DMEA Form 9
Rev. 6/57

UNITED STATES
DEPARTMENT OF THE INTERIOR
~~Defense Minerals Exploration Administration~~
GEOLOGICAL SURVEY

OFFICIAL DOCKET FILE

~~XXXXXXXX~~ OME-6579

DMEA NO. 6579

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- [ ] Withdrawn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
- [ ] Certification of Discovery
- [x] Closing Letter
- [x] Cost Audits 1/70
- [ ] Termination Notice or Agreement
- [ ] Recision Notice
- [ ] Assignment of Contract
- [ ] Contract Amendments
- [x] Contract with all exhibits and annexes 6/6/69
- [ ] Owner's Consent to Lien and Subordination Agreement
- [x] Application and attachments
  New application submitted in order to change the name 2/10/69 dtd.

Right Side

- [ ] Project summary (final)
- [ ] Work Completed analysis (final)
- All other material filed in chronological order including the following reports if checked:
- [ ] Field Team Semi-Annual Report for Certified Project
- [x] Final Field Team Report (Tab)
- [x] Operator's Final Report (Tab)
- [ ] Interim Field Team Reports
- [ ] Operator's monthly reports and all attachments
- [x] On-site Exam Report (Tab) 9/8/68
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Left Side

Folders No._____: Reports
- [ ] Analysis of Semi-Annual Inspection Reports
- [ ] Project Summary (Interim) by DMEA Engineers

Right Side

- [ ] Field Team Semi-Annual 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

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
2/11/70	Peterson	120
		120
		220

FEB 11 1970

Three F Mining Co., Inc.
310 Doneen Building
P. O. Box 105
Wenatchee, Washington 98801

Re: OME-6579 (Gold)
Three F Mining Company, Inc.
Washington State Mineral Lease
No. 58405
Chelan County, Washington
Contract 2281

Gentlemen:

Reference is made to your completed exploration contract with the Government.

We sincerely regret that the work performed did not result in a certification of possible production under the provisions of the contract. In the absence of such certification, the Government 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. Your attention, however, is called to the provisions of the contract which require the Operator to keep and preserve certain records for the periods indicated.

We appreciate your interest and participation in the OME exploration program.

Sincerely yours,

Harold Kirkemo (gla)

Harold Kirkemo
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Mineral Resources File
OME Reading File
OME Docket
Branch of Budget & Finance
Region I
Mr. Peterson
130

ECPeterson/bsl 2/11/70

I-C-DC-OME-26-70

Government's copy

UNITED STATES
DEPARTMENT OF THE INTERIOR

Office of Survey and Review

Audit Operations

OFFICIAL
COPY
O. M. E.
RECEIVED
FEB 2 1970

INITIALS	CODE
gla	130
Gal	120
	120
EP	120

Report of Review-Contract 2281
Docket No. OME-6579 (Gold)
Three F Mining Company, Inc.
Chelan County, Washington

Report of Review

Washington, D.C.
January 1970

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY
OFFICE OF SURVEY AND REVIEW
Audit Operations, Region I
801 19th Street, N.W., Room 813
Washington, D.C. 20240

JAN 26 1970

Memorandum

To: Director, Geological Survey

From: Regional Director, Region I
Audit Operations, Office of Survey and Review

Subject: Review of Contract 2281
Docket No. OME-6579 (Gold)
Three F Mining Company, Inc.
Chelan County, Washington

As requested by the Chief, Office of Minerals Exploration, we made a cost review of Contract 2281. The results of our review are shown in the attached report.

C. D. Bar

Attachment

We reviewed the contract files of the Office of Minerals Exploration (OME) pertaining to the minerals exploration Contract 2281 with the Three F Mining Company, Inc. (Operator), and examined the related disbursement records in the Branch of Budget and Finance, Administrative Division, Geological Survey. The review was made during January 1970 at Washington, D.C.

The contract was awarded on June 6, 1969, for $5,800, the total estimated cost of the project, with OME participation on a 75-percent basis or not in excess of $4,350.

The Contractor was to explore by crosscutting and drifting for gold bearing ore bodies in and along quartz veins that traverse steeply dipping limestone beds of the Swauk formation of Eocene age. All samples were to be assayed for gold and silver.

Repayment of disbursed Federal funds plus simple interest at 8¼ percent was to be made on the basis of established royalties of all minerals and metals produced from the land during the exploration operations and for a period of 10 years from the date of the contract should a certification of possible production be issued by OME.

Work under the contract was to begin on or before June 28, 1969, and was to be completed within 9 months from the date of the contract or by March 6, 1970.

The final OME Interim Inspection report recommended that no Certification of Possible Production be issued. The work has failed to find the downdip extension of the gold-bearing zone in marble.

Field inspections were made and six vouchers submitted by the Operator were approved by the OME Region I Office.

The unit of work authorized and approved under Contract 2281 are summarized on Exhibit I. We believe that the claimed and accepted costs of $5,515 and the OME participation on a 75-percent basis of $4,136 were proper under the terms of the contract.

C. D. Bo

Regional Director

EXHIBIT I

Summary of Contract Terms, Accepted Costs, and Unexpended Balance

	Authorized Amounts	Accepted Costs	Unexpended Balance
Fixed Unit Costs 1/			
Crosscutting & drifting 150 ft. @ 35.00/foot	$5,250	$5,215	$ 35
Timbering 35 ft. @ 11.00/foot	385	220	165
Assaying for gold and silver 33 samples @ 5.00/sample	165	80	85
Total Cost	$5,800	$5,515	$285
Government participation at 75%	$4,350	$4,136 2/	$214

1/ The Government retains no equity in any of the equipment or materials used.
2/ Withholding $100 pending receipt of Operator's final report.

Government's Copy

MME Form 51
July 1965

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
U. S. Geological Survey

EXPLORATION CONTRACT
(Short Form)

Docket	Commodity	Contract No.	County	State
OME -6579	Gold	2281	Chelan	Washington

It is agreed JUN 6 1969 (Date), between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and

Three F Mining Co., Inc., a State of Washington Corporation

,

whose mailing address is 310 Doneen Building, Wenatchee, Washington 98801, hereinafter called the "Operator," as follows:

ARTICLE I. Authority and scope.--(a) This contract, entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before June 28, 1969 (Date), and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within 9 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 $5,800.00. The Government will contribute ~~50~~ 75 percent of the total fixed unit costs of the work performed, not in excess of $4,350.00 in accordance with the provisions of Articles 4 and 5.

(c) Interest computation.--Simple interest at the rate of 8½ 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:

2281

SEE ANNEX I

(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 purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Government, and this estimate shall be final and binding upon the Operator 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, U. S. Geological Survey, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Operator. The decision of the Director, U S. Geological Survey, 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, U. S. Geological Survey, 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, U. S. Geological Survey," 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 U. S. Geological Survey 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.

ARTICLE 14. Changes and added provisions.--

Executed in ~~XXXXXXXXXX~~ quadruplicate the day and year first above written.

THREE F. MINING CO., INC.
(Operator)

By Frederick L. Hubbard

Title President

THE UNITED STATES OF AMERICA

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

App'd. Sol. Off.
Long
Peterson
Kirkham
Kleppe

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

FROM SOLICITOR
APR 21 1969
FOR SIGNATURE

Frederick M. Crollard Jr.

[CORPORATE SEAL]

EXPLORATION CONTRACT
THREE F MINING CO., INC.
OME-6579

ANNEX I

The land including all rights pertaining thereto, referred to in Article 2 of the contract, consists of the SE1/4NW1/4, N1/2NE1/4 4SW1/4, SE1/4NE1/4SW1/4, NW1/4NW1/4SE1/4, S1/2NW1/4SE1/4, and SW1/4SE1/4 of Sec. 36, T. 28 N., R 17 E., WB&M, Chelan County, Washington.

The Operator is in possession of the land under the terms of an Assignment dated February 17, 1969 from the F. H. G. Mining Company, assigning the State of Washington Mineral Prospecting Lease No. 58405, dated January 10, 1968, to the Operator.

A Performance Bond in lieu of Lien and Subordination Agreements in the amount of $4,350.00 is attached and made part hereof.

The property is shown outlined in blue on Figure 1, entitled, "Property map, Three F Mining Co., Inc., Chelan County, Washington," attached and made part hereof.

STANDARD FORM 25
JUNE 1967 EDITION
GENERAL SERVICES ADMINISTRATION
FED. PROC. REG. (41 CFR) 1-16.801

PERFORMANCE BOND

(See Instructions on reverse)

E BOND EXECUTED *(Must be same or r than date of contract)*

PRINCIPAL *(Legal name and business address)*

Three F. Mining Co., Inc.
310 Doneen Building
Wenatchee, Washington 98801

TYPE OF ORGANIZATION *("X" one)*

☐ INDIVIDUAL ☐ PARTNERSHIP
☐ JOINT VENTURE ☒ CORPORATION

STATE OF INCORPORATION
Washington

SURETY(IES) *(Name(s) and business address(es))*

Frederick L. Hubbard 16513-37th N.E. Seattle, Wa. 98155

Fred G. Fritts 1627 Cherry Wenatchee, Wa. 98801

PENAL SUM OF BOND

MILLION(S)	THOUSAND(S)	HUNDRED(S)	CENT(S)
	4	350	00

CONTRACT DATE	CONTRACT NO.

KNOW ALL MEN BY THESE PRESENTS, That we, the Principal and Surety(ies) hereto, are firmly bound to the United States of America (hereinafter called the Government) in the above penal sum for the payment of which we bind ourselves, our heirs, executors, administrators, and successors, jointly and severally: *Provided,* That, where the Sureties are corporations acting as co-sureties, we, the Sureties, bind ourselves in such sum "jointly and severally" as well as "severally" only for the purpose of allowing a joint action or actions against any or all of us, and for all other purposes each Surety binds itself, jointly and severally with the Principal, for the payment of such sum only as is set forth opposite the name of such Surety, but if no limit of liability is indicated, the limit of liability shall be the full amount of the penal sum.

THE CONDITION OF THIS OBLIGATION IS SUCH, that whereas the Principal entered into the contract identified above;

NOW, THEREFORE, if the Principal shall:

(a) Perform and fulfill all the undertakings, covenants, terms, conditions, and agreements of said contract during the original term of said contract and any extensions thereof that may be granted by the Government, with or without notice to the Surety(ies), and during the life of any guaranty required under the contract, and shall also perform and fulfill all the undertakings, covenants, terms, conditions, and agreements of any and all duly authorized modifications of said contract that may hereafter be made, notice of which modifications to the Surety(ies) being hereby waived; and

(b) If the said contract is subject to the Miller Act, as amended (40 U.S.C. 270a-270e), pay to the Government the full amount of the taxes imposed by the Government which are collected, deducted, or withheld from wages paid by the Principal in carrying out the construction contract with respect to which this bond is furnished; then the above obligation shall be void and of no effect.

IN WITNESS WHEREOF, the Principal and Surety(ies) have executed this performance bond and have affixed their seals on the date set forth above.

PRINCIPAL

Signature(s)	1. Three F Mining Co., Inc. By Frederick L. Hubbard (Seal)	2. (Seal)	Corporate Seal
Name(s) & Title(s) *(Typed)*	1. FREDERICK L. HUBBARD President	2.	

INDIVIDUAL SURETY(IES)

Signature(s)	1. Frederick L. Hubbard (Seal)	2. Fred G. Fritts (Seal)
Name(s) *(Typed)*	1. Frederick L. Hubbard	2. Fred G. Fritts

CORPORATE SURETY(IES)

SURETY A	Name & Address		STATE OF INC.	LIABILITY LIMIT	Corporate Seal
	Signature(s)	1.	2.		
	Name(s) & Title(s) *(Typed)*	1.	2.		

25-105

CORPORATE SURETY(IES) (Continued)					
SURETY B	Name & Address		STATE OF INC.	LIABILITY LIMIT	*Corporate Seal*
	Signature(s)	1.	2.		
	Name(s) & Title(s) *(Typed)*	1.	2.		
SURETY C	Name & Address		STATE OF INC.	LIABILITY LIMIT	*Corporate Seal*
	Signature(s)	1.	2.		
	Name(s) & Title(s) *(Typed)*	1.	2.		
SURETY D	Name & Address		STATE OF INC.	LIABILITY LIMIT	*Corporate Seal*
	Signature(s)	1.	2.		
	Name(s) & Title(s) *(Typed)*	1.	2.		
SURETY E	Name & Address		STATE OF INC.	LIABILITY LIMIT	*Corporate Seal*
	Signature(s)	1.	2.		
	Name(s) & Title(s) *(Typed)*	1.	2.		
SURETY F	Name & Address		STATE OF INC.	LIABILITY LIMIT	*Corporate Seal*
	Signature(s)	1.	2.		
	Name(s) & Title(s) *(Typed)*	1.	2.		
SURETY G	Name & Address		STATE OF INC.	LIABILITY LIMIT	*Corporate Seal*
	Signature(s)	1.	2.		
	Name(s) & Title(s) *(Typed)*	1.	2.		

BOND PREMIUM ▶	RATE PER THOUSAND $	TOTAL $

INSTRUCTIONS

1. This form is authorized for use in connection with contracts for construction work or the furnishing of supplies or services. There shall be no deviation from this form without approval by the Administrator of General Services.

2. The full legal name and business address of the Principal shall be inserted in the space designated "Principal" on the face of this form. The bond shall be signed by an authorized person. Where such person is signing in a representative capacity (e.g., an attorney-in-fact), but is not a member of the firm, partnership, or joint venture, or an officer of the corporation involved, evidence of his authority must be furnished.

3. (a) Corporations executing the bond as sureties must be among those appearing on the Treasury Department's list of approved sureties and must be acting within the limitations set forth therein. Where more than a single corporate surety is involved, their names and addresses (city and State) shall be inserted in the spaces (Surety A, Surety B, etc.) headed "CORPORATE SURETY(IES)", and in the space designated "SURETY(IES)" on the face of this form only the letter identification of the Sureties shall be inserted.

(b) Where individual sureties execute the bond, they shall be two or more responsible persons. A completed Affidavit of Individual Surety (Standard Form 28), for each individual surety, shall accompany the bond. Such sureties may be required to furnish additional substantiating information concerning their assets and financial capability as the Government may require.

4. Corporations executing the bond shall affix their corporate seals. Individuals shall execute the bond opposite the word "Seal"; and, if executed in Maine or New Hampshire, shall also affix an adhesive seal.

5. The name of each person signing this performance bond should be typed in the space provided.

☆ U.S. GOVERNMENT PRINTING OFFICE : 1967 O—255-154 (80G)

STANDARD FORM 28
NOVEMBER 1950
PRESCRIBED BY GENERAL
SERVICES ADMINISTRATION
GENERAL REGULATION NO. 5

AFFIDAVIT OF INDIVIDUAL SURETY

(See Instructions on Reverse)

STATE OF
WASHINGTON
COUNTY OF
King
SS:

I, the person whose signature appears below as surety, being duly sworn, depose and say that I am one of the sureties to the attached bond; that I am a citizen of the United States, and of full age and legally competent; that I am not a partner in the business of the principal on the bond or bonds on which I appear or may appear as surety; that the information herein below furnished is true and correct. This affidavit is made to induce the United States of America to accept me as surety on the attached bond.

MY NAME *(first, middle, last)*
Frederick Lyle Hubbard

MY ADDRESS *(street and number, city and State)*
16513-37th N. E.
Seattle, Washington 98155

TYPE AND DURATION OF MY OCCUPATION
Commercial Artist 28 years

NAME OF MY EMPLOYER
Sunset Outdoor Advertising Company

MY BUSINESS ADDRESS *(street and number, city and State)*
1015 Eastlake Ave. E.
Seattle, Washington 98109

AMOUNT I AM WORTH IN REAL ESTATE AND PERSONAL PROPERTY OVER AND ABOVE (1) ALL MY DEBTS AND LIABILITIES OWING AND INCURRED, (2) ANY PROPERTY EXEMPT FROM EXECUTION, (3) ANY PECUNIARY INTEREST I HAVE IN THE BUSINESS OF THE PRINCIPAL ON SAID BOND, AND (4) ANY INTEREST I HAVE IN ANY SO-CALLED COMMUNITY PROPERTY
$12,612.30

LOCATION AND DESCRIPTION OF REAL ESTATE OF WHICH I AM SOLE OWNER IN FEE SIMPLE *(not exempt from seizure and sale under any homestead law, community or marriage law, or upon attachment, execution, or judicial process)*
Dwelling, 16513-37th N. E. Seattle, Wash,.

FAIR VALUE OF SUCH REAL ESTATE
$25,000

ASSESSED VALUE OF SUCH REAL ESTATE FOR TAXATION PURPOSES
$5,200.00

ALL MORTGAGES OR OTHER ENCUMBRANCES AGAINST ABOVE REAL ESTATE, THERE BEING NO OTHERS *(if none, so state)*
Mortgage balance $19,282.00 No other encumbrances

MY LIABILITIES OWING AND INCURRED DO NOT EXCEED THE AMOUNT OF
$1638.70

AMOUNT I AM WORTH, OVER AND ABOVE JUST DEBTS AND LIABILITIES, IN PERSONAL PROPERTY SUBJECT TO EXECUTION AND SALE, THIS AMOUNT BEING ADDITIONAL TO THE REAL ESTATE ABOVE DESCRIBED
$6,894.30

THE ABOVE PERSONAL PROPERTY CONSISTS OF THE FOLLOWING
1967 GMC 3/4 ton truck, 1965 Thunderbird automobile, Furniture, 1/3 Mining equipment

ALL OTHER BONDS ON WHICH I AM SURETY *(state character and amount of each bond; if none, so state)*
None

MY SIGNATURE AS SURETY
Frederick L. Hubbard

Subscribed and sworn to before me this date at Seattle

OFFICIAL SEAL

Carlene R. Hansen Notary 2-10-69
(Signature) *(Title of official administering oath)* *(Date)*

STANDARD FORM 28
NOVEMBER 1950 EDITION

16—63324-1

CERTIFICATE OF SUFFICIENCY

I HEREBY CERTIFY, That the surety named herein is personally known to me; that, in my judgment, said surety is responsible, and qualified to act as such; and that, to the best of my knowledge and belief, the facts stated by said surety in the foregoing affidavit are true.

NAME (*typewritten*)

John D. Moen

SIGNATURE

John D. Moen

OFFICIAL TITLE

Manager, Lake City Branch, Seattle First National Bank

ADDRESS

12363 Lake City Way N.E., Seattle, Wash. 98125

The Hubbards maintain an entirely satisfactory account relationship with this bank.

INSTRUCTIONS

1. This form shall be used whenever sureties on bonds to be executed in connection with Government contracts are individual sureties. There shall be no deviation from this form except as authorized by the General Services Administration.

2. A firm, as such, will not be accepted as a surety, nor a partner for copartners or for a firm of which he is a member. Stockholders of a corporate principal may be accepted as sureties provided their qualifications as such are independent of their stock holdings therein. Sureties, if individuals, shall be citizens of the United States, except that sureties on bonds executed in any foreign country, the Canal Zone, Puerto Rico, Hawaii, Alaska, Guam, or any possession of the United States, for the performance of contracts entered into in these places, need not be citizens of the United States, but if not citizens of the United States shall be domiciled in the place where the contract is to be performed.

3. The individual surety shall justify, under oath, in a sum not less than the penalty of the bond, according to the form appearing on the face hereof, before a United States commissioner, a clerk of a United States court, a notary public, or some other officer having authority to administer oaths generally. If the officer has an official seal, it shall be affixed, otherwise the proper certificate as to his official character shall be furnished. Where citizenship is not required, as provided in paragraph 2 of these instructions, the affidavit may be amended accordingly.

4. The certificate of sufficiency shall be signed by an officer of a bank or trust company, a judge or clerk of a court of record, a United States district attorney or commissioner, a postmaster, a collector or deputy collector of internal revenue, or any other officer of the United States acceptable to the department or establishment concerned. Further certificates as to the financial qualification of the sureties may be required from time to time. Such certificates must be based on the personal investigation of the certifying officers at the time of the making thereof, and not upon prior certificates.

U. S. GOVERNMENT PRINTING OFFICE 16—63324-1

STANDARD FORM 28
NOVEMBER 1950
PRESCRIBED BY GENERAL
SERVICES ADMINISTRATION
GENERAL REGULATION NO. 5

AFFIDAVIT OF INDIVIDUAL SURETY

(See Instructions on Reverse)

STATE OF
WASHINGTON
COUNTY OF
Chelan
SS:

I, the person whose signature appears below as surety, being duly sworn, depose and say that I am one of the sureties to the attached bond; that I am a citizen of the United States, and of full age and legally competent; that I am not a partner in the business of the principal on the bond or bonds on which I appear or may appear as surety; that the information herein below furnished is true and correct. This affidavit is made to induce the United States of America to accept me as surety on the attached bond.

MY NAME *(first, middle, last)*
Fred G. Fritts

MY ADDRESS *(street and number, city and State)*
1627 Cherry St.
Wenatchee, Washington

TYPE AND DURATION OF MY OCCUPATION
Miner (20 years)
Maintenance Machanic (3 Years)

NAME OF MY EMPLOYER
Wenatchee Silica Sand

MY BUSINESS ADDRESS *(street and number, city and State)*
1627 Cherry St.
Wenatchee, Washington

AMOUNT I AM WORTH IN REAL ESTATE AND PERSONAL PROPERTY OVER AND ABOVE (1) ALL MY DEBTS AND LIABILITIES OWING AND INCURRED, (2) ANY PROPERTY EXEMPT FROM EXECUTION, (3) ANY PECUNIARY INTEREST I HAVE IN THE BUSINESS OF THE PRINCIPAL ON SAID BOND, AND (4) ANY INTEREST I HAVE IN ANY SO-CALLED COMMUNITY PROPERTY
$35,000.00

LOCATION AND DESCRIPTION OF REAL ESTATE OF WHICH I AM SOLE OWNER IN FEE SIMPLE *(not exempt from seizure and sale under any homestead law, community or marriage law, or upon attachment, execution, or judicial process)*
Chelan County, Millerdale Addition -- my home at 1627 Cherry St., Wenatchee, Washington.

FAIR VALUE OF SUCH REAL ESTATE
$25,000.00

ASSESSED VALUE OF SUCH REAL ESTATE FOR TAXATION PURPOSES
6,710 (tax in 68 $460.31)

ALL MORTGAGES OR OTHER ENCUMBRANCES AGAINST ABOVE REAL ESTATE, THERE BEING NO OTHERS *(if none, so state)*
None

MY LIABILITIES OWING AND INCURRED DO NOT EXCEED THE AMOUNT OF
$200.00

AMOUNT I AM WORTH, OVER AND ABOVE JUST DEBTS AND LIABILITIES, IN PERSONAL PROPERTY SUBJECT TO EXECUTION AND SALE, THIS AMOUNT BEING ADDITIONAL TO THE REAL ESTATE ABOVE DESCRIBED
$10,000.00

THE ABOVE PERSONAL PROPERTY CONSISTS OF THE FOLLOWING
1962 GMC Pickup
1965 Chevrolet 4-door
Savings account in Seattle-First National Bank
" " in Wenatchee Federal Savings & Loan
Savings account in National Bank of Commerce

ALL OTHER BONDS ON WHICH I AM SURETY *(state character and amount of each bond; if none, so state)*
None

MY SIGNATURE AS SURETY
Fred G. Fritts

Subscribed and sworn to before me this date at Wenatchee, Washington.

OFFICIAL SEAL

Frederick M Crollard Jr. Notary Public 2-10-69
(Signature) *(Title of official administering oath)* *(Date)*

STANDARD FORM 28
NOVEMBER 1950 EDITION

16—63324-1

CERTIFICATE OF SUFFICIENCY

I HEREBY CERTIFY, That the surety named herein is personally known to me; that, in my judgment, said surety is responsible, and qualified to act as such; and that, to the best of my knowledge and belief, the facts stated by said surety in the foregoing affidavit are true.

NAME (*typewritten*)
Fred R Burnett

SIGNATURE
Fred R Burnett

OFFICIAL TITLE
Executive Vice Pres
Central Washington Bank

ADDRESS
Wenatchee Washing ton 98801

INSTRUCTIONS

1. This form shall be used whenever sureties on bonds to be executed in connection with Government contracts are individual sureties. There shall be no deviation from this form except as authorized by the General Services Administration.

2. A firm, as such, will not be accepted as a surety, nor a partner for copartners or for a firm of which he is a member. Stockholders of a corporate principal may be accepted as sureties provided their qualifications as such are independent of their stock holdings therein. Sureties, if individuals, shall be citizens of the United States, except that sureties on bonds executed in any foreign country, the Canal Zone, Puerto Rico, Hawaii, Alaska, Guam, or any possession of the United States, for the performance of contracts entered into in these places, need not be citizens of the United States, but if not citizens of the United States shall be domiciled in the place where the contract is to be performed.

3. The individual surety shall justify, under oath, in a sum not less than the penalty of the bond, according to the form appearing on the face hereof, before a United States commissioner, a clerk of a United States court, a notary public, or some other officer having authority to administer oaths generally. If the officer has an official seal, it shall be affixed, otherwise the proper certificate as to his official character shall be furnished. Where citizenship is not required, as provided in paragraph 2 of these instructions, the affidavit may be amended accordingly.

4. The certificate of sufficiency shall be signed by an officer of a bank or trust company, a judge or clerk of a court of record, a United States district attorney or commissioner, a postmaster, a collector or deputy collector of internal revenue, or any other officer of the United States acceptable to the department or establishment concerned. Further certificates as to the financial qualification of the sureties may be required from time to time. Such certificates must be based on the personal investigation of the certifying officers at the time of the making thereof, and not upon prior certificates.

U. S. GOVERNMENT PRINTING OFFICE 16—63324-1

EXPLORATION CONTRACT
THREE F MINING CO., INC.
OME-6579

EXHIBIT A

The purpose of this project is to explore by crosscutting and drifting for gold-bearing ore bodies in and along quartz veins that traverse steeply dipping limestone beds of the Swauk formation of Eocene age.

General Provisions

All 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 rail shall be not less than 16-pound size, air line not less than 2-inch diameter, water line not less than 3/4-inch diameter, and ventilation line not less than 10-inch diameter.

All signficantly mineralized areas traversed by the exploratory workings shall be chip or channel sampled normal to their trends at linear intervals of not more than 5 feet. In addition, a representative bulk sample may be taken of each round broken.

Each sample shall be split as necessary and one split 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 shall be submitted with the Operator's monthly report which shall also include a map or sketch showing the work completed during the reporting period, the location of all samples taken, and the general geological 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.

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

Description of the Work

The work shall consist of extending the existing crosscut adit in a southwesterly direction approximately 50 feet to the limestone, and drifting northwesterly and southeasterly from the crosscut along the limestone. It is estimated that 100 feet of drifting will be required.

The approximate location of the proposed work is shown in green on Figure 2 entitled "Proposed exploration, Three F. Mining Co. Inc., Chelan County, Washington," attached and made part hereof.

Estimated Costs of the Work

Fixed Unit Costs 1/	
Crosscutting and drifting, 150 feet @ $35.00/ft.	$5,250.00
Timbering, 35 feet @ $11.00/ft.	385.00
Assaying for Gold and Silver, 33 samples @ $5.00/sample	165.00
Total Estimated Cost of Project	$5,800.00
Government Participation @ 75%	$4,350.00

1/ Includes all costs not individually listed such as labor, materials, supplies, equipment, supervision, professional services, office expenses, taxes, and insurance. The Government retains no equity in any of the equipment or materials used.

EXHIBIT B

NONDISCRIMINATION IN EMPLOYMENT

(Section 202, Executive Order 11246, September 24, 1965)

"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 nondiscrimination clause.

'(2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, creed, color, or national origin.

'(3) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or workers' representative of the contractor's commitments under Section 202 of Executive Order No. 11246 of September 24, 1965, 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. 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

'(5) The contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor 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 such 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. 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, 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 Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, 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.'"

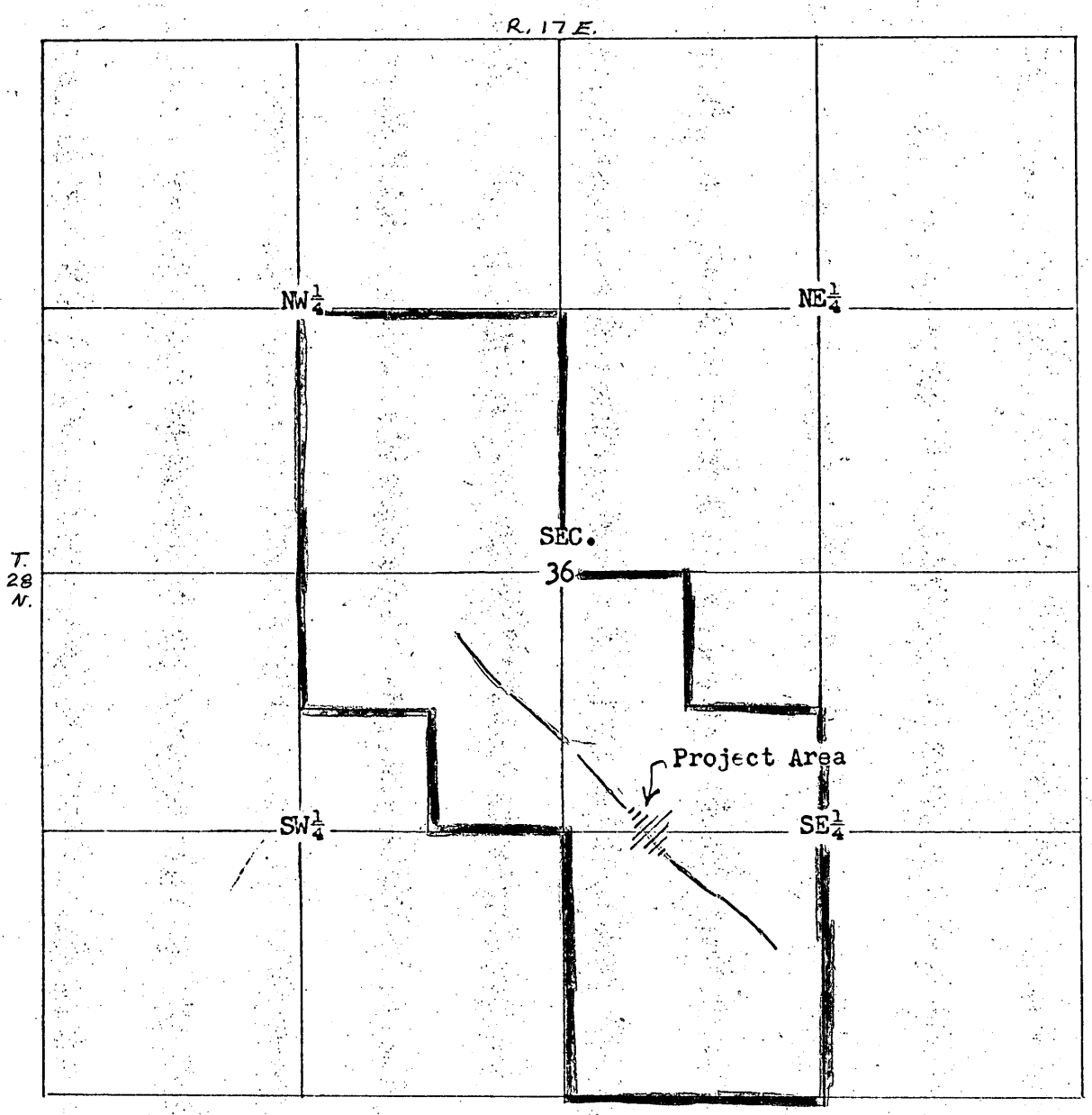


Figure 1. Property map, Three F Mining Co., Inc.,
Chelan County, Washington

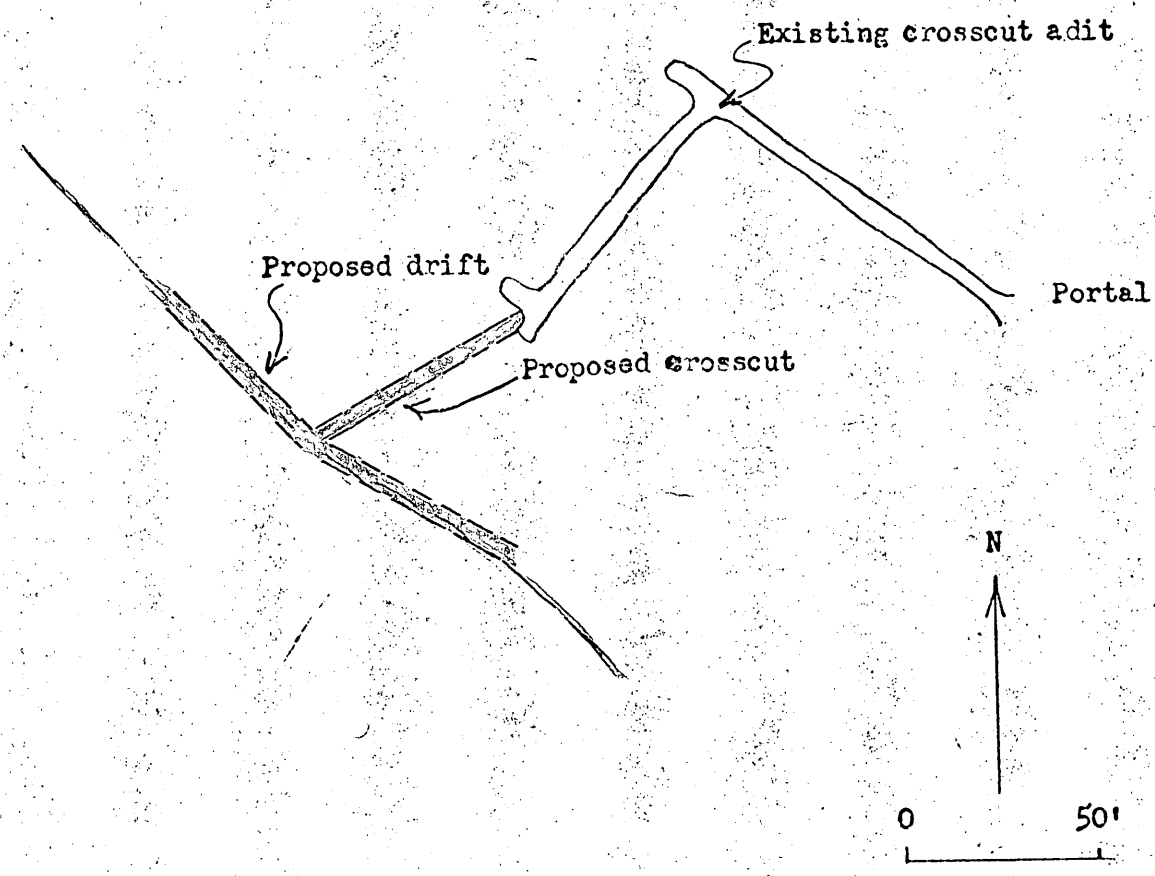


Figure 2. Proposed exploration, Three F. Mining Co., Inc., Chelan County, Washington

MME FORM 6 REFERENCE SLIP
REV. 2-59 OFFICE OF MINERALS EXPLORATION

TO:		DATE	INITIALS
1.	Ass't. Chief. OME	3/24/69	
	Re: Transmittal of Application for		
2.	Assistance (Gold-Silver)		
	Three F Mining Co., Inc.		
3.	Formerly: F.H.G. Mining Co.		
	Wash. State Mineral Lease		
4.	No. 58405		
	Chelan County, Wash.		
5.	DRMacLaren		
FROM:	D. R. MacLaren, 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:

OFFICIAL COPY
O. M. E.
RECEIVED
MAR 27 1969

INITIALS	CODE

INT.-DUP. SEC., WASH., D.C. M56300-62

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

March 18, 1969

U. S. Department of the Interior
Geological Survey
W. 920 Riverside Avenue
Spokane, Washington 99201

Attention: Mr. Willard P. Puffett

Re: OME-6579 (Gold)
Three F Mining Co., Inc.
(formerly F.H.G. Mining Company)
Washington State Mineral Lease
No. 58405
Chelan County, Washington

Dear Mr. Puffett:

F.H.G. Mining Company has pending an application for financial assistance in minerals exploration under the above-captioned number. There has been a change in the organization of that partnership. The Company has incorporated under the laws of Washington. A copy of the Articles of Incorporation is enclosed. The interest of Earl Graybeal in the partnership was assigned to Frederick M. Crollard, and he is one of the incorporators.

