies of documents which give the Applicant control of mineral rights in the land proposed for exploration. This land includes the E½ SE¼ SE¼ sec. 16, T. 22 N., R. 20 E., and the NE portion of Section 21 and the NW portion of Section 22 which may be entered by workings from the proposed inclined shaft.

2. Restate the request for supplementary financial information from the joint venture partners, Day Mines and Wenatchee Mining Partnership. Our original request for this information as stated in a letter dated August 10, 1965, had been misunderstood by Mr. Lovitt.

3. Request mine coordinates for the portal of the proposed inclined shaft. This will be useful in preparing exhibits for the forthcoming contract.

Harold Kirkemo

Harold Kirkemo

HKirkemo/mm
cc: Director's Reading File
Division File
Economic Geology
OME File
OME Reading File
Kirkemo

8623

MINE OFFICE, NORMANDY 2-8657
PURCHASING, NORMANDY 2-8860

L-D MINES

P. O. Box 1668
Wenatchee, Washington

August 17, 1965

OFFICIAL
COPY
O. M. E.
RECEIVED
AUG 19 1965
INITIALS | CODE
120
120

Mr. Frank E. Johnson
Chief, Office Of Minerals Exploration
United States Department of the Interior
Washington 25, D.C.

Re: OME-6460 (Gold)
L-D Mines
B-Reef
Chelan County, Washington

Dear Mr. Johnson:

Enclosed herewith please find the following:

(1) Copies of title to Item 3, Section 22

(2) Copy of contract covering purchase of Section 21 and mineral rights on Item 9, Section 16

(3) Pertinent pages from the L-D Mines Agreement which would indicate form of transfer to L-D Mines

Yours very truly,

E. H. Lovitt
Manager

Enc

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

GEOLOGICAL SURVEY

August 16, 1965

Memorandum

To: Chief, Office of Minerals Exploration

From: Harold Kirkemo, U. S. Geological Survey

Subject: On-site examination report
OME-6460 (Gold)
B Reef
L-D Mines
Chelan County, Washington

INTRODUCTION

The writer examined B reef on June 29, 1965, accompanied by Mr. Bill Lancaster, miner, who drove most of the recent workings in the deposit. Discussions with Mr. E. H. Lovitt, manager of L-D Mines, the Applicant, followed later and were continued the next day.

A project costing $250,000 is proposed to explore for gold and silver ore in B reef, a mineralized elongate ridge which is on the same geologic structure as the Applicant's Golden King mine. The latter is about one-half mile to the south and has produced nearly $13.5 million in gold and silver ore in the past 15 years.

The purpose of this project is to test possibilities for subsequent development of sufficient ore reserves to warrant installation of a cyanide circuit in the flotation concentrator at the Golden King mine or the construction of a cyanidation plant. Mill tests indicate that it is not economical to treat gold ore from B reef by flotation because only 80 percent of the gold content is recovered whereas about 95 percent is recovered by cyanidation. A minimum reserve of 75,000 tons of ore is necessary to warrant building the additional ore treatment facilities.

CONCLUSIONS & RECOMMENDATION

Geologic conditions at B reef are similar to those at the nearby Golden King mine, which is producing significant quantities of

FIELD EXAM REPORT

gold-silver ore. B reef is on the same major structure, the rock formations are the same, and the characteristics of mineralization appear to be the same. Whether B reef is in the border zone of mineralization associated with any of the three stages of wall rock alteration noted in the producing mine has not been determined. The possibility that significant deposits may be found is worth testing.

It is recommended that the Government enter into an exploration contract with L-D Mines and provide 50 percent of the funds necessary to explore for gold-bearing ore bodies in extensions of B reef.

LOCATION & ACCESSIBILITY

B reef is about two miles southwest of Wenatchee and 1.5 miles west of the Columbia River near the geographical center of the State of Washington. (See Figure 1.) The northernmost workings of the Golden King mine are about one-half mile south of B reef. The reef is in Dry Gulch and can be reached by driving south in Wenatchee on Miller Street to Circle Road and west about 500 feet to the access road which extends south about 500 feet.

The climate in this part of Central Washington is semiarid; the hills above the river terraces are sparsely covered with grass and sage brush. Elevations range from 1,000 feet in Dry Gulch to 2,064 feet on the divide between Dry Gulch and Squilchuck Creek. Water is available from the city or from irrigation companies. Mine timbers are available locally, and electric power is available on the property.

ORGANIZATION OF APPLICANT FIRM

L-D Mines, P.O. Box 1668, Wenatchee, Washington 98801, is a joint venture business firm organized in the State of Washington. Ownership of the firm is divided as follows:

Wenatchee Mining Partnership P.O. Box 1668 Wenatchee, Washington 98801	(70 percent interest)
<u>and</u>	
Day Mines, Inc. Box 1010 Wallace, Idaho 83873	(30 percent interest)

Partners in Wenatchee Mining Partnership and their individual interesta are as follows:

53% - E. H. Lovitt
P.O. Box 1668
Wenatchee, Washington 98801

20% - Estate of Vere McDowall
Mrs. Thelma McDowall, Trustee
Box 117
Midway, Washington

10% - Dr. Frank C. Buckland
617 Metropolitan Building
Vancouver 1, B.C.
Canada

7% - B. O. Brynelsen
1050 Davie Street
Vancouver 5, B.C.
Canada

5% - A. W. Fisher
1403 Burrard Building
Vancouver 5, B.C.
Canada

5% - A. O. Hall
2767 Crescent View
North Vancouver
Vancouver, B.C.
Canada

PROPERTY

The 20-acre tract of land which includes B reef is the E½ SE¼ SE¼, sec. 16, T. 22 N., R. 20 E., W.M. True copies of documents pertaining to transfers and assignments of land and mineral rights to this ground have been requested of the Applicant because they were not submitted with the application.

Sections 21 and 22, T. 22 N., R. 20 E. are within several hundred feet of the south end of the proposed shaft. The Applicant holds fee titles to this land. (See Figure 2.)

HISTORY & DEVELOPMENT

B reef was explored by three companies in the past 15 years. Underground workings totalling 1,200 feet were driven on three levels to explore a block of ground 380 feet long, 220 feet wide, and 125 feet in vertical extent. (See Figures 3 and 4.)

The first work on B reef was by the Anaconda Copper Mining Company in the early 1950's when that company also held a purchase option on the Golden King mine. This consisted of 315 feet on the 1040 level (ACM Adit level), a 90-ft. vertical shaft from the

1040 level, 162 feet of drift and crosscut from the 45-ft. level (995 level) of the shaft, and several diamond drill holes of unknown depth.

Wenatchee Mining Partnership in 1957-58 and L-D Mines in 1964 drove 330 feet on the 1040 level, 400 feet on the 1000 level (Ramp level), a 25-ft. raise, about 70 long holes totalling nearly 5,000 feet, and excavated a small open cut on the west side of the reef. Shipments from this work totalled 4,316 tons averaging 0.356 oz. gold and 0.663 oz. silver per ton.

Anaconda's exploration of B reef disclosed quartz stringers containing interesting values in gold, but the tonnage possibilities were not sufficiently encouraging to warrant additional effort and expense. Subsequent exploration shows promise for discovering larger blocks of mineralized ground than was apparent from the quartz stringers alone.

Prior to 1961 very favorable rates prevailed for treatment of the Golden King siliceous gold ore at American Smelting & Refining Co.'s smelter at Tacoma and all ore was shipped as crude ore. Sometime since 1961, however, smelter rates on this type of ore were raised considerably. This fact plus the fact that production was forthcoming from lower grade ore deposits led to construction and operation of a flotation concentrator by L-D Mines.

With the exception of occasional shipments to Tacoma of direct smelting ore from prospects such as B reef, all ore is treated in the concentrator. The current monthly rate of production from the Golden King mine is about 8,000 tons of ore and about 180 tons of flotation concentrate.

GEOLOGY

General

B reef is within a unique belt of gold mineralization that trends in a northwesterly direction for several miles west and southwest of Wenatchee. The area is underlain by several thousand feet of continental sandstone, shale, conglomerate, and coaly sediments of the early Eocene Swauk Formation. These rocks are folded into broad synclines and anticlines which trend in a northwesterly direction. One exceptionally steep fold is the Golden King anticline, which in places is overturned and cut by thrust faults. This structure extends about four miles northwestward from Squilchuck Creek, across Dry Gulch, along the hills west of Wenatchee, and into Canyon Number Two. (See Figure 5.)

Scattered along the anticline are 'reefs' or elongate altered and mineralized zones in the Swauk Formation. These range in length from 200 feet to one-quarter mile and in width from 100 to 600 feet. Five reefs, Golden King, MacBeth, A, B, and C have been explored for gold and silver. The first two reefs have produced about 833,000 tons of ore valued at nearly $13.5 million. The precious metal content of the ore was about 367,500 ounces gold and 420,000 ounces silver (0.44 oz. gold and 0.50 oz. silver per ton). Other mineralized outcrops not identified as reefs have been explored.

Volcanic plugs and dikes, which intruded the Swauk Formation in mid-Eocene time, form prominent ridges and knobs on both sides of the Golden King anticline. These are porphyritic rocks of rhyolitic, dacitic, and andesitic composition. The spatial relationship of these barren rocks to the mineralized reefs suggests a genetic correlation.

The reefs exhibit three stages of hydrothermal alteration and deformation. In the first stage, feldspars in the arkosic sediments were altered to sericite, the bedding planes in some areas were obliterated, and the rocks locally have the appearance of a granite as on the Golden King and B reefs. In the more advanced stage, alteration resulted in silicified and brecciated sedimentary rocks as can be seen on portions of MacBeth and A reefs. In the most advanced stage of alteration, the silicified brecciated rocks were resilicified as is evident at A reef and portions of MacBeth reef. Mineralization is present in rocks associated with any of the three stages of alteration and is never present in fresh, unaltered rocks. Ground support is not necessary in most workings traversing altered rock, but is required in fault zones, and in many sections through unaltered sedimentary rocks.

Gold-silver mineralization in the reefs is typically epithermal and is associated with procelaneous quartz veins which range in thickness from a fraction of an inch to 6 feet. Native gold, electrum, naumannite (Ag_2Se), and aguilarite (Ag_4SeS) are the principal ore minerals; pyrite, chalcopyrite, tetrahedrite, sphalerite, and stibnite are accessory minerals. The ore minerals are fine-grained and are seldom visible megascopically. This assemblage of minerals is reported by Garth Crosby, geologist for Day Mines, to resemble that found in the gold ores at Republic, Washington.

The principal veins at the Golden King reef are widely spaced and were mined individually. The main ore bodies on MacBeth reef

consist of innumerable, closely-spaced veins in intensely silicified, brecciated masses which are mined in large blocks. Minable ore has been found throughout a vertical range of 1,050 feet.

B Reef

B reef is about 250 feet long, 100 feet wide, and 100 feet high. Isolated outcrops of the reef extend another 100 feet to the south. Gravels from Dry Gulch surround the reef on three sides, and surface wash from the hillside to the south covers the southern flank. A dome-shaped mass of quartz dacite crops out about 200 feet east of the reef, and a ridge of rhyolite is exposed a quarter mile to the southwest.

Arkosic sandstone, shaly sandstone, conglomerate, shale, and altered arkosic sandstone underlie the reef. Imprints of leaves and plant stems are present as are thin beds and fragments of tuff. The sedimentary beds strike due north to N. 35°W. and dip 45° west to vertical. The silicified and brecciated sandstone has been described as a "granitized" sandstone because of its superficial granitic appearance. Pebble dikes, some containing pebbles up to 4 inches long, are present on 1040 level. A few randomly distributed veins of quartz, some containing adularia and feldspar, are exposed in the workings. These are 0.1 to 0.3 ft. wide, and dip from 5° to 25°, generally to the west. Scattered spots of iron oxide are present, but no recognizable ore minerals are visible.

Hand-cut samples of quartz veins in B reef commonly show assays of better than an ounce of gold per ton. The highest grade sample of ore was from a vein 0.1 ft. wide which assayed 19.58 oz. gold and 13.05 oz. silver per ton. The average grade of about 95 tons of rock mined near the site of this sample was 0.25 oz. gold and 0.71 oz. silver per ton, which suggests that gold-silver mineralization may extend into the wall rocks or is present in quartz veinlets that are too narrow to be sampled individually. The need for sampling and assaying bulk quantities of mineralized rock is evident if the ore reserve potential of the deposit is to be evaluated.

The Applicant's assay maps suggest a southward trend and a slight downward rake of the mineralized ground in the southwest portion of the reef. The better ore values are in material in the general area of a slight flexure in the sedimentary beds where

more widespread wall rock alteration is present.

Relatively unaltered sedimentary rocks are exposed in crosscuts in the east side of the reef and in the southwest-bearing adit on 1040 level. The absence of altered and mineralized rock in the southern portion of the southwest adit caused the Applicant to discontinue exploration of B reef to the south on this level.

Two long holes, No.'s 64 and 66, near the end of the southwest adit terminated in mineralized rock containing about 0.35 oz. gold per ton. The depth to the ore intercepts is unknown because the length of these holes is not stated. However, the presence of ore grade material beginning at a depth of possibly 80 to 100 feet below 1040 level supports the suggestion of a southward projection of the mineralized material observed in the workings to the north. Holes 64 and 66 are not conclusive tests of this area because they may have penetrated only the upper limits of an underlying mineralized zone.

APPLICANT'S PROPOSAL

The Applicant proposes to: sink an inclined shaft from the portal of the 100 level about 850 feet on a bearing of S. 15°E. and on a slope of -15°; drift northward from the shaft in mineralized rock at 100-foot vertical intervals; and explore with long holes and raises as developments warrant. The project would be completed in two years.

Estimated total cost of the project as originally proposed was $250,000. A unit cost contract was requested. The Applicant is equipped and qualified to perform the work.

No detailed estimates of necessary costs were furnished with the application or submitted in response to a letter to the Applicant dated June 17, 1965. Apparently, a breakdown of costs in the detail requested is difficult under the Applicant's accounting system.

The following information regarding costs, equipment, and services was obtained during the field examination.

<u>Shaft sinking</u>

$60 - $65 per foot
Daily rate of advance - 4 feet
Shaft timbering - $100 per thousand board feet plus
$5 per linear foot installation

Drifting

$40 per foot
Daily rate of advance - 5 - 6 feet

Raising

$40 per foot
Daily rate of advance - 4 feet

Long-hole drilling

$1.00 per foot, including assays for gold and silver of drill cuttings collected over 8-foot intervals.

Assaying

Gold and silver - $3

Front end loaders would be used for loading and hauling rock from the shaft. The Applicant owns two loaders each with 2 cubic yard capacity, a Caterpillar, fair market value $15,000, and an Allis Chalmers, fair market value $20,000.

An 8-inch compressed air pipeline extends from B reef to the compressor plant at the Golden King mine where ample capacity is available. The Applicant also owns a 600-cubic foot portable air compressor.

The supply, service and repair facilities, the labor force and supervisory staff at the Golden King mine are available for the work proposed at B reef.