Three F Mining Co., Inc. now applies for financial assistance in minerals exploration upon the same terms and conditions as the former application of the partnership. Enclosed is the application of the successor Corporation. The lease held by the partnership has now been assigned to the Corporation, and a copy of the assignment is enclosed. Likewise, letters from two Banks showing that loans cannot be made to the Corporation are enclosed.

The balance of the information required with this application is the same as set forth in the prior application of the partnership, and I assume that reference can be made to that application file to avoid duplication.

The performance bond of the Three F Mining Co., Inc., together with the affidavits of the individual sureties is enclosed.

Also enclosed is a financial statement of the Corporation.

If further information is needed, please do not hesitate to call me.

Very truly yours,

F M Crollard Jr.

Frederick M. Crollard, Jr.

FMCjr:lrc
Encs.

RECEIVED
MAR 19 1969
U.S.G.S.
SPOKANE, WASH.

MME Form 40
(Revised Nov. 68)

RECEIVED
MAR 19 1969
U.S.G.S.
SPOKANE, WASH.

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Budget Bureau No. 42-R1368
Approval expires Dec. 1971

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.)*

Three F Mining Co., Inc.
310 Doneen Building
Wenatchee, Washington 98801

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER

DATE RECEIVED

REGION

DIVISION CODE

New Application

BUSINESS ORGANIZATION *(Check one)*

INDIVIDUAL [ ]
CORPORATION [X]
PARTNERSHIP [ ]
OTHER *(Specify)* [ ]

STATE IN WHICH FIRM IS ORGANIZED: Washington

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE
Frederick L. Hubbard	16513-37th N.E. Seattle, Wa. 98155	President
Fred G. Fritts	1627 Cherry Wenatchee, Wa. 98801	Vice President
Frederick M. Crollard	508 Greenwalt Wenatchee, Wa. 98801	Secretary-Treasurer

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

ESTIMATED COST OF PROJECT

PROPERTY NAME	LOCATION COUNTY	STATE
Wash. State Mineral Lease #58405	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. II). 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 Department of the Interior, U.S. Geological Survey, Office of Minerals Exploration, Washington, D. C., 20242, 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.

2/10/69
DATED

Frederick L. Hubbard
BY *(Signature)*

President
TITLE

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

INFORMATION REQUIRED WITH THIS APPLICATION

1. Financial Eligibility:

(a) Submit evidence of efforts made within 90 days preceding the filing of this application to obtain credit from your bank of account and at least one other banking institution or other private source of credit. Such evidence shall include (1) true copies of your letters to credit sources which show date of loan request, amount and terms requested, and proposed use of loan funds and (2) true copies of 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 vner, lessee, purchaser under contract, or other. If you are not the vner, submit one true copy of the lease, contract, or other document vith address of owner) under which you control the property. Describe liens, mortgages, or other encumbrances on the land and state book d 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 signed by owner on MME Form 52. If the agreements cannot be obtained, state reasons and whether you can furnish a performance bond.

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.

(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) 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. State your reasons for expecting to find ore.

(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, address, and telephone number 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 time and materials *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 price 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).]

February 6, 1969

Seattle-First National Bank
Wenatchee Valley Branch
P. O. Box 1021
Wenatchee, Washington 98801

Gentlemen:

Three F Mining Co., Inc., a Washington corporation, makes application for a loan from your Bank in the sum of $4,350.

The money is to be used for further mining exploration, including tunneling and assay reports in an existing gold mining exploration project.

The property is leased from the State of Washington and is located above Lake Wenatchee.

The security available for the loan is some used mining equipment having a value of $1,580.00 on the corporate books.

The loan would be repaid from the proceeds of the ore mined and sold.

Very truly yours,

THREE F MINING CO., INC.

By F M Crollard Jr.
Frederick M. Crollard, Jr.
Secretay

FMCjr:lrc

SEATTLE-FIRST NATIONAL BANK WENATCHEE VALLEY BRANCH

CONFIDENTIAL INFORMATION

THE INFORMATION CONTAINED HEREIN IS FURNISHED BY REQUEST AND ON CONDITION THAT IT IS TO BE TREATED AS STRICTLY CONFIDENTIAL AND NO RESPONSIBILITY IN CONNECTION THEREWITH SHALL ATTACH TO THIS BANK OR ANY OF ITS OFFICERS. EFFORT IS MADE TO GIVE CORRECT INFORMATION, BUT ANY OPINION BASED THEREON OR HEREIN EXPRESSED IS SUBJECT TO CHANGE WITHOUT NOTICE.

February 7, 1969

Three F Mining Company, Inc.
Care of Mr. Fred M. Crollard
310 Doneen Building
Wenatchee, Washington 98801

Gentlemen:

Upon reviewing your application for a loan to be used for continuing your present exploration for minerals, we find that it will be impossible for us to make this loan inasmuch as it does not conform with our present lending policies.

Very truly yours,

Wayne Lanphere

Wayne Lanphere
Vice President and Manager

WL:jcp

30 S. WENATCHEE AVENUE / P. O. BOX 1021 / WENATCHEE, WASHINGTON 98801 / TELEPHONE (509) 662-8121

February 6, 1969

National Bank of Commerce
Columbia Valley Branch
P. O. Box 1301
Wenatchee, Washington 98801

Gentlemen:

Three F Mining Co., Inc., a Washington corporation, makes application for a loan from your Bank in the sum of $4,350.

The money is to be used for further mining exploration, including tunneling and assay reports in an existing gold mining exploration project.

The property is leased from the State of Washington and is located above Lake Wenatchee.

The security available for the loan is some used mining equipment having a value of $1,580.00 on the corporate books.

The loan would be repaid from the proceeds of the ore mined and sold.

Very truly yours,

THREE F MINING CO., INC.

By F M Crollard Jr
Frederick M. Crollard, Jr.
Secretary

FMCjr:lrc

The National Bank of Commerce of Seattle

WENATCHEE AVENUE & ORONDO STREET
area code 509 NOrmandy 3-7103

Columbia Valley Branch....P. O. BOX 1301, WENATCHEE, WASHINGTON 98801

February 7, 1969

Three F Mining Co., Inc.
c/o Fredrick Crollard
310 Doneen Building
Wenatchee, Washington

Gentlemen:

Your application for a loan for mining exploration has been reviewed. On the terms submitted we must decline the loan

Sincerely yours,

Wm. D. Van Hoose
Assistant Vice President

WDVH:eb

THREE F MINING CO., INC.

Financial Statement as of March 18, 1969

ASSETS

1.	Cash	$ 865.63
2.	Mining Equipment	$1580.00
3.	Leasehold interest	$1720.00
	TOTAL	$4165.63

LIABILITIES

1.	Installment Note (11 payments at $113.47 @)	$1248.17
2.	Capital Stock 45 shares common, $100.00 par	$4500.00
	TOTAL	$5748.17

APPROVED AS TO FORM AND FILED

JAN 27 1969

A. LUDLOW KRAMER
SECRETARY OF STATE
BY [illegible]
ACTING SUPERVISOR CORPORATIONS

ARTICLES OF INCORPORATION

OF

THREE F MINING CO., INC.

KNOW ALL MEN BY THESE PRESENTS, That the undersigned, Frederick L. Hubbard, Fred G. Fritts and Frederick M. Crollard (each of whom is a citizen of the United States of America and a resident of the State of Washington), have associated themselves together for the purpose of forming a Corporation under the laws of the State of Washington, and in pursuance thereof do hereby sign and acknowledge the following Articles of Incorporation in triplicate originals and state as follows:

ARTICLE I

The name of the Corporation shall be Three F Mining Co., Inc.

ARTICLE II

The period of its existence shall be perpetual.

ARTICLE III

The purpose of this Corporation is to carry on the business of purchasing, leasing, locating and otherwise acquiring, and of exploring, working and developing, and of selling leasing and otherwise disposing of mines, claims, mineral lands; and of mining, smelting, milling, concentrating, preparing for market, buying, selling and exchanging all kinds of ores, metals and minerals; and to do all other things necessary, convenient or incidental to the foregoing business.

ARTICLE IV

The authorized capital stock of the Corporation shall be $50,000.00, consisting of 500 shares of common stock having a par value of $100.00 each.

ARTICLE V

The Corporation shall not commence business until considera-

FREDERICK M. CROLLARD, JR.
ATTORNEY AT LAW
310 DONEEN BUILDING – P. O. BOX 105
WENATCHEE, WASHINGTON 98801
(509) 662-2054

tion of at least $500.00 has been received for the issuance of shares.

ARTICLE VI

Authority to make By-laws for the Corporation is hereby expressly vested in the Board of Directors of this Corporation, subject to the powers of the shareholders to change or repeal such By-laws.

ARTICLE VII

The initial address of the registered office of the Corporation is 310 Doneen Building, Wenatchee, Washington; and the initial registered agent is Frederick M. Crollard, whose address is 310 Doneen Building, Wenatchee, Washington.

ARTICLE VIII

The management of this Corporation shall be vested in a Board of Directors; the number of Directors shall be not less than three (3). The names and addresses of the persons who are to serve as Directors until the first annual meeting of the stockholders are as follows:

Frederick L. Hubbard	16513-37th N.E. Seattle, Wa. 98155
Fred G. Fritts	1627 Cherry St. Wenatchee, Wa. 98801
Frederick M. Crollard	508 Greenwalt Pl. Wenatchee, Wa. 98801

ARTICLE IX

The names and addresses of each of the incorporators are as follows:

Frederick L. Hubbard	16513-37th N.E. Seattle, Wa. 98155
Fred G. Fritts	1627 Cherry St. Wenatchee, Wa. 98801
Frederick M. Crollard	508 Greenwalt Pl Wenatchee, Wa. 98801

FREDERICK M. CROLLARD
ATTORNEY AT LAW
310 DONEEN BUILDING — P. O. BOX 105
WENATCHEE, WASHINGTON 98801
(509) 662-2054

IN WITNESS WHEREOF, the incorporators have hereunto set their hands this 22nd day of January, 1969.

Frederick L. Hubbard
FREDERICK L. HUBBARD

Fred G. Fritts
FRED G. FRITTS

Frederick M. Crollard Jr.
FREDERICK M. CROLLARD

STATE OF WASHINGTON)
(ss.
County of Chelan)

On this day personally appeared before me, Frederick L. Hubbard, Fred G. Fritts and Frederick M. Crollard, to me known to be the individuals described in and who executed the foregoing Articles of Incorporation, and they and each of them did acknowledge and declare to me that he executed the same freely and voluntarily and for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 22nd day of January, 1969.

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

FREDERICK M. CROLLARD, JR.
ATTORNEY AT LAW
310 DONEEN BUILDING — P. O. BOX 105
WENATCHEE, WASHINGTON 98801
(509) 662-2054

ASSIGNMENT

FOR A VALUABLE CONSIDERATION, I, EARL GRAYBEAL, do hereby assign, set over and transfer to FREDERICK M. CROLLARD, my one-third (1/3) interest in the partnership known as F.H.G. Mining Company, including all the assets of every kind and nature. By acceptance of this assignment, Frederick M. Crollard, hereby assumes and agrees to pay my one-third (1/3) of all the partnership obligations now owing.

DATED this 6 day of ~~January~~, February 1969.

Earl R. Graybeal
EARL GRAYBEAL

Frederick M. Crollard
FREDERICK M. CROLLARD

STATE OF WASHINGTON)
(ss.
County of Thurston)

On this day personally appeared before me, EARL GRAYBEAL, to me known to be the individual described in and who executed the foregoing instrument, and acknowledged that he executed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 6th day of ~~January~~ FEBRUARY, 1969.

[illegible]
Notary Public in and for the State of Washington, residing at Olympia

FREDERICK M. CROLLARD, JR.
ATTORNEY AT LAW
310 DONEEN BUILDING – P. O. BOX 105
WENATCHEE, WASHINGTON 98801
(509) 662-2054

S. F. No. 479—OS—12-67.

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES
BERT L. COLE, Commissioner of Public Lands
P. O. Box 168, Olympia, Washington 98501

NOTE CAREFULLY

The Commissioner of Public Lands will not approve or enter any assignment unless the lease or contract is in good standing. The original lease or contract must be submitted along with three (3) copies of this assignment form and a $5.00 fee.

Assignment

For and in consideration of the sum of One ($1.00) Dollar

*the hereinafter named assignor*s *hereby assign* *set* *over and transfer* *all of his or their right, title, and interest in and to that portion of the lease or contract No.* 58405 *herein described:*

Entire lease, which includes SE$\frac{1}{4}$NW$\frac{1}{4}$, N$\frac{1}{2}$NE$\frac{1}{4}$SW$\frac{1}{4}$, SE$\frac{1}{4}$NE$\frac{1}{4}$SW$\frac{1}{4}$, NW$\frac{1}{4}$NW$\frac{1}{4}$SE$\frac{1}{4}$, S$\frac{1}{2}$NW$\frac{1}{4}$SE$\frac{1}{4}$, SW$\frac{1}{4}$SE$\frac{1}{4}$, Section 36, Township 28 North, Range 17, E.W.M., containing 140 acres, more or less, Chelan County, Washington.

unto: Three F Mining Co., Inc.,

whose address is: 310 Doneen Building, Wenatchee, Washington 98801
(P. O. Box - Route - Street)

(City) (State) (Zip Code), *and said assignee* *hereby binds and obligates himself (or themselves) to perform all the conditions and covenants of said lease or contract.*

In the event the assignee is a corporation, and if at any time during the term of this lease any part or all of the corporate shares of the assignee be transferred by sale, assignment, bequest, inheritance, operation of law, or other disposition so as to result in a change in the present control of the assignee by the person or persons now owning a majority of the corporate shares, such change shall be deemed an assignment of this lease, which, to become legally effective, requires the prior written approval of the Department of Natural Resources.

Dated this 17th *day of* February, *A. D. 19* 69

F.H.G. MINING COMPANY

Frederick L. Hubbard *Assignor*

Fred G. Zutta *Assignor*

Fred M Collard *Assignor*

THREE F MINING CO., INC. *Assignor*

Frederick L. Hubbard
President *Assignee*

Fred M Collard
Secretary *Assignee*

Assignment Approved:

Date March 4, 1969

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

By Bert L Cole
BERT L. COLE
Commissioner of Public Lands

The Assignor's signature must be notarized. Use appropriate form on reverse side.

CERTIFICATE OF ASSIGNOR'S ACKNOWLEDGMENT

(If assignor is a corporation, use "Certificate of Corporate Acknowledgment") (On reverse side)

STATE OF WASHINGTON,
County of Chelan } ss.

On this day personally appeared before me Frederick L. Hubbard, FREDERICK M. CROLLARD and Fred G. Fritts,

to me known to be the individual(s) described in and who executed the within and foregoing instrument, and acknowledged that they *signed the same as* their *free and voluntary act and deed, for the uses and purposes therein mentioned.*

Given under my hand and official seal this 17th *day of* February, 1969.

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

CERTIFICATE OF CORPORATE ACKNOWLEDGMENT

STATE OF WASHINGTON,
County of ..... } ss.

On this ..... *day of* ....., 19....., *before me personally appeared*

.....

to me known to be the ..... *of the corporation that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of the corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument and that the seal affixed is the corporate seal of the corporation.*

Given under my hand and official seal this ..... *day of* ....., 19.....

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

RECORDED
FEB 19 1969

F.H.G.
Correspon-
dence

F. H. G. Mining Co.
Frederick L. Hubbard
Fred G. Fritts
Earl R. Graybeal
16513-37th N. E.
Seattle, Washington 98155
October 15, 1968

Lake City Branch
Seattle First National Bank
12363 Lake City Way N. E.
Seattle, Washington 98155

Gentlemen:

We wish to apply for a mineral exploration loan in the amount of $5,000.00. We have a Washington State mineral lease consisting of 140 acres, located in Chelan County, Washington.

Our investment in this property is several thousand dollars to date, and we plan to continue exploration for another 100 ft. of drift. The loan to be used for this purpose.

We have as collateral: a Le Roi air compressor, value $3,500.00, a slusher, $1,000.00, a rock drill $1,000.00 and three trucks valued at $4,500.00. Other supplies approximately $800.00.

Please notify us of the loan terms as soon as possible.

Sincerely,

Frederick L. Hubbard

Frederick L. Hubbard
F. H. G. Mining Co.

RECEIVED
OCT 17 1968
O. M. E.
SPOKANE, WASH.

LAKE CITY BRANCH

SEATTLE-FIRST NATIONAL BANK

ESTABLISHED 1870

SEATTLE, WASHINGTON 98125

October 16, 1968

F. H. G. Mining Company
Frederick L. Hubbard
16513 37th N. E.
Seattle, Washington 98155

Gentlemen:

At this time we find we are unable to grant a loan of $5,000.00 to F. H. G. Mining Company for the purpose of mineral exploration as it does not meet bank policy.

Very truly yours,

John E. Berg
Assistant Manager

JEB:br

RECEIVED
OCT 17 1968
O. M. E.
SPOKANE, WASH.

F. H. G. Mining Co.
Frederick L. Hubbard
Fred G. Fritts
Earl R. Graybeal
16513-37th N. E.
Seattle, Washington 98155
October 15, 1968

National Bank Of Commerce
12739 Lake City Way N. E.
Seattle, Washington 98155

Gentlemen:

We wish to apply for a mineral exploration loan in the amount of $5,000.00. We have a Washington State mineral lease consisting of 140 acres, located in Chelan County, Washington.

Our investment in this property is several thousand dollars to date, and we plan to continue exploration for another 100 Ft. of drift. The loan to be used for this purpose.

We have as collateral: a Le Roi air compressor, value $3,500.00; a slusher, $1,000.00, a rock drill $1,000.00 and three trucks valued at $4,500.00. Other supplies approximately $800.00.

Please notify us of the loan terms as soon as possible.

Sincerely,

Frederick L. Hubbard

Frederick L. Hubbard
F. H. G. Mining Co.

RECEIVED
OCT 17 1968
O. M. E.
SPOKANE, WASH.

The National Bank of Commerce of Seattle

12739 LAKE CITY WAY N. E.
area code 206 EMerson 5-0300

Lake City Branch....P. O. BOX 25595, LAKE CITY STATION, SEATTLE, WASHINGTON 98125

October 16, 1968

F. H. G. Mining Company
Frederick L. Hubbard
16513 37th N. E.
Seattle, Washington 98155

Gentlemen:

In regards to the recent application for a mineral exploration loan to your company, we regret that at this time our present loan policy does not permit funds to be granted for this purpose.

Sincerely,

James R. Shideler
Assistant Cashier

JRS:sem

RECEIVED
OCT 17 1968
O.M.E.
SPOKANE, WASH.

NB of C

MME FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. Chief, OME	3/12/68	
2. Re: OME-6579 (Gold) F. H. G. Mining Co.		
3. Washington State Mineral Lease No. 58405		
4. Chelan County, Wash.		
5. D. R. MacLaren		
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: Forwarding amended application. See your letter 9/22/67 to Applicant.

INT.-DUP. SEC., WASH., D.C. M56300-62

Frederick L. Hubbard

MAR 14

INITIALS	
	130
	120 m
	110
	130 p

continuation

/s/ Frederick L. Hubbard

MME Form 40
Jan. 65

RECEIVED
MAR 11 1968

Budget Bureau No. 42-R1508
Approval expires Dec. 31, 1968

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

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.)*

F. H. G. Mining Co.
c/o Frederick L. Hubbard
16513 37th N. E.
Seattle, Washington 98155

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER: Previous Docket # OME - 6579

DATE RECEIVED:

REGION:

DIVISION CODE:

BUSINESS ORGANIZATION *(Check one)*

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

STATE IN WHICH FIRM IS ORGANIZED: Washington

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE
Fred G. Gritts	1627 Cherry St. Wenatchee, Wash.	Partner
Frederick L. Hubbard	16513 37th N.E., Seattle, Wn.	Partner
Earl R. Graybeal	525 Schoolway, Olympia, Wash.	Partner

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

ESTIMATED COST OF PROJECT: $

PROPERTY NAME	LOCATION COUNTY	STATE
Wash. State Mineral lease # 58405	Chelan	Wash.

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.~~ Washington, D. C., 20242, 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.

3-3-68
DATED

Frederick L. Hubbard
BY *(Signature)*

Partner
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).]

#1
Attachment MME Form 40

1. (a) Copies of bank refusal attached.
   (b) Refer Docket Number #OME 6579
   (c) Refer " " " "

2. We have obtained a State of Washington lease to 140 acres of land as described in the attached copy of the lease. (Attachment #2)

3. (a) Refer to Docket Number OME 6579
   In addition, during the year 1967 we drifted 108 feet in the main drift which was mainly in shale and fault material. At the 94' point we made a side drift, to the left 90° 37 feet. Beginning at the back of the side drift 37' from the main drift we long holed a test drill. The first 22' was in a dark greenish color . The last 15' was in limestone with a softer vein approximately 2' wide in the center. This appears to be a mineralized vein.
   (b, c, d) Refer to Docket # OME 6579
   (e) Refer to Docket # OME 6579
   Attached is current sketch showing work done in 1967 (Attachment #3)
   (f) Refer to Docket # OME 6579
   Traces of free gold have been noted throughout the drift.
   (g) Refer to previous docket.

4. Refer Docket Number OME 6579

5.a Refer " " " " - Plus attachment #4
   (b) No new roads
   (c) Work will begin as soon as the snow leaves which we expect not later than April 30th, 1968. 100' of drift will be completed during the current year.

6. Refer to Docket # OME 6579

7. Refer to Docket 3 OME 6579

   Plus

   It is now necessary to instal ~~150'~~ 200' of rail plus the acquisition of a mining car at an estimated cost of $500.00.

Attachment # 4

5 a. The proposed work will consist of initially extending the side drift 30' going well beyond the 2' mineralized vein located by drilling in 1967. Dependent upon our findings at this point the remaining 70' of drift may occur in following this vein or extending the main drift angleing this toward the lime bedding with a terminal point below the surface exposures as identified in assays #1, 2, 3.

LAKE CITY BRANCH

SEATTLE-FIRST NATIONAL BANK

ESTABLISHED 1870

SEATTLE, WASHINGTON 98125

March 1, 1968

F. H. G. Mining Company
16513 37th N.E.
Seattle, Washington 98155

Attention: Frederick L. Hubbard

Gentlemen:

We regret to advise that at the present time we will be unable to grant your request for a loan for a three year term for mining exploration.

We appreciate your contacting us and perhaps at some time in the future we may be able to assist you.

Yours very truly,

John D. Moen
Manager

JDM:lbc

THE PACIFIC NATIONAL BANK of SEATTLE

JAMES M. HAYES
VICE PRESIDENT

MAIN OFFICE
Second Avenue at Marion

March 7, 1968

Mr. Frederick L. Hubbard, Agent
F. H. G. Mining Company
16513 37th Avenue N.E.
Seattle, Washington 98155

Dear Mr. Hubbard:

We are sorry that we are unable to approve your application for a mineral exploration loan to be payable over a 3 year period. The reason for declining the loan at this time are twofold. The first involves the nature of the loan proceeds and the second involves the terms, neither of which are satisfactory from our point of view under current money conditions.

If in the future, you should need funds to finance current receivables, we would be glad to consider your request. At that time would you please submit current financial statements and operating figures.

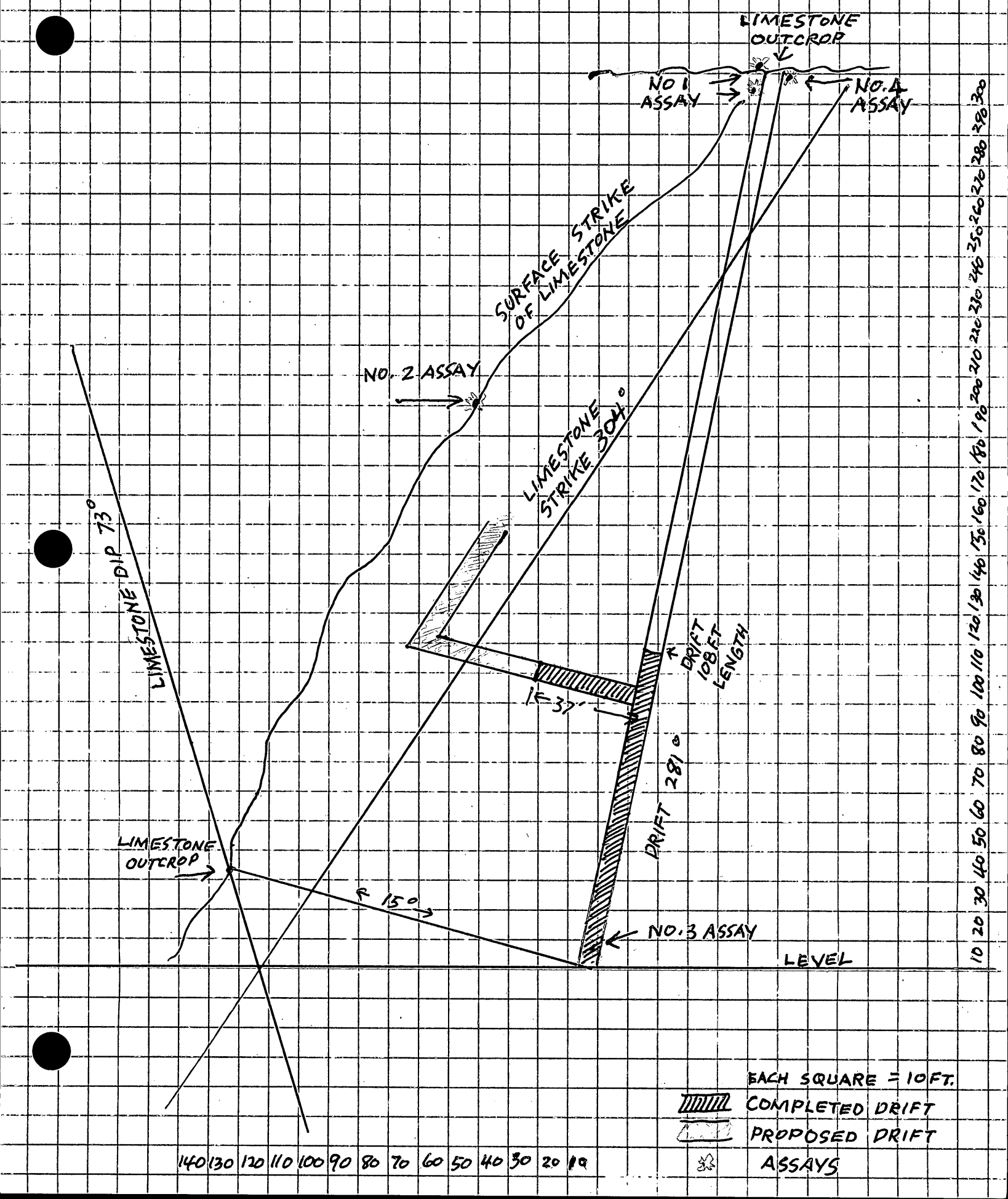
Very truly yours,

James M Hayes

JMH:mp

P. O. BOX 160 · SEATTLE, WASHINGTON 98111 · MAIN 2-5336

F.H.G. MINING CO. 3/1/68 3(a) OME - 6579



MPL-570

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES
Bert L. Cole
Commissioner of Public Lands

MINERAL PROSPECTING LEASE NO. 58405

This mineral prospecting lease, made and entered into this 10th day of January, 19 68, by and between the state of Washington, acting by and through the Department of Natural Resources, hereinafter called state, and F. H. G. MINING COMPANY, hereinafter called lessee,

WITNESSETH:

That the state leases to the lessee the following-described School land, in Chelan County, Washington, on the terms and conditions stated herein, to wit:

SE$\frac{1}{4}$NW$\frac{1}{4}$, N$\frac{1}{2}$NE$\frac{1}{4}$SW$\frac{1}{4}$, SE$\frac{1}{4}$NE$\frac{1}{4}$SW$\frac{1}{4}$, NW$\frac{1}{4}$NW$\frac{1}{4}$SE$\frac{1}{4}$, S$\frac{1}{2}$NW$\frac{1}{4}$SE$\frac{1}{4}$, SW$\frac{1}{4}$SE$\frac{1}{4}$, Section 36, Township 28 North, Range 17 East, W. M., containing 140 acres, more or less.

SECTION 1. TERM

1.01 Term. The term of this lease shall commence on the 10th day of January, 19 68, and continue for two years unless one of the following occurs:

(1) The lessee does not pay the second year's rent when due, or

(2) This lease is converted to a mining contract.

1.02 Conversion to a Mining Contract. In the event the lessee desires to convert this lease to a mining contract, he shall, prior to the expiration of this lease:

(1) Submit an application for a mining contract to the state, together with an application fee in the amount of $5.00,

(2) Furnish evidence of development work in the amount of $1.25 acre per year or fraction thereof for all lands covered by the application, a

(3) Pay the first year's rental under the contract.

SECTION 3. USE OF PREMISES

3.01 Use. The leased premises shall be used by the lessee for the purpose of exploring for valuable minerals and specified materials and for no other purpose: PROVIDED, That, in any one year, valuable minerals or specified materials of a value not exceeding one hundred dollars ($100.00) may be removed for the purpose of testing and assaying, and PROVIDED, That additional valuable minerals or specified materials may be removed, upon receipt of written permission from the state, for testing and assaying purposes.

SECTION 4. OPERATIONS

4.01 Fire Suppression Equipment. At all times when fire permits are required by the Department of Natural Resources for the area in which the leased premises are located, the lessee shall, when upon such premises, keep thereupon appropriate fire fighting tools and fire suppression equipment as deemed necessary by the local district administrator.

4.02 Assessments. The lessee shall pay all assessments that may be charged to the leasehold on public lands under the provisions of chapter 79.44 RCW or any other applicable statute, whether or not such assessments have been levied against the leasehold by the assessing agency.

4.03 Improvements. No improvements shall be placed on the leased premises without obtaining, in advance, the written authorization for such improvements from the Department of Natural Resources. "Improvements" are defined in RCW 79.01.036. This section does not relieve the lessee of the necessity of doing the required development work.

SECTION 5. ASSIGNMENT AND SUBLEASE

5.01 Conditions. No part of the leased premises may be assigned, mortgaged, or subleased, nor may a right of use of any portion of the property be conferred on any third person by any other means without the prior written consent of the state.

SECTION 6. DEFAULT

6.01 Default. It is agreed by the lessee that a breach of any of the conditions herein contained or the doing of any act herein prohibited shall work a forfeiture of all his rights under this lease, and that the same may thereupon be cancelled by the state.

SECTION 7. MISCELLANEOUS

7.01 Notices. Any notice required or permitted under this lease shall be deemed given when actually delivered or when deposited in the United States Mail, addressed as follows:

(1) To the state: Department of Natural Resources, Public Lands-Social Security Building, Post Office Box 168, Olympia, Washington 98501;

(2) To the lessee: (As shown in signature block.)

7.02 Timber. Lessee may cut and use, without charge, such timber located on the leased premises as is necessary to prospecting or mining operations. Prior approval of the state must be obtained for the cutting and removal or destruction of timber or forest products. Payment for timber or forest products, when required, shall be determined by state appraisal.

7.03 Nonrenewal. This lease cannot be renewed for one year after termination.

7.04 Reservations. The state shall have the right to use, without charge, all existing roads and/or any road constructed or reconstructed on state lands by the lessee under this lease, for any and all purposes deemed necessary or desirable in connection with the control, management, harvest, and administration of state-owned land or the resources thereof; and the state may extend such rights and privileges

to others, provided such use shall be controlled so it will not, in the opinion of the state, interfere unduly with the use of the road by the lessee. The state shall also have the right to use the leased premises and to further encumber same in any manner that will not unduly interfere with the lessee's use thereof.

7.05 Laws and Regulations. The provisions of chapter 56, Laws of 1965 (RCW 79.01.614-79.01.650), and all rules and regulations adopted by the Board of Natural Resources and/or the Department of Natural Resources, implementing said chapter 56, Laws of 1965, in effect as of the date of this lease, are incorporated in the terms and conditions of this lease as though fully set forth herein.

The lessee further agrees to abide by and be subject to any and all rules or regulations of any department or agency or any statute applicable to any activities engaged in under the authority of this contract.

7.22 Erosion and Damage to Soil. During prospecting and mining operations under this instrument, including the construction of roads, the lessee shall take such precautions as necessary to minimize, insofar as possible, soil erosion and damage to the soil. Equipment will not be operated when ground conditions are such that erosion or damage will result.

7.29 Fire Closure. The lessee will be required to obtain permission from the local district administrator before entry onto the leased premises during periods of hazardous area forest closures.

7.32 Reclamation Plan. The lessee shall, prior to the commencement of any prospecting and/or mining operations where primary processing involves surface operations as defined herein, submit a reclamation plan to the state. Such plan shall contain the proposed method of operation, maps showing the location of such operations, methods, and schedule of reclamation, and land-use objectives. Written approval of the state shall be obtained prior to the commencement of such operations.

7.33 Surface Operations. Surface operations shall mean all or any part of the process followed in the prospecting or production of minerals or specified materials by uncovering therefrom the overburden above the mineral or material deposits or the removing of overburden for the purpose of determining the location, quality, or quantity of the mineral or specified material deposit or the deposition or wasting of materials on the leased premises from underground or process operations.

7.34 Debris and Refuse Disposal. The lessee shall remove, burn, or bury all metal, lumber, or other debris or refuse resulting from the lessee's operations on the leased premises. Any and all burning operations shall require prior approval of the local district administrator.

7.35 Revegetation. The lessee shall revegetate the leased premises with seed, plants, or cuttings of trees, shrubs, or grass, as approved in writing by the state. Such revegetation shall be completed and conform to the approved land-use objectives as stated in the approved plan of reclamation.

7.36 Shafts, Tunnels, and Underground Workings. During the term of this contract, it shall be the responsibility of the lessee to provide protection against injury or death to people, livestock, and wildlife during the course of all underground operations on the leased premises. Upon completion of such operations, the lessee shall block, barricade, or fill any shafts, tunnels, or underground workings, or take such other actions as necessary to prevent injury or death to personnel, livestock, and game. Such protective measures as are needed shall be subject to final approval by the state.

SECTION 8. RENT OR MINIMUM ANNUAL ROYALTY

8.01 Amount. The lessee shall pay annually, in advance, to the state as rent the sum of twenty-five cents ($0.25) per acre per year for each acre of the leased premises. In the event this lease is converted to a mining contract, lessee shall thereupon cease paying the rent herein provided for and shall commence paying rent or royalties in accordance with the terms of the mining contract. Upon commencement of production, the royalty shall be 3% of the gross income from the property from mining, as set forth in the rules and regulations adopted by the Board of Natural Resources and/or the Department of Natural Resources, implementing chapter 56, Laws of 1965, in effect as of the date of this lease.

Dated at Olympia, Washington, this 23rd day of January, 1968.

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

By Bert L. Cole
BERT L. COLE
Commissioner of Public Lands

F. H. G. MINING COMPANY
Frederick L. Hubbard (Partner)
Earl R. Graybeal "
By Earl R. Griffith "
Lessee Title

16513 - 37th Northeast
Seattle, Washington 98155

App. No. 58405
1b

MME Form 40
Jan. 65

Budget Bureau No. 42-R1508
Approval expires Dec. 31, 1968

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

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.)*

F.H.G. Mining Company
% Frederick L. Hubbard
16513 37th N.E.
Seattle, Washington 98155

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER: OME - 6579

DATE RECEIVED:

REGION:

DIVISION CODE:

BUSINESS ORGANIZATION *(Check one)*

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

STATE IN WHICH FIRM IS ORGANIZED: Washington

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE
Fred G. Fritts	1627 Cherry St. Wenatchee Wash.	Partner
Frederick L. Hubbard	16513 37th N.E. Seattle 98155	Partner
Earl R. Graybeal	4109 So. Garfield Spokane, Wash.	Partner

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

ESTIMATED COST OF PROJECT: $ 10,095.00

PROPERTY NAME: Wash. State mineral lease No. 58405

LOCATION — COUNTY: Chelan — STATE: Wash.

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 the nearest OME Field Office.~~ Washington, D. C., 20242, 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.

11/12/66
DATED

Frederick L. Hubbard
BY *(Signature)*

Partner
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 workings *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).]

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
October 19, 1966

OFFICIAL COPY
O. M. E.
RECEIVED
OCT 21 1966

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: Transmittal of Application for Financial Assistance
F.H.G. Mining Co. (Gold-Silver)
Washington State Mineral Lease No. 58405
Chelan County, Washington

Enclosed is an application for OME aid to explore for gold-silver ore on leased State lands, Chelan County, Washington. This is being forwarded although a copy of the lease is lacking.

I have talked by telephone with Mr. Don Ford, Washington State Department of Natural Resources, regarding the lease situation. It appears that the 1965 legislature passed a new law covering mineral leases of State Land and the Department of Natural Resources is now developing the appropriate new rules and regulations. According to Ford, lease applications are being accepted and Hubbard's filing has established a priority for him. However, the actual issuing of leases will be held up until the new rules and regulations are approved, which Ford believes may be some time in November or December.

As the State will not execute a Lien and Subordination Agreement, presumably, the applicant will be required to secure a Performance Bond.

The assays submitted with the application indicate some areas with relatively high gold values, but the silver values do not appear to be sufficiently high to consider this as a gold-silver ($62\frac{1}{2}$ percent) project. The applicant proposes to contribute its share of the costs by labor. This plus the amortization allowance for some $5,420.00 worth of equipment will hardly be sufficient. The estimated cost of $46.00 per foot, even including timber is high, due principally to an estimate of $30.00 per day per man for labor. Also, the estimated rate of advance--15 feet per month--suggests that it is intended to work only on weekends, and would require 20 months, a ridiculous length of time to drive 300 feet of drift and crosscut.

Whether the application can be accepted for processing before the lease is available and whether the Performance Bond requirement might be waived are policy decisions. For this reason, and to avoid confusing the applicant with letters from two offices, I am forwarding

the application as is. If processing must wait for the lease, an on-site examination probably cannot be made this year; if it can proceed without the lease, it is possible that an examination could be made this fall although a recent change in the weather may be a forerunner of an early snowfall--the higher altitudes have already had some snow.

I have attempted to get in touch with Mr. Earl R. Graybeal, one of the partners, but he is out of town. He will call when he gets back and I will discuss the above problems with him.

D. R. MacLaren

D. R. MacLaren

Enclosure

MME Form 40
Jan. 65

RECEIVED
OCT 17, 1966

Budget Bureau No. 42-R1308
Approval expires Dec. 31, 1968

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

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.)*

F. H. G. Mining Co.
% Frederick L. Hubbard
16513 - 37th N. E.
Seattle, Washington 98155

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER: 6579

DATE RECEIVED: 10-21-66

REGION: I

DIVISION CODE:

BUSINESS ORGANIZATION *(Check one)*

INDIVIDUAL	
CORPORATION	
PARTNERSHIP	X
OTHER *(Specify)*	

STATE IN WHICH FIRM IS ORGANIZED: Washington

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE
Fred G. Fritts	1627 Cherry St. Wenatchee, Wash.	Partner
Frederick L. Hubbard	16513 - 37th N. E. Seattle, Wash. 98155	Partner
Earl R. Graybeal	4109 So. Garfield Spokane, Wash.	Partner

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

ESTIMATED COST OF PROJECT: $ 13,800.00

PROPERTY NAME	LOCATION COUNTY	STATE
Wash. State mineral lease No. 58405	Chelan	Wash.

GENERAL INSTRUCTIONS

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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.

10/11/66
DATED

Frederick L. Hubbard
BY *(Signature)*

Partner
TITLE

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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

Frederick Hubbard
F.H.G. Mining Co.
16513 37th N.E.
Seattle, Wash. 98155
Oct. 10, 1966

Mr. MacLaran
U.S. Geological Survey
South 157 Howard St.
Spokane, Wash. 99204

Dear Mr. MacLaran:

Mr. Earl Graybeal and I called at your office on Sept. 21st., and from our conversation with your secretary, I realize you are working under a heavy schedule. However, if it should be convenient for you to examine our property before the snow flies, we would appreciate it. The altitude is around 2500 feet, and usually snows around the first of December.

We have been working on this property since our discovery in 1962, and recently found out we were on state land. We immediately applied for our lease.

In a telephone conversation with Mr. Donald Ford, Wash. State Natural Resources Geologist, I discussed the U.S. Dept. of the Interior Minerals Exploration request for evidence of our rights in land. Mr. Ford said our lease should come through in December, after there have been some changes in the lease agreements. He said he would call you and discuss the situation.

If you need more information, Mr. Earl Graybeal in Spokane, will be able to help you. Mr. Graybeal is administrator for the Wash. State Rehabilitation office in Spokane. His office number is Main-48974, (515 Hutton Bldg.)

Sincerely yours,

Frederick Hubbard

Frederick Hubbard

RECEIVED
OCT 17, 1966
S M B

F. H. G. Mining Co.
Partners:
Fred G. Fritts 1627 Cherry St. Wenatchee, Wash.
Frederick L. Hubbard 16513 - 37th N. E. Seattle, Wash.
Earl R. Graybeal 4109 So. Garfield Spokane, Wash.

Office of Minerals Exploration
Department of the Interior
South 157 Howard Street
Spokane, Wash. 99204

Gentlemen:

Listed below information required on MM form 40 application for financial assistance in minerals exploration.

1. Financial Eligibility:

(a) Please find enclosed, letters of application for credit and replies.
(b) None
(c) We will furnish our share of the cost of the exploration by labor.

2. Applicants Right in Land:

(a) We have 140 acres leased from the State of Washington Department of Natural Resources. Lease No. 58405
(b) Chelan County, State of Washington, section 36, township 28 N., range 17 E. Please find enclosed photostats of portions of section 36 leased.
(c) Washington State Lands Office do not issue lien and subordination agreements.

3. Physical Discription:

(a) Please find enclosed sketches illustrating work we have accomplished to date.
(b) All costs and effort described in (a) has been performed by us.
(c) None, this is a new discovery.
(d) No known ore reserves; our exploration work has been surface cuts exposing geologic structure and vein material.
Sampling methods used were cuts across veins and impartial grab samples.
Please find enclosed assay reports and sketch, indicating location of samples taken.

(e) Please find enclosed narrative and sketches requested.
(f) This formation has intrusive quartz vein exposures at several places along the limestone and shale bedding, carrying free gold and silver; we believe there is a possibility of a profitable ore body in depth within the hill. We have sampled the area as indicated in enclosed assay certificates and sketch showing sample locations.

continued

3. Physical Discription:

(g) Please FIND enclosed photostat of letter from a mining engineer suggesting we continue exploring our discovery, We do not require the return of the photostats or sketches.

4. Accessibility of property:

(a) Mr. Frederick Hubbard 16513 - 37th N. E. Seattle, Wash. phone Em. 3-6064 will meet the O M E representative at his requested location and together we will go to the property. The property is located between Alder and Twin creeks ,tributaries of the Chi-wa-wa River in Chelan County, Wash. Section 36 T, 28 R. 17 E. approximately 25 miles north of Leavenworth, Wash. There is a road to the property.
(b) Shipping and supply points, Leavenworth, Wash. approximately 25 miles. Wenatchee, Wash. 50 miles.

5. Exploration Work:

(a) We propose to excavate a 5'x7' drift for a distance of 200' then cross-cut at right angles for a distance of 50' each side at end of adit. Enclosed sketches and narrative discriptions.
(b) No access road necessary at this time, the present road is adequate.
(c) If the OME contract is granted we will begin work as soon as accessibility is possible in the spring, usually in the latter part of April. We anticipate an average of 15 ft. of drift per month.

6. Experience:

Mr. Fred Fritts will supervise the work, he has been in the mining business for 25 years and is capable in all phases of underground and surface mining. Mr. Frederick Hubbard has worked in mines, and placer mined in the State of Washington at various times in his life, also he has a complete fire assay equipment and a small ball mill for assaying the vein material on our property.
Mr. Earl Graybeal has knowledge of chemistry, is accomplished in mechanics and carpentry.

7. Estimate of Costs:

Labor $30.00 per day per man.
3 men drilling, blasting, slushing and preparing timber for 5' of drift $90.00== $18.00 per ft. labor framing one 5' set of timber, cutting back and side lagging 3 men $90.00== $18.00 per ft. Powder, primers, gas, oil, drill steel, etc. $10.00 per ft. Total cost $46.00 per ft. of drift.
300' Of adit, estimated cost $13,800
(a) None
(b) Miners wages $30.00 per day.
(c) No electric power available, Water free, fuel gasolene $.37 per gallon powder $15.00 box, primers $.35 each, 2 shovels $10.00, 2 picks $8.00, 2 axes $12.00 2 hammers $8.00.
(d) We intend to purchase the following items of used equipment, one jack-leg drill approximately $800.00, one air compressor apprx. $3,500.00, one slusher approx. $1,000.00
We own a chain saw in good condition, market value $120.00
(e) Movable operating equipment- 2 pickup trucks, chain saw and small hand tools.

7. Estimates of Costs:

(f) None
(g) Estimated cost of repairs and maintenance during the course of proposed prodject $500.00. We will assume cost of bookkeeping. Balance of (g) not applicable.

1 (a)

COPY 1,(a)

F. H. G. Mining Co.
Fred G. Fritts
Frederick L. Hubbard
Earl R. Graybeal
16513 - 37th N. E.
Seattle, Wash. 98155
October 7, 1966

Lake City Branch
Seattle First National Bank
12363 Bothell Way N. E.
Seattle, Wash. 98155

Gentlemen:

The F. H. G. Mining Co., consisting of three above mentioned partners, wish to apply for credit from your institution. The amount of the loan requested is $6900 at 8% interest, on a three year contract. We intend to use the funds to explore a mineral structure on property we have leased from the State of Washington. The money will be used to purchase material and equipment to excavate 300 feet of adit. If our suggested terms are not applicable, please state the loan terms you would offer.

Sincerely yours

Frederick L. Hubbard

F. H. G. Mining Co.
Frederick L. Hubbard

1 (a)

LAKE CITY BRANCH

SEATTLE-FIRST NATIONAL BANK

ESTABLISHED 1870

SEATTLE 55, WASHINGTON

October 10, 1966

F. H. G. Mining Company
16513 37th N.E.
Seattle, Washington 98155

Attention: Frederick L. Hubbard

Gentlemen:

We regret to advise that at the present time we will be unable to grant your request for a loan in the amount of $6,900.00 at 6% for a three year term.

We appreciate your contacting us and perhaps at some time in the future we may be able to assist you.

Yours very truly,

J. R. Howard
Assistant Manager

JRH:lbc

1. (a)

F. H. G. Mining Co.
Fred G. Fritts
Frederick L. Hubbard (Partners)
Earl R. Graybeal
1627 Cherry Street
Wenatchee, Washington
October 4, 1966

Columbia Valley Branch
The National Bank Of Commerce of Seattle
P. O. Box 1301
Wenatchee, Wash. 98801

Gentlemen:

The F. H. G. Mining Co. wish to make application for a mineral exploration loan on 140 acres we have leased from the State of Washington. We would appreciate a three year loan of $6,900.00; terms 8% interest.

The money would be used to purchase equipment to aid us to explore a mineral zone assaying very well in gold and silver.

If you would be interested in preparing a loan comparatively close to the terms we request, we would appreciate your acknowledgement with a letter and two copies.

Sincerely yours
Fred G. Fritts
F. H. G. Mining Co.
Fred G. Fritts

CORR 610 R60

NATIONAL BANK OF COMMERCE OF SEATTLE

COPY

1 (a)

October 7, 1966

F.H.G. Mining Company
1627 Cherry Street
Wenatchee, Washington

Gentlemen:

We have reviewed your application for a $6,900.00 loan to make 300 feet of drift on your mining property with our loan committee, and we wish to advise we would not be interested in making such a loan at this time.

Sincerely,

Harold A. Fox

Harold A. Fox
Assistant Cashier

HAF:as

1 (a)

F. H. G. Mining Co.
Fred G. Fritts
Frederick L. Hubbard
Earl R. Grayheal
16513 - 37th N. E.
Seattle, Wash. 98155
October 7, 1966

Pacific National Bank
900 2nd Avenue
Seattle, Wash. 98104

Gentlemen:

The F. H. G. Mining Co., consisting of three above mentioned partners, wish to apply for credit from your institution. The amount of the loan requested is $6,900 at 8% interest, on a three year contract. We intend to use the funds to explore a mineral structure on property we have leased from the State of Washington. The money will be used to purchase material and equipment to excavate 300 feet of adit. If our suggested terms are not applicable, please state the loan terms you would offer.

Sincerely yours

Frederick L. Hubbard

F. H. G. Mining Co.
Frederick L. Hubbard

1(a)

THE PACIFIC NATIONAL BANK
OF SEATTLE

October 11, 1966

Mr. Frederick L. Hubbard, Agent
F. H. G. Mining Company
16513 - 37th Avenue N.E.
Seattle, Washington 98155

COPY

Dear Mr. Hubbard:

We are sorry that we are unable to approve your application for a $6,900 loan to be payable over a three year period. The reason for declining the loan at this time are twofold. The first involves the nature of the loan proceeds and the second involves the terms, neither of which are satisfactory from our point of view under current money conditions.

If in the future, you should need funds to finance current receivables, we would be glad to consider your request. At that time would you please submit current financial statements and operating figures.

Very truly yours,

James M. Hayes
Assistant Vice President

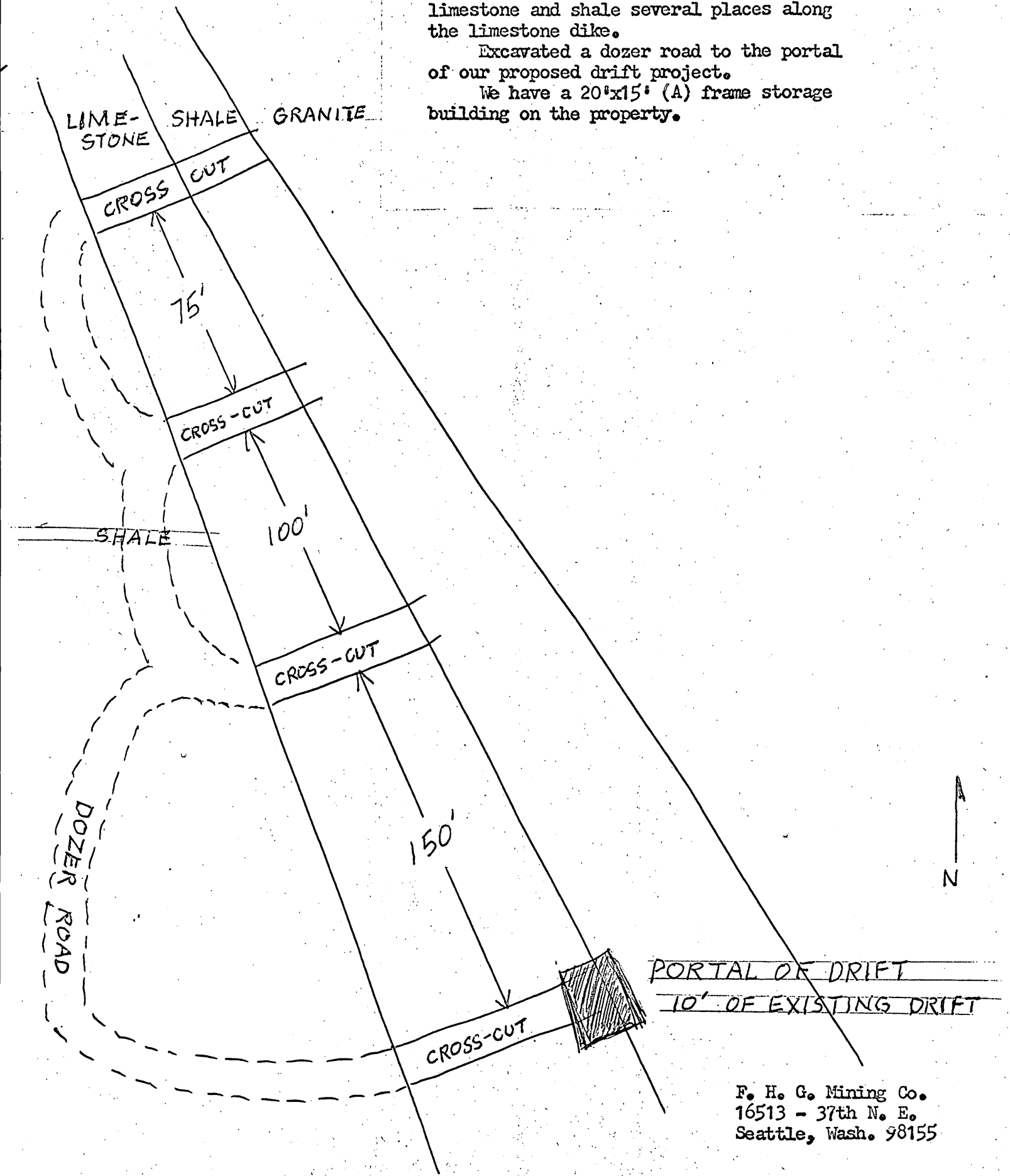
JMH:ss

3. (a) Physical Description

We have stripped and cut through the limestone and shale several places along the limestone dike.

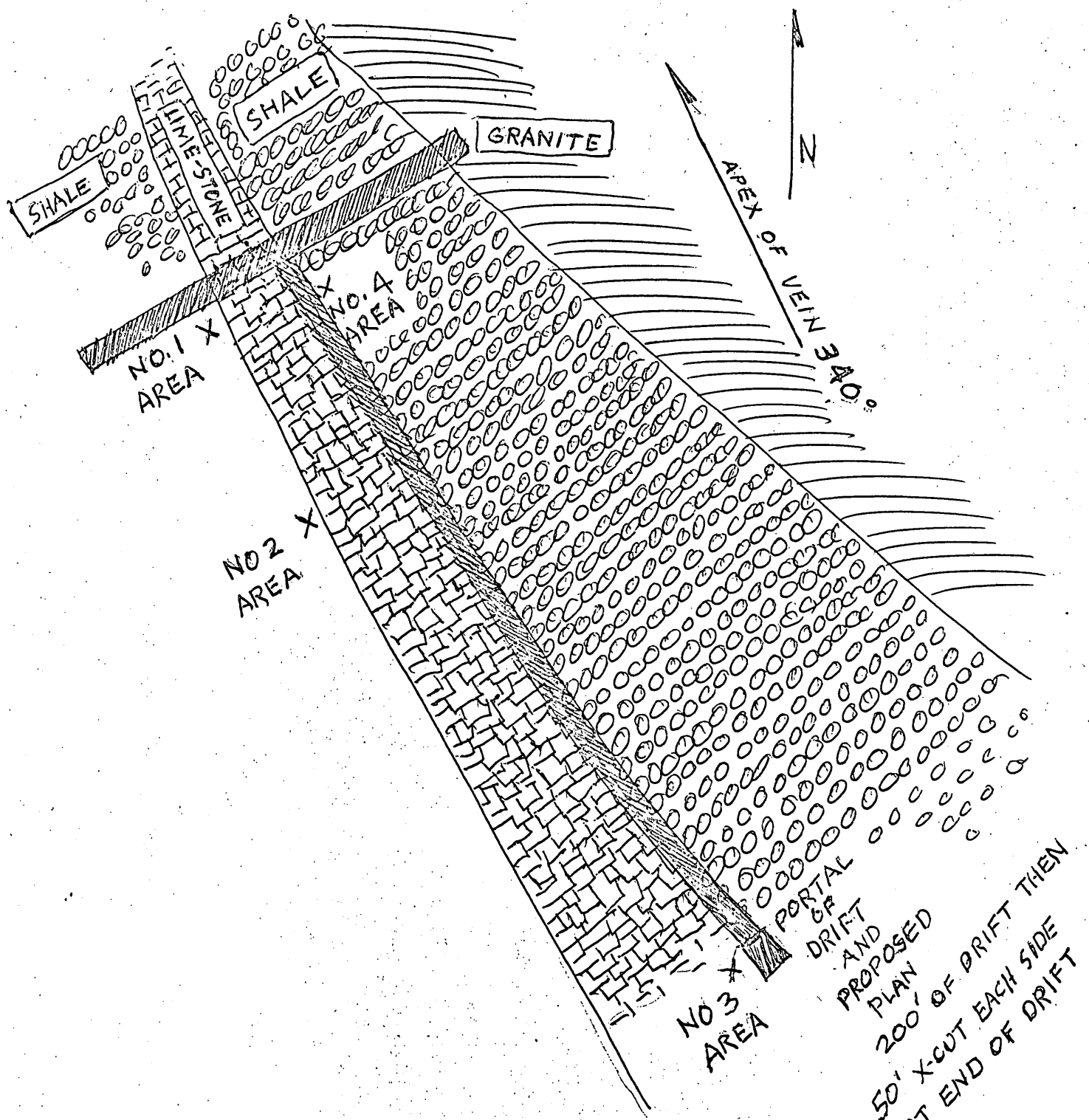
Excavated a dozer road to the portal of our proposed drift project.

We have a 20'x15' (A) frame storage building on the property.



F. H. G. Mining Co.
16513 - 37th N. E.
Seattle, Wash. 98155

3. (e) and (f) Physical Description



F. H. G. Mining Co.
16513 - 37th N. E.
Seattle, Wash. 98155

Mr. F. Fritts,
Wenatchee Washington.

3. (¢)

L-D MINES

E. H. G. Mining Co.
[illegible]13 - 37th N. E.
seattle, Wash. 98155

ASSAY CERTIFICATE

Wenatchee, Wash., August 31 1966

Sample No.	Oz. Au.	Oz. Ag.	% Cu.	% Pb.	% Zn.		
Bx# 1	1.72					NO. 3 AREA	60.20
# 2	1.48					" "	51.80
# 3	1.04					" "	36.40

Walter & Gustavus

average 49.47

CRAFTSMAN PTG. CO.

Assayer

Mr. F. Fritts,

Wenatchee, Wash.

3. (f)

F. H. C. Mining Co.
16513 37th N. E.
Seattle, Wash. 98155

ASSAY CERTIFICATE

Wenatchee, Wash. September 12 1963

Sample No.	Oz. Au.	Oz. Ag.	% Cu.	% Pb.	% Zn.			
# 2	truce	trace						Quartz
# 3	1.34	0.42				NO. 2	AREA	"A" Road Cut
# 4	1.62	0.45				NO. 1	AREA	"B" Composite
# 5	0.18	0.19				NO. 1	AREA	Ted's Vein
	0.10	.06				NO. 4	AREA	"B" Area Grab of oxidized surface - 300 oz fr
	0.12	.06						Quartz - 1'
	Tr.							Altered oxidized Lime
	Tr.							5' vein Quartz
	.02					NO. 4	AREA	Grab of stock pile

C. R. Lacasse
Assayer

ATWATER 2-6666

METALLURGICAL LABORATORY

WILLIS H. OTT

ASSAYERS
Umpire and Smelter Control

METALLURGISTS
1519 WESTLAKE AVENUE NORTH
SEATTLE 9, WASHINGTON

CHEMISTS
Chemical Testing

No. 4174 **CERTIFICATE OF ANALYSIS** Date Nov. 9, 1962

Submitted by Ted Hubbard, 16513 - 37th, Em 3-6064

F. H. G. Mining Co.

3. (f)

Sample No. 1	Gold ..... 0.52 oz per ton.	No. 2 AREA
	Silver .... 0.18 " " "	
Sample No. 2	Gold ..... 0.16 oz per ton.	
	Silver .... 0.08 " " "	
Sample No. 3	Gold ..... 0.06 oz per ton.	
	Silver .... 0.10 " " "	

METALLURGICAL LABORATORY.

Willis H. Ott

F. H. G. Mining Co.
16513 - 37th N. E.
Seattle, Wash. 98155

9/30/66

3. (f) Assay

I have a small ball mill I use in sampling the ore from this property. Two five pound grab samples from the No. 3 location assayed- 2.45 Au. and 2.28 Au.

Frederick L. Hubbard

Frederick L. Hubbard

3. (g)

TELEPHONE CASTLE 4-6257

27th September 1966

DR. A. C. SKERL
A.R.S.M., PH.D., P.ENG.
CONSULTING MINING GEOLOGIST

1758 WESTERN PARKWAY
VANCOUVER 8, B.C.

F. H. G. Mining Co.

Mr. F. Fritz,

Cherry Street

Wenatchee

Washington.

Dear Mr. Fritz,

In reponse to your message via your partner Mr. E. Hubbard I am pleased to hear that you are getting favourable results to further prospecting at your gold property on Alder Creek and that you have now found gold in place.

The history of placer mining here, the proximity to a major fault zone and a granitic intrusion certainly warrant the investigation of the occurrence still further by means of an underground working.

Particular attention should be given to limestone contacts with other rocks and to faults with signs of mineralization.

Yours sincerely

A. C. Skerl

F. H. G. Mining Co.
16513 - 37th N. E.
Seattle, Wash. 98155
Frederick L. Hubbard

5. (a) Exploration Work

The known limestone shale formation extends for at least 800' at a 45 degree angle drop to Alder creek, from our top discovery. There is a massive granite formation a few feet north of the lime-shale structure extending for a long distance south-east and north-west. The white and black limestone varies in width on the surface from approximately 10' to 50'. The brown shale is on both sides of the limestone. The vein intrusions are a oxidized quartz intruding between the limestone and shale, carrying free gold and silver. The veins exposed are stringers up to two feet in width. We have found the limestone is, at times metamorphosis with the quartz, carrying values. From the work that has been done on the surface stripping and cutting, there appears to be at least one bedding of lime with shale between them. In the cross cut on the No. 1 area, there were two or three stringers on the S. W. and at least one on the N. E. These stringers or veins will assay from .02 to 1.62 Au. The veins, we believe are probable bedded veins, more or less parallel to the lime and shale. We hope by drifting into the hill, parallel with the structure, following one of the stringers, to find the vein and rock formation in place. We then plan to cross cut at right angles to the lime bedding and shale.

Exploration plan; to drift 200' then cross cut both ways at end of 200' adit.

Object; to locate the main intrusive ore body, or find millable ore.

United States Department of the Interior

GEOLOGICAL SURVEY
Denver Federal Center
Denver, Colorado 80225

IN REPLY REFER TO:

April 14, 1971

Re: OME 6579 (Gold)
Three F Mining Co.
Chelan County, Washington
Contract 2281

(this study was of gold grains panned from high grade veins at the property--WPP)

Mr. Willard Puffett
Office of Minerals Exploration
U.S. Geological Survey
656 U.S. Court House
W. 920 Riverside Ave.
Spokane, Washington 99201

Dear Mr. Puffett:

I am sending you the results of electron microprobe analysis of 44 grains of gold which were analyzed for Cu, Ag, and Au. These gold grains are extremely uniform in composition and contain 22-24 weight percent silver and <0.05 weight percent Cu. Results of the average of three analyses on each of 44 grains are enclosed for whatever purpose you wish.

Sincerely,

George

George A. Desborough
Rocky Mountain Mineral Resources

Enclosures

RECEIVED
APR 16 1971
O. M. E.
SPOKANE, WASH.

R 19
INITIALS
~~120~~
~~120~~ MC
HK ~~120~~
220

44 gold [illegible] analyzed 3 places or each

DATE 71/ 4/12

Puffett

S)

7	8	9	10	MEAN COUNTS	Ag WT %	STD DEV COUNTS	WT %
				5688.3	22.99	24.7	0.10
				5643.0	22.80	158.6	0.65
				5610.3	22.67	38.0	0.15
				5588.3	22.58	93.5	0.38
				5552.7	22.43	255.7	1.04
				5578.3	22.54	92.2	0.38
				5567.3	22.49	105.6	0.43
				5655.0	22.85	84.9	0.35
				5535.3	22.36	137.1	0.56
				5602.3	22.64	67.9	0.28
				5658.7	22.87	77.8	0.32
				5586.3	22.57	122.0	0.50
				5523.7	22.32	121.0	0.49
				5534.7	22.36	30.2	0.12
				5743.7	23.21	290.5	1.18
				5575.0	22.52	81.5	0.33
				5285.3	21.35	278.6	1.13
				5543.0	22.39	6.2	0.03
				5428.0	21.93	206.0	0.84
				5606.0	22.65	47.6	0.19
				5757.0	23.27	139.3	0.57
				5660.7	22.87	109.2	0.44
				5697.3	23.02	145.5	0.59
				5708.0	23.07	63.9	0.26
				5562.7	22.47	100.0	0.41
				5562.0	22.47	36.0	0.15
				5655.0	22.85	93.9	0.38
				5531.0	22.35	83.7	0.34
				5591.0	22.59	192.5	0.78
				5572.0	22.51	175.1	0.71
				5483.7	22.15	72.1	0.29
				5651.0	22.83	87.5	0.36
				5649.0	22.83	84.9	0.35
				5594.7	22.60	129.5	0.53
				5537.7	22.37	83.6	0.34
				5563.7	22.48	105.9	0.43
				5714.7	23.09	36.1	0.15
				5811.7	23.49	246.3	1.00
				5629.0	22.74	216.4	0.88
				5773.7	23.33	279.0	1.13
				5481.0	22.14	49.5	0.20
				5991.3	24.22	103.1	0.42
				5611.7	22.67	36.5	0.15
				5556.7	22.45	107.6	0.44

RECEIVED
APR 16 1971
O.M.E.
SPOKANE, WASH.

United States Department of the Interior

GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION
656 U. S. Court House
W. 920 Riverside Ave.
Spokane, Wash. 99201

March 4, 1971

COPY
O. M. E.
RECEIVED
MAR 8 1971
INITIALS | CODE
JW | 120
HK | 120
WE | 120
120

Memorandum

To : Chief, Office of Minerals Exploration

From : Field Officer, Region I

Subject: Summary Final Report
OME-6579 (Gold)
Three F Mining Company, Inc.
Washington State Mineral Lease No. 58405
Chelan County, Washington
Contract 2281

INTRODUCTION

This report summarizes an OME exploration project for gold ore bodies in silicified marble that cuts or is interlayered with shale near the northeast boundary of the graben filled with the Swauk Formation, about 20 miles north of Leavenworth, Chelan County, Washington. The contract, dated June 6, 1969, for a total estimated cost of $5,800 of which the Government would contribute 75 percent or $4,350, was not amended. Work, started in June 1969 and completed in November 1969, consisted of cross-cutting and drifting 149 feet, timbering 20 feet, and assaying 16 samples for gold and silver. Total accepted cost of the work, under a unit-type contract, was $5,515, of which the Government contributed $4,136. The work was unsuccessful in finding ore. The operator was notified by letter on February 11, 1970, that the Government retains no claim or lien against the property subject to the contract or any future production therefrom. The operators continued exploration during the summer of 1970 but did not produce any ore.