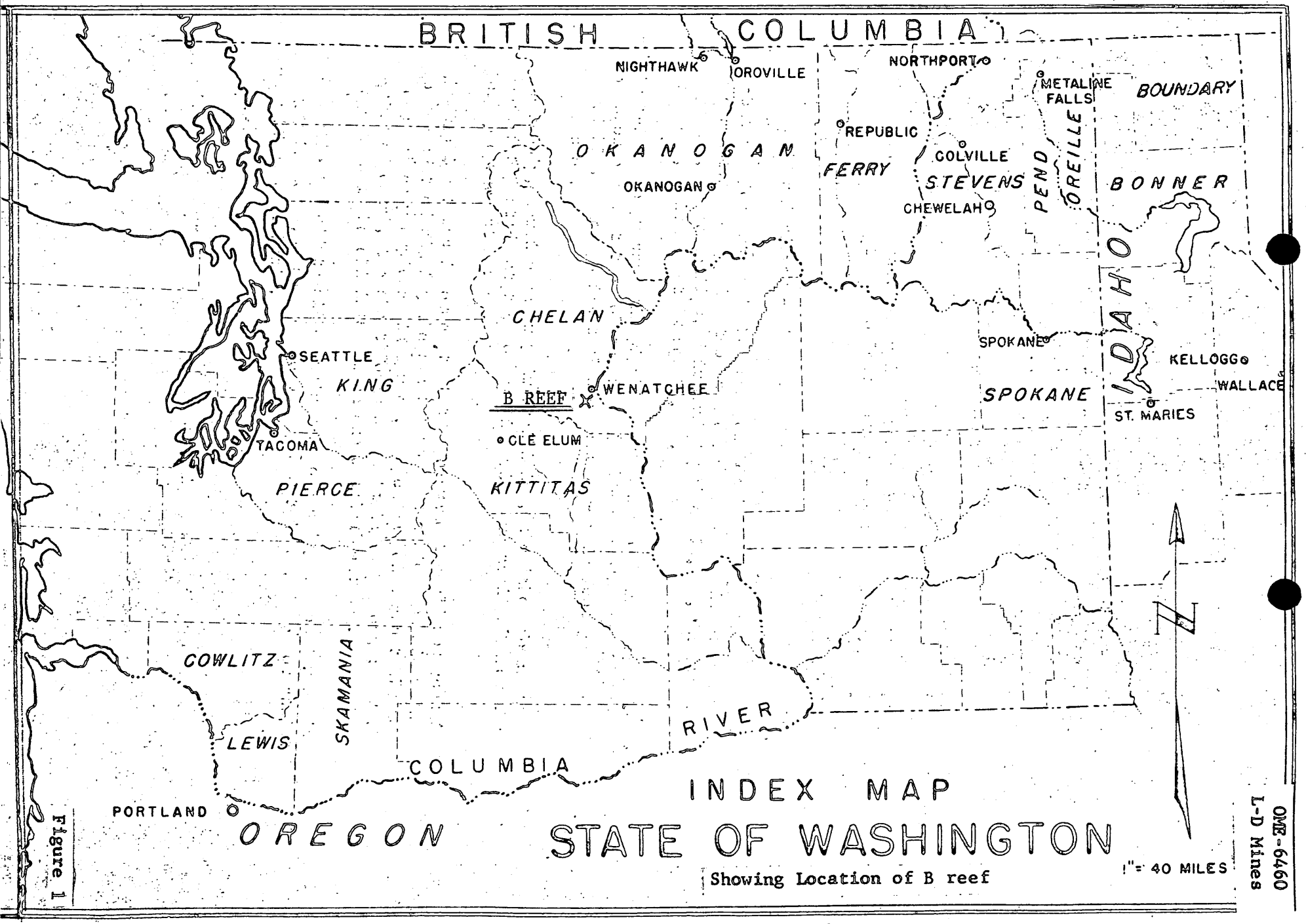
The Applicant was informed that the Government could not contribute to the cost of sinking the shaft through the block of mineralized ground already explored in B reef. Beyond a point about 270 feet from the portal, the shaft would be exploring new ground; and the project would be eligible for an exploration contract.

The ratio of gold to silver values in ore shipped from B reef is about $35 to $2.60 so the proposed project is eligible for assistance on a 50 percent basis.

Harold Kirkemo

Harold Kirkemo

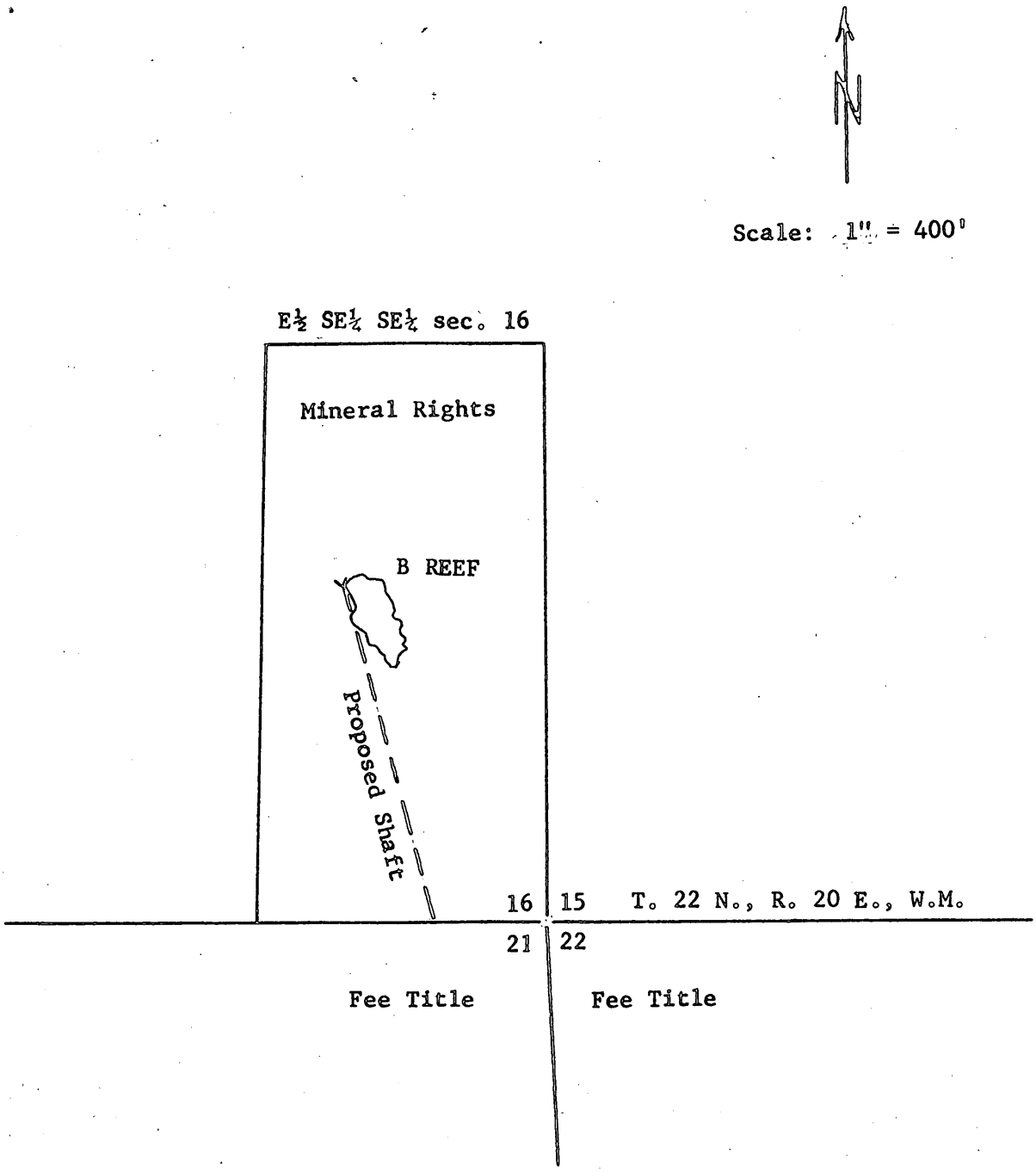
HKirkemo/mm
cc: MacLaren (2)
USGS (SRO)
Kirkemo