OPERATOR

Three F Mining Co., Inc.
310 Doneen Building
Wenatchee, Washington 98801

Final Field Report

Officers were as follows:

President : Frederick L. Hubbard, 16513 37th N. E., Seattle, Washington 98155

Vice President : Fred B. Fritts, 544 Dayton Avenue, Wenatchee, Washington 98801

Secretary-Treasurer: Frederick M. Crollard, 508 Greenwalt Wenatchee, Washington 98801

PROPERTY

The property consists of the SE$\frac{1}{4}$NW$\frac{1}{4}$, N$\frac{1}{2}$NE$\frac{1}{4}$SW$\frac{1}{4}$, SE$\frac{1}{4}$NE$\frac{1}{4}$SW$\frac{1}{4}$, NW$\frac{1}{4}$NW$\frac{1}{4}$SE$\frac{1}{4}$, S$\frac{1}{2}$NW$\frac{1}{4}$SE$\frac{1}{4}$, and SW$\frac{1}{4}$SE$\frac{1}{4}$, sec. 36, T. 28 N., R. 17 E., Chelan County, Washington (Figure 1.--Geologic, Property, and Index maps, Three F Mining Co., Inc., Washington State Mineral Lease No. 58405, sec. 36, T. 28 N., R. 17 E., Chelan County, Washington). The F. H. G. Mining Company, on February 17, 1969, assigned their State of Washington Mineral Prospecting Lease No. 58405, dated January 10, 1968, to the operator.

The leased ground is between Twin Creek and Alder Creek (fig. 1), tributaries of the Chewawa River, and is on a southwest trending hill between altitudes of 3,600 and 3,800 feet. Slopes are generally steep and timber covered. A small A-frame cabin provides shelter; no other buildings are on the property. Prior to the contract there were several bulldozer cuts and an adit about 200 feet long. Snow generally covers the ground between November and April.

GEOLOGY

The geology at and near the property is known only in a very general way. According to the 1961 edition of the State Geologic map of Washington, the mine area is within and very near to the northeast boundary of a graben that trends northerly from Leavenworth, Washington. Within the graben are nonmarine Paleocene and Cretaceous rocks, most of which are part of the Swauk Formation. Granite, exposed a few hundred feet northeast of the mine adit, is part of a Mesozoic batholith. The Swauk Formation rests unconformably on pre-Ordovician Swakane Gneiss a few miles northwest of the mine (Cater and Crowder, 1967).

None of the rocks at the mine can be definitely correlated with those known to be in the Swauk Formation. Gray shale is predominant; greenish gray andesite is present, probably as sills or dikes; and buff to cream-colored marble forms steeply dipping beds or layers as much as 40 feet thick. The shale beds are much contorted in the mine workings; in some places there is graphitic gouge on fault surfaces. Surface exposures are poor because of pumice granules and forest litter.

The buff-colored marble is of particular economic interest because the known gold-bearing veins are in it. The marble is fine-grained, indistinctly bedded, and appears to have escaped the folding that has contorted the shale. Marble is exposed in several bulldozed cuts, in prospect pits, along the access road, and in the adit (fig. 1). Layering in the marble commonly dips more flatly than the contact of marble with adjacent rocks. The several beds or layers of marble cannot be reliably correlated between widely scattered exposures. Exploration was directed at finding and following marble beds in which gold has been found.

Free gold is in limonite-stained and honeycombed quartz veins that cut the marble. The known veins are generally less than a few inches thick, cross the marble at random angles, and have been deeply oxidized. Free gold occurs as bright yellow to whitish yellow grains that are 0.1 to 0.5 mm in diameter. Samples of the gold-bearing material have assayed as high as 3 ounces gold per ton. Assays of the enclosing marble yield only a trace of gold.

Faults are conspicuous in the adit (fig. 1). One fault dips flatly to the north and northwest; direction of displacement along it is uncertain as some beds of marble below the fault cannot be correlated with beds above the fault. There are many northwest-trending faults that dip steeply to moderately east. Perhaps the adit is in a wide faulted zone that marks the northeast boundary of the graben and there has been repeated movement along all of the faults.

PURPOSE OF PROJECT

The purpose of the project was to explore by crosscutting and drifting for gold-bearing ore bodies in and along quartz veins that traverse steeply dipping marble beds of the Swauk Formation of Eocene age.

CONTRACT

The contract, No. 2281, dated June 6, 1969, required that work start on or before June 28, 1969, and be complete within 9 months from the date of the contract. The work was to consist of extending the existing crosscut adit in a southwesterly direction approximately 50 feet to the marble and drifting northwesterly and southeaterly from the crosscut along the limestone. It was estimated that 100 feet of drifting would be required to explore the marble beneath ore-bearing rocks exposed in a surface cut.

Estimated Costs of the Work

Fixed Unit Costs

Crosscutting and drifting. 150 feet at $35/ft	$5,250.00
Timbering. 35 feet at $11/ft	385.00
Assaying for gold and silver. 33 samples at $5/sample	165.00
Total Estimated Cost	$5,800.00
Government Participation at 75 percent	$4,350.00

PROJECT WORK

Contract work started in June 1969 and continued until November 16, 1969. Work was conducted only on weekends and holidays as the owners, who were the operators, did not want to quit their other jobs to devote full time to the mine work. Their progress, however, compared favorably with the progress under some OME contracts in which miners were employed full time.

The crosscut drift was extended for 24 feet westerly along the footwall of a marble band and then was turned to the southwest (fig. 1). Folded and faulted shale was at the projected position of the gold-bearing marble bed. Continued crosscutting encountered a broken marble band that appeared similar to the gold-bearing rock exposed on the surface. Drifting northwest followed the marble but found that it was much broken and did not persist far. Heavy ground required timbering near the junction between the drift and the crosscut. A sample of graphitic gouge and adjacent shale assayed 0.36 ounce gold per ton across a width of 12 inches. Other samples of the shale and the marble yield only very low assays for gold and silver (fig. 1).

Units of work completed and their approved costs are as follows:

Item	No. of units Allowed	No. of units Complete	Cost
Crosscutting and drifting at $35/ft	150	149	$5,215
Timbering at $11/ft	35	20	220
Assaying for gold and silver at $5/sample	33	16	80
	Total accepted cost		$5,515
	Government's participation at 75 percent		$4,136

The Government retains no equity in any supplies or materials remaining on the property as a result of the contract work.

REPORTS

The operator submitted a satisfactory final report on January 22, 1970.

The Government prepared a Report of Review in January 1970.

No royalty reviews have been necessary.

PROJECT RESULTS

The project work was unsuccessful in finding ore. The work, however, did prove that the zone in which the gold-bearing marble has been found is much fractured and is probably part of a broad zone of faulting along the northeast boundary of the regionally important graben. There are several marble bodies, not all of which contain gold. A nearly flat fault, locally with as much as 8 inches of gouge, complicates the structure. Shale appears to be the most common rock but there are dikes or sills of greenish gray andesite.

Some further exploration is warranted. Perhaps the gold-bearing marble should be further explored from the surface cut by sinking a shaft or by more bulldozing. Diamond drilling several parallel holes at intervals of 100 to 200 feet along the general strike of the marble beds might clarify the structural picture.

Exploration at depth might determine if sulfides are present in the vein; the surface exposures are highly oxidized and contain no sulfides.

CERTIFICATION

The Government notified the operator on February 11, 1970, that the work did not result in a certification of possible production and that the Government retains no claim or lien against the property subject to the contract or any future production therefrom.

PRODUCTION AND ROYALTIES

No ore has been produced from the property and no royalties are due to the Government.

SUMMARY

The exploration work failed to find the downward extensions of the marble with gold-bearing veins that is exposed in a surface cut. The underground work cut through shale that was badly faulted--part of a zone of faulting marking the northeast margin of a regionally important graben.

Since the contract ended, the operator has continued exploration by drilling upward from the underground workings. This work found some evidence of gold-bearing material but the results are inconclusive. Late in 1970, the Operator started a new adit on a marble zone some 45 feet below the open-cut in which good values were found. The operator plans to extend this adit northwestward in the summer of 1971; this work should determine if the gold-bearing veins extend far in depth. Until such work is completed, the property can only be considered to be an interesting prospect.

REFERENCE CITED

Cater, F. W., and Crowder, D. F., 1967, Geologic map of the Holden quadrangle, Snohomish and Chelan Counties, Washington: U. S. Geol. Survey Geol. Quad. Map GQ-646.

Enclosure:
Figure 1.--Geologic, Property, and Index maps, Three F Mining Co., Inc., Washington State Mineral Lease No. 58405, sec. 36, T. 28 N., R. 17 E., Chelan County, Washington.

Willard P. Puffett

Willard P. Puffett

OFFICIAL
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Re: OME-6579 (Gold)
Three F Mining Company, Inc.
Washington State Mineral
Lease No. 58405
Chelan County, Washington
Contract 2281

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
2/11/70	Peterson	120
		120
		220
		120M

Mr. Frederick L. Hubbard
16513 37th N. E.
Seattle, Washington 98155

FEB 11 1970

Re: OME-6579 (Gold)
Three F Mining Company, Inc.
Washington State Mineral Lease
No. 58405
Chelan County, Washington
Contract 2281

Dear Mr. Hubbard:

Three F Mining Co., Inc., has satisfactorily met its responsibilities under the terms of the subject contract. Therefore, effective as of this date, the Government herewith releases the undated Performance Bond, signed by you and Mr. Fred G. Fritts, and your Affidavit of Individual Surety, dated February 10, 1969, covering obligations under the contract.

Sincerely yours,

Harold Kirkemo (gfa)

Harold Kirkemo
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Mineral Resources File
OME Docket
OME Reading File
OME Region I
Mr. Peterson
130

ECPeterson/bsl 2/11/70

IDENTICAL ORIGINAL LETTER TO:

Mr. Fred G. Fritts
1627 Cherry St.
Wenatchee, Washington 98801

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
2/11/70	Peterson	120
		120
2/11	Cal	220
		120M

FEB 11 1970

Memorandum

To: Chief, Branch of Budget and Finance

From: Chief, Office of Minerals Exploration

Subject: OME-6579 (Gold)
Three F Mining Company, Inc.
Washington State Mineral Lease No. 58405
Chelan County, Washington
Contract 2281

Enclosed is a copy of the Field Officer's letter of February 6, 1970 forwarding a copy of the Report of Review issued in January 1970 to the subject Operator. Also enclosed is a copy of the report for your files.

Harold Kirkemo (gla)

Harold Kirkemo

Enclosures

cc: Director's Reading File
Mineral Resources File
OME Docket
OME Reading File
OME Region I
Mr. Peterson
130

ECPeterson/bsl 2/11/70

Office of Minerals Exploration
656 U. S. Court House
W. 920 Riverside Avenue
Spokane, Washington 99201

February 6, 1970

Mr. Frederick M. Crollard, Jr.
Attorney-at-Law
Doneen Building
P. O. Box 105
Wenatchee, Washington 98801

Re: OME-6579 (Gold)
Three F Mining Co., Inc.
Washington State Mineral Lease
No. 58405
Chelan County, Washington
Contract 2281

Dear Mr. Crollard:

Enclosed is the Operator's copy of a Report of Review issued in January, 1970 on project costs under the subject contract.

Sincerely,

Willard P. Puffett
Field Officer, OME
Region I

WPPuffett:my

Director's reading file
OME(2)

OFFICIAL COPY
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FEB 9 1970
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ndard Form 1048
GAO 5000
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MEMORANDUM

PUBLIC VOUCHER FOR REFUNDS

Voucher No. 04592

Schedule No.

S. Interior, Geological Survey
(Department or Establishment, Bureau or Office)

Location: Washington, D. C. 20242

Appropriation or Fund: 14X6875(08)

PAID BY

To
Address

Three F Mining Co., Inc.
Box 105, Wenatchee, Washington 98801

Amount withheld
~~Deposit received~~ from the above-named ~~depositor~~ on December 8, 1969

for ~~pending submission of final report in connection with contract #2281~~

has been applied as herein stated and the balance indicated is returned herewith:

Amount of deposit Sch. #03548 - Cost. voucher $ 100.00

Applied as explained in "Remarks" below

Balance authorized to be refunded $ 100.00

Remarks:

Acceptable final report has been submitted per memo from Chief, Office of Minerals Exploration, 1/28/70.

OFFICIAL COPY
O. M. E.
RECEIVED
FEB 3 1970

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bol	20
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☆ U.S. GOVERNMENT PRINTING OFFICE : 1966 O—223-275

MME Form 7
(2/63)

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Date	Surname	Code
2/3/70	Peterson	120
		120
2/3	cal	220
		120M

AIRMAIL FEB 3 1970

Memorandum

To: Field Officer, Region I

From: Chief, Office of Minerals Exploration

Subject: OME-6579 (Gold)
Three F Mining Company, Inc.
Washington State Mineral Lease No. 58405
Chelan County, Washington
Contract 2281

Enclosed are two copies of a Report of Review issued January 1970.

If you concur in the facts in the report, the Operator should be sent its copy with appropriate comments. 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 agree, both copies of the report should be returned to this office with your comments.

Harold Kirkemo (glc)

Harold Kirkemo

Enclosures

cc: Director's Reading File
Mineral Resources File
OME Docket
OME Reading File
Mr. Peterson
120

RCPeterson/bsl 2/3/70

E Form 7
/63)

OFFICIAL FILE COPY

Date	Surname	Code
1/28/70	Peterson	120
		120
1/28	CC	220
		120M

JAN 28 1970

Memorandum

To: Chief, Branch of Budget and Finance

From: Chief, Office of Minerals Exploration

Subject: OME-6579 (Gold)
Three F Mining Company, Inc.
Washington State Mineral Lease No. 58405
Chelan County, Washington
Contract 2281

Work has been completed on the subject contract, and the Operator has submitted an acceptable Final Report. Therefore, in accordance with the Field Officer's recommendation, we recommend that the $100.00 being withheld from payment to the Operator should now be paid.

Harold Kirkemo (gla)

Harold Kirkemo

cc: Director's Reading File
Minerals Resources 'File
OME Docket
OME Reading File
OME Region I
Mr. Peterson

ECPeterson/bsl 1/28/70

UNITED STATES
DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY
Office of Minerals Exploration
656 U. S. Court House
W. 920 Riverside Avenue
Spokane, Washington 99201

January 23, 1970

OFFICIAL COPY
O. M. E.
RECEIVED
JAN 26 1970
INITIALS CODE
Gla / 30
Gla / 20 MW
CHK / 20
ER / 20 P

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: Operator's final report
OME-6579 (Gold)
Three F Mining Company, Inc.
Washington State Mineral Lease No. 58405
Chelan County, Washington
Contract 2281

Enclosed is the Operator's summary report on the captioned contract. The transmittal letter from Mr. Crollard includes information that ordinarily is in final reports; I suggest that the transmittal letter be attached and made a part of the final report. This report satisfactorily fulfills the Operator's obligation under the contract, and I recommend that the $100.00 held in suspense from his October voucher be released to him.

A report of review is now in order. The accepted units of work completed under the contract are as follows:

Item	No. of units allowed	No. of units completed
Crosscutting and drifting	150 feet	149 feet
Timbering	35 feet	20 feet
Assaying for gold and silver	33	16

The work failed to find downward extensions of ore that was exposed on the surface. I recommend that there be no Certification of Possible Production.

Willard P. Puffett

Enclosure

Willard P. Puffett

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

January 21, 1970

RECEIVED
JAN 22 1970
O. M. E.
SPOKANE, WASH.

U. S. Department of the Interior
U. S. Courthouse, Room 656
W. 920 Riverside Avenue
Spokane, Washington 99201

Attention: Mr. Willard Puffett

Re: OME-6579 (Gold)
Three F Mining Co., Inc.

Dear Mr. Puffett:

Enclosed herewith is a final summary report of the Company under the above contract. If you need additional information, please let us know.

Perhaps you would be interested in a report as to the operating costs of the Company during 1969 under the contract. The actual expenses incurred were approximately $2,550. This includes all materials, supplies, gas, explosives and similar items, and also includes $500.00 for equipment which was purchased. It does not include the labor of the owners themselves. That labor was at least 80 days, which at $30.00 a day would be at least $2,400. Neither does it include any transportation or mileage costs to the owners, nor does it include any of the legal or accounting costs performed by the owners. Finally, it does not include any depreciation on equipment already purchased and used this year.

As I mentioned to you before, the Corporation is very grateful for the assistance given in this matter. We hope to continue with the work next Spring either by continuing along the drift or perhaps to excavate a raise through the faulted area. In all probability, we shall start a shaft on the surface at the location where the gold bearing limestone was most prevalent. It would be greatly

OPERATOR'S FINAL RPT.

appreciated if additional assistance could be given under a new contract for this work. We still have confidence in our project.

Very truly yours,

Frederick M. Crollard, Jr.

FMCjr:lrc
Encs.

United States Department of the Interior
Geological Survey

RECEIVED
JAN 22 1970
O. M. E.
SPOKANE, WASH

OME - 6579
(Gold)

Three F Mining Co., Inc.
P.O. Box 105
Wenatchee, Wash. 98801

Chelan County, Washington
Summary Report for 1969
Period - 6/14/69 to 11/16/69

Beginning 9½ feet from station no. 3, we excavated 150 feet of drift. (see drift sketch enclosed); installed rail, 2 inch air pipe, gasoline powered mine ventilation fan, 10 inch vent pipe, electric wiring for mine lights, and 20 feet of timber.

The Geological formation from station no. 3 to station no. 4 (120 ft.) consisted of a number of faults in shale, andesite and limestone. At station no. 4, we contacted a limestone bedding approximately 5 ft. wide - 50 degree dip. We drifted 30 ft. on this bedding on a north westerly direction from station no. 4. The average assay of this formation is au 0.02 and ag 0.52. This bedding has irregular fissures, the same as the limestone bedding on the surface. There is a fault material on the footwall of this limestone averaging about three feet wide. When we made contact with this lime bedding we thought it to be the same as the surface bedding. There is evidence of a flat fault above the drift separating the gold-bearing lime bedding.

The surface limestone bedding has an interlacement of gold quartz material. Some of the limestone has quartz contact metamorphised carrying values. The bedding appears to have about a 70 degree dip; it was our intention to drift into this bedding within 50 feet west of station no. 3, but because of evidence indicating a flat fualt we were unable to make contact with the gold bearing lime-bedding this season.

It is our plan in 1970 to either excavate a raise up through the flat faulted area, or start a new 40 degree incline shaft into the gold bearing limestone on the surface.

Sincerely,

Frederick L. Hubbard

Frederick L. Hubbard
President

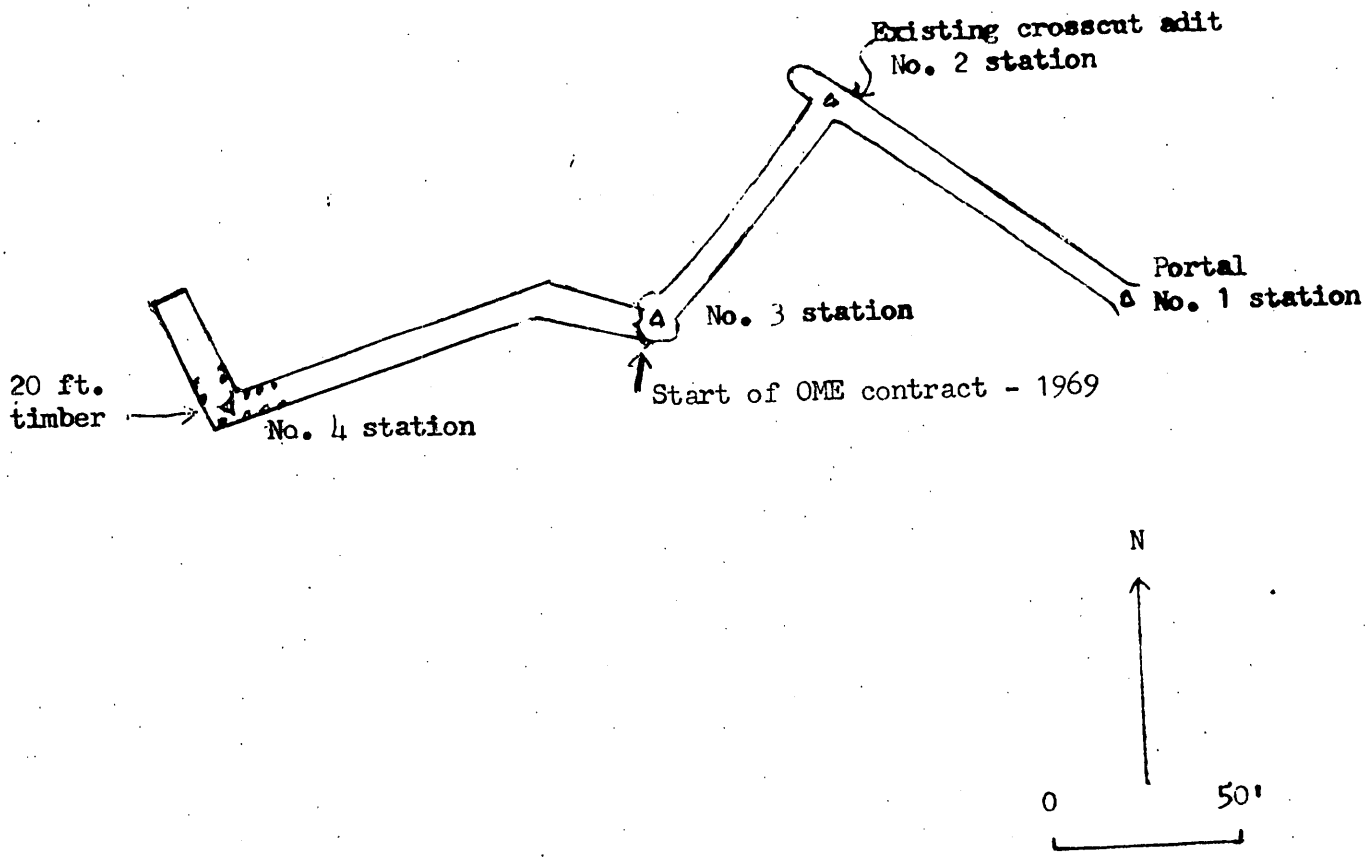
UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

OME - 6579
(Gold)

Three F Mining Co., Inc. Chelan County, Washington

Summary Report
Period: 6/14/69 to 11/16/69

150 ft. of completed drift. installed rail, 2inch air pipe, gasoline powered ventilation fan, 10 inch ventilation pipe, electric wiring for mine illumination, also 20 ft. of timber.



FORM 9-1648
MARCH 1968

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

OFFICIAL COPY O. M. E. RECEIVED DEC 22 1969 INITIALS

RECEIVED DEC 10 1969

OPERATOR'S MONTHLY VOUCHER

For Month of November, 1969

Docket No. OME 6579
Contract 14-08-0001 2281
Contract Amount $ 5800
Gov't. Participation % 75 $ 4350

Operator's Name Three F Mining Co., Inc.
Address Box 105, Wenatchee, Washington 98801

FOR OPERATOR'S USE					FOR GOVERNMENT USE ONLY			
COST ITEMS (FROM EXHIBIT A)	THIS MONTH		TO DATE		THIS MONTH		TO DATE	
	UNITS	COSTS	UNITS	COSTS	UNITS	COSTS	UNITS	COSTS
Crosscutting	5	$ 175	150	$ 5250	4 ft.	$ 140.00	149 ft.	$ 5,215.00 1/
Assays			16	80			16	80.00
Timbering	21	231	21	231	20 ft	220.00	20 ft.	220.00 2/
TOTALS		$ 406		$ 5561		$ 360.00		$ 5,515.00 3/

I certify that the above bill is correct and just and that payment therefor has not been received.

Date 12/8/69 *Payee Three F Mining Co., Inc.

Per J M Collard Jr. Title Secretary

*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)

Approved as noted, subject to field examination and audit.

Signature Willard P. Puffett 12/10/69
OME Field Officer Date

(63) 14X0804

Approved for: $ 270.00
(SUBJECT TO AUDIT)

Signature MW

Date 12/22/69 Vou. No. 3829
(SEE OTHER SIDE)

FOR OPERATOR'S USE

REMARKS

4611.9

RECEIVED
U.S. GEOLOGICAL SURVEY
DEC 16 8 37 AM '69
BUDGET & FINANCE

FOR GOVERNMENT USE

REMARKS

1] Final inspection report (12/10/69) shows total drift and crosscut is 149 feet.

2] Final inspection report shows 20 feet of timbering.

3] Continue to withhold $100.00 pending receipt of final report.

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 two parts.

FIRST, the Operator's Monthly Voucher on Form 9-1648 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 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 three copies of each of the two sections of this report to the OME regional Field Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, FORM 9-1648

In the left hand column list the items for which costs were incurred during the month, and also the items for which costs were previously reported. For items previously reported, show only UNITS TO DATE and COSTS TO DATE. Items listed should conform to Exhibit A of the contract (Estimated Costs of the Work). The total of COSTS THIS MONTH followed by the Operator's signature constitutes a claim for payment of the Government's share of the costs. The Operator or his agent must sign the certification in the lower left corner.

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, 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 unemployment taxes, employee's liability insurance, and depreciation of Operator-owned equipment. The certification may be stated thus, "Certified True Copy", 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 Field 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 Vouch

UNITED STATES
DEPARTMENT OF THE INTERIOR
Geological Survey
Branch of Budget and Finance
Washington, D. C. 20242

ADMINISTRATIVE SUSPENSION STATEMENT

Name and Address of Payee: Three F Mining Co., Inc.
Box 105
Wenatchee, Wash. 98801

Amount Claimed:	Differences (Explained Below)	Amount Approved
406.00	46.00	360.00 270.00 Gov. Part.
Job Voucher No.	Payee's Invoice No.	Period
	Docket #6579 Contract #2281	Nov. 1969

EXPLANATION

Claimed		Allowed	
150ft. on crosscut and drift.	$5250.	149ft. per final inspection report	$5215.
21ft on timbering	231.	20ft. per final inspection report	220.
	5481.		5435.

The reason for item deducted must be [illegible] in response item on subsequent voucher vouchers and supported by the original [illegible] statement.

Branch of Budget and Finance

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

OME - 6579
(Gold)

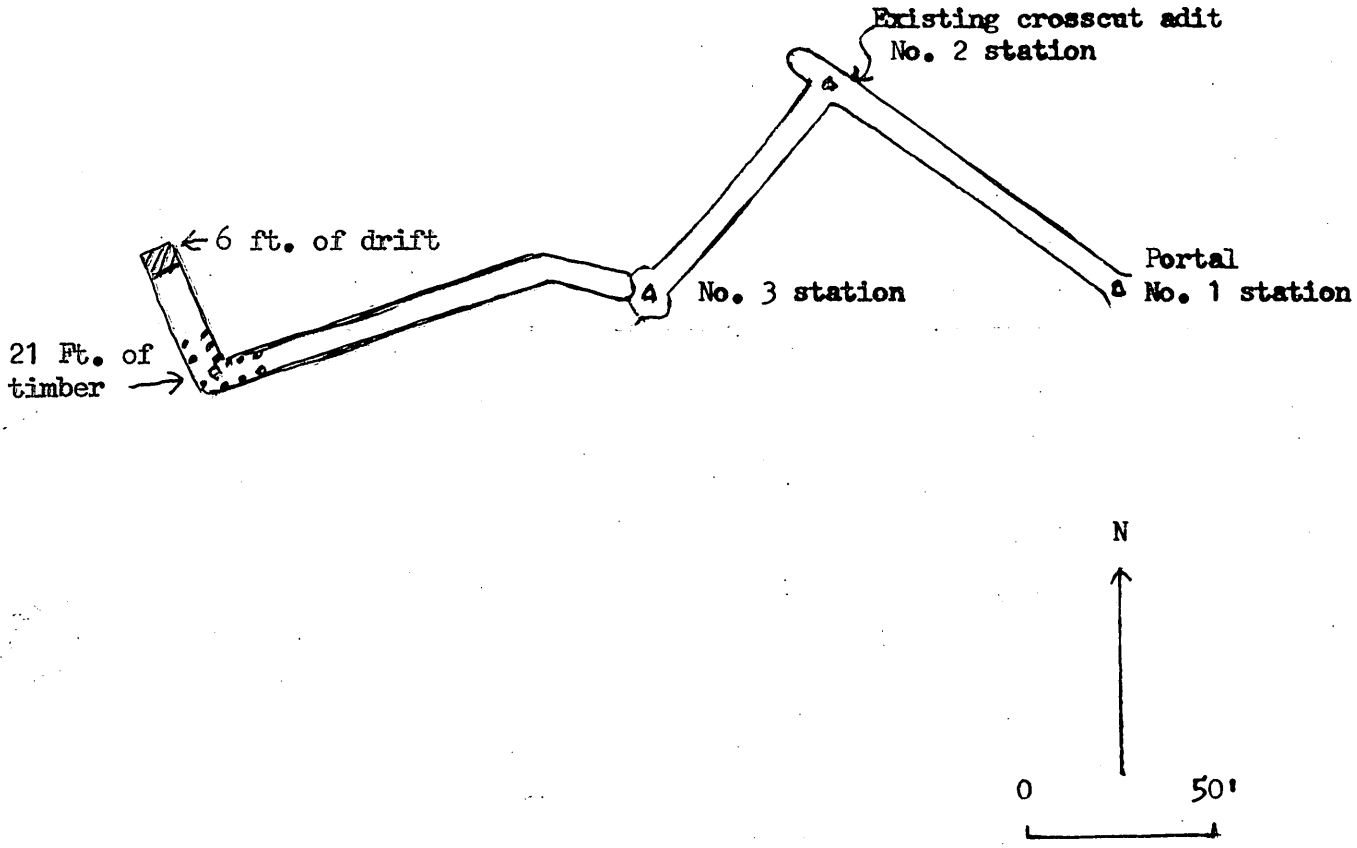
Three F Mining Co., Inc. Chelan County, Washington

Progress Report (Assays and geological formations)
Period: 11/1/69 to 11/16/69

6 feet of completed drift beginning 27½ ft. north of station # 4.

21 feet of timber beginning 10 ft. east of station # 4 thence 5 sets of timber. The timbering includes the turn at station # 4.

The formation consists of a fault on the footwall dipping approximately 50 degrees west to east. The rest of the drift is limestone and shale somewhat broken up. Although the area is considerable faulted, we believe it is localized. The general direction of the limestone bedding is the same as the goldbearing bedding on the surface directly above.



FORM 9-1648
MARCH 1968

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

RECEIVED
NOV 18 1969

OPERATOR'S MONTHLY VOUCHER

For Month of October, 1969

Docket No. OME 6429 M.E. WASH.
Contract 14-08-0001 2281
Contract Amount $ 5800
Gov't. Participation % 75 $ 4350

Operator's Name Three F Mining Co., Inc.
Address P. O. Box 105, Wenatchee, Wa. 98801

FOR OPERATOR'S USE					FOR GOVERNMENT USE ONLY			
COST ITEMS (FROM EXHIBIT A)	THIS MONTH		TO DATE		THIS MONTH		TO DATE	
	UNITS	COSTS	UNITS	COSTS	UNITS	COSTS	UNITS	COSTS
Crosscutting	20	$ 700	145	$ 5075	20 ft.	$ 700.00	145 ft.	$ 5075.00
Assays	7	35	16	80	7	35.00	16	80.00
TOTALS		$ 735		$ 5155		$ 735.00		$ 5155.00

I certify that the above bill is correct and just and that payment therefor has not been received.

Date 11/17/69 *Payee Three F Mining Co., Inc.

Per J M Gollard Title Secretary

*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)

Approved as noted, subject to field examination and audit.

Signature Willard P Ruffett 11/18/69
OME Field Office Date

551.25 (63)14X0804
100.00 14X6875

Approved for: $ 451.25
(SUBJECT TO AUDIT)

Signature TNS

Date DEC 8 1969 Vou. No. 03548

(SEE OTHER SIDE)

FOR OPERATOR'S USE

REMARKS

116985

RECEIVED
U.S. GEOLOGICAL SURVEY
Nov 26 11 52 AM '69
BUDGET&FINANCE

FOR GOVERNMENT USE

REMARKS

1 Withhold $100.00 pending completion of contract work and receipt of Operator's final report.

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 two parts.

FIRST, the Operator's Monthly Voucher on Form 9-1648 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 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 three copies of each of the two sections of this report to the OME regional Field Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, FORM 9-1648

In the left hand column list the items for which costs were incurred during the month, and also the items for which costs were previously reported. For items previously reported, show only UNITS TO DATE and COSTS TO DATE. Items listed should conform to Exhibit A of the contract (Estimated Costs of the Work). The total of COSTS THIS MONTH followed by the Operator's signature constitutes a claim for payment of the Government's share of the costs. The Operator or his agent must sign the certification in the lower left corner.

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, 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 unemployment taxes, employee's liability insurance, and depreciation of Operator-owned equipment. The certification may be stated thus, "Certified True Copy", 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 Field 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.

UNITED STATES
DEPARTMENT OF THE INTERIOR
Geological Survey
Branch of Budget and Finance
Washington, D. C. 20242

ADMINISTRATIVE SUSPENSION STATEMENT

Name and Address of Payee:

Three F Mining Co. Inc.
P.O. Box 105
Wenatchee, Wa. 98801

Amount Claimed:	Differences (Explained Below)	Amount Approved
735.00	100.00	735.00 551.25 Gov. Part. Less 100.00 451.25
Ex. Voucher No.	Payee's Invoice No.	Period
	Docket #6579 Contract #2281	CON. 1969

EXPLANATION

Withholding $100.00 pending completion of contract work and receipt of final report.

Any credits for items deducted must be included as a separate item on subsequent monthly vouchers and supported by the original of this statement.

113

Branch of Budget and Finance

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

OME - 6579
(Gold)

RECEIVED
NOV 18 1969
O. M.
SPOKANE

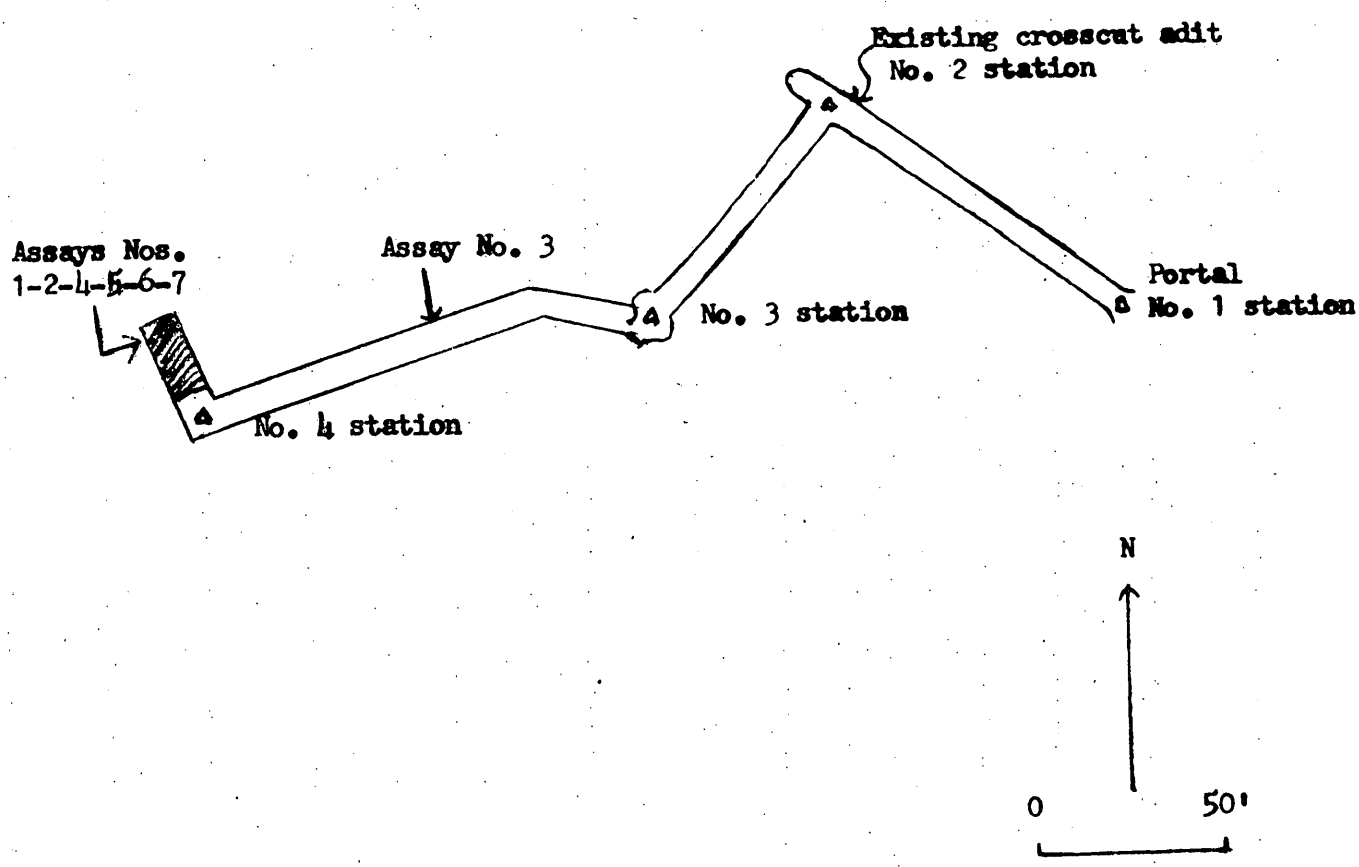
Three F Mining Co., Inc. Chelan County, Washington

Progress Report (Assays and geological formations)
Period: 10/1 to 10/31/69

20 Feet of completed drift beginning 7½ feet from station #4.

The fault (footwall) material continues to dip at about 50 degrees. The limestone is more broken up with fissures; it appears the area has moved about locally, although the fault has a good strike and should we continue to follow it, we may intercept an ore intrusion.
According to our measurements we are approximately 140 feet vertically below the ore bearing, limestone bedding on the surface.

Attached assay reports:



COPY

J. M. Kniseley Engineering *Corporation*

ROckwell 7-3117
24 hour Service
P.O. Box 3724 - Seattle 98124
5807 4th Ave. So. - Seattle 98108

STAFF MEMBERSHIPS
AMERICAN CHEMICAL SOCIETY · AMERICAN INSTITUTE OF CHEMISTS · INSTITUTE OF FOOD TECHNOLOGISTS · MARINE CHEMISTS' ASS'N
AMERICAN WOOD PRESERVERS ASS'N · AMERICAN INSTITUTE OF CHEMICAL ENGINEERS · NATIONAL FIRE PROTECTION ASS'N
AMERICAN INSTITUTE OF MINING, METALLURGICAL & PETROLEUM ENGINEERS

RECEIVED
NOV 18 1969

Report No. 16651

October 17, 1969

Three F Mining Company
Box 105
Wenatchee, Washington

Gentlemen:

We hereby certify that we have analyzed a sample of

ORES

submitted to us by you on October 13, 1969, and we have to report as follows:

Results:

		GOLD (Au)	SILVER (Ag)
1	A	none	0.02 oz/ton
2	B	0.36 oz/ton	0.54 oz/ton

Respectfully submitted,

J.M. KNISELEY ENGINEERING CORPORATION

By: Wi wu yuan

WWY/ls

COPY

J. M. Kniseley Engineering Corporation

ROckwell 7-3117
24 hour Service
P.O. Box 3724 - Seattle 98124
5807 4th Ave. So. - Seattle 98108

STAFF MEMBERSHIPS
AMERICAN CHEMICAL SOCIETY AMERICAN INSTITUTE OF CHEMISTS INSTITUTE OF FOOD TECHNOLOGISTS MARINE CHEMISTS' ASS'N
AMERICAN WOOD PRESERVERS ASS'N AMERICAN INSTITUTE OF CHEMICAL ENGINEERS NATIONAL FIRE PROTECTION ASS'N
AMERICAN INSTITUTE OF MINING, METALLURGICAL & PETROLEUM ENGINEERS

RECEIVED
NOV 18 1969

Report No. 16708

October 30, 1969

Three F Mining Co., Inc.
Box 105
Wenatchee, Washington

Gentlemen:

We hereby certify that we have analyzed a sample of

ORE

submitted to us by you on October 27, 1969, and we have to repoort as follows:

Results:

		Gold (Au)	Silver (Ag)
3	A	none	none
4	B	0.02 oz./ton	0.56 oz./ton
5	C	0.02 oz./ton	0.52 oz./ton
6	D	none	0.52 oz./ton
7	E	0.02 oz./ton	0.54 oz./ton

Respectfully submitted,

J.M. KNISELEY ENGINEERING CORPORATION

By: W. W. Yuan

WWY/ls

UNITED STATES DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY

OME - 6579
(Gold)

Three F Mining Co., Inc. Chelan County, Washington

Assay Report
Period 10/1 to 10/31/69

Cut Samples

No. 1
18" wide limestone next to footwall 13 ft. from station #4 center of drift Au None Ag 0.02

No. 2
24" wide footwall fault center of drift Au 0.36 Ag 0.54

No. 3
8" wide pyritic shale 52'x6" from dtation No. 3 north wall bottom of drift Au none Ag none

No. 4
30" wide top of drift 13' from station #4 footwall fault Au 0.02 Ag 0.56

No. 5
44" wide bottom of drift 13' from station #4 footwall fault Au 0.02 Ag 0.52

No. 6
68" wide lime and shale 29' from station #4 bottom of drift Au none Ag 0.52

No. 7
30" wide oxidized lime 29' from station #4 bottom of drift next to footwall Au 0.02 Ag 0.54

UNITED STATES
DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY
Office of Minerals Exploration
656 U. S. Court House
W. 920 Riverside Avenue
Spokane, Washington 99201

December 10, 1969

OFFICIAL COPY
O. M. E.
RECEIVED
DEC 12 1969
INITIALS | CODE
go | 120
bsf | 120
HK | 120

Memorandum

To : Chief, Office of Minerals Exploration

From : Field Officer, Region I

Subject: Final field inspection
OME-6579 (Gold)
Three F Mining Company, Inc.
Washington State Mineral Lease No. 58405
Chelan County, Washington
Contract 2281

I made an interim inspection of the Three F Mining Company property on October 26, 1969, and a final inspection on December 3, 1969. Mr. F. L. Hubbard and his nephew were at the property on October 26; I was the only one there on December 3.

The total length of drift and crosscut done as part of the contract is 149 feet. Twenty feet of timbering has been installed in the drift at the end of the crosscut (fig. 1). The drift is along a zone of shearing in which there are lenses of marble, graphitic gouge, and thin-bedded argillaceous rock.

The work has failed to find the downdip extension of the gold-bearing zone in marble. A sample across 18 inches of sheared rock in the drift is reported by the Operator to assay 0.36 ounce gold and 0.54 ounce silver per ton. Other samples of the sheared rock assayed 0.02 ounce or less gold and less than an ounce of silver per ton.

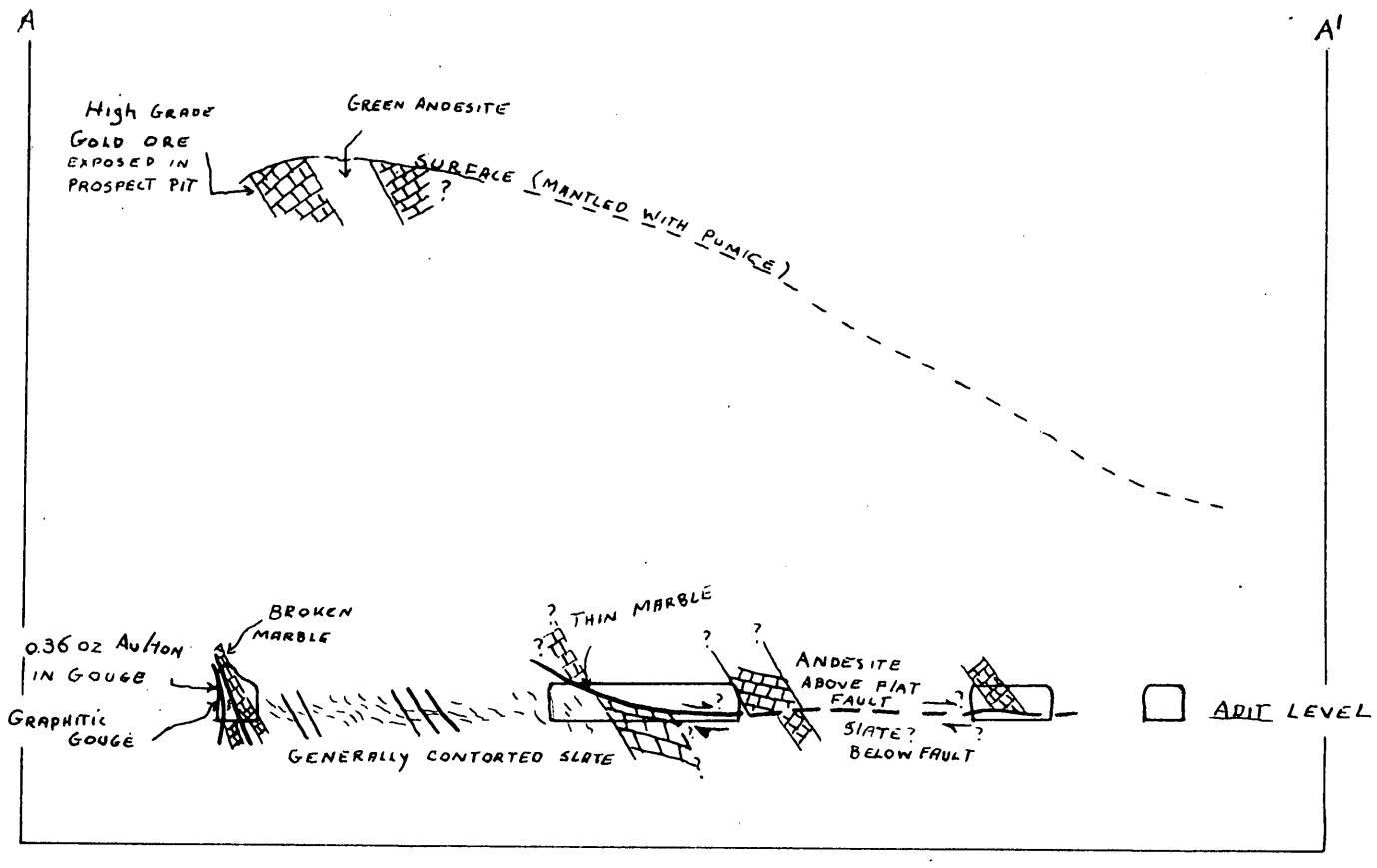
Much of the rock has been severely faulted and this has complicated correlation between exposures in the adit and those on the surface. The cross section (fig. 1) indicates that the searched-for marble could be that exposed in the adit near the beginning of OME work.

The Operator has yet to submit his final voucher and final report. He has discontinued work at the property until next summer. The work has not found good evidence of ore underground and I recommend that there be no Certification of Possible Production.

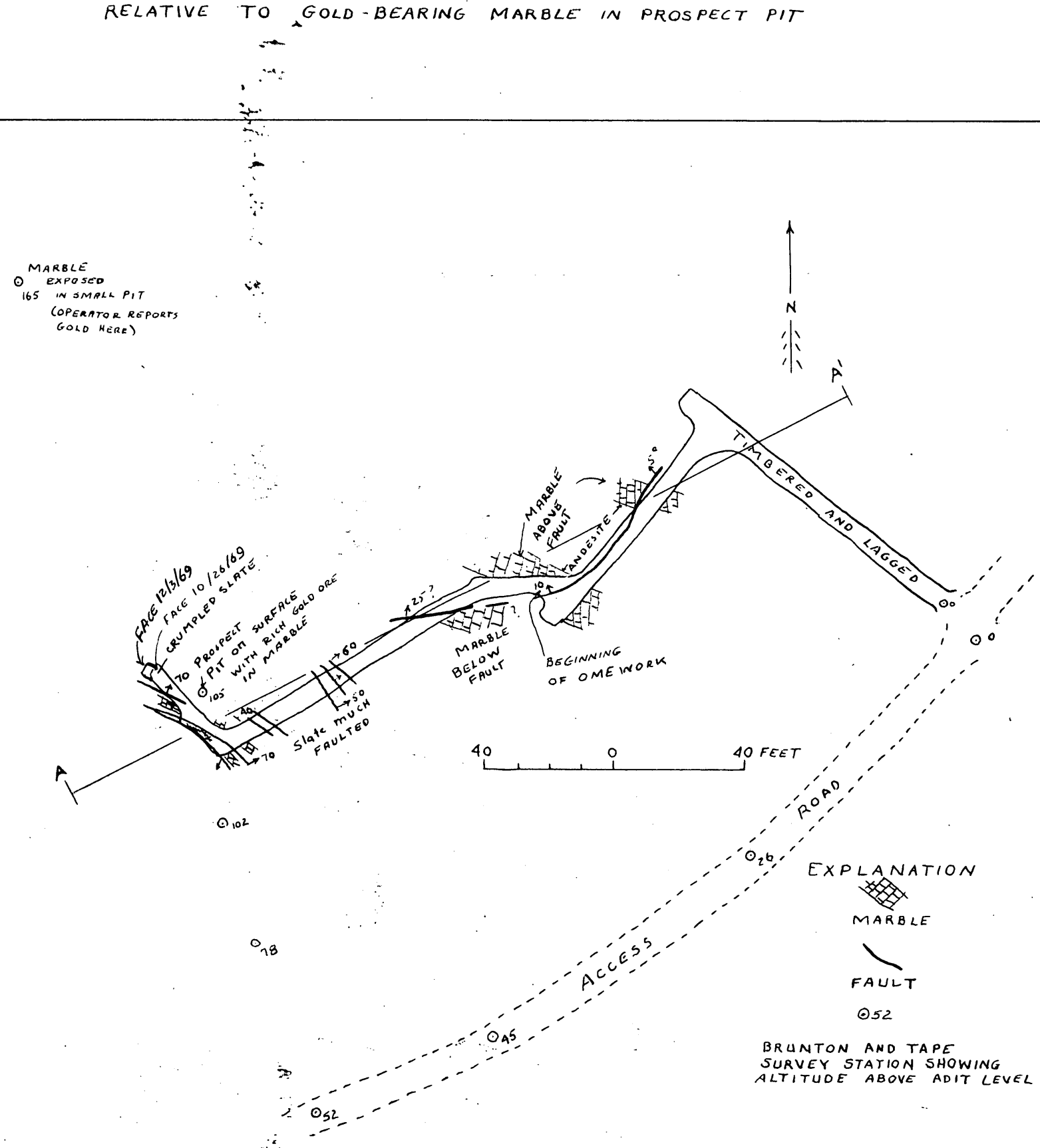
Enclosure

Willard P. Puffett

Willard P. Puffett



CROSS-SECTION A-A', SHOWING POSITION OF MARBLE IN ADIT RELATIVE TO GOLD-BEARING MARBLE IN PROSPECT PIT



MAP SHOWING GEOLOGY IN ADIT AND POSITION OF PROSPECT PIT WITH GOLD ORE

FIGURE 1- PLAN MAP AND CROSS-SECTION, 3-F MINE, SEC. 36, T. 28 N., R. 17 E., W.M., CHELAN COUNTY, WASHINGTON

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
11/25/69	Peterson	120
		120
11/25	cal	220
		120M

NOV 25 1969

Memorandum

To: Chief, Branch of Budget and Finance

From: Chief, Office of Minerals Exploration

Subject: OME-6579 (Gold)
Three F Mining Co., Inc.
Washington State Mineral Lease No. 58405
Chelan County, Washington
Contract 2281

Enclosed are the original and two copies of the Operator's Monthly Voucher for October 1969. Please withhold $100.00 from payment of this voucher pending receipt of an acceptable Operator's Final Report.

Harold Kirkemo (glc)

Harold Kirkemo

Enclosure

cc: Director's Reading File
Mineral Resources File
OME Docket
OME Reading File
OME Region I
Mr. Peterson

ECPeterson/bsl 11/24/69

9-1648
RCH-1968

RECEIVED OCT 7 1969 O. M. E. SPOKANE WASH.

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

OFFICIAL COPY O. M. E. RECEIVED OCT 17 1969 INITIALS CODE

OPERATOR'S MONTHLY VOUCHER

For Month of September, 1969

Docket No. OME 16579
Contract 14-08-0001-12281
Contract Amount $ 5800
Gov't. Participation % 75 $ 4350

Operator's Name Three F Mining Co., Inc.
Address Box 105, Wenatchee, Washington 98801

FOR OPERATOR'S USE					FOR GOVERNMENT USE ONLY			
COST ITEMS (FROM EXHIBIT A)	THIS MONTH		TO DATE		THIS MONTH		TO DATE	
	UNITS	COSTS	UNITS	COSTS	UNITS	COSTS	UNITS	COSTS
Crosscutting	35 ft	$ 1225	125	$ 4375	35	$1225.00	125	$ 4375.00
Assays	5	25	9	45	5	25.00	9	45.00
TOTALS		$ 1250		$ 4420		$1250.00		$ 4420.00

I certify that the above bill is correct and just and that payment therefor has not been received.

Date 10/6/69 *Payee Three F Mining Co., Inc.

Per [signature] Title Secretary

*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.

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)

Approved as noted, subject to field examination and audit.

Signature Willard O. Ruffert 10/7/69
OME Field Office Date

(63) 14X0804

Approved for: $ 937.50
(SUBJECT TO AUDIT)

Signature [signature]

Date OCT 15 1969 Vou. No. 02340

(SEE OTHER SIDE)

FOR OPERATOR'S USE	FOR GOVERNMENT USE
REMARKS	REMARKS

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 two parts.

FIRST, the Operator's Monthly Voucher on Form 9-1648 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 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 three copies of each of the two sections of this report to the OME regional Field Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, FORM 9-1648

In the left hand column list the items for which costs were incurred during the month, and also the items for which costs were previously reported. For items previously reported, show only UNITS TO DATE and COSTS TO DATE. Items listed should conform to Exhibit A of the contract (Estimated Costs of the Work). The total of COSTS THIS MONTH followed by the Operator's signature constitutes a claim for payment of the Government's share of the costs. The Operator or his agent must sign the certification in the lower left corner.

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, 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 unemployment taxes, employee's liability insurance, and depreciation of Operator-owned equipment. The certification may be stated thus, "Certified True Copy", 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 Field 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.

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

October 6, 1969

RECEIVED
OCT 7 1969
O. M. E. WYP
SPOKANE, WASH.

U. S. Department of the Interior
U. S. Courthouse, Room 656
West 920 Riverside Avenue
Spokane, Washington 99201

Attention: Mr. Willard Puffett

Re: OME-6579 (Gold)
Three F Mining Co., Inc.

Dear Mr. Puffett:

Enclosed herewith is the report for the month of September, 1969. This report includes the assays of samples taken from the limestone bedding. I believe that you saw the cuts from which these samples were taken.

The drift in September penetrated the limestone bedding. In October, we are continuing along the limestone bedding itself and the formation looks more encouraging.

The lone-hole drill which you requested Mr. Hubbard to make will be done as soon as possible.

Very truly yours,

F M Crollard

Frederick M. Crollard, Jr.

FMCjr:lrc
Encs.

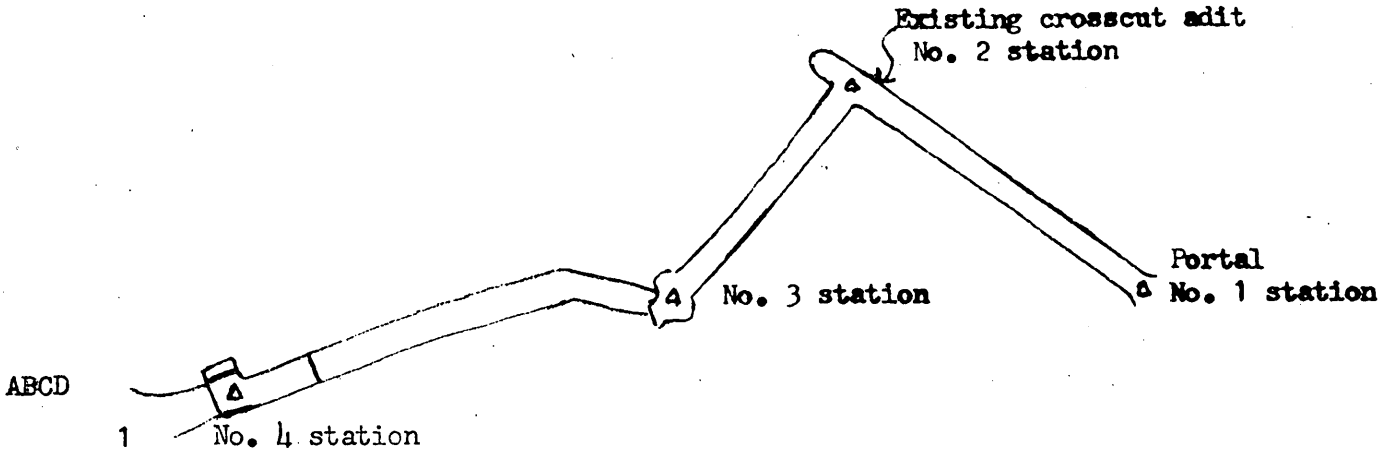
UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

OME - 6579
(Gold)

Three F Mining Co., Inc. Chelan County, Washington

Progress Report (Assays and geological formations)
Period: 9/1/69 to 9/30/69

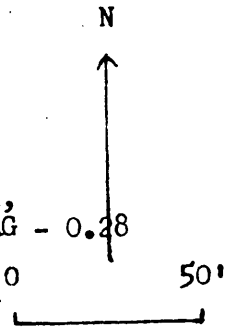
35 feet of completed drift beginning 99½ feet from station No. 3. The first 18 ft. consists of mixed-up shale laying fairly flat. We contacted a lime-stone bedding 117½' from station No. 3. The lime-stone is 7' wide mixed with shale (mostly lime). The dip is 50 degrees dipping east. The lime-stone has cracks and fissures the same as the gold bearing lime-stone surface outcropping. On the footwall there is a fault formation of unknown width. The lime-stone is more siliceuus than the other lime-stone beddings in the area. Also, there is an indication of thermal activity.



Assays; No. 1
8ft. cut sample across south face of lime AU - 0.01 AG - 0.44

(A) 1½' cut 0' to 1½' from hanging wall lime & quartz AU - 0.02 AG - 0.52
(B) 3½' cut 1½' to 5' from Hanging wall, lime & quartz, some shale AU-0.00 AG - 0.28
(C) 2' cut, 5' to 7' from hanging wall lime & quartz AU - 0.02 AG - 0.54
(D) 2' cut 7' to 9' from Hanging wall fault AU - 0.03 AG - 0.51

these assays on North face



COPY

J. M. Kniseley Engineering *Corporation*

ROckwell 7-3117
24 hour Service
P.O. Box 3724 - Seattle 98124
5807 4th Ave. So. - Seattle 98108

STAFF MEMBERSHIPS
AMERICAN CHEMICAL SOCIETY AMERICAN INSTITUTE OF CHEMISTS INSTITUTE OF FOOD TECHNOLOGISTS MARINE CHEMISTS' ASS'N
AMERICAN WOOD PRESERVERS ASS'N AMERICAN INSTITUTE OF CHEMICAL ENGINEERS NATIONAL FIRE PROTECTION ASS'N
AMERICAN INSTITUTE OF MINING, METALLURGICAL & PETROLEUM ENGINEERS

September 26, 1969

Report No. 16552

Three F Mining
105
Wenatchee, Washington

Gentlemen:

We hereby certify that we have analyzed four (4) samples of

ORE

submitted to us by you on September 22, 1969, and we have to report as follows:

Results:

	GOLD	SILVER
A	0.02 oz./ton	0.50 oz./ton
B	none	0.28 oz./ton
C	0.02 oz./ton	0.54 oz./ton
D	0.03 oz./ton	0.51 oz./ton

Sample Identification:

A	29A
B	30B
C	31C
D	32D

Respectfully submitted,

J.M. KNISELEY ENGINEERING CORPORATION

By: Ernest Street

ES/ls

COPY

J. M. Kniseley Engineering *Corporation*

ROckwell 7-3117
24 hour Service
P.O. Box 3724 - Seattle 98124
5807 4th Ave. So. - Seattle 98108

STAFF MEMBERSHIPS
AMERICAN CHEMICAL SOCIETY AMERICAN INSTITUTE OF CHEMISTS INSTITUTE OF FOOD TECHNOLOGISTS MARINE CHEMISTS' ASS'N
AMERICAN WOOD PRESERVERS ASS'N AMERICAN INSTITUTE OF CHEMICAL ENGINEERS NATIONAL FIRE PROTECTION ASS'N
AMERICAN INSTITUTE OF MINING, METALLURGICAL & PETROLEUM ENGINEERS

Report No. 16516

September 19, 1969

Ted Hubbard
16513 37 N.E.
Seattle, Washington

Dear Sir:

We hereby certify that we have analyzed a sample of

ORE

submitted to us by you on September 15, 1969, and we have to report as follows:

Gold (Au)----------0.01 oz./ton
Silver (Ag)----------0.44 oz./ton } No. 1

Respectfully submitted,

J.M. KNISELEY ENGINEERING CORPORATION

By: Ernest Street

ES/ls

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

U.S. Court House, Rm. 656
West 920 Riverside Avenue
Spokane, Washington 99201
September 26, 1969

OFFICIAL COPY
O. M. E.
RECEIVED
SEP 29 1969

INITIALS	CODE

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, OME, Region I

Subject: Interim Inspection
OME-6579 (Gold)
Three F Mining Co., Inc.
Washington State Mineral Lease No. 58405
Chelan County, Washington
Contract 2281

I made an interim inspection of the Three F Mining Co. property on Saturday, September 20, 1969. Messrs. Frederick Hubbard and Fred Fritts were at the property. The crosscut had been extended 37 feet since my last inspection. Beds of marble that strike N. 55° W. and dip 40° N. are exposed near the face of the crosscut. At the face the beds are cut and displaced by a fault that strikes N. 65° W. and dips 65° N. The marble beds are nearly vertical below the fault and contain much milky white quartz.

It is hoped by the Operators that the marble near the face is the downward extension of the gold-bearing marble exposed on the surface. They had crushed and panned some of the marble but failed to find any gold. A hole drilled into the face hit some vuggy zones that might represent a large fault zone. There are graphitic gouge seams along numerous faults in the crosscut northeast of the marble. All of these faults appear to be part of a broad zone of faulting that complicates correlation between units on the surface and in the adit.

It was decided that the marble should be explored by drifting to the northwest. Only about 29 feet of drifting remains under the contract. The Operators plan to continue drifting on their own account after the footage remaining in the contract is completed.

My next visit will be the final inspection at which time I plan to resurvey between the surface and the adit and hope to be able to more confidently correlate between units on the surface and in the adit. At present, it appears doubtful if the work will be successful in finding gold ore underground.

Willard P. Puffett
Willard P. Puffett

Distribution:
OME(Orig.&1)
Docket

MARCH 1968

OFFICIAL COPY

O. M. RECEIVED SEP 18 1969

RECEIVED SEP 18 1969 M. E. SPOKANE, WASH.

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

OPERATOR'S MONTHLY VOUCHER

INITIALS CODE

For Month of August, 1969

Docket No. OME- 6579 (Gold)
Contract 14-08-0001 2281
Contract Amount $ 5800
Gov't. Participation % 75 $ 4350

Operator's Name Three F Mining Co., Inc.
Address Box 105, Wenatchee, Washington 98801

COST ITEMS (FROM EXHIBIT A)	FOR OPERATOR'S USE: THIS MONTH UNITS	THIS MONTH COSTS	TO DATE UNITS	TO DATE COSTS	FOR GOVERNMENT USE ONLY: THIS MONTH UNITS	THIS MONTH COSTS	TO DATE UNITS	TO DATE COSTS
Cross cutting		$	15 ft	$ 525		$		$
Cross cutting			35 ft	1225				
Assaying			4	20			4	20.00
Cross cutting	40 ft	1400	40 ft	1400	40 ft	1400.00	90 ft.	3150.00
TOTALS		$ 1400		$ 3170		$ 1,400.00		$ 3170.00

I certify that the above bill is correct and just and that payment therefor has not been received.

Date Sept. 5, 1969 *Payee Three F Mining Co., Inc.

Per [signature] Title Secretary

*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)

Approved as noted, subject to field examination and audit.

Signature Willard P. Puffett 9/9/69
OME Field Office Date

(63) 14X0804

Approved for: $ 1,050.00
(SUBJECT TO AUDIT)

Signature [signature]

Date SEP 17 1969 Vou. No. 01699

(SEE OTHER SIDE)

FOR OPERATOR'S USE	FOR GOVERNMENT USE
REMARKS	REMARKS

0 8 7 9 4

U.S. GEOLOGICAL SURVEY RECEIVED
SEP 12 2 46 PM '69
BUDGET & FINANCE

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 two parts.

FIRST, the Operator's Monthly Voucher on Form 9-1648 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 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 three copies of each of the two sections of this report to the OME regional Field Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, FORM 9-1648

In the left hand column list the items for which costs were incurred during the month, and also the items for which costs were previously reported. For items previously reported, show only UNITS TO DATE and COSTS TO DATE. Items listed should conform to Exhibit A of the contract (Estimated Costs of the Work). The total of COSTS THIS MONTH followed by the Operator's signature constitutes a claim for payment of the Government's share of the costs. The Operator or his agent must sign the certification in the lower left corner.

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, 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 unemployment taxes, employee's liability insurance, and depreciation of Operator-owned equipment. The certification may be stated thus, "Certified True Copy", 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 Field 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.

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

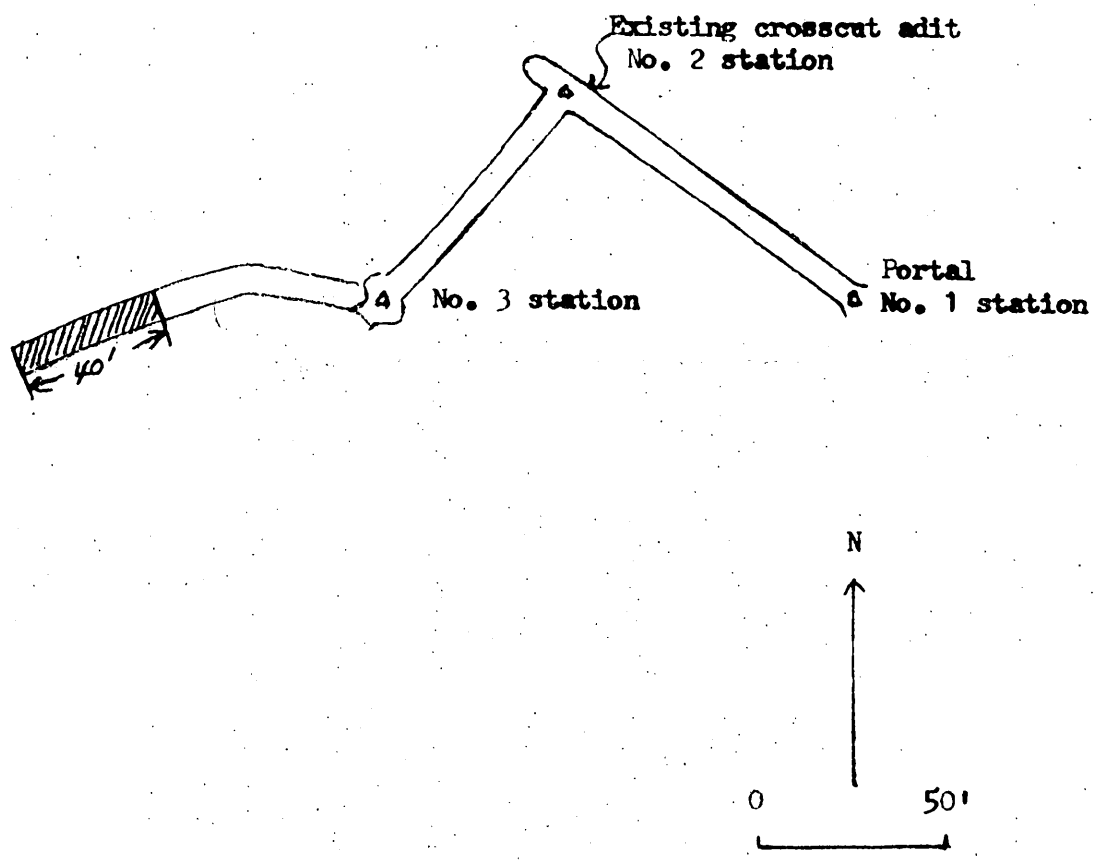
OME - 6579
(Gold)

Three F Mining Co., Inc. Chelan County, Washington

Progress Report (Assays and geological formations)
Period: 8/2/69 to 8/31/69

40 feet of completed drift

Bulk samples all in shale formation.



RECEIVED
SEP 8 1969
O. M. E.
SPOKANE, WASH.