INDEX MAP
STATE OF WASHINGTON
Showing Location of B reef

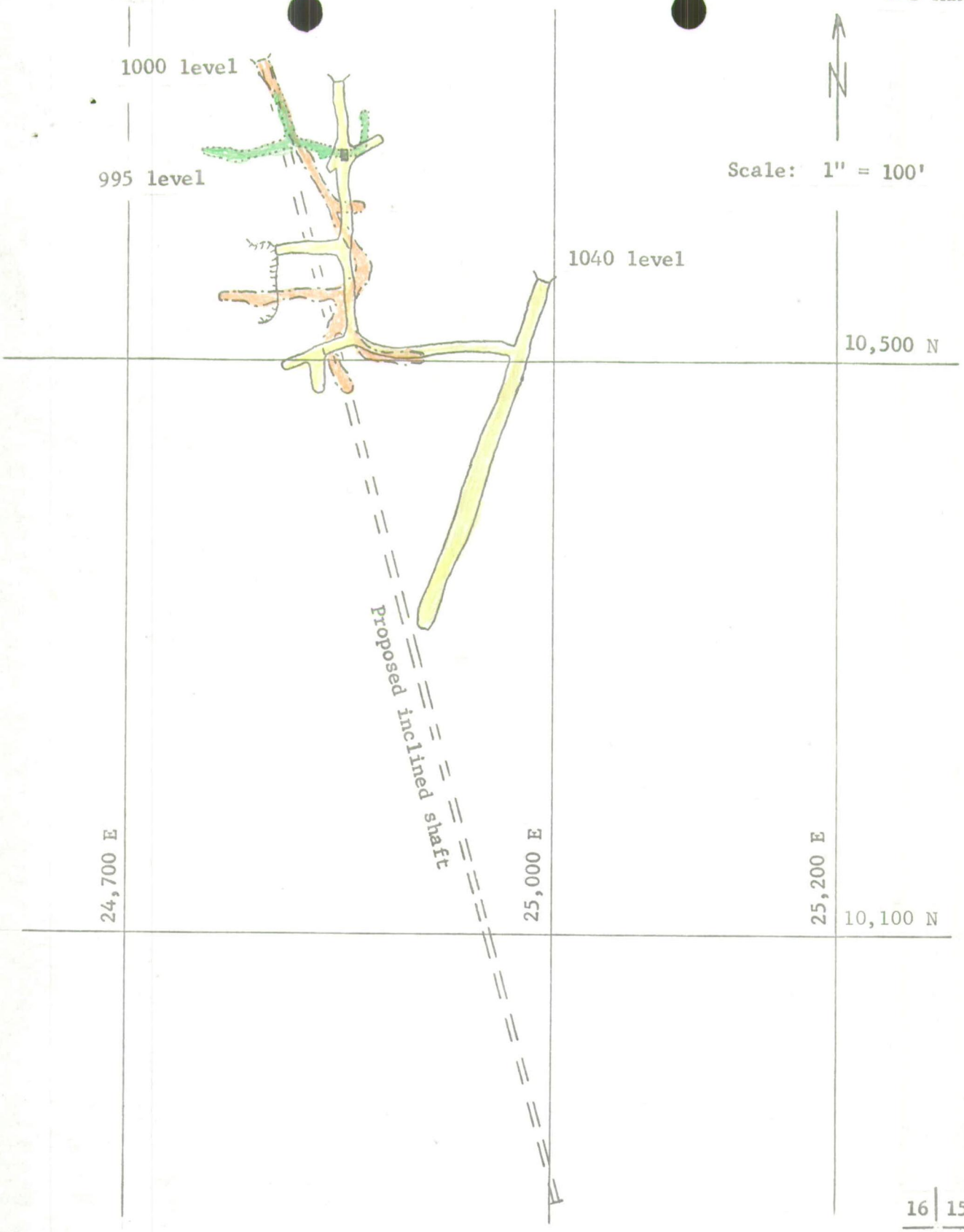
Figure 1

OMB-6460
L-D Mines



Map Showing
Applicant's Property Rights
B REEF
Chelan County, Washington

Figure 2



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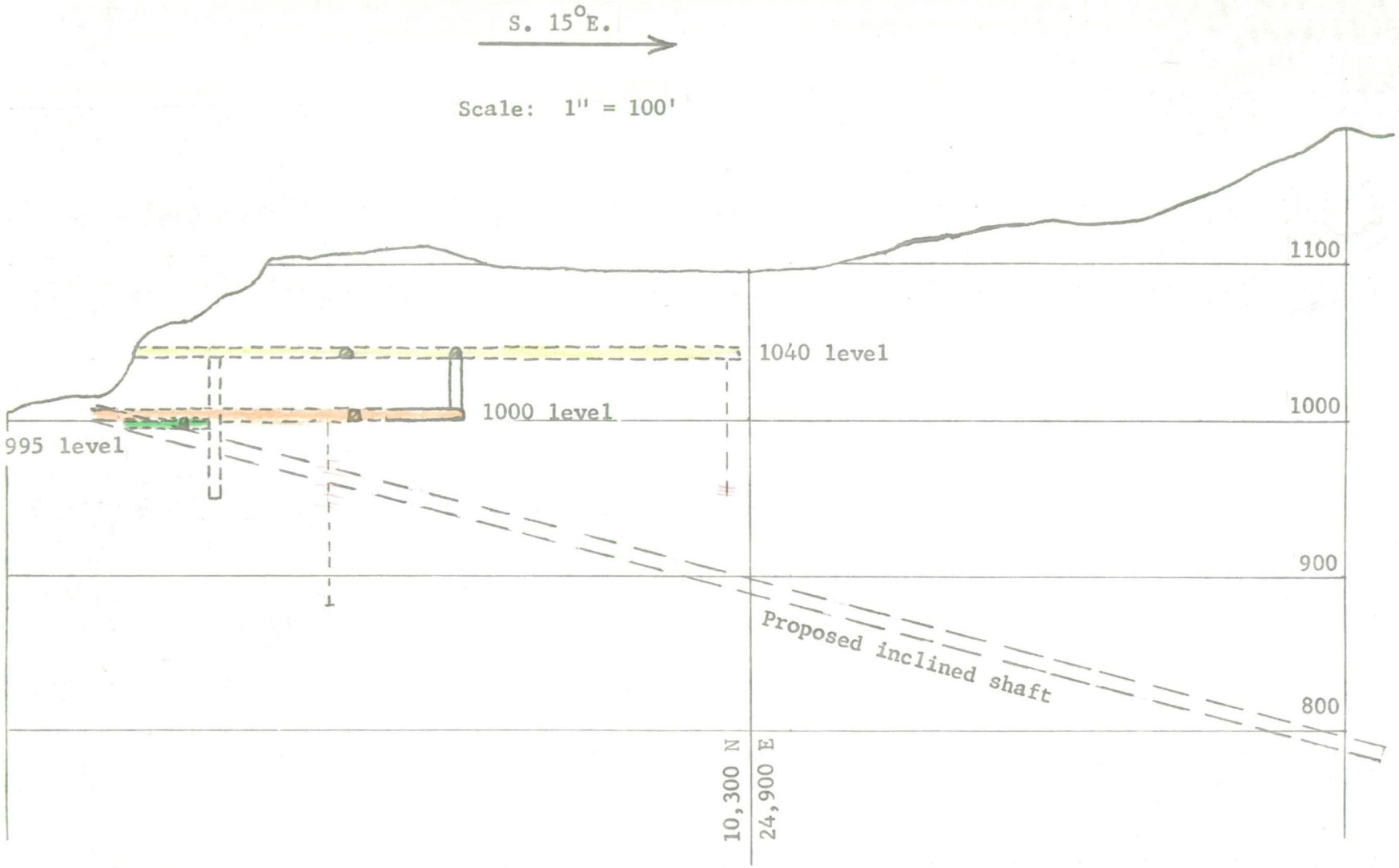
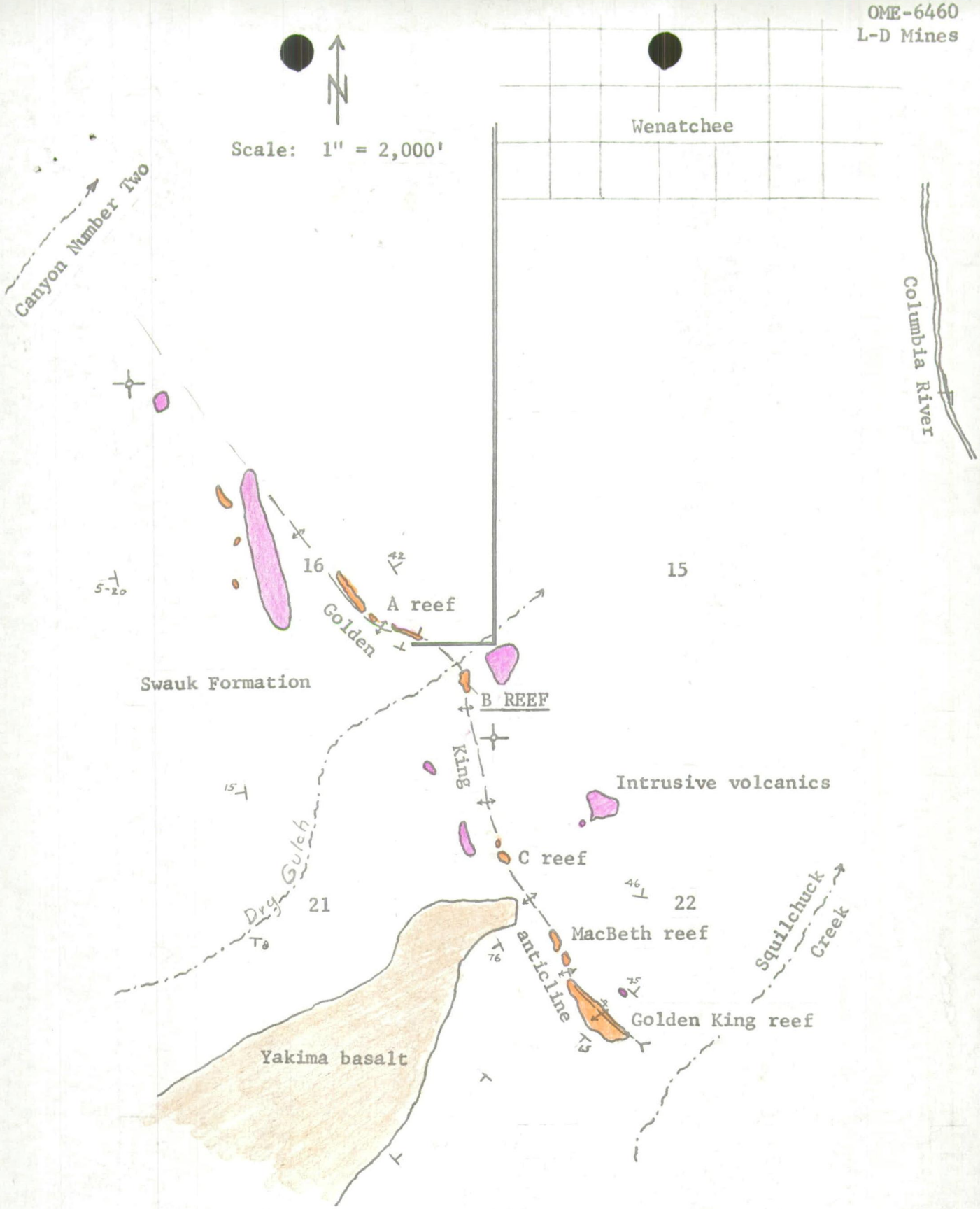
21 | 22

Map Showing
Underground Workings
and Proposed Inclined Shaft
B REEF
Chelan County, Washington

Figure 3



Cross Section
through
B REEF
Showing Underground Workings
and Proposed Inclined Shaft
Chelan County, Washington



MAP SHOWING GEOLOGY
in vicinity of
B REEF
Chelan County, Washington

Figure 5

MINE OFFICE, NORMANDY 2-8657
PURCHASING, NORMANDY 2-8860

L-D MINES

P.O. Box 1668
Wenatchee, Washington

OFFICIAL COPY
O. M. E.
RECEIVED
AUG 16 1965

INITIALS	CODE
	120
	120

August 13, 1965

Mr. Frank E. Johnson
Chief, Office of Minerals Exploration
United States Department of the Interior
Washington 25, D.C.

Re: OME-6460 (Gold)
L-D Mines
B Reef
Chelan County, Washington

Dear Mr. Johnson:

Reference is made to your letter of August 10, 1965 and the first paragraph wherein you require additional information with respect to interest in the land and the mineral rights involved.

I find that two leases indicated on our Key Plan were not described in Schedule A. Duplicate copies of the deficient documents are enclosed. I presume this is the information you require.

It was not our intention to do any exploration work on any of the leases at the present time. However, if you insist that the adjoining leases be involved in the present proposed project, we will include such leases as you feel absolutely necessary to the project.

The leases involved in Items 13 and 14, Section 16, have some exploration possibilities. Considerable work has been done on them. However, our efforts to date have failed to reveal anything tangible, and, as a consequence, we have not as yet come up with a concrete plan. In time we hope to qualify these leases as an exploration project.

Regarding your last paragraph concerning supplementary financial information, I will forward the letters requested as soon as I get this information from my partners.

Yours very truly,

E. H. Lovitt
Manager

Enc.

MME Form 7
(2/63)

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Date	Surname	Code
8/10/65	Gibbons	120
	[illegible]	120
8/10	Johnson	110
8/11	Case	220
		120M

AUG 10 1965

AIRMAIL

Mr. E. H. Lovitt
Manager
L-D Mines
P. O. Box 1668
Wenatchee, Washington 98801

Re: OME-6460 (Gold)
L-D Mines
B Reef
Chelan County, Washington

Dear Mr. Lovitt:

In further consideration of your application, additional information is required with respect to your interest in the land and mineral rights involved. Supplementary financial information is requested also.

You submitted Schedule A in reply to Item No. 2 of the application form. The Mineral Rights section of your Schedule A includes land in sec. 16, T. 22 N., R. 20 E., W.M., which covers the proposed exploration program on B Reef. If the mineral rights are not owned outright, we should have a true copy of all documents which give you control of the mineral rights, i.e., original lease and all assignments thereof. We would also require copies of the approval of the lessor for each assignment if the original lease so stipulates.

If the mineral rights are not owned outright, we would require Lien and Subordination Agreements from the lessor and any of the assignees who retain overriding royalties in the lease. If the lessor will not sign a Lien and Subordination Agreement, we should have copies of letters in which he so states. In lieu of Lien and Subordination Agreements, the Government requires a Performance Bond in the amount of the Government's share of the contract if granted.

Two sets of Lien and Subordination Agreements forms, MME Form 52, are enclosed for your use if necessary.

23263

We will need supplementary financial information in the form of a letter to L-D Mines from each of the joint venture partners, Wenatchee Mining Partnership and Day Mines, Inc., stating that each would not participate to a greater extent than their proportionate share of 50 percent of the proposed exploration costs.

Sincerely yours,

(signed) FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

Enclosures

HKirkemo/gla (8-10-65)
cc to: Director's Reading File
Division File
Economic Geology File
OME File
OME Reading File
OME Region I
Mr. Kirkemo

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
	GCS	130
6/17	Johnson	110
		100
6/18	Hice	220
		120m

JUN 1 7 1965

AIRMAIL

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Exploration Operations

Subject: OMK-6460 (Gold-Silver)
L-D Mines
B Reef
Chelan County, Washington

The subject application is referred to Region I for a field examination by Mr. Kirkemo.

George C. Selfridge
M

MMerrithew/mm (6/17/65)
cc: Director's Reading File
Review Committee
Docket

23263

OMS Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
6/17/65	Kirkemo	120
	Gillespie	130
6/17	Johnson	110
		100
6/18	Tice	220
		120

AIRMAIL

JUN 17 1965

Mr. E. H. Levitt
Manager
L-D Mines
P.O. Box 1668
Wenatchee, Washington 98801

Re: OMX-6460 (Gold-Silver)
L-D Mines
B Reef
Chelan County, Washington

Dear Mr. Levitt:

The application for assistance in exploring B reef has been reviewed by the Division of Exploration Operations of the Office of Minerals Exploration and referred to Mr. D. R. MacLaren, Acting Field Officer, Office of Minerals Exploration, Region I, South 157 Howard Street, Spokane, Washington 99204.

The Regional Office will contact you to make arrangements for a field examination, probably by the end of the month.

Review of the application has raised several questions for which you should prepare answers for the use of the field engineer when he visits the property.

We note that the Wenatchee Valley Branch - Seattle First National Bank in its letter of June 1, 1965, would be willing to consider a credit up to $250,000 to your company on a firm repayment basis with fixed payments over a short period of time. This is an affirmative reply to your request for a loan but the terms are not specified. Would you please write to the bank again and ask under what conditions it would be willing to grant this loan? Your letter and the reply from the bank should supplement your application.

For Item 7, Estimate of Costs, you indicated preference for a fixed unit cost contract but did not prepare a breakdown of unit

You must also submit a [illegible] financial [illegible]

23263

costs for individual items and services as requested in Categories 7.(b) through 7.(g) in the application. These details are needed as part of the application and should be available at least by the time of the on-site examination.

This request for additional information should not be construed as a commitment by the Government to grant an exploration contract.

Sincerely yours,

George Fumich, Jr.

Acting Director

HKirkemo/mm (6/17/65)
cc: Director's Reading File
Region I
Docket
Kirkemo

Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code

June 16, 1965

Memorandum

To: The File

From: Harold Kirkemo, U. S. Geological Survey

Subject: OME-6460 (Gold-Silver)
L-D Mines
B Reef
Chelan County, Washington

The Applicant proposes a $250,000 project to explore for gold and silver ore in a mineralized reef in Dry Gulch near Wenatchee. An inclined shaft would be driven about 850 feet on a -15° slope to test ore possibilities along the reef while gaining a total vertical depth of 400 feet. The first 300 feet of the incline would pass under near-surface tunnels, drill holes, and an open cut in the reef. Levels would be established at vertical intervals of 100 and 200 feet, and exploratory tunnels, long holes, and raises driven as developments warrant.

The project would be performed by the Applicant. A unit price contract is desired but detailed estimates of necessary costs were not presented in the application.

A unique belt of gold mineralization exists several miles west and southwest of Wenatchee. The area is underlain by several thousand feet of continental sandstone, shale, conglomerate, and coaly sediments of the early Eocene Swauk Formation. These beds are folded into broad synclines and anticlines trending in a northwesterly direction. One exception to the broad folds is the steeply folded Golden King anticline, which in places is overturned and cut by thrust faults. This structure extends northwestward for four miles. Scattered along the anticline are 'reefs' or elongate altered and mineralized zones in the Swauk Formation. These range in length from 200 feet to one quarter mile and in width from 100 feet to 500 to 600 feet. Exploration for gold has been conducted on six reefs, and mining performed on three of them. About 833,000 tons of gold-silver ore valued at nearly $13.5 millions has been mined from the three reefs. The precious metal content of the ore was about 367,500 ounces gold and 420,000 ounces silver (0.44 oz. gold and 0.50 oz. silver per ton).

Volcanic plugs and dikes, which intruded the Swauk Formation in mid-Eocene time, form prominent ridges and knobs on both sides of the Golden King anticline. These are porphyritic rocks of rhyolitic, dacitic, and andesitic composition. The spatial relationship of these barren rocks to the mineralized reefs suggests a genetic correlation.

The reefs exhibit various degrees of hydrothermal alteration and deformation. In the first, the feldspars in the arkosic sediments were altered to sericite, the bedding planes in some areas are obliterated, and superficially the rocks have the appearance of a granite. More advanced alteration resulted in silicification and brecciation. In the most advanced alteration, the brecciated, silicified mass was resilicified.

Gold-silver mineralization in the reefs is typically epithermal and is associated with procelaneous quartz veins which range in thickness from a fraction of an inch to 6 feet. Native gold and electrum are the gold minerals present. Naumanite and aguilarite are the silver minerals; and pyrite, chalcopyrite, tetrahedrite, sphalerite, and stibnite are accessory minerals. The ore is fine grained and never visible megascopically. In the reef on the Golden King claim 2 miles south of B reef, the veins were widely spaced and were mined individually. In the reefs on MacBeth claim, the ore bodies consisted of innumerable closely-spaced veins in intensely silicified, brecciated masses. Minable ore has been found throughout a vertical range of 700 to 1,000 feet. The Golden King and MacBeth claims have yielded nearly all of the production to date. Ore bodies similar to these have been sought with exploration on other reefs including B reef.

B reef is about 250 feet long, 100 feet wide, and 100 feet high. Isolated outcrops of the reef extend another 100 feet to the south. The reef is surrounded by gravels from Dry Gulch and surface wash from higher slopes to the south. A rhyolitic ridge lies 300 feet west of the reef. Tuffaceous sandstone occurs with the typical Swauk sediments that underlie the reef. The beds strike due north to N. 35° W. and dip from 45° west to vertical.

Fossil leaves, conglomerate, shale, granitic-appearing altered arkosic sandstone, and silicified brecciated masses occur in the reef. Narrow quartz stringers are randomly distributed in the altered sedimentary rocks. Assays of cut samples, muck samples, and drill core samples range in metal content from 0.005 ounce to 19.58 ounces gold and 0.05 to 13.05 ounces silver per ton across widths of 0.1 ft. to 3.7 ft.

Adits, crosscuts, and shafts totalling about 1,100 feet, and about 40 long holes totalling about 2,000 feet have been driven on B reef. These have explored a block of ground 400 feet long, 250 feet wide, and about 110 feet deep. Ore shipments totalling 4,316 tons averaging 0.356 ounce gold and 0.663 ounce silver were made from the reef in the period January 1957 - August 1964.

The similarity to nearby producing reefs of wall rock conditions at B reef and the presence of scattered gold-quartz veinlets, some high grade, suggest that further exploration is warranted to determine whether ore bodies are present at greater depth or further along the strike. Because of the epithermal nature and moderate vertical range of the Golden King type ore bodies, such exploration should not test large vertical intervals without investigating intermediate levels enroute. Geology should be mapped and studied as the work progresses, and the advance should be adequately sampled.