U.S. Court House, Rm. 656
West 920 Riverside Avenue
Spokane, Washington 99201
September 9, 1969

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O. M. E.
RECEIVED
SEP 11 1969

INITIALS	CODE
	~~130~~
HK	~~120~~
bal	120 m
ME	~~120~~

Mr. Fredrick M. Crollard, Jr.
Attorney at Law
Doneen Building
P. O. Box 105
Wenatchee, Washington 98801

Re: OME-6579 (Gold)
Three F Mining Co., Inc.
Washington State Mineral Lease
No. 58405
Chelan County, Washington
Contract 2281

Dear Mr. Crollard:

In listing total units to date of crosscutting, it is customary to list the total as one figure, and it is not necessary to list each separate month's work. I have penciled in on the enclosed form the way to do it. It is not necessary to resubmit for the month of August, but follow the above method for the September voucher.

Your voucher would be much more informative if you can add some details regarding the type of rock being crosscut plus some of your operating problems, if any. We use these narrative reports to base an evaluation of the project, and the more information you can include in them, the better can be our appraisal.

Sincerely,

Willard P. Puffett
Field Officer, OME
Region I

Enclosures

WPPuffett:mls
cc: OME(2)
Voucher File

Director's Reading File

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

September 5, 1969

U. S. Department of the Interior
U. S. Courthouse, Room 656
West 920 Riverside Avenue
Spokane, Washington 99201

Attention: Mr. Willard Puffett

Re: OME-6579 (Gold)
Three F Mining Co., Inc.

Dear Mr. Puffett:

Enclosed herewith is the operator's monthly voucher for the month of August, 1969, together with the report of the work performed in August.

Will you please send me another supply of the monthly vouchers.

Very truly yours,

Frederick M. Crollard, Jr.
lrc

Frederick M. Crollard, Jr.

FMCjr:lrc
Encs.

RECEIVED
SEP 8 1969
O. M. E.
SPOKANE, WASH.

One

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

August 5, 1969

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O. M. E.
RECEIVED
AUG 8 1969
INITIALS | CODE

U. S. Department of the Interior
U. S. Courthouse, Room 656
West 920 Riverside Avenue
Spokane, Washington 99201

Attention: Mr. Willard Puffett

Re: OME-6579 (Gold)
Three F Mining Co., Inc.

Dear Mr. Puffett:

Enclosed herewith is the operator's monthly voucher for the month of July, 1969, together with the report of the work performed in July. Also included are copies of the assay reports for the assays made to date. Report for the other samples have not yet been received.

Very truly yours,

Frederick M. Crollard, Jr.

FMCjr:lrc
Encs.

to BLM 8/11

RECEIVED
AUG 8 1969
O. M. E.
SPOKANE, WASH.

FORM 9-1648
MARCH 1968

RECEIVED
AUG 6 1969
O. M. E.
SPOKANE, WASH.

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

ORIGINAL COPY RECEIVED AUG 22 1969 INITIALS OCE

OPERATOR'S MONTHLY VOUCHER

For Month of July, 1969

Docket No. OME- 6579 (Gold)
Contract 14-08-0001 2281
Contract Amount $ 5800
Gov't. Participation % 75 $ 4350

Operator's Name Three F Mining Co., Inc.
Address P. O. Box 105, Wenatchee, Wa. 98801

FOR OPERATOR'S USE					FOR GOVERNMENT USE ONLY			
COST ITEMS (FROM EXHIBIT A)	THIS MONTH		TO DATE		THIS MONTH		TO DATE	
	UNITS	COSTS	UNITS	COSTS	UNITS	COSTS	UNITS	COSTS
Crosscutting		$	15 ft	$ 525		$		$
Crosscutting	35 ft.	1225	35 ft	1225	35	1225.00	50	1750.00
Assaying	4	20	4	20	4	20.00	4	20.00
TOTALS		$ 1245		$ 1770		$1,245.00		$ 1,770.00

I certify that the above bill is correct and just and that payment therefor has not been received.

Date 8/5/69 *Payee Three F Mining Co., Inc.

Per J. M. Gollard Title Secretary

*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)

Approved as noted, subject to field examination and audit.

Signature Willard P. Puffett 8/6/69
OME Field Office Date

(63)14X0804

Approved for: $ 933.75
(SUBJECT TO AUDIT)

Signature [illegible]

Date AUG 18 1969 Vou. No. 01032
(SEE OTHER SIDE)

REMARKS 0 6 6 6 1

FOR OPERATOR'S USE

RECEIVED
U.S. GEOLOGICAL SURVEY
AUG 12 11 37 AM '69
BUDGET & FINANCE

FOR GOVERNMENT USE

REMARKS

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 two parts.

FIRST, the Operator's Monthly Voucher on Form 9-1648 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 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 three copies of each of the two sections of this report to the OME regional Field Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, FORM 9-1648

In the left hand column list the items for which costs were incurred during the month, and also the items for which costs were previously reported. For items previously reported, show only UNITS TO DATE and COSTS TO DATE. Items listed should conform to Exhibit A of the contract (Estimated Costs of the Work). The total of COSTS THIS MONTH followed by the Operator's signature constitutes a claim for payment of the Government's share of the costs. The Operator or his agent must sign the certification in the lower left corner.

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, 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 unemployment taxes, employee's liability insurance, and depreciation of Operator-owned equipment. The certification may be stated thus, "Certified True Copy", 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 Field 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.

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

OME - 6579
(Gold)

Three F Mining Co., Inc. Chelan County, Washington

Progress Report (Assays and geological formations)
Period: 6/14/69 TO 6/28/69
15 feet of completed drift

Cut samples

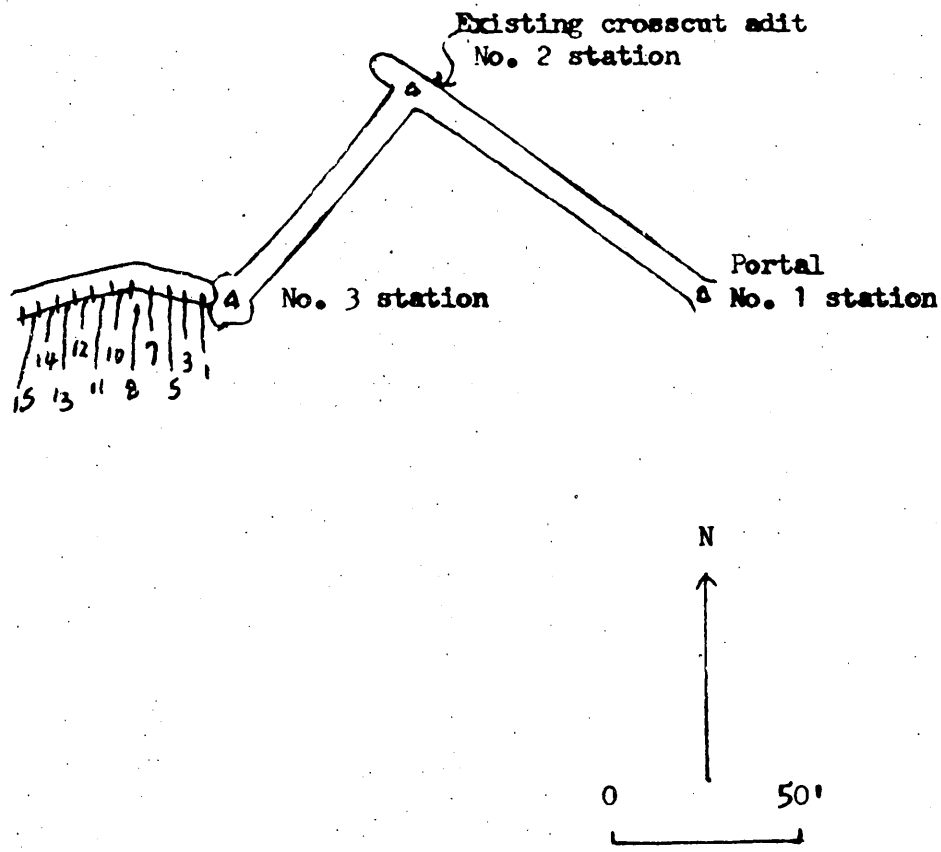
No. 1 Assay 0.04 (Au)-0.66 (Ag)
No. 3 0.02 (Au)-0.78 (Ag)
No. 5 0.01 (Au)-0.59 (Ag)
No. 7 0.02 (Au)-1.08 (Ag)

All of these samples mostly lime, some andesite

Period: 7/5/69 To 7/27/69
35 feet of completed drift

Grab samples

No. 8 --- Mostly andesite & some lime
No. 10 -- Mostly andesite & some lime
No. 11 -- Mostly andesite & some lime
No. 12 -- Mostly andesite, some shale & lime
No. 13 -- 40% andesite, 40% shale, 20% lime
No. 14 -- 50% andesite, 50% shale
No. 15 -- Mostly shale



J M Golladay Jr.
Secretary

RECEIVED
AUG 6 1969
O. M. E.
SPOKANE, WASH.

COPY

J. M. Kniseley Engineering *Corporation*

ROckwell 7-3117
24 hour Service
P.O. Box 3724 - Seattle 98124
5807 4th Ave. So. - Seattle 98108

STAFF MEMBERSHIPS
AMERICAN CHEMICAL SOCIETY AMERICAN INSTITUTE OF CHEMISTS INSTITUTE OF FOOD TECHNOLOGISTS MARINE CHEMISTS' ASS'N
AMERICAN WOOD PRESERVERS ASS'N AMERICAN INSTITUTE OF CHEMICAL ENGINEERS NATIONAL FIRE PROTECTION ASS'N
AMERICAN INSTITUTE OF MINING, METALLURGICAL & PETROLEUM ENGINEERS

Report No. 16247

July 10, 1969

Three F Mining Co., Inc.
Box 105
Wenatchee, Washington

Gentlemen:

We hereby certify that we have analyzed four (4) samples of

ORE

submitted to us on July 7, 1969 and we have to report as follows:

Sample Identification: A - #1
B - #2
C - #3
D - #7

Results:

	Gold (Au) Oz./Ton	Silver (Ag) Oz./Ton
A	0.04	0.66
B	0.02	0.78
C	0.01	0.59
D	0.02	1.08

Respectfully submitted,

J. M. KNISELEY ENGINEERING CORPORATION

By: Ernest Street

ES/ok
3 cc: Mr. Frederick Hubbard

UNITED STATES
DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY
U.S. Court House, Rm. 656
West 920 Riverside Avenue
Spokane, Washington 99201
August 20, 1969

OFFICIAL COPY
O. M. E.
RECEIVED
AUG 22 1969
INITIALS CODE
gla 30
HK 120
120 P

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, OME, Region I

Subject: Interim inspection
OME-6579 (Gold)
Three F Mining Co., Inc.
Washington State Mineral Lease No. 58405
Chelan County, Washington
Contract 2281

I made an interim inspection of the Three F Mining Co. property on Saturday, August 16, 1969. It had been hoped that by this date the gold-bearing marble zone that is the objective of the work would have been exposed in the crosscut. However, faulting has complicated the geology and the marble had not been reached.

The accompanying map is a partial geologic map of the adit and shows the work done as part of the OME contract. Details of the geology are not completely shown, but the main structural features and the several marble beds or zones are shown.

A flatly dipping fault is exposed in the walls of the crosscut. In earlier visits to the mine, I was not able to determine what, if any, offset had taken place along this fault. It was hoped that the displacement would be small and would not unduly complicate the project work. Now, I'm not so sure.

Originally, it had been expected that a 50-foot long crosscut to the southwest of the Marble no. 2 (see map), would cross through the marble in which the gold occurs on the surface. The crosscut is now about 70 feet southwest of Marble no. 2, and no other thick marble has been intersected. One reason for lack of another marble in the crosscut can be because of the offset along the flat fault. If I have properly correlated marbles above and below the fault, as shown on the accompanying map, then the marbles have been offset 20-25 feet along the flat fault, the marble on the top of the fault having been offset to the northeast. If this is the true offset, then it means that the crosscut will have to extended 20-25 feet more than originally planned to hit the objective. Unfortunately, the crosscut is at a most

inconvenient altitude, for the flat fault is exposed at waist level through much of its extent. If the crosscut was about 20 feet higher, there might not have been the problem that is now being experienced.

A total of about 90 feet of crosscut has been completed, and only 150 feet of drift and crosscut is allowed in the contract. If the marble is offset more than expected, it is conceivable that very little drifting will remain in the contract to explore it after it is intersected.

Messrs. Hubbard and Fritts, who were working during my inspection, discussed future plans with me. They strongly believed that the rock exposed in the crosscut was very similar to that on the north side of the marble on the surface and, of course, hoped that a couple or three more rounds of crosscutting will hit the marble. If the crosscut is extended another 30 feet without success, some thought should be given to long holing to search for the marble in the back of the crosscut.

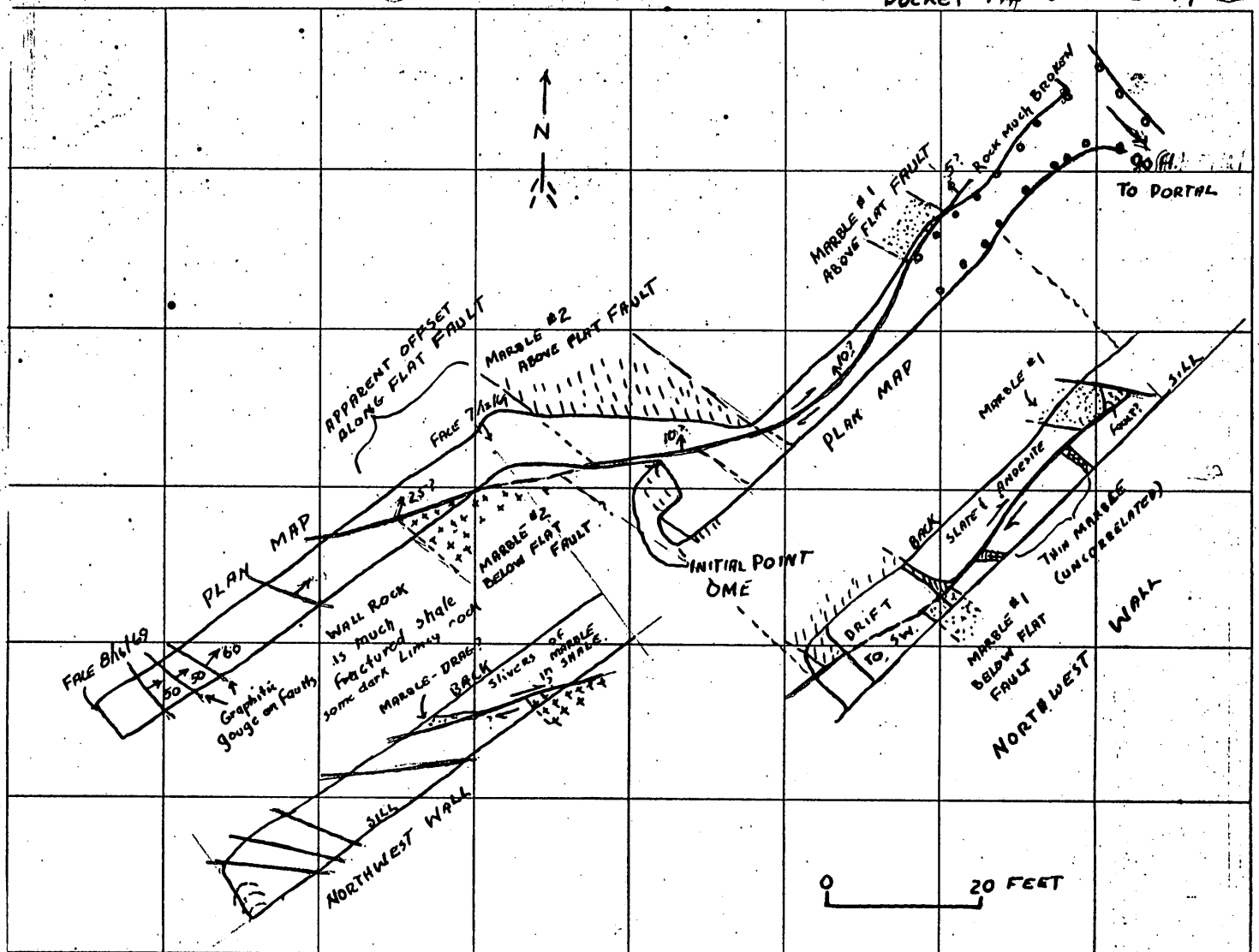
The present situation is somewhat discouraging in that the exact amount or even the direction of offset on the faults cannot be determined with assurance. It is hoped that the objective will be reached soon and that there will be sufficient funds remaining in the contract to drift along it. Possibly, if conditions warrant it, the contract can be amended to permit more drifting.

Willard P. Puffett

Willard P. Puffett

Enclosure
Distribution:
OME(Orig.&1)
Docket

Docket No OME 6579



INTERIM INSPECTION MAP

PLAN MAP AND WALL MAP - 3-F MINE

CHELAN COUNTY, WASHINGTON

SHOWING MAIN STRUCTURAL FEATURES THAT OFFSET MARBLE ZONES

MAPPED 8/16/69 - W.P.P.

K+E ALBANENE 105M TRACING PAPER 62943
J.A. Gendron Co., Spokane

FORM 9-1648
MARCH 1968

RECEIVED
JUL 10 1969
O.M.E.
SPOKANE WASH.

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

OFFICIAL COPY
O. M. E.
RECEIVED
JUL 23 1969

INITIALS

OPERATOR'S MONTHLY VOUCHER

For Month of June, 1969

Docket No. OME- 6579
Contract ~~14-08-0001~~ 2281

Operator's Name Three F Mining Co., Inc.
Address 310 Doneen Bldg., Wenatchee, Wa. 98801

Contract Amount $ 5,800.00
Gov't. Participation % 75 $ 4,350.00

FOR OPERATOR'S USE					FOR GOVERNMENT USE ONLY			
COST ITEMS (FROM EXHIBIT A)	THIS MONTH		TO DATE		THIS MONTH		TO DATE	
	UNITS	COSTS	UNITS	COSTS	UNITS	COSTS	UNITS	COSTS
Crosscutting	15 ft	$ 525	15 ft.	$ 525	15	$ 525.00	15	$ 525.00
TOTALS		$ 525		$ 525		$ 525.00		$ 525.00

I certify that the above bill is correct and just and that payment therefor has not been received.

Date July 9, 1969 *Payee Three F Mining Co., Inc.

Per Fred M. Gollard Title Secretary

*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)

Approved as noted, subject to field examination and audit.

Signature Willard P. Russell 7/14/69
OME Field Officer Date

(63) 14X0804

Approved for: $ 393.75
(SUBJECT TO AUDIT)

Signature MO

Date JUL 22 1969 Vou. No. 00530
(SEE OTHER SIDE)

FOR OPERATOR'S USE	FOR GOVERNMENT USE
MARKS	REMARKS

0 5 3 1 8 3

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U.S. GEOLOGICAL SURVEY
JUL 18 12 08 PM '69
BUDGET & FINANCE

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 two parts.

FIRST, the Operator's Monthly Voucher on Form 9-1648 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 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 three copies of each of the two sections of this report to the OME regional Field Officer at the end of each month during the life of the contract.

PREPARATION OF OPERATOR'S MONTHLY VOUCHER, FORM 9-1648

In the left hand column list the items for which costs were incurred during the month, and also the items for which costs were previously reported. For items previously reported, show only UNITS TO DATE and COSTS TO DATE. Items listed should conform to Exhibit A of the contract (Estimated Costs of the Work). The total of COSTS THIS MONTH followed by the Operator's signature constitutes a claim for payment of the Government's share of the costs. The Operator or his agent must sign the certification in the lower left corner.

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The requirement for submitting documentary evidence of claimed costs may be waived by the OME regional Field 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.

PROGRESS REPORT FOR THE MONTH OF
JUNE, 1969

An advance of 15 feet was made in the cross cut. The material encountered was mostly andesite and some limestone.

Cut samples were taken every 5 feet and also grab samples taken. When the assays have been made, copies of the reports will be submitted.

DATED July 9, 1969.

THREE F MINING CO., INC.

By Fred M. Goddard
Secretary

RECEIVED
JUL 10 1969
D.M.G.
STORAGE VAULT

UNITED STATES
DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY
U.S. Court House, Rm. 656
West 920 Riverside Avenue
Spokane, Washington 99201
July 15, 1969

OFFICIAL
COPY
O. M. E.
RECEIVED
JUL 17 1969
INITIALS CODE
Jla 130
Ral 120
HK 120
KD 100

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, OME, Region I

Subject: Interim Inspection
OME-6579 (Gold)
Three F Mining Co., Inc.
Washington State Mineral
Lease No. 58405
Chelan County, Washington
Contract 2281

I made an interim inspection of the Three F Mining Co. property on Saturday morning, July 12, 1969. On the previous day, I spent an hour discussing procedures for vouchering and other aspects of the contract with Mr. Frederick Crollard, Jr., secretary-treasurer of the corporation, in Wenatchee, Washington.

Messrs. Fred Fritts and Frederick Hubbard were at the property on Saturday. We examined the new crosscut, discussed changes to be made in the bearing of the crosscut, and methods of collecting samples for assay. I spent about 2 hours at the property.

Work had started under terms of the contract in June 1969. The Operators have submitted a voucher for 15 feet of crosscutting in June. As of July 12, the crosscut had been advanced 24 feet on a bearing of N. 85° W. A check with the map attached to the contract shows that the crosscut should be on a heading of about S. 65° W. The Operators were advised to turn the heading to the more southerly trend.

Broken rock from the last round obscured much of the wall rock near the face of the crosscut. Marble, dense andesite, and foliated gray rock that might be volcanic are exposed in the back. A flat-dipping fault crosses the new work at about waist level; offset along this fault cannot be determined as yet. Gouge along the fault is as much as 8 inches thick. The new work has been cutting across the foliation at a low angle; the new heading will cut it at a higher angle. Hopefully, another 30 feet of advance will have cut through the limestone bed that is the objective of the crosscut. The Operators were told to advise me when they had done this.

Samples of the broken rock from each round had been retained. Samples of wall rock had been submitted for assay; results will be submitted with the next voucher. The Operators were advised to retain samples of the broken rock from each round, but it would not be necessary to have them all assayed unless the wall rock shows promise of containing ore. They were advised to systematically sample the crosscut and/or drifts later in the project after a better evaluation of the geology could be made.

No timbering has been necessary. About a box of powder is used in each round; 22 to 24 holes are drilled for each round. Some secondary breakage is necessary for large blocks that broke sub-parallel to the foliation are in the muck pile. Possibly, better breakage will be obtained when the crosscut is turned at more of an angle to the foliation.

Willard P. Puffett

Willard P. Puffett

Distribution:
OME (Orig.&1)
Docket

U.S. Court House, Rm. 656
West 920 Riverside Avenue
Spokane, Washington 99201
June 13, 1969

OFFICIAL COPY
O. M. E.
RECEIVED
JUN 24 1969

INITIALS	CODE
	130
	120
HK	130
	120

Mr. Predrick M. Crollard, Jr.
Attorney-at-Law
Doneen Building
P. O. Box 105
Wenatchee, Washington 98801

Re: OME-6579 (Gold)
Three F Mining Co., Inc.
Washington State Mineral Lease
No. 58405
Chelan County, Washington
Contract 2281

Dear Mr. Crollard:

We are enclosing a three-month supply of the Operator's Monthly Voucher, Form 9-1648. 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 of Nondiscrimination in Employment." In accordance with Executive Order 11246, 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 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,

Mary L. Smelser for
Willard P. Puffett
Field Officer, OME
Region I

Enclosures

MLSmelser:mls
cc: OME
Director's Reading File

OFFICIAL
COPY
O. M. B.
RECEIVED
JUN 24 1959

INITIALS	CODE

RECEIVED
U.S. BEPT. OF AGRIC. SURVEY
JUN 16 10 32 AM '69
BUDGET & FINANCE DIVISION

OFFICIAL COPY
O. M. E.
RECEIVED
JUN 11 1969

INITIALS	CODE
	130
	120
HK	120

U.S. Court House, Rm. 656
West 920 Riverside Avenue
Spokane, Washington 99201
June 9, 1969

Mr. Fredrick M. Crollard, Jr.
Attorney-at-Law
Doneen Building
P. O. Box 105
Wenatchee, Washington 98801

Re: OME-6579 (Gold)
Three F Mining Co., Inc.
Washington State Mineral Lease
No. 58405
Chelan County, Washington

Dear Mr. Crollard:

Enclosed are the original and three copies of a proposed contract to explore the subject property. The contract consists of MME Form 51 (3 pages), Annex I (1 page), one Performance Bond, two Affidavit of Individual Surety, Exhibit A (2 pages), Exhibit B (1 page), and two maps (figs. 1 and 2). The date for commencement of the work should be inserted in Article 1(a) of the contract. All copies of the contract have been signed for the Government.

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 8½ percent interest accrues from the dates on which the individual payments are made by the Government and like the principal is payable from royalty on production.

Sincerely,

Willard P. Puffett
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
6/3/69	Peterson	120
"	Kirkemo	120
	Kilgore	
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		120M

JUN 6 1969

AIRMAIL

Memorandum

To: Field Officer, Region I

From: Chief, Office of Minerals Exploration

Subject: OME-6579 (Gold)
Three F Mining Co., Inc.
Washington State Mineral Lease No. 58405
Chelan County, Washington

Enclosed are the original and three copies of a proposed contract for the subject property. The contract consists of MME Form 51 (3 pages), Annex I (1 page), one Performance Bond, two Affidavit of Individual Surety, Exhibit A (2 pages), Exhibit B (1 page) and two maps (Figures 1 and 2). All copies of the contract have been signed for the Government. You should insert the date for commencement of the work. Also enclosed is an extra copy of the contract for field use.

If the proposed contract is satisfactory to you and the Applicant, all four copies should be signed by an authorized representative of the Applicant. Thereafter, please distribute the copies as usual.

Please advise the Applicant that the 8-1/4 percent interest accrues from the dates on which individual payments are made by the Government and like the principal is repayable from royalty on production.

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

Harold Kirkemo (gla)
Harold Kirkemo

Enclosures

cc: Director's Reading File
Economic Geology File
OME Docket
OME Reading File
Mr. Peterson
130

BSLong/1 6/3/69

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

April 7, 1969

Copy to R-I

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U. S. Department of the Interior
Geological Survey
Washington, D. C. 20242

Attention: Mr. Harold Kirkemo

Re: OME-6579 (Gold)
Three F Mining Co., Inc.
Washington State Mineral
Lease No. 58405
Chelan County, Washington

Dear Mr. Kirkemo:

We have received your letter dated March 28, 1969, regarding the contract for exploration assistance to the Three F Mining Co. We had hoped that since there is merely a change in the type of organization of the applicant, that the contract contemplated for the F.H.G. Mining Co. would be entered into by the Three F Mining Co. We had assumed that there would be no problems in this regard.

However, if it is not possible to make this change, the Three F Mining Co. still wishes to proceed. Accordingly, the program as mentioned in your letter is acceptable to the Three F Mining Co.

Very truly yours,

F M Crollard Jr.

Frederick M. Crollard, Jr.

FMCjr:lrc

ECPeterson/bsl
DRAFT 3/28/

W Legal 4/8

~~EP 120~~
~~HR 120~~

MME Form 51
July 1965

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
U. S. Geological Survey

120M

EXPLORATION CONTRACT
(Short Form)

Docket	Commodity	Contract No.	County	State
OME-6579	Gold		Chelan	Washington

It is agreed _____ (Date), between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and

Three F Mining Co., Inc.

,

whose mailing address is 310 Doneen Building, Wenatchee, Washington 98801, hereinafter called the "Operator," as follows:

ARTICLE I. Authority and scope.--(a) This contract, entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before _____ (Date), and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within 9 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 $ 5,800.00. The Government will contribute 75 ~~50~~ percent of the total fixed unit costs of the work performed, not in excess of $ 4,350.00 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

(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 purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Government, and this estimate shall be final and binding upon the Operator 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, U. S. Geological Survey, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Operator. The decision of the Director, U S. Geological Survey, 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, U. S. Geological Survey, 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, U. S. Geological Survey," 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 U. S. Geological Survey 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.

ARTICLE 14. Changes and added provisions.--

_____

_____

_____

_____

Executed in quadruplicate the day and year first above written.

THREE F MINING CO., INC.
(Operator)

By _____

Title _____

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]

EXPLORATION CONTRACT
THREE F MINING CO., INC.
OME-6579

ANNEX I

The land including all rights pertaining thereto, referred to in Article 2 of the contract, consists of the SE1/4NW1/4, N1/2NE1/4SW1/4, SE1/4NE1/4SW1/4, NW1/4NW1/4SE1/4, S1/2NW1/4SE1/4, and SW1/4SE1/4 of sec. 36, T. 28 N., R 17 E., WB&M, Chelan County, Washington.

The Operator is in possession of the land under the terms of an Assignment, dated February 17, 1969, assigning the State of Washington Mineral Prospecting Lease No. 58405, dated January 10, 1968, to the Operator.

A Performance Bond in lieu of Lien and Subordination Agreements in the amount of $4,350.00 is attached and made part hereof.

The property is shown outlined in blue on Figure 1, entitled, "Property map, Three F Mining Co., Inc., Chelan County, Washington," attached and made part hereof.

EXPLORATION CONTRACT
THREE F MINING CO., INC.
OME-6579

EXHIBIT A

The purpose of this project is to explore by crosscutting and drifting for gold-bearing ore bodies in and along quartz veins that traverse steeply dipping limestone beds of the Swauk formation of Eocene age.

General Provisions

All 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 rail shall be not less than 16-pound size, air line not less than 2-inch diameter, water line not less than 3/4-inch diameter, and ventilation line not less than 10-inch diameter.

All significantly mineralized areas traversed by the exploratory workings shall be chip or channel sampled normal to their trends of linear intervals of not more than 5 feet. In addition, a representative bulk sample may be taken of each round broken.

Each sample shall be split as necessary and one split 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 shall be submitted with the Operator's monthly report which shall also include a map or sketch showing the work completed during the reporting period, the location of all samples taken, and the general geological 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.

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

Description of the Work

The work shall consist of extending the existing crosscut adit in a southwesterly direction approximately 50 feet to the limestone, and drifting northwesterly and southeasterly from the crosscut along the limestone. It is estimated that 100 feet of drifting will be required.

The approximate location of the proposed work is shown in green on Figure 2 entitled "Proposed exploration, Three F.Mining Co., Inc. Chelan County, Washington," attached and made part hereof.

Estimated Costs of the Work

Fixed Unit Costs 1/

Crosscutting and drifting,	
150 feet @ $35.00/ft.	$5,250.00
Timbering,	
35 feet @ $11.00/ft.	385.00
Assaying for Gold and Silver,	
33 samples @ $5.00/sample	165.00
Total Estimated Cost of Project	$5,800.00
Government Participation @ 75%	$4,350.00

1/ Includes all cost no individually listed such as labor, materials, supplies, equipment supervision, professional services, office expenses, taxes, and insurance. The Government retains no equity in any of theequipment or materials used.

FORM 6 REFERENCE SLIP

REV. 2-59 - OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. Assoc. Sol.--MR, Room 5554 (Through Room 6042)		
2. Mr. Peterson, Room 4459		
3. SOLICITOR		
4. APR 9 - 1969 11950 3/23		
5. INTERIOR DEPT.		
FROM: Acting Chief, OME, Room 4460		

FOR: Check items for action desired

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

REMARKS: An exploration contract similar to the attached one was originally prepared for the F.H.G. Mining Co., a partnership. However the contract was never signed as the partnership was dissolved and the application withdrawn.

Two of the partners and a third person formed a new company (Three F Mining Co., Inc.) and have applied for assistance to perform the exploration proposed by F.H.G.

Material relating to the new application can be found on the left side of the docket.

Ed Peterson

INT.-DUP. SEC., WASH., D.C. M50943

Changed to Three F Mining Co., Inc.

Extra Copy

MME Form 51
July 1965

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
U. S. Geological Survey

EXPLORATION CONTRACT
(Short Form)

Docket	Commodity	Contract No.	County	State
OME 6579	Coal	2277	Chelan	Washington

It is agreed NOV 5 1968 (Date), between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and

~~R. B. C. Mining Company, a partnership~~
Three F Mining Co., Inc.

whose mailing address is ~~16513 37th S.E., Seattle, Washington 98166~~ 310 Doneen Building Wenatchee, Washington 98801, hereinafter called the "Operator," as follows:

ARTICLE I. Authority and scope.--(a) This contract, entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before _____ (Date), and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within 9 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 $ 6,000.00. The Government will contribute ~~50~~ 70 percent of the total fixed unit costs of the work performed, not in excess of $ 4,200.00 in accordance with the provisions of Articles 4 and 5.

(c) Interest computation.--Simple interest at the rate of ~~7 2/3~~ _____ 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

(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.

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(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.

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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 purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Government, and this estimate shall be final and binding upon the Operator 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, U. S. Geological Survey, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Operator. The decision of the Director, U. S. Geological Survey, 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, U. S. Geological Survey, 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, U. S. Geological Survey," 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 U. S. Geological Survey 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.

ARTICLE 14. Changes and added provisions.--

Executed in ~~quintuplicate~~ quadruplicate ~~sextuplicate~~ the day and year first above written.

three E. Mining Co.

E. H. C. MINING COMPANY
(Operator)

By Fred C. Fritts, Partner

By Frederick L. Hubbard, Partner

By Earl R. Graybeal, Partner

THE UNITED STATES OF AMERICA

By Arthur A. Baker
Acting 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]

EXPLORATION CONTRACT
F. H. G. MINING CO.
OME-6579

ANNEX I

The land including all rights pertaining thereto referred to in Article 2 of the contract, consists of the SE1/4NW1/4, N1/2NE1/4SW1/4; SE1/4NE1/4SW1/4, NW1/4NW1/4SE1/4, S1/2NW1/4SE1/4, and SW1/4SE1/4 of Sec. 36, T. 28 N., R 17 E., WB&M, Chelan County, Washington.

The Operator is in possession of the land under the terms of an Assignment dated February 17, 1969 assigning the State of Washington Mineral Prospecting Lease No. 58405, dated January 10, 1968, to the Operator.

A Performance Bond in lieu of Lien and Subordination Agreements in the amount of $4,350.00 is attached and made part hereof.

The property is shown outlined in blue on Figure 1 entitled, "Property map, F. H. G. Mining Co., Chelan County, Washington," attached and made part hereof.

EXPLORATION CONTRACT
F. H. G. MINING CO.
OME-6579

EXHIBIT A

The purpose of this project is to explore by crosscutting and drifting for gold-bearing ore bodies in and along quartz veins that traverse steeply dipping limestone beds of the Swauk formation of Eocene age.

General Provisions

All 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 rail shall be not less than 16-pound size, air line not less than 2-inch diameter, water line not less than 3/4-inch diameter, and ventilation line not less than 10-inch diameter.

All significantly mineralized areas traversed by the exploratory workings shall be chip or channel sampled normal to their trends at linear intervals of not more than 5 feet. In addition, a representative bulk sample may be taken of each round broken.

Each sample shall be split as necessary and one split 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 shall be submitted with the Operator's monthly report which shall also include a map or sketch showing the work completed during the reporting period, the location of all samples taken, and the general geological 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.

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

Description of the Work

The work shall consist of extending the existing crosscut adit in a southwesterly direction approximately 50 feet to the limestone, and drifting northwesterly and southeasterly from the crosscut along the limestone. It is estimated that 100 feet of drifting will be required.

The approximate location of the proposed work is shown in green on Figure 2 entitled "Proposed exploration, F. H. G. Mining Co~~mpany~~, Chelan County, Washington," attached and made part hereof.

Estimated Costs of the Work

Fixed Unit Costs 1/

Crosscutting and drifting, 150 feet @ $35.00/ft.	$5,250.00
Timbering, 35 feet @ $11.00/ft.	385.00
Assaying for Gold and Silver, 33 samples @ $5.00/sample	165.00
Total Estimated Cost of Project	$5,800.00
Government Participation @ 75%	$4,350.00

1/ Includes all costs not individually listed such as labor, materials, supplies, equipment, supervision, professional services, office expenses, taxes, and insurance. The Government retains no equity in any of the equipment or materials used.

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
3/28/69	Peterson	120
		120
		220
		120M

AIRMAIL

MAR 28 1969

Three F Mining Co., Inc.
310 Doneen Building
Wenatchee, Washington 98801

Re: OME-6579 (Gold)
Three F Mining Co., Inc.
Washington State Mineral
Lease No. 58405
Chelan County, Washington

Gentlemen:

In compliance with your recent request we have withdrawn the application for exploration assistance of the F.H.G. Mining Company, and have reassigned its docket number (OME-6579) to the new application submitted by the Three F Mining Company.

The application has been reviewed and we are prepared to draft a contract similar to the one offered the F.H.G. Mining Company. Unfortunately, OME funds remaining in this fiscal year are limited to the support of our current obligations. Consequently, we would be unable to execute the proposed contract until after July 1, when additional funds are expected to become available.

If such a program is acceptable to you under these conditions, please advise us, and we will be glad to prepare a contract and forward it to you for review and signature sometime before July 1.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Acting Chief
Office of Minerals Exploration

cc: Director's Reading File
Economic Geology File
OME Docket
OME Reading File
Region I
Mr. Peterson

ECPeterson/bsl 3/28/68

MME FORM 6
REV.

REFERENCE SLIP
OFFICE OF MINERALS EXPLORATION

TO: Ass't. Chief, OME

		DATE	INITIALS
1.	Re: Application for OME Financial Assistance	3/24/69	
2.	Three F Mining Co., Inc.		
3.	Formerly: F.H.G. Mining Co. (OME-6579)		
4.	Wash. State Mineral Lease No. 58405		
5.	Chelan County, Wash. DRM		

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

FOR: Check items for action desired

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

REMARKS:

OFFICIAL COPY
O. M. E.
RECEIVED
MAR 27 1969

INITIALS	CODE
	130
	120 MS
	120

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

M56300-62

WPP

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

March 20, 1969

U. S. Department of the Interior
Geological Survey
U. S. Courthouse, Rm. 656
W. 920 Riverside Avenue
Spokane, Washington 99201

Attention: Mr. Willard P. Puffett

Re: Application for OME Financial Assistance
Three F Mining Co., Inc.

Dear Mr. Puffett:

I received your letter dated March 19th in which you set forth four additional documents in connection with the above-entitled application.

1. I have written to Mr. Hubbard instructing him to write a letter on behalf of F.H.G. Mining Co. requesting its application be withdrawn. I told him to mail the letter directly to you in order to save time. I assume that you will be receiving that letter within a few days.

2. I am returning herewith the copy of the contract between the Government and F.H.G. Mining Co. which Mr. Puffett very courteously let me examine.

3. Enclosed are two copies of the letters from the Three F Mining Company to the Banks requesting a loan. You have the letters from the Banks refusing the loan application.

4. I apparently overlooked the back page of the Assignment of the lease which was approved by the Department of Natural Resources. Enclosed are two copies of the back page setting forth the certificate of assignors acknowledgment.

Thank you very much for your attention to this matter. Your help is greatly appreciated.

Very truly yours,

F M Crollard Jr

Frederick M. Crollard, Jr.

FMCjr:lrc
Encs.

RECEIVED
MAR 21 1969
O. M. E.

XERO COPY XERO COPY XERO COPY XERO COPY

MME FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS EXPLORATION

TO: Ass't. Chief, OME

1. Re: OME-6579 (Gold)

2. F.H.G. Mining Co.

3. Wash. State Mineral Lease No. 58405 Chelan County, Wash.

4.

5. D. R. MacLaren

FROM: Fld. Officer, Reg. I

DATE	INITIALS
3/24/69	

OFFICIAL COPY
O. M. E.
RECEIVED
MAR 27 1969

INITIALS	CODE
	130
	~~120~~ W
	120

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:

Return of Exploration Contract No. 2275 on the above-referenced property located in Chelan County, Wash.

INT.-DUP. SEC., WASH., D.C. M56300-62

Mr. Frederick L. Hubbard
Three F Mining Co., Inc.
formerly F. H. G. Mining Co.
16513 - 37th N. E.
Seattle, Washington 98155
March 21, 1969

Mr. Willard P. Puffett
United States
Department Of The Interior
Office Of Minerals Exploration
Geological Survey
U. S. Court House, Rm. 656
West 920 Rverside Avenue
Spokane, Washington 99201

Re: OME-6579 (Gold)
F. H. G. Mining Co.
Washington State Mineral
Lease No. 58405
Chelan County, Washington

Dear Mr. Puffett:

The F. H. G. MiningCo. requests the withdrawal of the partnership; Frederick L. Hubbard, Fred G. Fritts, and Earl R. Graybeal, of the mineral exploration financial assistance application, OME-6579.

Our new corporation (Three F Mining Co., Inc.), consists of two of the former partners, with replacement of Mr. Graybeal by Mr. Frederick M. Crollard Jr., P. O. Box 105 Wenatchee, Washington 98801. We have applied to your office for financial assistance under the corporation name using the same information previously submitted.

I hope the change of partnership will not deter our contract. Under our new organization we will be more efficient to carry on this exploration.

Very truly yours,

Frederick L. Hubbard

Frederick L. Hubbard

RECEIVED
MAR 24 1969
O. M. E.
SPOKANE, WASH.

F.H.G.
Correspon-
dence

All copies returned unsigned per Applicant's request - to be withdrawn of the partnership, new corporation THREE MINING CO., INC.

Government's Copy

MME Form 51
July 1965

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
U. S. Geological Survey

EXPLORATION CONTRACT
(Short Form)

Docket	Commodity	Contract No.	County	State
OME -6579	Gold	[illegible]	Chelan	Washington

It is agreed NOV 5 1968 (Date), between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and

F. H. G. Mining Company, a partnership,

whose mailing address is 16513 37th N. E., Seattle, Washington 98155, hereinafter called the "Operator," as follows:

F.H.G. Contract-(Renamed)

ARTICLE I. Authority and scope.--(a) This contract, entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before _____ (Date), and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within 9 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 $ 5,800.00. The Government will contribute ~~xx~~ 75 percent of the total fixed unit costs of the work performed, not in excess of $4,350.00 in accordance with the provisions of Articles 4 and 5.

(c) Interest computation.--Simple interest at the rate of 7-½ 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

(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 purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Government, and this estimate shall be final and binding upon the Operator 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, U. S. Geological Survey, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Operator. The decision of the Director, U. S. Geological Survey, 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, U. S. Geological Survey, 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, U. S. Geological Survey," 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 U. S. Geological Survey 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.

ARTICLE 14. Changes and added provisions.--

Executed in quadruplicate the day and year first above written.

F. H. G. MINING COMPANY
(Operator)

By _____
Fred G. Fritts, Partner

By _____
Frederick L. Hubbard, Partner

By _____
Earl R. Graybeal, Partner

THE UNITED STATES OF AMERICA

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

Bliss
Lony
Peterson
Kistemo
Johnson
Kilsgaard
Nyman

App'd. Sol. Off.

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

EXPLORATION CONTRACT
F. H. G. MINING CO.
OME-6579

ANNEX I

The land including all rights pertaining thereto, referred to in Article 2 of the contract, consists of the SE1/4NW1/4, N1/2NE1/4SW1/4, SE1/4NE1/4SW1/4, NW1/4NW1/4SE1/4, S1/2NW1/4SE1/4, and SW1/4SE1/4 of Sec. 36, T. 28 N., R 17 E., WB&M, Chelan County, Washington.

The Operator is in possession of the land under the terms of a State of Washington Mineral Prospecting Lease No. 58405, dated January 10, 1968.

A Performance Bond in lieu of Lien and Subordination Agreements in the amount of $4,350.00 is attached and made part hereof.

The property is shown outlined in blue on Figure 1 entitled, "Property map, F. H. G. Mining Company, Chelan County, Washington," attached and made part hereof.

EXPLORATION CONTRACT
F. H. G. MINING CO.
OME-6579

EXHIBIT A

The purpose of this project is to explore by crosscutting and drifting for gold-bearing ore bodies in and along quartz veins that traverse steeply dipping limestone beds of the Swauk formation of Eocene age.

General Provisions

All 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 rail shall be not less than 16-pound size, air line not less than 2-inch diameter, water line not less than 3/4-inch diameter, and ventilation line not less than 10-inch diameter.

All significantly mineralized areas traversed by the exploratory workings shall be chip or channel sampled normal to their trends at linear intervals of not more than 5 feet. In addition, a representative bulk sample may be taken of each round broken.

Each sample shall be split as necessary and one split 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 shall be submitted with the Operator's monthly report which shall also include a map or sketch showing the work completed during the reporting period, the location of all samples taken, and the general geological 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.

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

Description of the Work

The work shall consist of extending the existing crosscut adit in a southwesterly direction approximately 50 feet to the limestone, and drifting northwesterly and southeasterly from the crosscut along the limestone. It is estimated that 100 feet of drifting will be required.

The approximate location of the proposed work is shown in green on Figure 2 entitled "Proposed exploration, F. H. G. Mining Company, Chelan County, Washington," attached and made part hereof.

Estimated Costs of the Work

Fixed Unit Costs 1/	
Crosscutting and drifting, 150 feet @ $35.00/ft.	$5,250.00
Timbering, 35 feet @ $11.00/ft.	385.00
Assaying for Gold and Silver, 33 samples @ $5.00/sample	165.00
Total Estimated Cost of Project	$5,800.00
Government Participation @ 75%	$4,350.00

1/ Includes all costs not individually listed such as labor, materials, supplies, equipment, supervision, professional services, office expenses, taxes, and insurance. The Government retains no equity in any of the equipment or materials used.

EXHIBIT B

NONDISCRIMINATION IN EMPLOYMENT

(Section 202, Executive Order 11246, September 24, 1965)

"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 nondiscrimination clause.

'(2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, creed, color, or national origin.

'(3) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or workers' representative of the contractor's commitments under Section 202 of Executive Order No. 11246 of September 24, 1965, 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. 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

'(5) The contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor 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 such 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. 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, 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 Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, 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.'"

OFFICIAL
COPY
O. M. E.
RECEIVED
MAR 2 1969
INITIALS | CODE
HK 120

U.S. Court House, Rm. 656
West 920 Riverside Avenue
Spokane, Washington 99201
March 19, 1969

Mr. Frederick M. Crollard, Jr.
Attorney at Law
P. O. Box 105
Wenatchee, Washington 98801

Re: Application for OME Financial Assistance
Three F Mining Co., Inc.
Formerly: F.H.G. Mining Co.
(OME-6579)
No. 58405
Chelan County, Washington

Dear Mr. Crollard:

We have received your letter of March 18, 1969, enclosing the above-cited application. However, there are four documents without each of which we cannot proceed. They are:

1. A letter, in duplicate, from Mr. Hubbard in behalf of the F.H.G. Mining Company requesting that their application be withdrawn.

2. Return of the copy of contract between the Government and F.H.G. sent to you at Mr. Hubbard's request by Willard P. Puffett on December 17, 1968.

3. Two copies each of the letters that Three F Mining Company wrote to the banks as required by item 1(a) on the back of the application form; apparently, these were overlooked when you assembled the application.

4. The copies of the Lease Assignment are probably acceptable; however, we also require copies of the Assignment of the State of Washington Department of Natural Resources showing the notarized signature.

As soon as we receive all of the above documents, we will forward your application to our office in Washington, D. C., for further processing.

Sincerely,

D. R. MacLaren
Field Officer, OME
Region I

DRMacLaren:mls

Director's Reading File

cc: OME w/cpy incoming let. wo/copies of appln. and other documentation.

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

March 18, 1969

U. S. Department of the Interior
Geological Survey
W. 920 Riverside Avenue
Spokane, Washington 99201

Attention: Mr. Willard P. Puffett

Re: OME-6579 (Gold)
Three F Mining Co., Inc.
(formerly F.H.G. Mining Company)
Washington State Mineral Lease
No. 58405
Chelan County, Washington

Dear Mr. Puffett:

F.H.G. Mining Company has pending an application for financial assistance in minerals exploration under the above-captioned number. There has been a change in the organization of that partnership. The Company has incorporated under the laws of Washington. A copy of the Articles of Incorporation is enclosed. The interest of Earl Graybeal in the partnership was assigned to Frederick M. Crollard, and he is one of the incorporators.

Three F Mining Co., Inc. now applies for financial assistance in minerals exploration upon the same terms and conditions as the former application of the partnership. Enclosed is the application of the successor Corporation. The lease held by the partnership has now been assigned to the Corporation, and a copy of the assignment is enclosed. Likewise, letters from two Banks showing that loans cannot be made to the Corporation are enclosed.

The balance of the information required with this application is the same as set forth in the prior application of the partnership, and I assume that reference can be made to that application file to avoid duplication.

The performance bond of the Three F Mining Co., Inc., together with the affidavits of the individual sureties is enclosed.

Also enclosed is a financial statement of the Corporation.

If further information is needed, please do not hesitate to call me.

Very truly yours,

F M Crollard Jr.

Frederick M. Crollard, Jr.

FMCjr:lrc
Encs.

RECEIVED
MAR 19 1969
U.S.G.S.
SPOKANE, WASH.

IN REPLY REFER TO

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
U.S. Court House, Rm. 656
West 920 Riverside Avenue
Spokane, Washington 99201
March 13, 1969

OFFICIAL COPY
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MEMORANDUM

To: Files

From: Willard P. Puffett, Geologist

Subject: OME-6579 (Gold)
F.H.G. Mining Company
Washington State Mineral Lease No. 58405
Chelan County, Washington

When I was in Seattle, Washington, March 10, 1969, on an interim inspection trip, I telephoned Mr. Frederick Hubbard of the F.H.G. Mining Company to learn what progress they had been making in arranging a transfer of their operations to a corporation.

Mr. Hubbard informed me that the new corporation had been formed, new letters had been written to the banks requesting loans, and a new application form had been completed. They were now waiting for the assignment of the State Mineral Lease to the new corporation. When this assignment is received, they will submit the application to us.

The old partnership has been dissolved and Mr. Earl R. Graybeal, one of the partners, has sold his interest to Mr. Frederick M. Crollard, an attorney in Wenatchee, Washington. The new corporation is named the Three F's, after the first name of the three principal members, two of whom were partners in the F.H.G. Corporation.

Mr. Hubbard is hopeful that the corporation will receive a contract similar to the one that was to be awarded to the F.H.G. Mining Company. He did say that snow conditions will not permit their starting work at the property before the middle of June this year. Hence, if a contract is awarded them, the starting date of the contract and the length of time needed to complete the project work should be changed from that on the contract made out to F.H.G. Mining Company.

Willard P. Puffett

cc: OME

MME FORM 6 REFERENCE SLIP
REV. 2-59 OFFICE OF MINERALS EXPLORATION

TO: Chief, OME	DATE	INITIALS
1. Re: OME-6579 (Gold)	3/3/69	
2. F.H.G. Mining Co.		
3. Washington State Mineral Lease No. 58405		
4. Chelan County, Washington		
5. D. R. MacLaren		
FROM: Fld. Officer, OME, Reg. I		

FOR: Check items for action desired

____ Action ____ Reply for signature of M. E.
____ Approval ____ Investigate ____ Surname
____ Comment ____ Recommendations ____ Signature
____ Conference ____ Rewrite ____ File
____ Instructions X Your information

OFFICIAL COPY
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MAR 5 1969

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	124

REMARKS:

INT.-DUP. SEC., WASH., D.C. M56300-62

Mr. Frederick L. Hubbard
Three F Mining Company, Inc.
16513 37th. N.E.
Seattle, Washington 98155
February 25, 1969

Re: OME-6579 (Gold)
Washington State Mineral Lease No. 58405
Chelan County, Washington

Mr. D.R. MacLaren
U.S. Dept. of Interior
U.S. Court House, Rm. 656
West 920 Riverside Avenue
Spokane, Washington 99201

Dear Mr. MacLaren:

You will soon receive from Mr. Frederick M. Crollard - our new partner - the papers you requested. I am writing to let you know what has transpired regarding the changes in our Company.

After realizing the imposition of asking a friend to sign the Surety Affidavits, we decided to form a Corporation in order to be our own Sureties. At this point, Mr. Graybeal indicated he wished to be relieved of the cost of forming the Corporation and the expenses this next spring, and agreed if we found a suitable partner, to take his place, he would accept the amount of funds he had invested in the exploration to date. (No profit in the transaction.) We approached Mr. Crollard, a friend of mine since school days and also Mr. Fritts has known Mr. Crollard many years - shortly thereafter - Mr. Crollard purchased Mr. Graybeal's complete share in the F.H.G. Mining Co., and we are now a new Corporation under the name Three F Mining Co., Inc.

With this new arrangement we will be a more efficient organization. Mr. Crollard will be our secretary and relieve me of some of the book-keeping and correspondance.

We will appreciate your continued help in negotiating the exploration contract.

Truly yours,

Frederick Hubbard

Frederick Hubbard

RECEIVED
FEB 28 1969
O.M.E.
SPOKANE, WASH.

GEOLOGICAL SURVEY
U.S. Court House, Rm. 656
West 920 Riverside Avenue
Spokane, Washington 99201
December 17, 1968

OFFICIAL COPY
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Mr. Fred Crollard
P. O. Box 105
Wenatchee, Washington 98801

Re: OME-6579 (Gold)
F.H.G. Mining Company
Washington State Mineral Lease
No. 58405
Chelan County, Washington

Dear Mr. Crollard:

Enclosed you will find a copy of the subject contract for your study in regard to the preparation of a Performance Bond. Please return this copy of the contract as soon as possible.

Sincerely,

Willard P. Puffett
Geologist, OME
Region I

Enclosure

WPPuffett/mls

cc: OME

Director's Reading File

GEOLOGICAL SURVEY
U.S. Court House, Rm. 656
West 920 Riverside Avenue
Spokane, Washington 99201
December 4, 1968

Air Mail

Mr. Frederick L. Hubbard
F.H.G. Mining Company
16513 - 37th N.E.
Seattle, Washington 98155

Re: OME-6579 (Gold)
F.H.G. Mining Co.
Washington State Mineral
Lease No. 58405
Chelan County, Washington

Dear Mr. Hubbard:

On November 7, 1968, we advised you that we had received a proposed contract to explore for gold on the F.H.G. properties but that before we could forward copies to you for your consideration a Performance Bond in lieu of the Lien and Subordination Agreements would be required. Three copies of Standard Form 25, Performance Bond, and two sets of three copies each of Standard Form 28, Affidavit of Individual Surety, were enclosed for this purpose.

To date we have heard nothing further from you anent this matter. Kindly advise us as to when we may expect a reply.

Sincerely,

D. R. MacLaren
Field Officer, OME
Region I

DRMacLaren/mls

cc: OME

Director's Reading File

One
Other

F. H. G. Mining Company
Frederick L. Hubbard
16513-37th N. E.
Seattle, Washington 98155
November 5, 1968

6579

Re; OME - (Gold)
Washington State Mineral
Lease No. 58405
Chelan County, Washington

OFFICIAL
COPY
O. M. E.
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DEC 12 1968

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	~~440~~
	~~420~~

Mr. D. R. MacLaren
United States Department Of The Interior
Office Of Mineral Exploration
Geological Survey
U. S. Court House, Rm. 656
W. 920 Riverside Avenue
Spokane, Washington 99201

Dear Mr. MacLaren:

We have an attorney Mr. Fred Crollard, in Wenatchee helping us with the Performance Bond and Power Of Attorney forms. Apparently he is dragging his feet. I was in Wenatchee November 18th, signed the legal papers and furnished the Bond etc. information. He informed me he would acquisition a Performance Bond for us and send them to me, but, I haven't recieved them.

After reading your letter today, I immediately called my partner, Fred Fritts in Wenatchee and told him to contact Mr. Crollard tomorrow. I will make every effort to mail the documents to you next week.

You may be interested to know since Mr. Puffett visited the mine, we have installed 60 ft. of new rail; 150 ft. of 10 inch ventilation pipe, built a platform outside above the portal to mount vent fan and motor, installed complete new electric wiring inside the drift, reinforced the timber, and are prepared to push the drift forward without delay in the coming spring.

Thank you for your concern and sorry for the slow action on this matter.

Sincerely,

Frederick L. Hubbard

Frederick L. Hubbard
F. H. G. Mining Company

RECEIVED
DEC 9 1968
O. M. E.
SPOKANE, WASH.

Via
Air Mail

GEOLOGICAL SURVEY
U.S. Court House, Rm. 656
West 920 Riverside Avenue
Spokane, Washington 99201
November 7, 1968

Mr. Frederick L. Hubbard
F.H.G. Mining Company
16513 - 37th N.E.
Seattle, Washington 98155

Re: OME-6579 (Gold)
F.H.G. Mining Co.
Washington State Mineral
Lease No. 58405
Chelan County, Washington

Dear Mr. Hubbard:

We have received a proposed contract to explore for gold on the F.H.G. properties. However, before we can forward the copies of the contract for your consideration a Performance Bond in lieu of Lien and Subordination Agreements will be required.

For this purpose three copies of Standard Form 25, Performance Bond, and two sets (three copies each) of Standard Form 28, Affidavit of Individual Surety, are enclosed. The contract date is November 5, 1968, and the Contract No. is 2275. The bond should be in the amount of $4,350.00. Instructions for the completion and execution of the forms are on the back of each form. Let me call your attention to the fact that a partner cannot be accepted as a surety for a firm of which he is a member.

One of the partners should be given the Power of Attorney to sign vouchers and other necessary documents in the future. Two executed copies of the Power of Attorney should be furnished our office.

As soon as we receive the above-mentioned documents, we will forward the contracts to you for signature.

Sincerely,

Willard P. Puffett
Geologist, OME, Region I

Enclosures

WPPuffett/mls

cc: OME

Director's Reading File

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
10/29/68	S. Peters	120
10/29/68	Kirkerno	120
"	Johnson	110
10/31	Kulgoa	220
10/31	Kupp	
	Baker	
		110
11/5	Coe	220
		120M

AIRMAIL

NOV 5 1968

Memorandum

To: Field Officer, Region I

From: Chief, Office of Minerals Exploration

Subject: OME-6579 (Gold)
F.H.G. Mining Company
Washington State Mineral Lease No. 58405
Chelan County, Washington

Enclosed are the original and three copies of a proposed contract for the subject property. The contract consists of MME Form 51 (5 pages), Annex I (1 page), Exhibit A (2 pages), Exhibit B (1 page), and two maps (Figures 1 and 2), subject to the attachment of a Performance Bond to be furnished by the Applicant. All copies of the contract have been signed for the Government. You should insert the date for commencement of the work. Also enclosed is an extra copy of the contract for field use.

If the proposed contract is satisfactory to you and the Applicant, all four copies should be signed by the three partners. Thereafter, please distribute the copies as usual.

We suggest that one of the three signators be given Power of Attorney to sign vouchers and other necessary documents in the future. Two executed copies of the Power of Attorney should be furnished this office.

Please advise the Applicant that the 7-1/2 percent interest accrues from the dates on which individual payments are made by the Government and like the principal is repayable from royalty on production.

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

FRANK E. JOHNSON (gla)

Frank E. Johnson

Enclosures

cc: Director's Reading File
Economic Geology File
OME Docket
OME Reading File
Mr. Peterson - 130
BLong/1 10/29/68

REFERENCE SLIP

V. 2-55 OFFICE OF MINERALS EXPLORATION

	DATE	INITIALS
1. Assoc. Sol.--MR, Room 6554 (Through Room 6042)		
2. Mr. Peterson, Room 4459		
3. SOLICITOR		
4. J-2107.3192 1968		
5.		
FROM: Chief, OME		

FOR: Check items for action desired

____ Action ____ Reply for signature of ____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions ____ Your information

REMARKS:

Please return maps.

FROM SOLICITOR

FOR SIGNATURE

RECEIVED

OCT 22 1968

Division of Mineral Resources and General Legal Services

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

M56300-62

To Legal 1/21/68

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MME Form 51
July 1965

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
U. S. Geological Survey

EXPLORATION CONTRACT
(Short Form)

Docket	Commodity	Contract No.	County	State
OME -6579	Gold		Chelan	Washington

It is agreed _____ (Date), between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and

F. H. G. Mining Company, a partnership

whose mailing address is 16513 37th N.E., Seattle, Washington 98155, hereinafter called the "Operator," as follows:

ARTICLE I. Authority and scope.--(a) This contract, entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before _____ (Date), and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within 6 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 $ 5,800.00. The Government will contribute 75 percent of the total fixed unit costs of the work performed, not in excess of $ 4,350.00 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

(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 purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Government, and this estimate shall be final and binding upon the Operator 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, U. S. Geological Survey, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Operator. The decision of the Director, U. S. Geological Survey, 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, U. S. Geological Survey, 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, U. S. Geological Survey," 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 U. S. Geological Survey 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.

ARTICLE 14. Changes and added provisions.--

Executed in quadruplicate the day and year first above written.

F. H. G. MINING COMPANY
(Operator)

By Fred G. Fritts, Partner

By Frederick L. Hubbard, Partner

By Earl R. Graybeal, Partner

THE UNITED STATES OF AMERICA

By Arthur A. Baker
Acting 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

EXPLORATION CONTRACT
F. H. G. MINING CO.
OME-6579

ANNEX I

The land including all right pertaining thereto, referred to in Article 2 of the contract, consists of the SE¼NW¼, N½NE¼SW¼, SE¼NE¼SW¼, NW¼NW¼SE¼, S½NW¼SE¼, and SW¼SE¼ of Sec. 36, T. 28 N., R 17 E., WB&M, Chelan County, Washington.

The Operator is in possession of the land under the terms of a State of Washington Mineral Prospecting Lease No. 58405, dated January 10, 1968.

A Performance Bond in lieu of Lien and Subordination Agreements in the amount of $4,350.00 is attached and made part hereof.

The property is shown outlined in blue on Figure 1 entitled, "Property map, F. H. G. Mining Company, Chelan County, Washington," attached and made part hereof.

EXPLORATION CONTRACT
F. H. G. MINING CO.
OME-6579

EXHIBIT A

The purpose of this project is to explore by crosscutting and drifting for gold-bearing ore bodies in and along quartz veins that traverse steeply dipping limestone beds of the Swack formation of Eocene age.

General Provisions

All 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 of equivalent round timber.

Mine rail shall be not less than 16-pound size, air line not less than 2-inch diameter, water line not less than 3/4-inch diameter, and ventilation line not less than 10-inch diameter.

All significantly mineralized areas traversed by the exploratory workings shall be chip or channel sampled normal to their trends at linear intervals of not more than 5 feet. In addition, a representative bulk sample may be taken of each round broken.

Each sample shall be split as necessary and one split 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 shall be submitted with the Operator's monthly report which shall also include a map or sketch showing the work completed during the reporting period, the location of all samples taken, and the general geological 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.

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

Description of the Work

The work shall consist of extending the existing crosscut adit in a southwesterly direction approximately 50 feet to the limestone, and drifting northwesterly and southeasterly from the crosscut along the limestone. It is estimated that 100 feet of drifting will be required.

The approximate location of the proposed work is shown in green on Figure 2 entitled "Proposed exploration, F. H. G. Mining Company, Chelan County, Washington," attached and made part hereof.

Estimated Costs of the Work

Fixed Unit Costs 1/

Crosscutting and drifting,	
150 feet @ $35.00/ft.	$5,250.00
Timbering,	
35 feet @ $11.00/ft.	385.00
Assaying for Gold and Silver,	
33 samples @ $5.00/sample	165.00
Total Estimated Cost of Project	$5,800.00
Government Participation @ 75%	$4,350.00

1/ Includes all costs not individually listed such as labor, materials, supplies, equipment, supervision, professional services, office expenses, taxes, and insurance. The Government retains no equity in any of the equipment or materials used.

M 6 REFERENCE SLIP
59 OFFICE OF MINERALS EXPLORAT

TO:		DATE	INITIALS
	Chief, OME		
1.		10/17/68	
	Re: OME-6579 (Gold)		
2.	F.H.G. Mining Co.		
	Wash. State Mineral Lease		
3.	No. 58405		
	Chelan County, Wash.		
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: The attached copies of letters by Applicant to two banking institutions requesting this money for exploration and their replies are being sent as requested.

INT.-DUP. SEC., WASH., D.C. M56300-62

OFFICIAL
COPY
O. M. E.
RECEIVED
OCT 24 1968

INITIALS	CODE
	120
	120
	120
	120

F. H. G. Mining Company
Frederick L. Hubbard
16513-37th N. E.
Seattle, Washington 98155
October 16th 1968

Re: OME-6579 (Gold)
Washington State Mineral Lease
No. 58405
Chelan County, Washington

See left side

Mr. Willard P. Puffett
United States Department Of The Interior
Office of Mineral Exploration
Geological Survey
U. S. Court House, Rm. 656
W. 920 Riverside Avenue
Spokane, Washington 99201

Dear Mr. Puffett:

Please find enclosed the two letters from the loan institutions you requested, per telephone instructions to Mrs. Fritts.

We thank you for your prompt attention to our application for exploration financial assistance.

Sincerely,

Frederick L. Hubbard

Frederick L. Hubbard
F. H. G. Mining Company

RECEIVED
OCT 17 1968
O. M. E.
SPOKANE, WASH.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
GEOLOGICAL SURVEY
U. S. Court House, Rm. 656
W. 920 Riverside Avenue
Spokane, Washington 99201
October 10, 1968

ORIGINAL COPY
O. E. E.
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OCT 14 1968
INITIALS | CODE
gla | 30
JJS | 110
120 P

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: Transmittal of Application Examination Report
OME-6579 (Gold and Silver)
F.H.G. Mining Company
Washington State Mineral Prospecting
Lease No. 58405
Chelan County, Washington

The applicant's property is in a northwesterly trending belt of steeply dipping limestone beds and intrusive layers of andesitic dikes bounded on the east by a fault zone and granitic rocks. Little is known of the geology, but there are several gold prospects in the same or similar beds of the Swauk formation. Huntting, in Inventory of Mineral Properties in Chelan County, Washington: State of Washington Division of Geology Report of Investigations No. 9 (1943), lists nine prospects five of which contain values in gold ranging in grade from $2.50 to $186.00. They lie along or close to a line striking about N. 40° W., but apparently none of them have had any recorded production. However, along with the slight data available on the applicant's property they strongly suggest a potentially rich gold-bearing zone.

On the F.H.G. ground only one of three trenches and a prospect pit yielded samples assaying more than traces of gold and silver but that one, Trench No. 3, yielded 1.44 ounces gold and 0.6 ounce silver per ton over a width of at least a foot. Another sample of a float boulder directly down hill from Trench No. 3 yielded 3.72 ounces gold and 1.35 ounces silver per ton. A few pieces about half the size of a fist taken from the boulder were crushed and panned in the Spokane laboratory and yielded many small gold crystals; no plate, flake, or wire gold was found.

The gold occurs in bands or veins within the limestone, but their lengths and frequency of occurrence cannot be determined. Nor can it be determined whether they occur in one of more than one limestone bed. In order to determine this and to gain necessary and important geologic information relative to the occurrence of gold in this zone,

Puffett has recommended a modest program comprising 150 feet of crosscutting and drifting at a total cost of $5,736.90, of which the Government would contribute $4,302.68.

The chance of a significant discovery of gold resulting from this proposed project is not in itself very good, but the chance of the results indicating a favorable environment for more extensive exploration on this property which would produce a significant discovery are good in relation to the proposed costs and, if successful, exploration of the entire belt would be encouraged. Considerable exploration was necessary before the Gold King in a somewhat similar Swauk environment, was recognized as a potential mine. It has since produced in the order of 367,500 ounces gold worth $13,500,000.

In view of the above considerations I concur with Puffett's recommendations.

D. R. MacLaren

D. R. MacLaren

Enclosure

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
GEOLOGICAL SURVEY
U. S. Court House, Rm. 656
W. 920 Riverside Avenue
Spokane, Washington 99201
October 8, 1968

Memorandum

To: Field Officer, Region I

From: Willard P. Puffett, Geologist

Subject: Application Examination Report
OME-6579 (Gold and Silver)
F.H.G. Mining Company
Washington State Mineral Prospecting Lease
No. 58405
Chelan County, Washington

On-site Exam

INTRODUCTION

The F.H.G. Mining Company applied for OME assistance on October 11, 1966, to explore for the downward extension of a gold-bearing vein on their property which is about 6 miles northeast of Wenatchee Lake, Chelan County, Washington. An examination of the property was made on June 26, 1967, but the walls of the trenches and the face of the adit had sloughed so that no meaningful information could be obtained. The application was considered withdrawn by the Washington Office as of September 22, 1967, and was placed in the inactive file.

The applicant reopened his request by submitting another application on March 3, 1968. Exploration had continued at the property in the summer months of 1967 and 1968 and new information was available that was unknown in 1966. An adit has been driven a total length of about 190 feet and is within about 60 feet of the downward projection of an ore-bearing vein exposed on the surface. This adit had been extended by the applicant who worked at the property on weekends and other holidays.