The Applicant's program would be conducted along these guidelines but perhaps with a larger program than necessary, or larger than OME regulations would allow.

The application should be referred to the field for field examination.

Harold Kirkemo

HKirkemo/mm
cc: Director's Reading File
Kirkemo
Docket

June 10, 1965

L-D Mines
P. O. Box 1668
Wenatchee, Washington 98801

Subject: OME - 6460

Gentlemen:

Your application for exploration assistance, dated May 31, 1965 submitted to our office at Spokane, Washington has been assigned Docket Number OME - 6460.

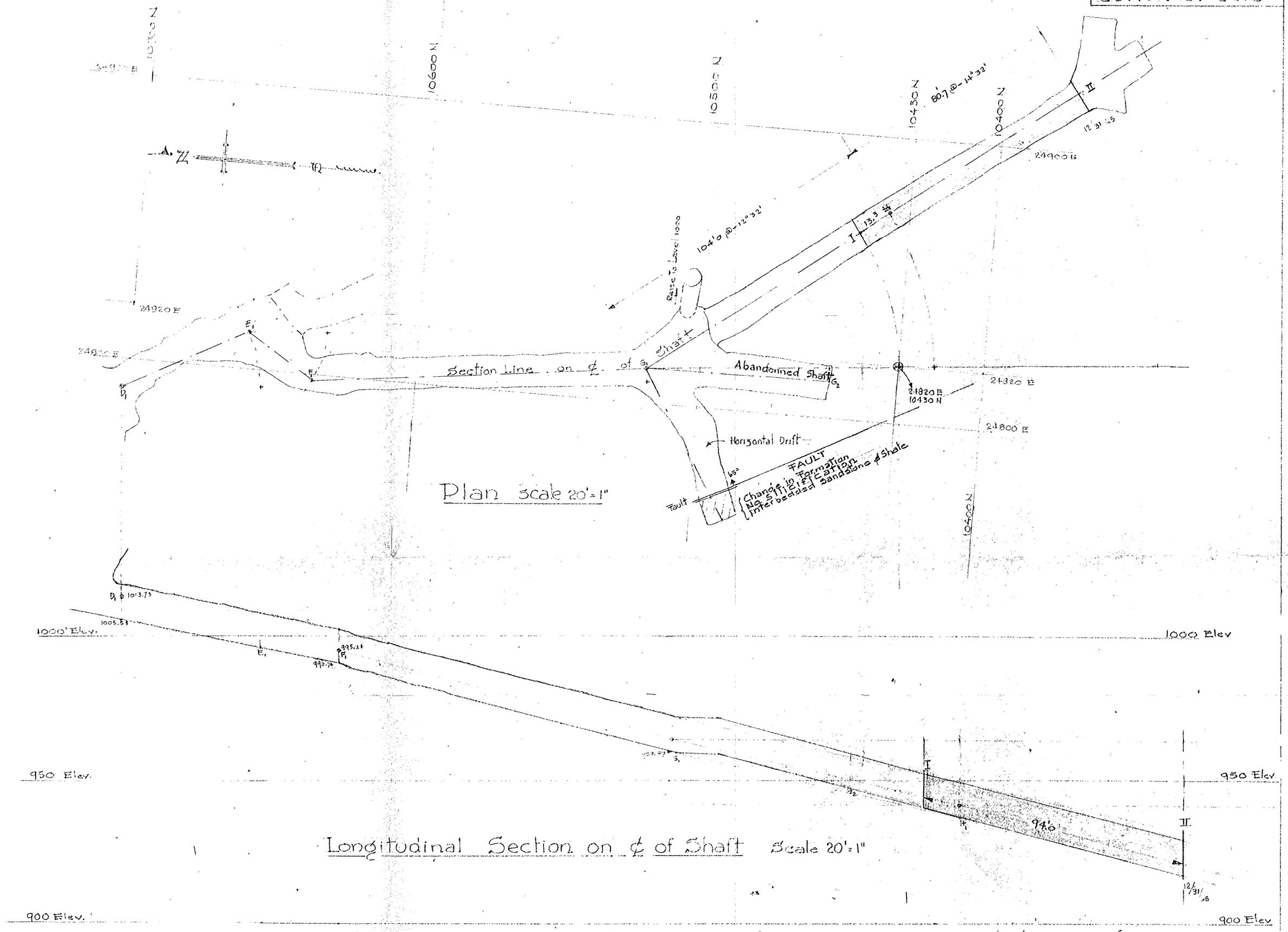
Please identify all future correspondence relating to your application by this docket number.

Sincerely yours,

George C. Selfridge, Chief
Division of Exploration
Operations

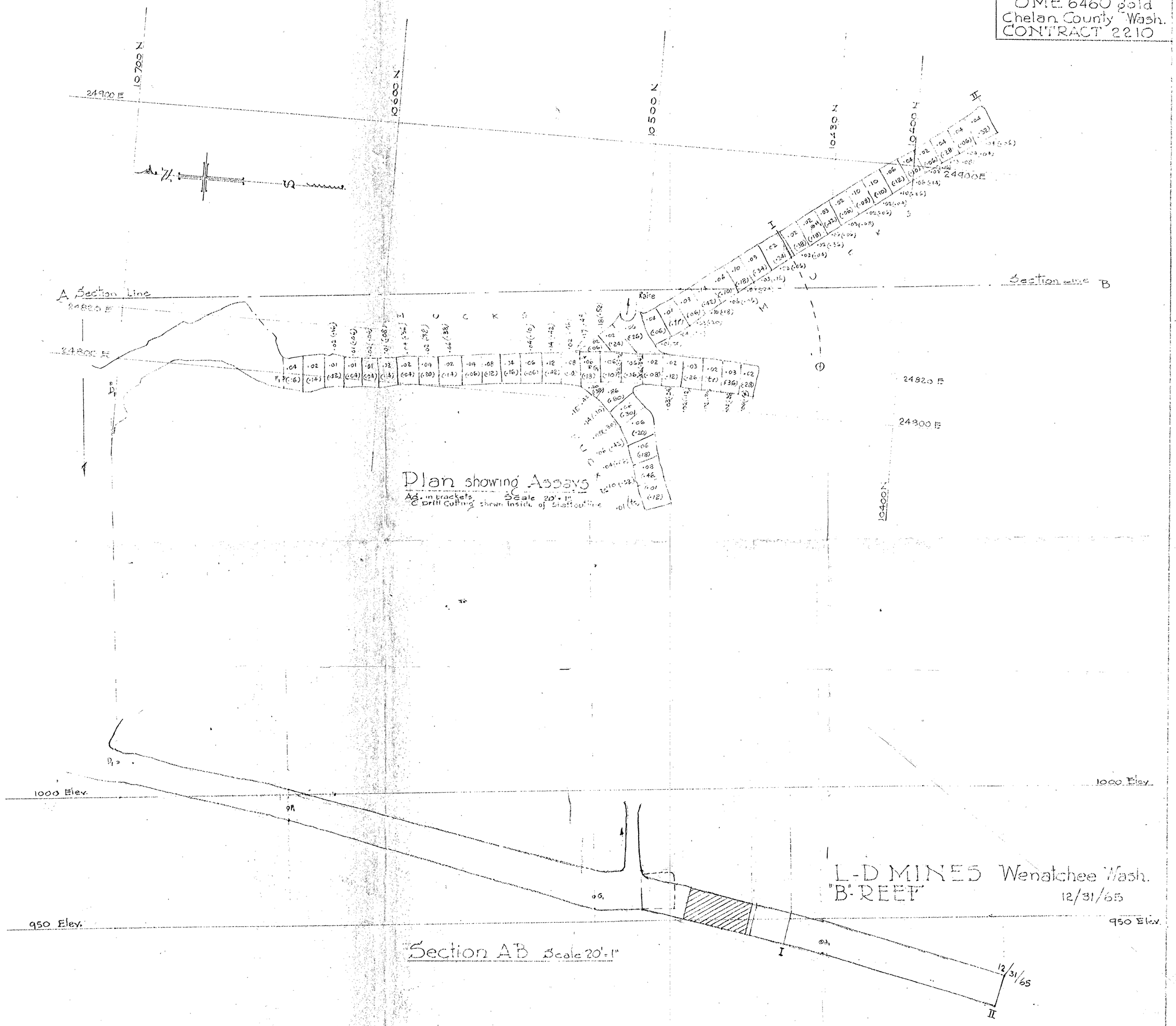
opy to Region I

OME 6460 gold
Chelan County Wash.
CONTRACT 2210

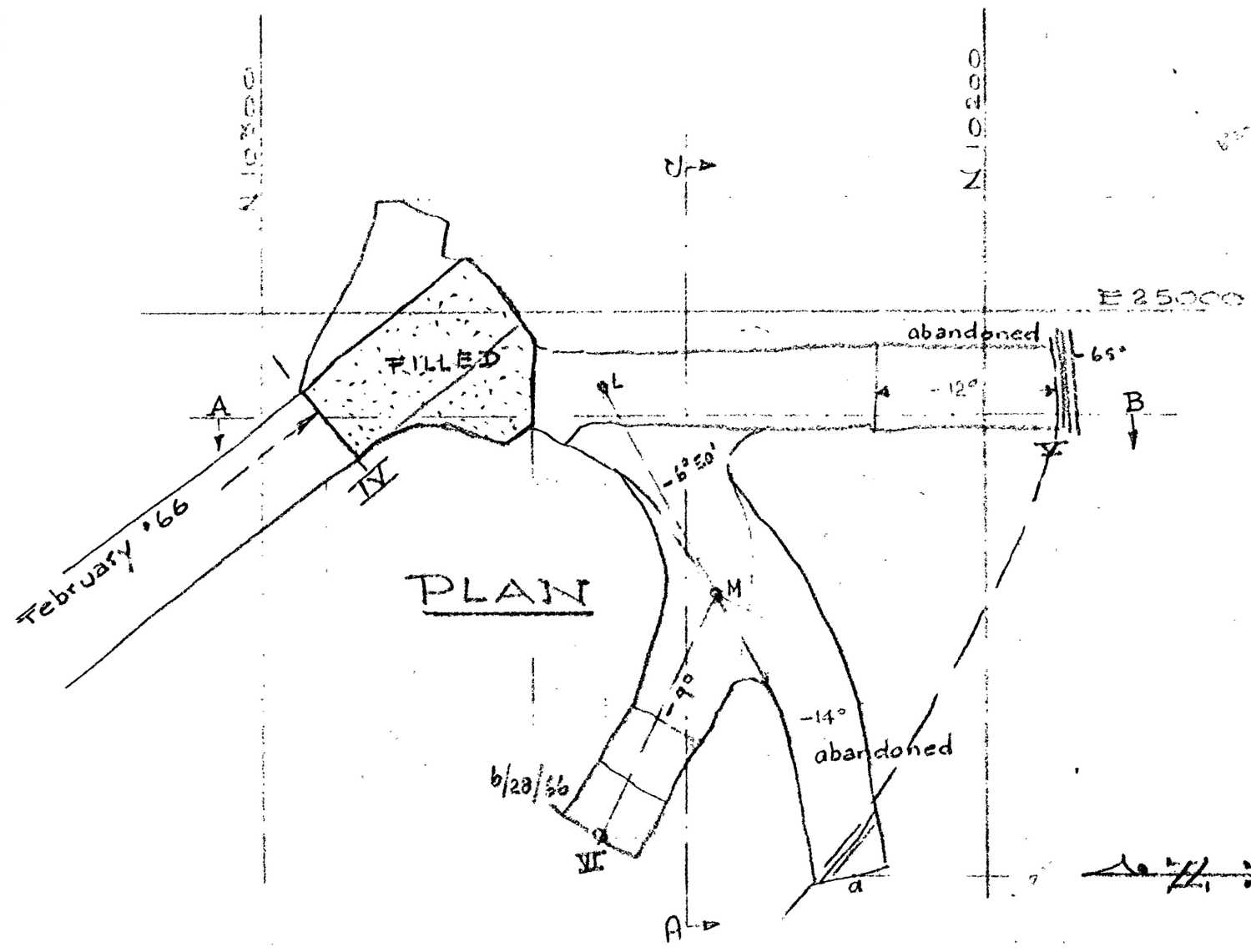


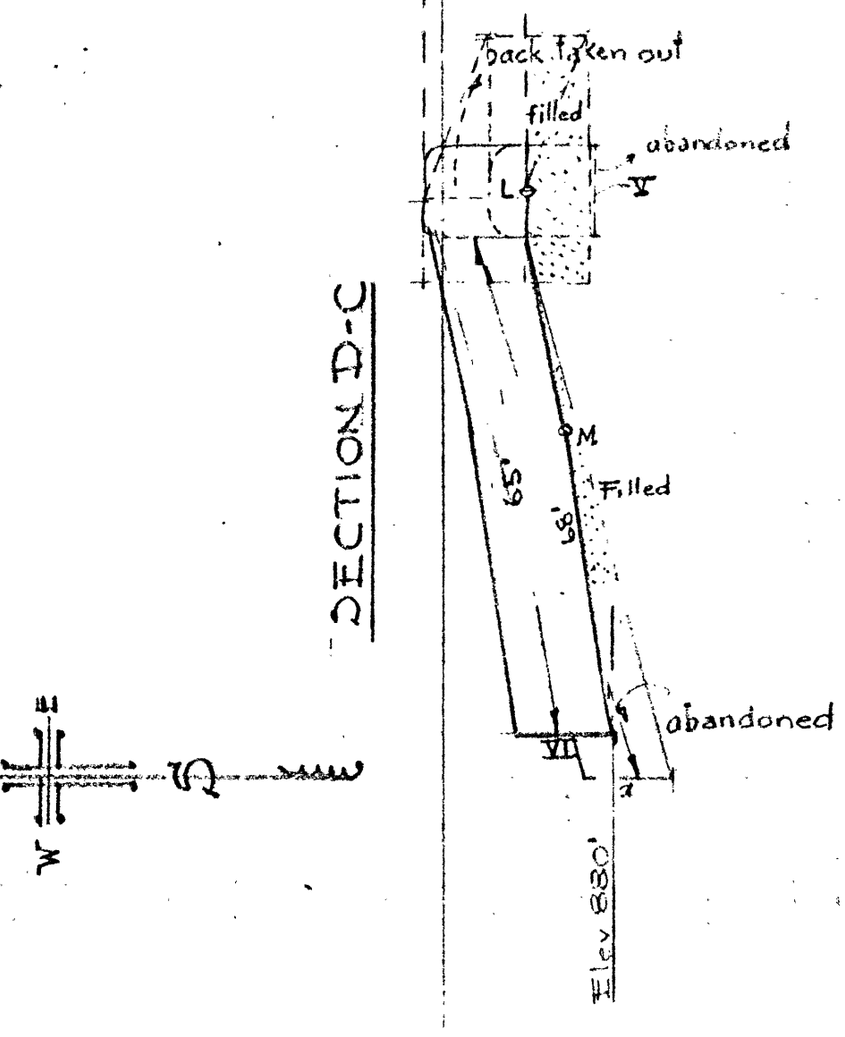
L-D MINES Wenatchee Wash.
"B"-REEF 12/31/65

OME 6460 gold
Chelan County Wash.
CONTRACT 2210

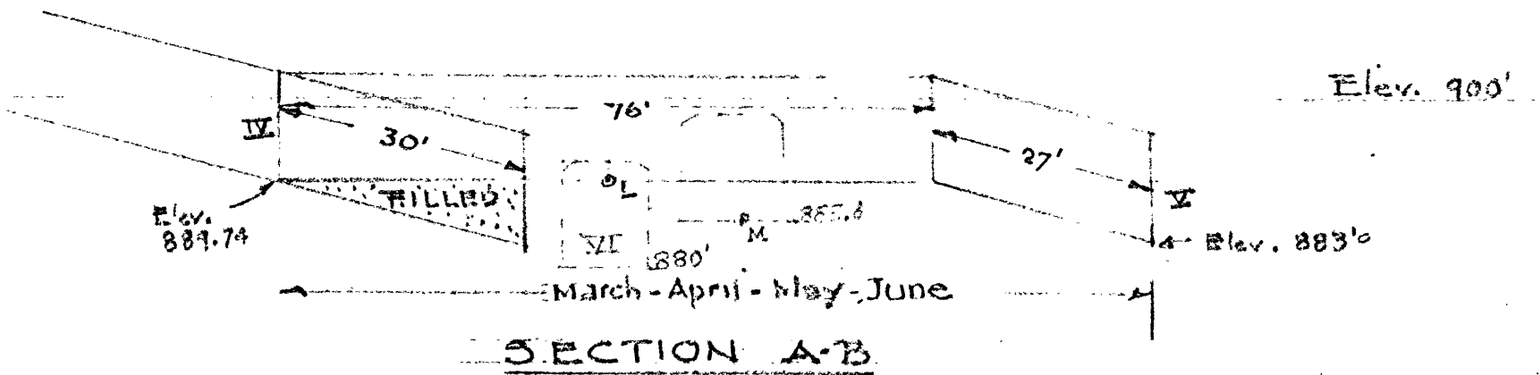


OME 6460 gold
Chelan County Wash
CONTRACT 2210

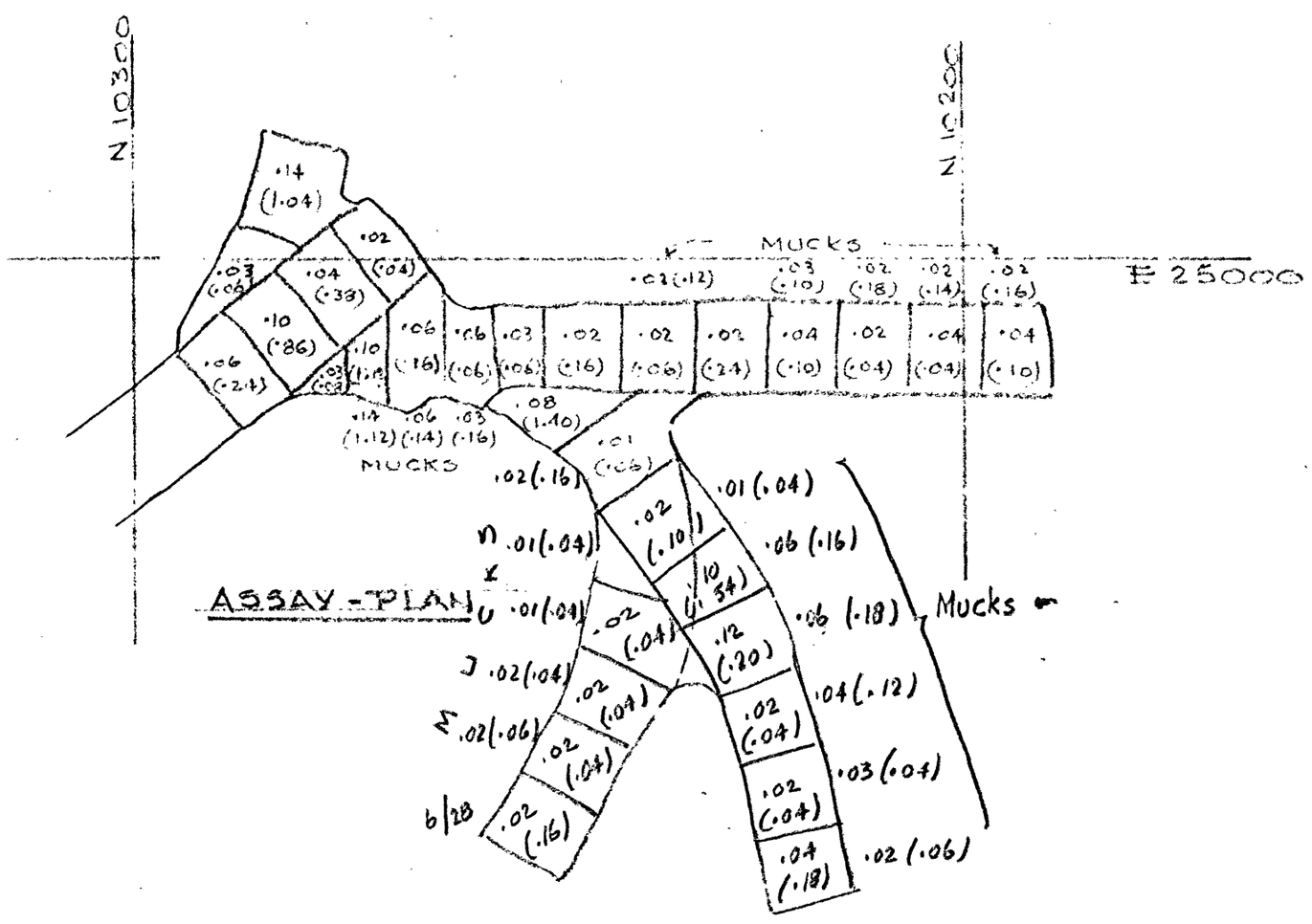




SECTION A-C



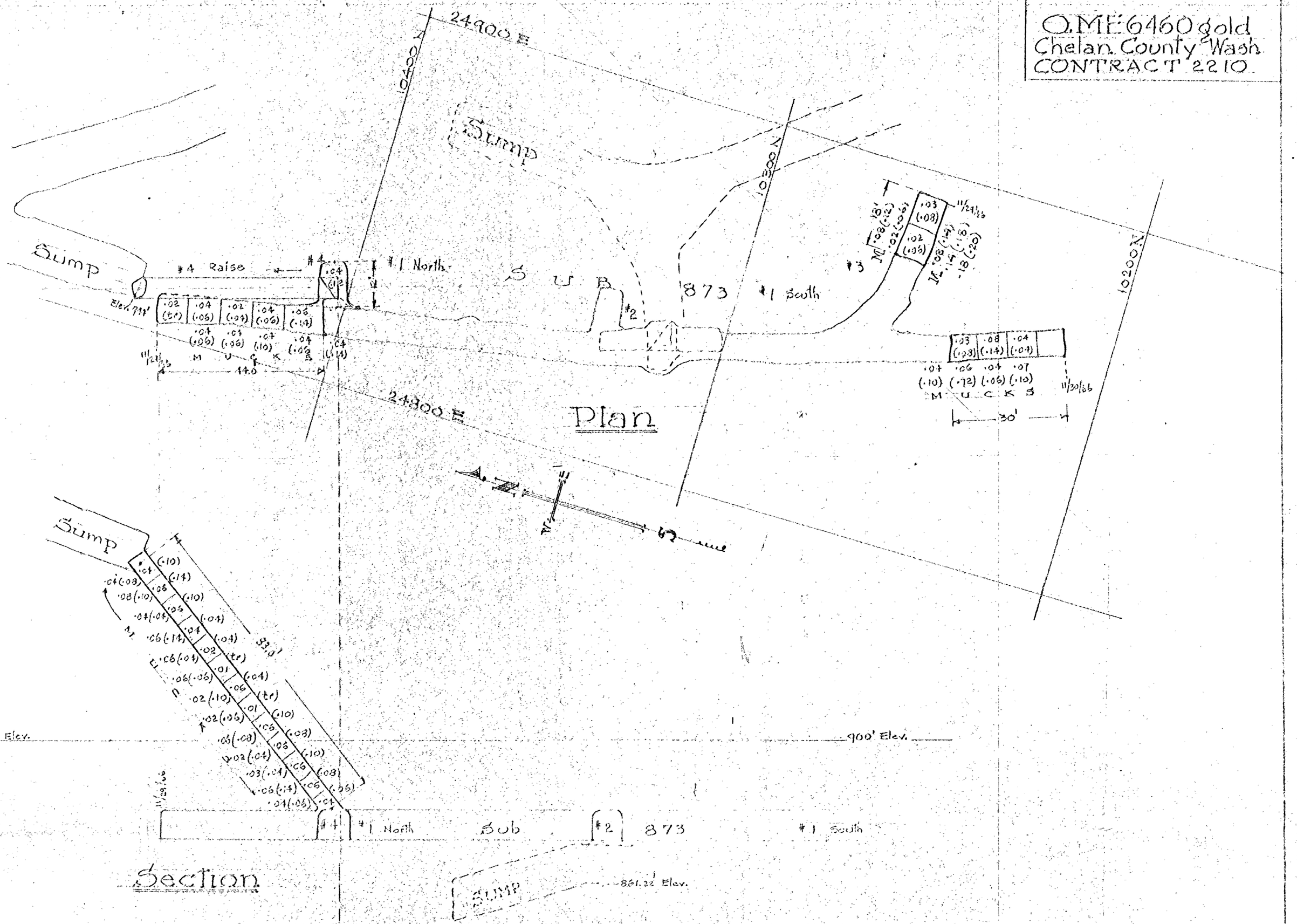
SECTION A-B



Assays:
Gold & Silver ounces per ton. Silver in brackets
Drill Cutting's inside shaft outline.
Mucks as indicated.

L-D-MINES-Wenatchee Wash
"B" REEF 6/30/66
scale 20'-1"

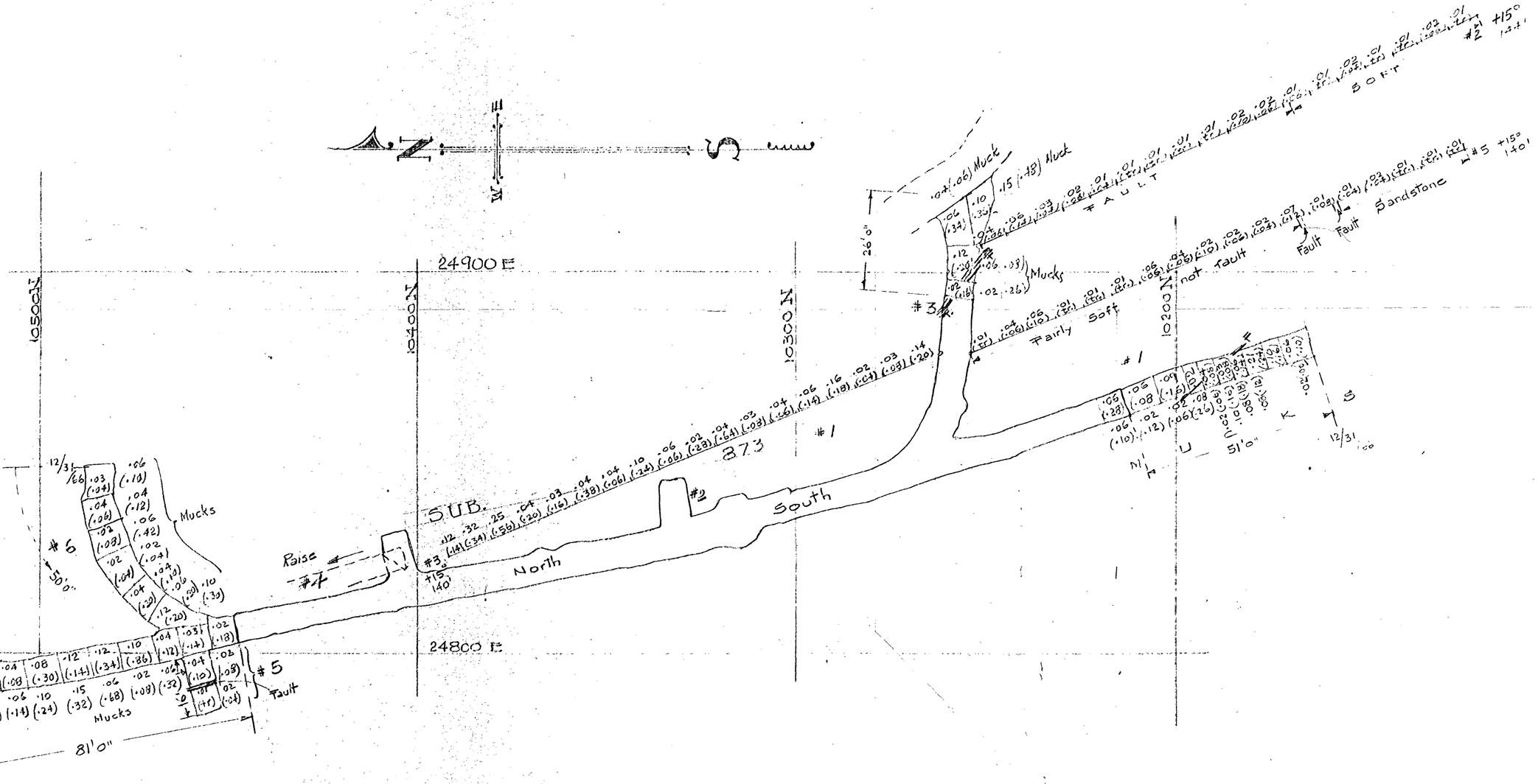
O.M.E. 6460 gold
Chelan County Wash.
CONTRACT 2210



Assays:
Gold & silver: ounces per ton. Silver in brackets
Drillcuttings inside drift & raise outline
Mucks as indicated 27 Muck samples
104' Drifting. 83' Raising

I.D. MINES WENATCHEE
"B" REEF 11/30/66 WASH.
Scale: 20' = 1"

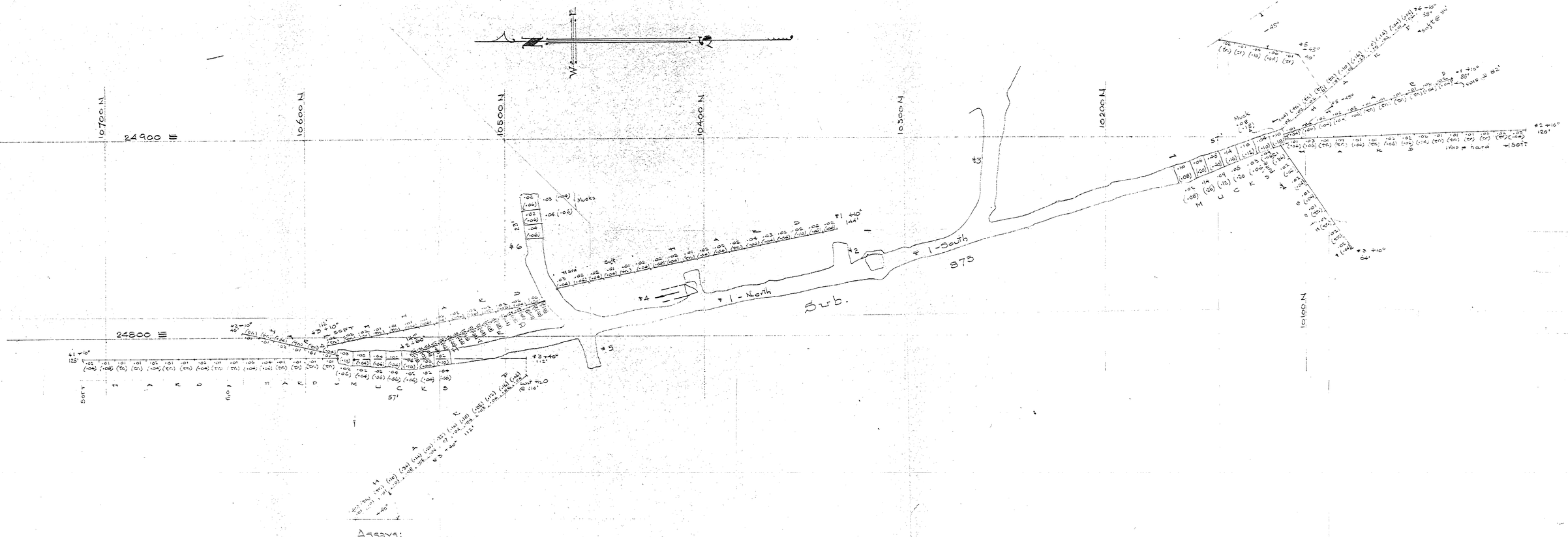
O.M.E. 6460 Gold
Chelan County Wash
CONTRACT 2210



Assays:
Gold & silver: ounces per ton. Silver in brackets
Drillcuttings inside drift outline.
Mucks as indicated 30 | Muck samples
224' Drifting - Longholing 1424'

L.D. MINES WENATCHEE
"B" REEF 12/31/66 WASH.
Scale 20' = 1"

O.M.E. 6460 Gold
Chelan County Wash.
CONTRACT 2210

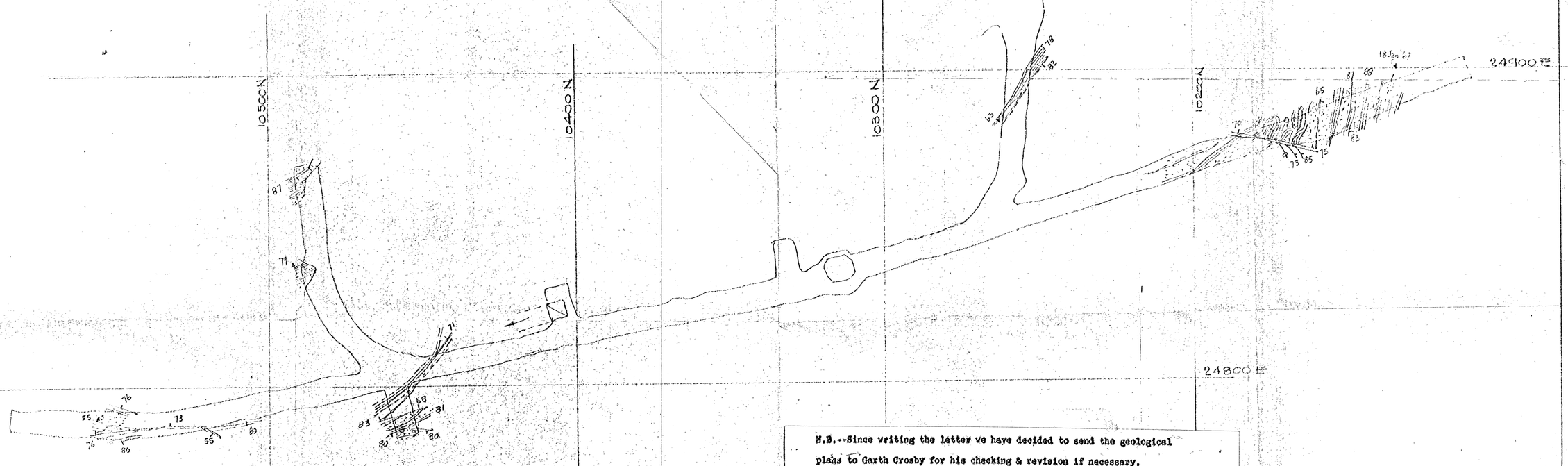


Assays:
Gold in ounces per Ton, Silver in brackets
Drillcuttings inside drift outline
Mucks as indicated

16 Muck Samples
1066 feet Testholes 137' Drifting

L.D. MINES WENATCHEE
"B" REEF 2/5/67 WASH.
SCALE 20'=1"

O.M.E. 6460 gold
Chelan County Wash.
CONTRACT 2210

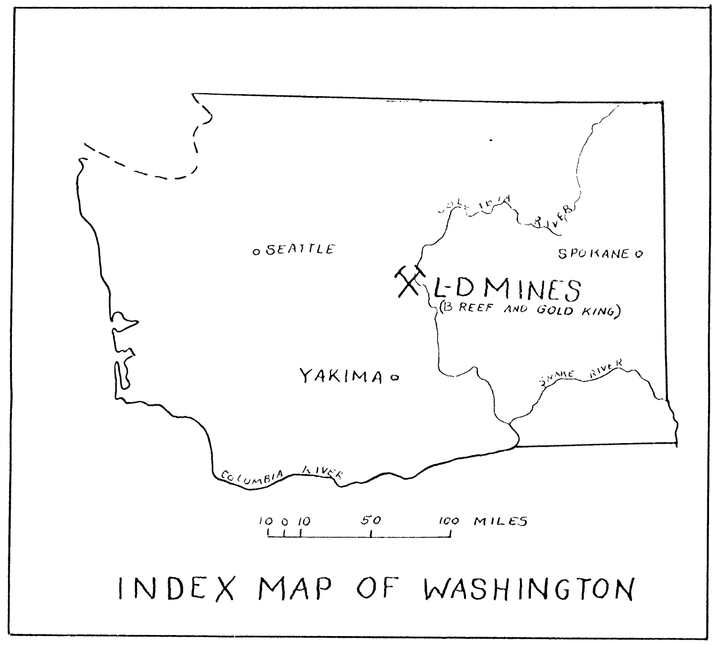


N.B.--Since writing the letter we have decided to send the geological plans to Garth Crosby for his checking & revision if necessary.

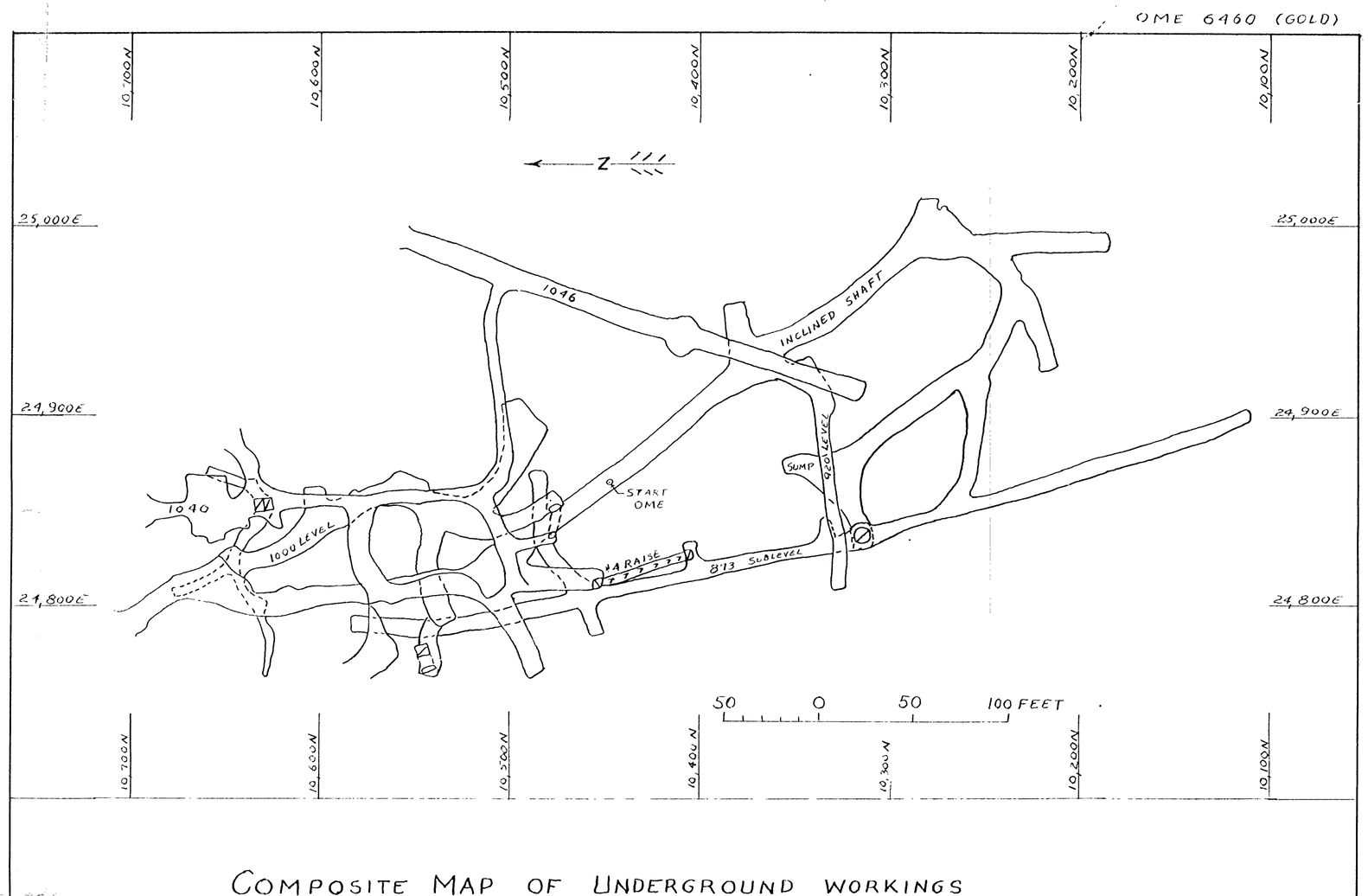
/s/ E. H. LOVITT

I.D. MINES WENATCHEE
"B" REEF 1/31/67 WASH.
Scale 20' = 1"

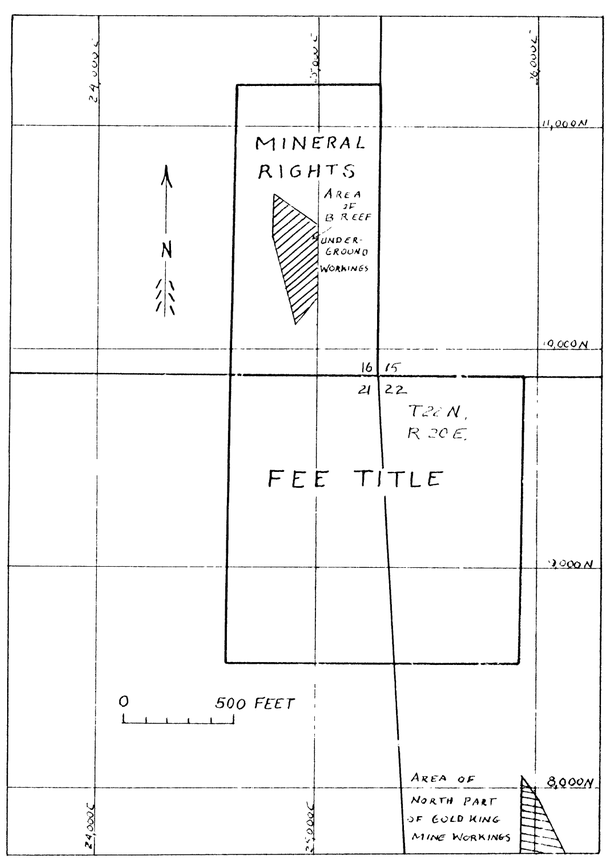
U S GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION



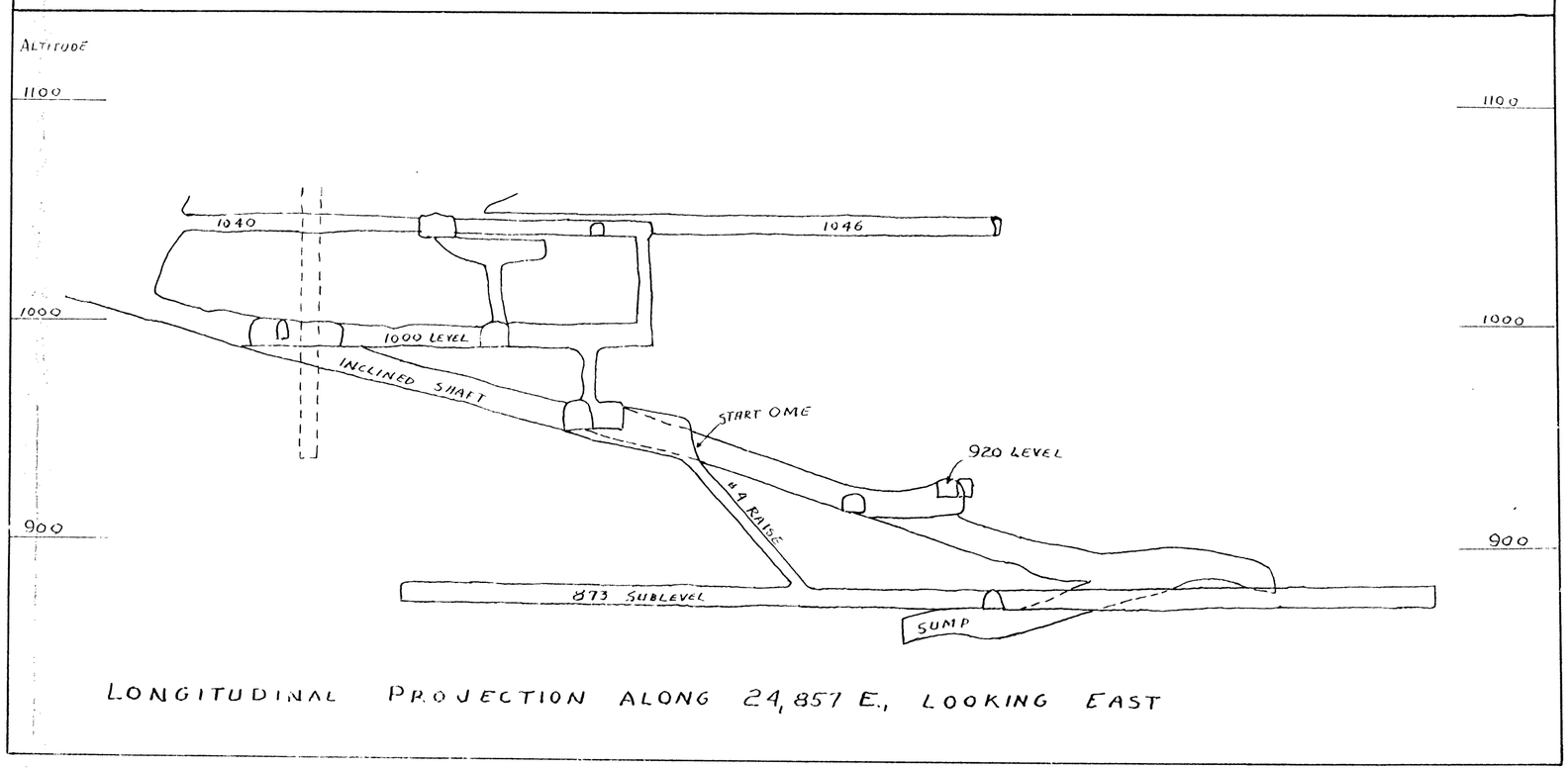
INDEX MAP OF WASHINGTON



COMPOSITE MAP OF UNDERGROUND WORKINGS



LOCATION AND PROPERTY MAP



LONGITUDINAL PROJECTION ALONG 24,857 E., LOOKING EAST

FIGURE 1.- PROPERTY, INDEX, AND COMPOSITE MINE MAPS, L-D MINES B REEF, CHELAN COUNTY, WASHINGTON

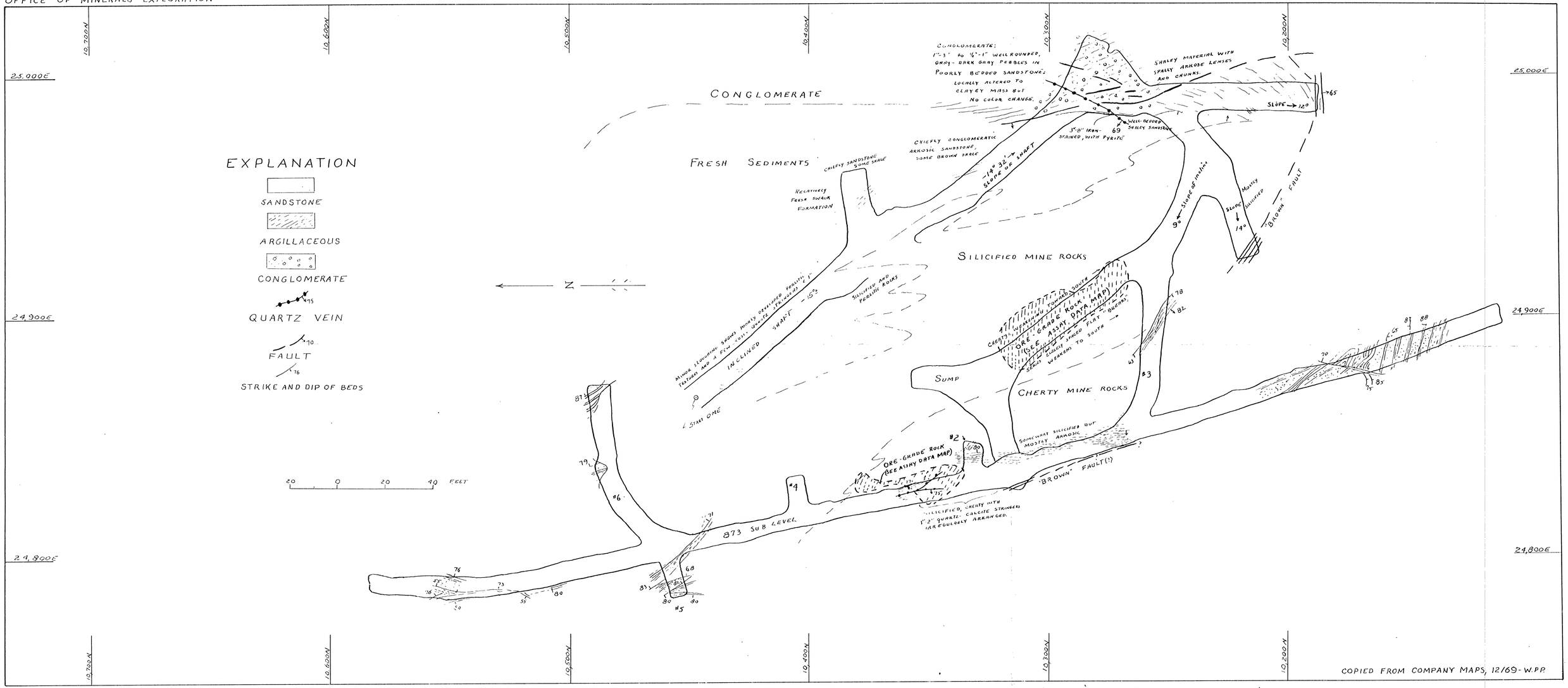


FIGURE 2 - GEOLOGIC MAP OF OME WORK, L-D MINES B REEF, SEC. 16, T. 22 N., R. 20E., CHELAN COUNTY, WASHINGTON

U.S. GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

OME 6460 (GOLD)

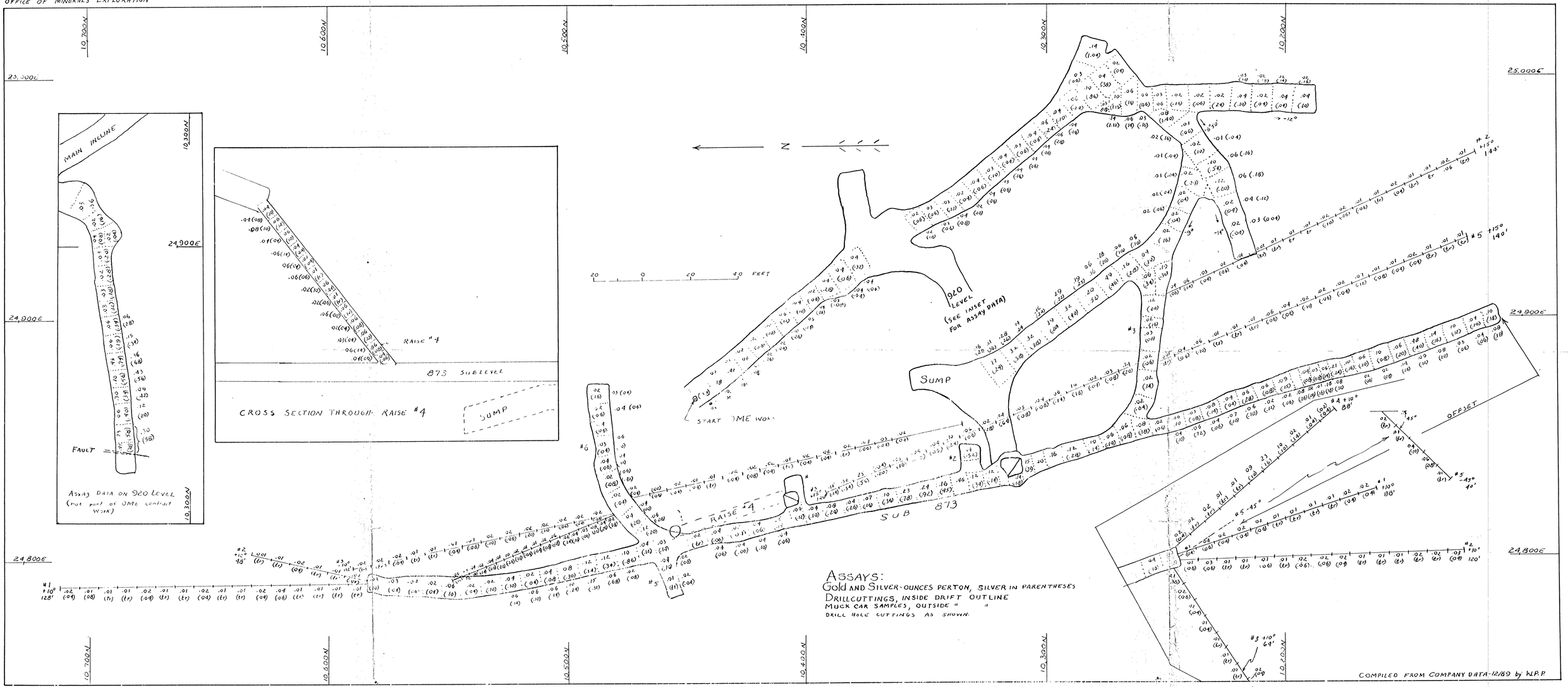
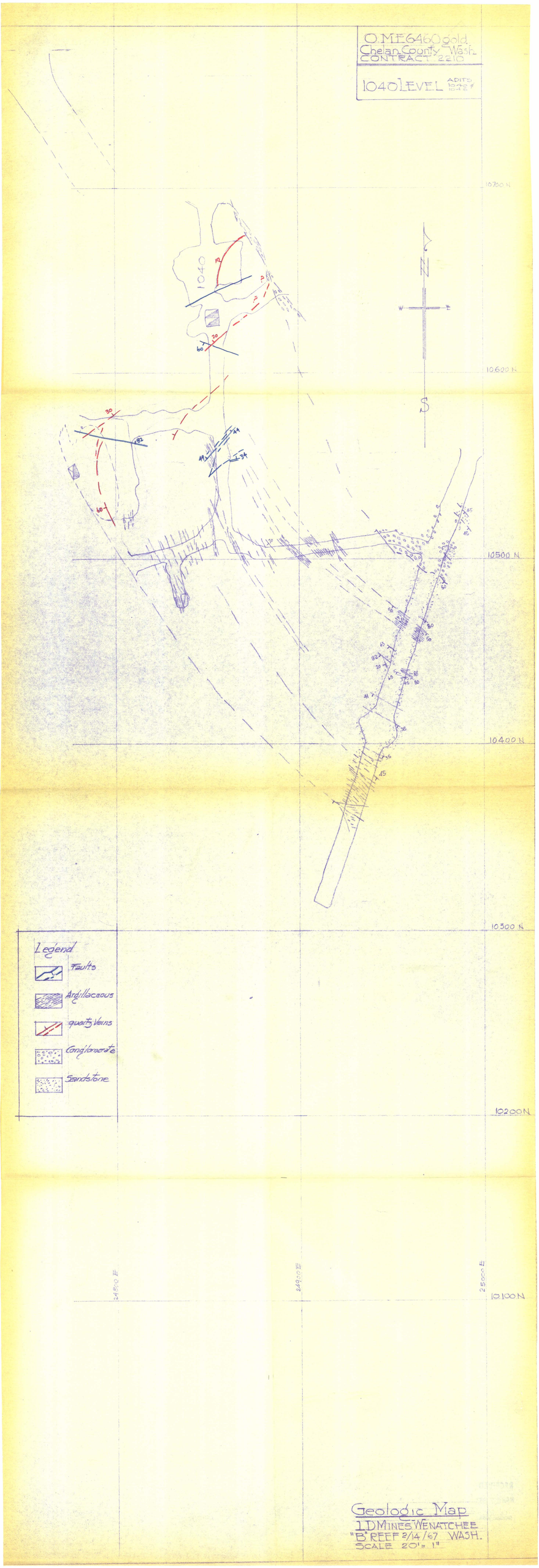


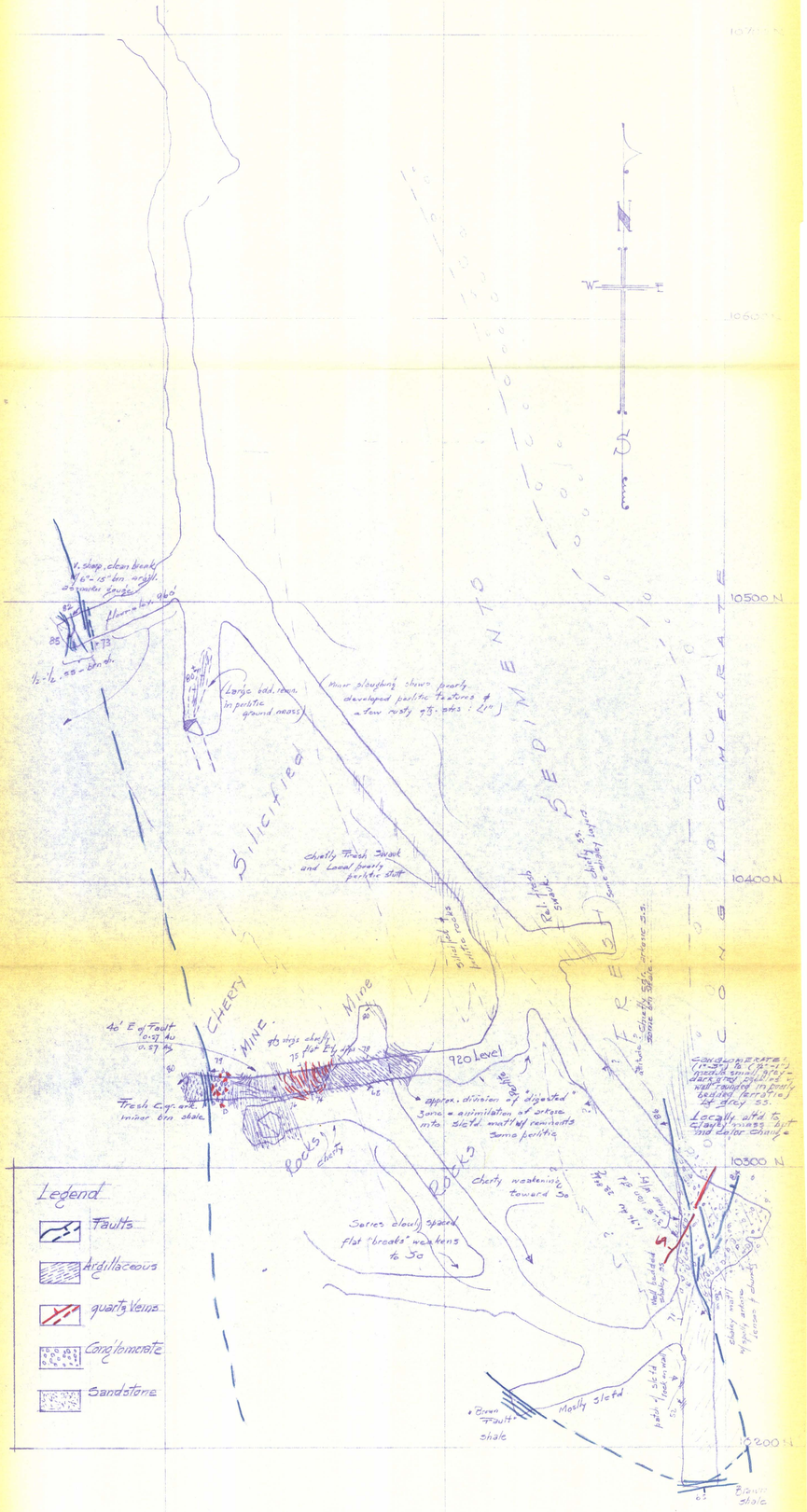
FIGURE 3 - ASSAY DATA OF OME WORK, L-D MINES B REEF, SEC. 16, T. 22 N., R. 20 E., CHELAN COUNTY, WASHINGTON



Geologic Map
I.D. Mines Wenatchee
"B" REEF 2/14/67 WASH.
SCALE 20' = 1"

O.M.E. 6460 gold
Chelan County, Wash.
CONTRACT 2210

SHAFT # 920' level



Geologic Map
I.D. MINES WENATCHEE
"B" REEF 2/14/67 WASH.
SCALE 20' = 1"

O.M.E. 6460 gold
Chelan County Wash.
CONTRACT 2210

RAMP LEVEL

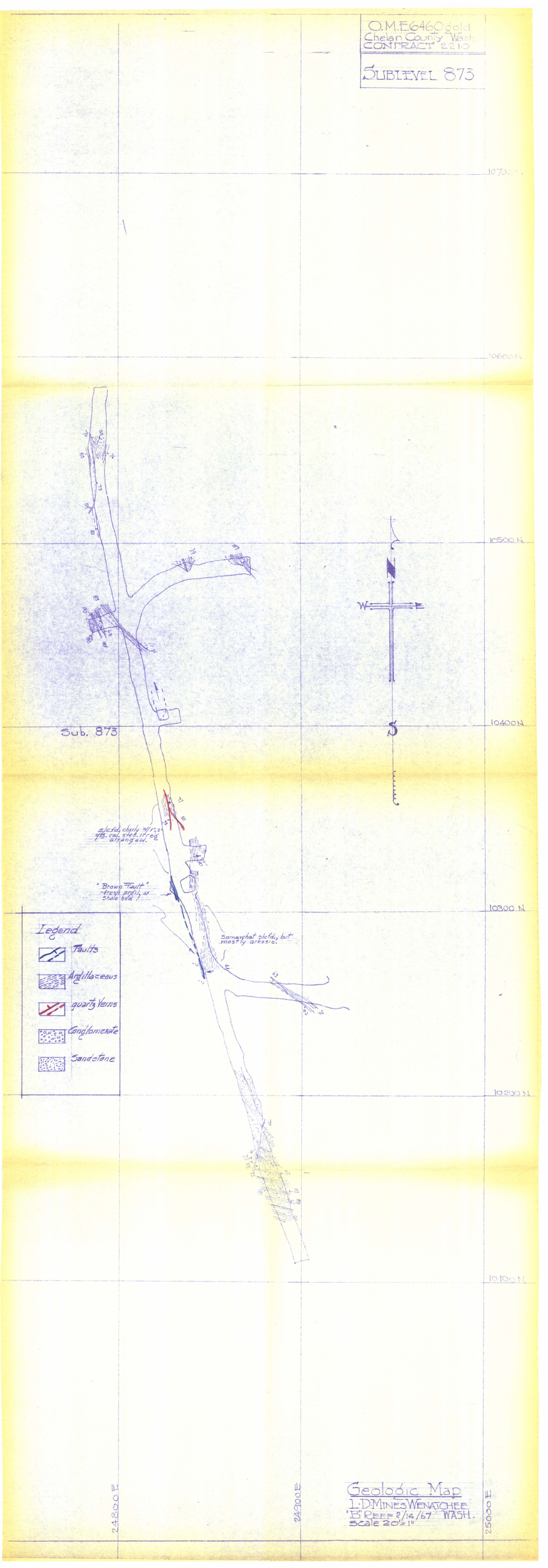
Legend

- Faults
- Argillaceous
- quartz Veins
- Conglomerate
- Sandstone

Geologic Map
I.D. MINES WENATCHEE
"B" REEF 8/4/67 WASH.
SCALE 20' = 1"

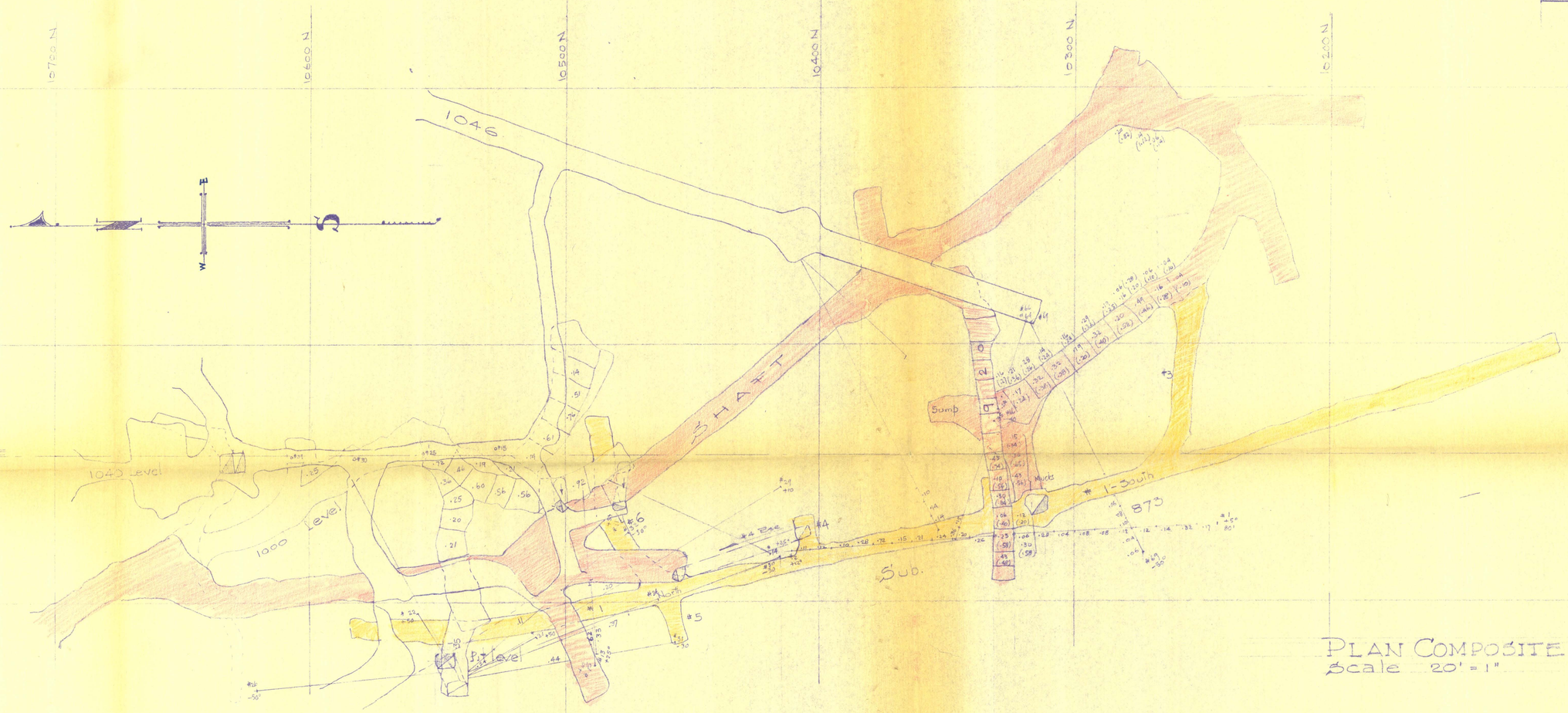
O.M.E 6460 gold
Chelan County Wash
CONTRACT 2210

SUBLEVEL 873

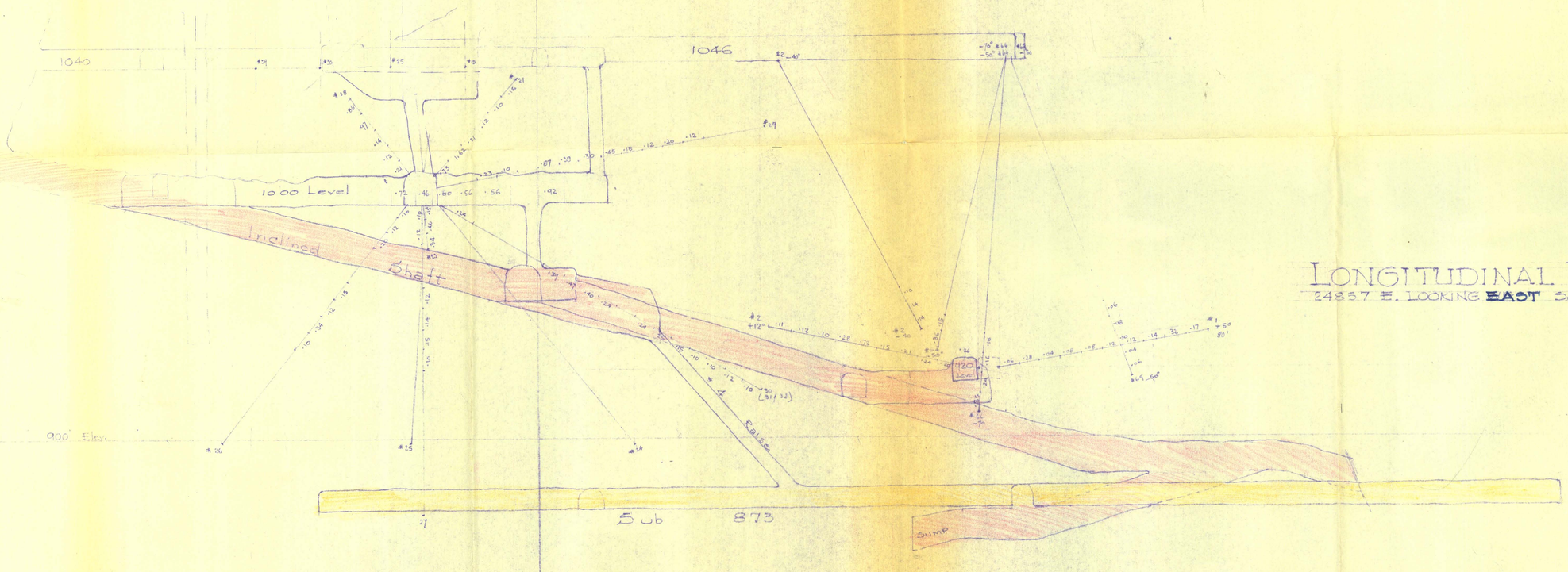


Geologic Map
L.D. MINES WENATCHEE
"B" REEF 8/14/67 WASH.
Scale 20'=1"

O.M.E. 6460 Gold
Chelan County Wash.
CONTRACT 2210

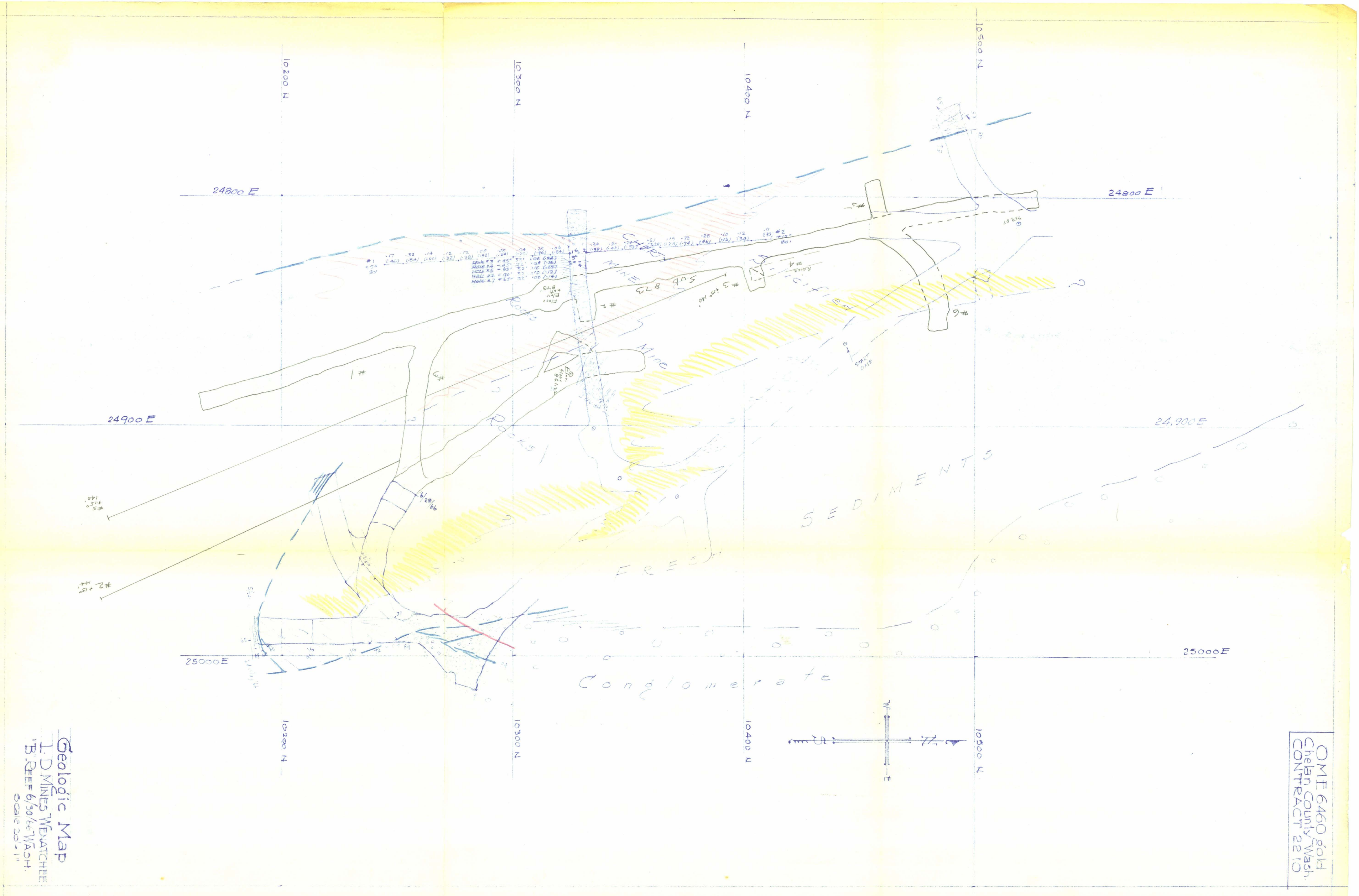


PLAN COMPOSITE "B" REEF
Scale 20' = 1"



LONGITUDINAL PROJECTION
24857 E. LOOKING EAST Scale 20' = 1"

L-D MINES WENATCHEE
February 5-1967 WASHINGTON


10200 N
10300 N
10400 N
10500 N
24800 E
24900 E
24,900 E
25000E
Sub 873
Mine
Rocks
Creek
Conglomerate
SEDIMENTS
6/28/66
Geologic Map
L D Mines Wenatchee
"B" Reef 6/30/66 Wash
Scale 20' = 1"
OMF 6460 Gold
Chelan County Wash.
CONTRACT 2210

OME 6460 gold
Chelan County Wash.
CONTRACT 2210

Geologic Map
I. D Mines Wenatchee
"B" Reef 6/30/66 Wash.
Scale 20' = 1"