I examined the F.H.G. Mining Company property on Saturday, September 21, 1968. Mr. Fred G. Fritts, Partner, took me to the property from Wenatchee, Washington, in his private automobile. Mr. Frederick L. Hubbard, Partner, met us at the property and accompanied Mr. Fitts and me on the examination. Mr. Earl R. Graybeal, the third Partner, arrived at the property early in the afternoon and discussed particulars of the proposed exploration.

I made a Brunton and tape survey of the trenches and the underground workings (fig. 1). Three samples of the vein and one of the host

rock were collected for assay. About 6 hours were spent on the property during the examination.

RECOMMENDATION

It is recommended that an exploration contract be awarded the F.H.G. Mining Company to explore the downward extension of a limestone-bed for gold ore. Rich ore occurs at the surface in an oxidized zone in the limestone and the proposed exploration will explore this zone at a depth of 100 to 150 feet below the surface. If successful, the exploration will prove a modest tonnage of rich gold ore and will also aid in appraising the gold-bearing potential of this relatively untested area. The total estimated cost of the exploration is about $5,736.90, of which the Government's share at 75 percent is $4,302.68.

APPLICANT

The business address of the applicant is:

F.H.G. Mining Company
c/o Frederick L. Hubbard
16513 - 37th N.E.
Seattle, Washington 98155

The F.H.G. Mining Company is a partnership and takes its name from the first letter in the three partners' names: Fred G. Fritts, 1627 Cherry Street, Wenatchee, Washington; Frederick L. Hubbard, 16513 - 37th N.E., Seattle, Washington, and Earl R. Graybeal, 525 Schoolway, Olympia, Washington. These partners at one time all lived in Wenatchee, Washington, and had been prospecting the east slopes of the Cascade Mountains for several years. Mr. Fritts is the only one of the three who is an experienced miner, but all the partners assisted in driving the adit on their property.

LOCATION AND ACCESSIBILITY

The applicant's property is 140 acres in sec. 36, T. 28 N., R. 17 E., W.M., Chelan County, Washington. The F.H.G. Mining Company has been granted a State Mineral Prospecting Lease No. 58405 which covers the SE$\frac{1}{4}$NW$\frac{1}{4}$, N$\frac{1}{2}$NE$\frac{1}{4}$SW$\frac{1}{4}$, SE$\frac{1}{4}$NE$\frac{1}{4}$SW$\frac{1}{4}$, NW$\frac{1}{4}$NW$\frac{1}{4}$SE$\frac{1}{4}$, S$\frac{1}{2}$NW$\frac{1}{4}$SE$\frac{1}{4}$, SW$\frac{1}{4}$SE$\frac{1}{4}$, sec. 36. The proposed exploration will be in the NW$\frac{1}{4}$SE$\frac{1}{4}$ of sec. 36. The lease commences on January 10, 1968, and continues for 2 years. The terms of the lease permit the lessee to convert to a Mining Contract prior to the expiration of the Prospecting Lease. If the applicant is awarded an exploration contract, he would have to post a Performance Bond as the State would probably not sign a Lien and Subordination Agreement.

The property can be reached by going north from Leavenworth, Washington, on State Road 209 to Plain, Washington. From Plain, one follows the Chewawa River road northerly to the junction with Alder Creek. From this junction, one follows a logging road that winds up and across the dividing ridge between Alder Creek and Twin Creek in a general northwesterly direction. Near the top of the ridge, a narrow bulldozed road trends easterly across the ridge to the applicant's camp. All but the last 2 miles of the road are traversible by the ordinary vehicle and during wet weather a 4-wheel drive vehicle is necessary.

The applicant estimates that the altitude at his camp is about 3,700 feet; the valley bottom at Alder Creek is about 3,000 feet. North from the camp, the hillslope is upward at a gradual gradient, but steep-sided hills begin about 2 miles north of the camp and their summits are above 6,000 feet.

Snowfall is heavy in the vicinity of the property and the applicant has stated that it cannot be reached in the spring until about the first part of April. In all likelihood, exploration work would be suspended, because of snow, between the latter part of October and about the first of May.

GEOLOGY

There is no known detailed geologic map of the area surrounding the applicant's property; however, some idea of the general geology can be found on the 1961 edition of the State Geologic Map of Washington. Part of this map is shown as an inset on figure 1. The State map shows a graben, trending north from Leavenworth, that contains nonmarine rocks of Paleocene and Cretaceous age. Presumably, much of this rock belongs to the Swauk formation. A northwest-trending fault forms the northeast boundary of the graben and, near the applicant's property, the rocks northeast of the fault are granitic rocks of Mesozoic age. The applicant's property is very near the plotted position of the fault contact between the granitic rocks and the nonmarine sedimentary rocks and hence the exposed rocks on his property are probably part of a relatively broad zone of faulting.

There are four different rock types exposed on the applicant's property. Pumice, in granules $\frac{1}{4}$-$\frac{1}{2}$ inch in diameter, mantles the surface and, along with much forest debris, generally obscures most of the bedrock. Trenches excavated by the applicant have exposed bedrock in several places (fig. 1) and the adit has cut through bedrock. A near vertical rib, or ribs, of limestone, or marble, are conspicuous in the trenches. This rock, light gray to buff is moderately well bedded, the beds ranging from 2 to 4 inches thick. Bedding is marked by paper thin gray bands of undetermined

composition. The attitude of the bedding is very steep in some exposures but more gently inclined in others. The "ribs" of limestone are bounded by greenish gray andesite that near the surface has been oxidized to a brownish, platy rock the applicant has referred to as slate. No layering or flow banding was seen in the andesite. Light gray granitic rock is exposed about 200 feet north of the adit. Bulldozing deep trenches between the adit and the granite exposure failed to penetrate bedrock and probably a deeply eroded fault zone underlies this area.

The relationships between the limestone, andesite, and granite are somewhat obscure. The limestone seemingly can be traced from trench to trench in what appears to be a steeply dipping bed or series of beds. In Trench No. 3 (fig. 1) there are two zones of limestone separated by about 15 feet of andesite. Along the access road southwest of the portal of the adit, there are two zones of limestone with andesite between and to the north and south of them. The contact between limestone and andesite is nearly vertical; however, the bedding in the limestone near the access road is N. 68° W. 30° N. The contact between andesite and limestone near the southwest face of the adit is nearly vertical; here the bedding in the limestone is N. 70° W. 62° N. It appears, therefore, that the attitude of the contact between the andesite and the limestone is not parallel to the bedding but is near vertical and, hence, is probably an intrusive contact. Alternatively, the limestone might represent slices that have been faulted down into the andesite. It seems probable that the andesite and limestone is in a block that is faulted against the granitic rocks, even though no exposure of such a fault is known.

There are at least two and probably more beds or ribs of limestone and these range from 10 to 40 feet thick. If in general the limestone dips to the north, then it is difficult to project the same limestone from Trench No. 1 to Trench No. 2 and downward to Trench No. 3 (fig. 1). It does seem likely that the limestone in Trench No. 3 can be projected to the prospect pit downslope from it and easterly to that limestone exposed in the banks of the access road. In the access road there are two limestone beds and in Trench No. 3 there are two limestone beds; these seem to be correlative. It is difficult to project these two limestones up slope to Trenches No. 2 and 1, and as a consequence, it appears that the limestones in the upper trenches are parts of two additional limestone beds or zones. Another possibility is that there are several faults in the area that offset the limestone beds in the covered areas between the trenches and there are in fact only two limestone beds.

It is important to learn if there are one or several limestone beds and to determine if gold-bearing veins are only in one of the limestones or if gold-bearing veins can be found in more than one of them.

The gold occurs in somewhat vuggy, oxidized, limonite-stained bands or veins that cut across the limestone. The best exposure of this material is in Trench No. 3 where the applicant has obtained an assay of more than 3 ounces gold per ton. The oxidized band is about 12 inches thick, but its true trend is difficult to determine with accuracy; it does appear to be crosscutting the trend of the limestone at a low angle. Samples of the oxidized material were panned and abundant small grains of gold 0.1 to 0.5 millimeter in diameter were collected. These grains are generally shaped somewhat like garnets in that crystal faces are common and some appear to be cubes modified by octahedra. Small quartz crystals are abundant in the material and it is evident that much quartz has been introduced into the limestone. No sulfides were seen in the panned concentrates, but magnetite and ilmenite are common.

The origin of the gold is unknown and much more about the local geology will have to be known before the source is learned. Possibly, the gold-bearing veins formed in limestone prior to the intrusion of andesite. The applicant stated that he cannot pan gold out of the andesite. Possibly, the veins are related to the intrusion of the granitic rocks and have been faulted downward into the andesite. Maybe neither of these possibilities are true.

It seems quite certain that the gold-bearing veins are confined to the limestone beds or zones. It cannot be said with certainty that the limestone represents original sedimentary rock, but the banding does appear to be bedding. Alternatively, the limestone might be a metamorphic differentiate and the banding is something different than bedding. Whatever the case, the gold occurs in the limestone and exploration will have to search the limestone for the veins.

It was of interest to learn from the applicant how he found the gold. Through the years the partners had panned up Alder Creek and had found a few colors. They followed up the creek until they could no longer find colors and then started sampling the hillslope above the creek bed. Eventually, their efforts were rewarded by finding the gold in bedrock in the limestone. They state that they can trace the limestone down the slope to the creek, but it is not certain if they can find gold in it near the creek. What matters is that they did find it near their present camp and they have directed their efforts to finding it underground in that area.

The assay data of the samples give some idea of the possible richness of the oxidized vein material. A sample of several pieces of oxidized material from Trench No. 3 (fig. 1) assayed 1.44 ounces gold and 0.6 ounce silver per ton. A sample of pieces of a boulder of vein material from near the portal of the adit assayed 3.72 ounces gold and 1.35 ounces silver per ton. Oxidized material from a fracture in the limestone in Trench No. 2 yielded only traces of gold and silver. A channel cut across 57 inches of limestone in the

prospect pit east of Trench No. 3 yielded only traces of gold and silver. These assay data indicate that the limestone is essentially barren and also that some oxidized fractures in the limestone are very low in silver and gold, whereas some of the oxidized zones are very rich in gold. Obviously, more will have to be learned before these differences can be meaningfully appraised.

APPLICANT'S PROPOSAL

The applicant originally proposed driving an adit to a point under a surface trench in which gold ore was found. Crosscutting from this adit would explore for gold in additional limestone beds. The applicant started an adit near a location where a boulder of rich vein material was found on the surface and hoped they would soon find a limestone bed to follow. In driving this adit 105 feet, they cut through much broken rock without finding the limestone. Apparently, they were exploring part of the broad zone of faulting south of the granite contact. All the 105 feet of this part of the adit is timbered and tightly lagged. They then crosscut to the southwest and crossed a limestone bed. They have drifted about 13 feet on this limestone bed but are aware that it might be north of the ore-bearing limestone that they found in Trench No. 3. There is no ore in the limestone bed in the adit.

The applicant now proposes to crosscut to the limestone that is the downward projection of that exposed in Trench No. 3 and to drift to the northwest along the limestone. This work would determine if the gold-bearing vein exposed in the trench persists to the depth of the adit and would also determine if additional gold-bearing veins cut the limestone. The total amount of drifting and crosscutting requested is 100 feet. This seems a minimal amount of exploration and possibly more drifting will be necessary to fully explore the vein at the altitude of the adit.

PROPOSED EXPLORATION

An inspection of figure 1 shows that the southwest face of the adit is about 70 feet northeast of the surface trace of the limestone bed exposed in Trench No. 3. If the limestone dips to the north, then a minimum of about 50 feet of crosscutting from the adit should cross it at the adit level. It can also be seen on figure 1 that it would take about 100 feet of drifting northwest from the exposure in the access road to reach the same point on the limestone. The applicant admits that if he had known what he now knows, the adit would have started on the limestone exposed in the road and the work would have explored along the limestone, rather than the area northeast of the vein. As of now, it seems better to conduct the exploration from the existing adit rather than to start a new drift from the surface on the limestone exposed in the road. If the exploration is

successful in finding ore at depth in the limestone, a new opening on the surface in the limestone will probably be made.

A modest exploration program similar to that outlined by the applicant is justified to explore for the downward extension of the ore exposed in Trench No. 3. Fifty feet of crosscutting and 100 feet of drifting should determine if the ore extends to the depth of the adit level (fig. 2). A more ambitious program does not seem justified now because so very little information is available about the habit of the ore. Possibly, if the proposed exploration is successful, more exploration can be planned for later, but it does not seem practicable at this time to set up a two-stage program. A rather simple one-stage program can be completed by the applicant in a summer's season with no large capital outlay for equipment additional to that which he now owns.

SUMMARY AND CONCLUSIONS

The proposed exploration will determine if the narrow oxidized zone exposed in Trench No. 3 can be found at the depth of the adit level and if it and other fracture zones in the limestone are gold-bearing at depth. The oxidized zone contains more than an ounce of gold per ton on the surface and it is hoped that equally rich ore can be found underground. If only one narrow mineralized fracture zone is found, the tonnage indicated by the work will be small for the adit level is only 100 feet below the surface. Of course, the objective is to determine how many such mineralized zones are present in the limestone bed.

Nearly $100,000.00 worth of ore will have to be found to repay, at 5 percent royalty, the Government's share of the exploration work. If only one narrow mineralized zone is found and this zone cuts across the limestone rather than parallels it, then one cannot realistically expect to find much more than a few thousand dollars worth of ore. However, the possibility of finding more than one vein containing gold is great enough to recommend that the proposed exploration be approved.

COSTS OF PROPOSED EXPLORATION

The applicant submitted costs for drifting and crosscutting, including timbering, that totals $33.65 per foot. His proposed work of 100 feet of drifting and crosscutting totals $3,365.00.

The following estimated costs are slightly higher than those submitted by the applicant but are believed to be justified. The work will include 150 feet of crosscutting and drifting. This work will be done by the applicant during the weekends and other holiday periods. There will be an estimated advance of 10 feet per weekend or 40 feet per month, for a total of 4 months for the project. A unit-cost type of contract is recommended.

1. Independent Contracts — None

2. Labor and Supervision

2 miners at $30/shift	$60.00	
1 trammer-helper at $24/shift	24.00	
Total	$84.00	
(No extra charge for supervision as the applicant will supervise his own work.)		
FICA and other insurance at 19.5%	16.38	
	$100.38	
At 5 feet per shift	$ 20.07	say $20.10/ft

3. <u>Operating Materials and Supplies</u> (per 5-foot round)

50 lbs powder at $32.60 cwt (Each round will consist of 20 5-ft holes)	$16.30
20 electric caps, 0-10 delay, at $0.35 each	7.00
125 ft 2" air line w/fittings at $0.50/ft (less 50% - no salvage)	1.04
125 ft 3/4" water line w/fittings at $0.25/ft (less 50% - no salvage)	0.52
125 ft 12" vent line at $0.50/ft (less 50% - no salvage)	1.04
Rail, 16#, 0.75 tons at $250/T (used) (less 50% - no salvage)	3.12
Fish plates, spikes, etc., at $0.54/ft	2.70
Ties, 50 at $0.20 each	0.33
Fuel, oil, and gas	4.50
Steel, 1 replaced each 300 ft at $16 each 100 feet per round	5.33
Bits, 1 replaced each 300 ft at $7 each 100 feet per round	2.33
50 ft 3/4" air hose w/fittings at $0.85/ft	1.42
50 ft ½" water hose w/fittings at $0.68/ft	1.13
Small tools, repair parts, etc., $0.50/ft	2.50
Total	$49.26

At 5 feet per shift $9.85/ft

4. Operating Equipment

Furnished by Applicant	Fair market value	Monthly deprec.	4 months deprec.	
Air compressor, 210 CPM Le Roi	$3,500.00	$58.33	$233.32	
Slusher	1,000.00	16.67	66.68	
Drill, jackleg type	800.00	13.33	53.32	
Mine car	60.00	1.00	4.00	
Total		$89.33	$357.32	
Total per foot				$2.38

5. and 6. None

7. Miscellaneous

30 assay determinations for gold and silver at $5 each	$150.00	
Office expenses 4 mos at $45/mo	180.00	$1.20/ft
1 Engineer-Geologist-Consultant 3 days at $75/day (includes per diem and travel)	225.00	1.50/ft
	$555.00	$2.70/ft

Total cost per foot for drifting and crosscutting

Labor and Supervision	$20.10
Operating Materials and Supplies	9.85
Operating Equipment	2.38
Engineer-Consultant and Office Expenses	2.70
	$35.03

TIMBERING

It is estimated that 20 percent of the drift and crosscut will require timber, for a total of 30 feet of timber. Two men and a helper-trammer should be able to stand, block, and lag 15 feet or 3 sets per shift. Total length of time required for timbering 20 feet is 2 shifts or 2 days.

1. Independent Contracts — None

2. Labor and Supervision

2 miners at $30/day	$60.00
1 helper-trammer at $24/day	24.00
Total	$84.00
FICA and other insurance at 19.5%	16.38
Total per day	$100.38

At 15 feet per day $6.69 say $6.70/ft

3. Operating Materials and Supplies

14 posts, 8"x8"x7'	=	523 bf
7 caps, 8"x8"x6'4"	=	236 bf
12 collar braces 4"x6"x4'4"	=	104 bf
42 lagging (in back only) 3"x12"x5'	=	630 bf
		1,493 bf at $80/M

Total cost	$119.44
Plus 10% for blocks, wedges, etc.	12.00
	$131.44

At 30 feet of timbering 4.38/ft

Total timbering $11.08/ft

RECAPITULATION

150 ft of drifting and crosscutting at $35.03/ft	$5,254.50
30 ft of timbering at $11.08/ft	332.40
30 assay determinations for gold and silver at $5.00 each	150.00
Total cost	$5,736.90
Government participation at 75 percent	$4,302.68

Willard P. Puffett

Willard P. Puffett

Enclosures
Distribution:
OME
USGS(SRO)
Docket
Puffett

U.S. GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

OME 6579 (Gold)

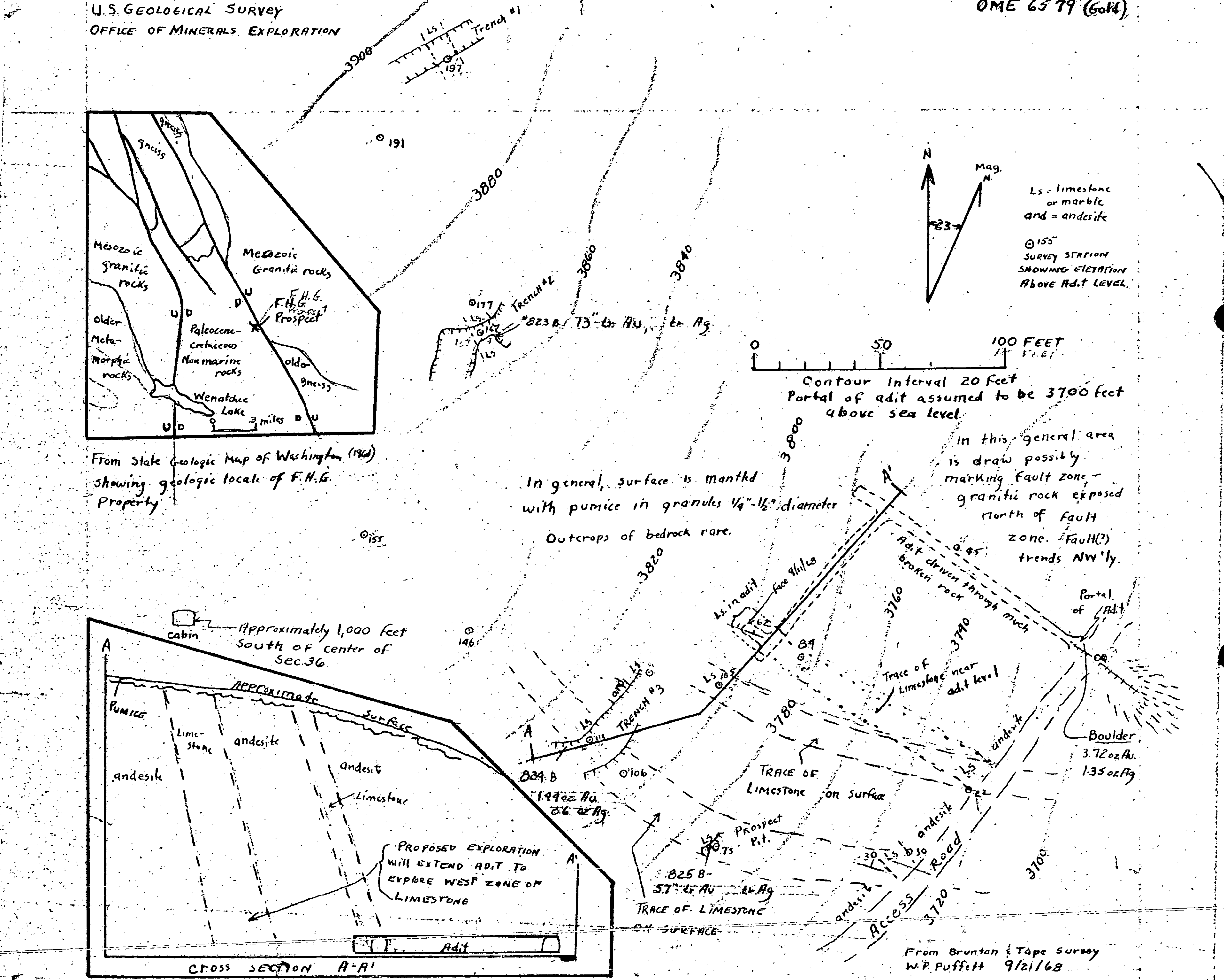


Fig. 1 COMPOSITE MAP AND SECTION, F.H.G. PROPERTY
SEC. 36, T.28 N., R. 17 E., W.M. CHELAN COUNTY, WASHINGTON

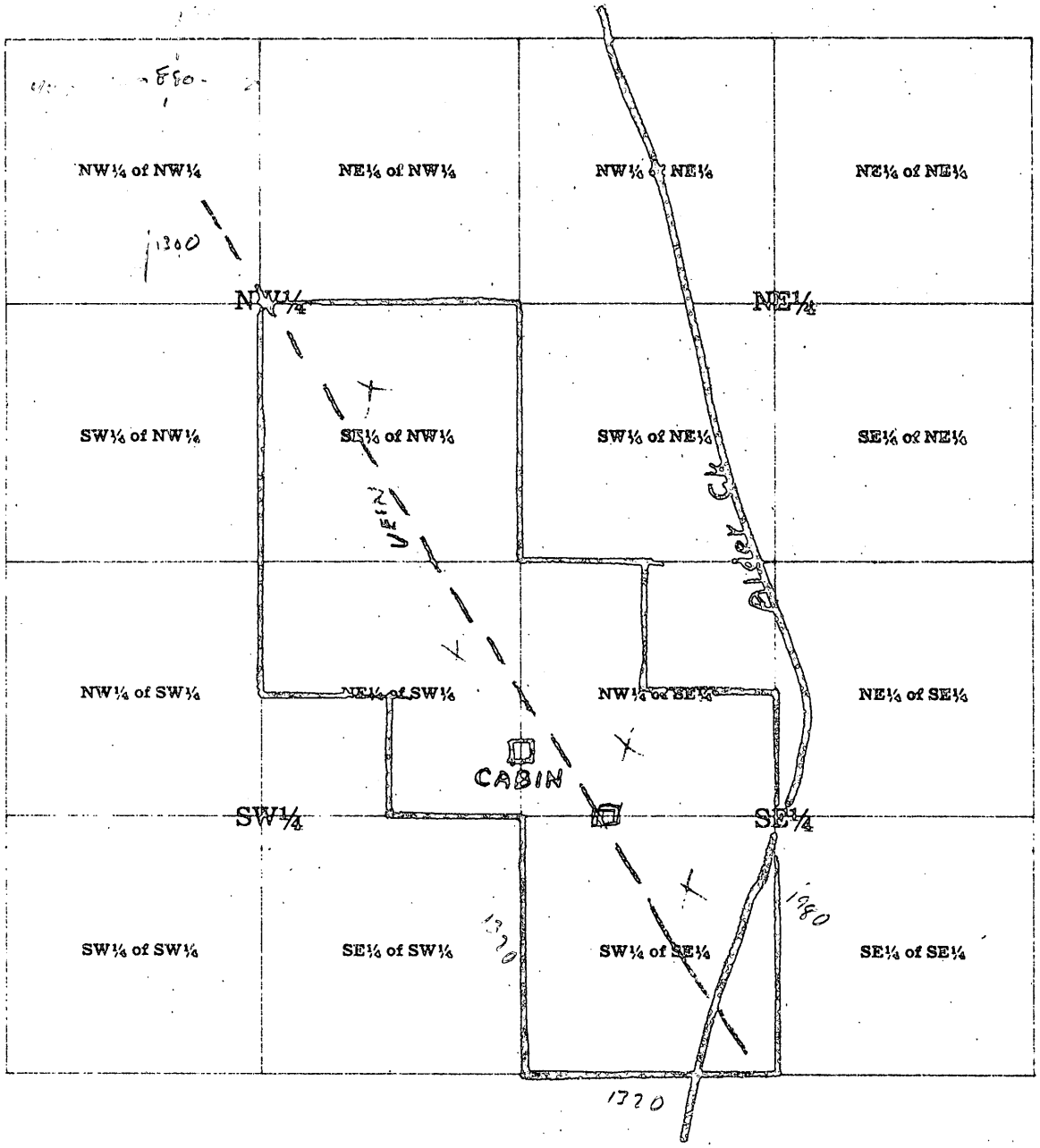
F. H. G. Mining Co.
16513 - 37th N. E.
Seattle, Wash 98155

2 (b)

S. F. No. 1854—OS—9-60—5M.

Chelan County

Section 36 Township 28N Range 17E



SE ¼ NW ¼	40	
SW ¼ SE ¼	40	
E ½ NE ¼ SW ¼	20	State of Washington lease No. 58405
NW ¼ NE ¼ SW ¼	10	
NW ¼ NW ¼ SE ¼	10	S ½ NW ¼ SE ¼ 20

U.S. Geological Survey
Office of Minerals Exploration

OME 6579 (Gold)

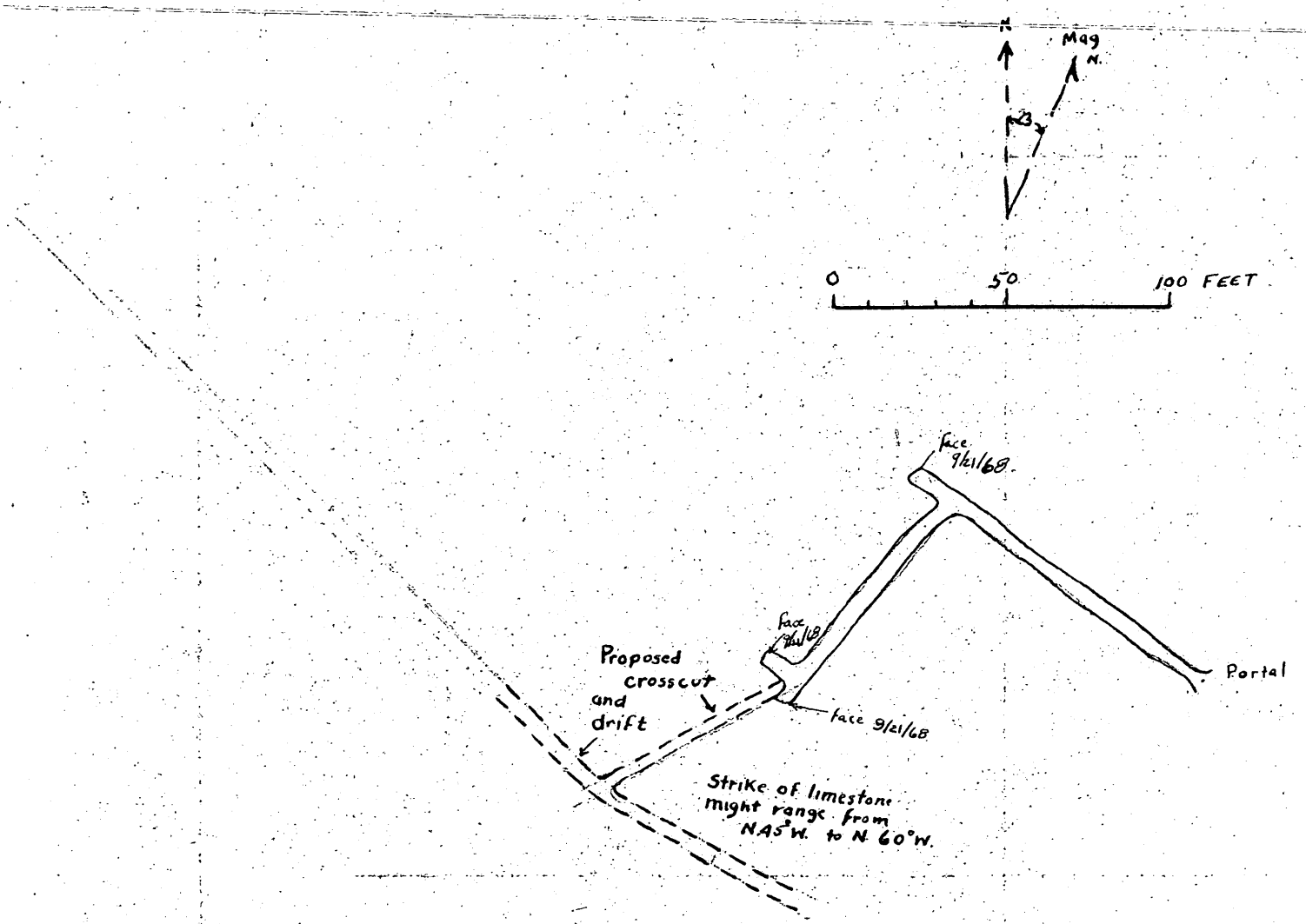


Fig. 2

PROPOSED EXPLORATION AT F.H.G MINING COMPANY PROSPECT
Sec. 36, T. 28 N., R. 17 E., W.M., Chelan County, Washington

MME FORM 6 REFERENCE SLIP
REV. 2-59 OFFICE OF MINERALS EXPLORATION

	DATE	INITIALS
TO: Chief, OME	10/ 4/68	
1.		
Re: OME-6579 (Gold)		
2. F.H.G. Mining Co.		
Washington State Mineral Lease No. 58405		
3. Chelan County, Washington		
4.		
D. R. MacLaren		
5.		
FROM: Fld. Officer, Region I		

OFFICIAL COPY
O. M. E.
RECEIVED
OCT 8 1968

INITIALS	CODE
	430
	120
	110
	120

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: In reference to a telephone conversation between Willard P. Puffett and Frederick L. Hubbard of the F.H.G. Mining Co.

INT.-DUP. SEC., WASH., D.C. M56300-62

Mr. Willard P. Puffett, Geologist
United States Dept. of the Interior
Office of Minerals Exploration
Geological Survey
U.S. Court House, Rm 656
W. 920 Riverside Avenue
Spokane, Washington 99201

F.H.G. Mining Co.
Frederick L. Hubbard
[illegible] 37th N.W.
Seattle, Wash. 98[illegible]
October 3, 1968

Re: OME - 6579 (Gold)
Washington State Mineral Lease
No. 58405
Chelan County, Washington

Dear Mr. Puffett,

In regard to the questions you asked by phone, I will try to answer to the best of my ability.

The Forest Service notified us we must use electric detonators. Our usual drift round consists of 20 holes; the cost of each round 35¢ for each detonator, 20 holes $7.00 plus one case of 40% spec. gel. 1 1/8" x 8" powder $16.30, total $23.30or $3.88 per foot.

2 inch air pipe, valves and fittings, 35¢ per foot (used).

Mine timbers: 2 inch rough lumber $80.00 per M / 4x6' rough, $80.00 per M. We use 152 board feet of lagging per 4' set, plus our logging and trimming-up round set timber.

Lagging cost per 4' is $12.16)
Timber cost per 4' set is $2.00) $14.16 - $3.54 per foot

Cost of 16# used rail $250.00 per ton, mine car $60.00

Cost of fuel consumption of gasoline driven air compressor for drilling and slushing, $3.00 per foot.

250 feet of 10" ventilation pipe and gasoline engine driven ventilation fan, estimated cost $400.00

The cost of travel based on a cost of 8¢ per mile:

Fred Fritts;	480 miles per month	$38.40
Frederick Hubbard ;	960 miles per month	$76.80
Earl Graybeal ;	1280 miles per month	$102.40

Our plan at this time if the mine is a producer? If the ore is of the same structure as evident on the surface, we will probably set up a recovery mill down near Alder Creek, or ship the ore to the Tacoma smelter.

You mentioned that we have a rather loose partnership. Well, we have known each other for many years and have been close friends. We work together very well, and are honest and trustworthy. However, should you request a written agreement regarding our partnership, we will supply one.

I hope this has cleared up any question for you, but don't hesitate to get in touch with us at any time if the need should arrise.

We enjoyed having you visit our mine, and you are welcome at all times.

Sincerely,

Frederick Hubbard
D.H.

Frederick Hubbard
F.H.G. Mining Company

RECEIVED
OCT 4 1968
U.M.E.
SPOKANE, WASH.

XERO COPY XERO COPY XERO COPY

GEOLOGICAL SURVEY
U. S. Court House, Rm. 656
W. 920 Riverside Avenue
Spokane, Washington 99201
August 26, 1968

Mr. Frederick L. Hubbard
F.H.G. Mining Company
16513 - 37th N.E.
Seattle, Washington 98155

Re: OME-6579 (Gold)
Washington State Mineral Lease
No. 58405
Chelan County, Washington

Dear Mr. Hubbard:

Thank you for your letter of August 21, 1968.

It will be convenient for me to examine your property some time in September. I will look forward to hearing from you when the property is available for inspection.

Sincerely,

Willard P. Puffett
Geologist

WPPuffett/mls

cc: OME w/cpy incoming

Director's Reading File

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
3/18/68	Peterson	120
3/18/68	Kirkham	120
		110
3/18	cal	220
		120M

MAR 18 1968

AIRMAIL

F.H.G. Mining Company
c/o Frederick L. Hubbard
16513 - 37th, N. E.
Seattle, Washington 98155

Re: OME-6579 (Gold and Silver)
F.H.G. Mining Company
Washington State Mineral Lease No. 58405
Chelan County, Washington

Gentlemen:

This will acknowledge your letter of March 9, 1968, enclosing the necessary information to continue the processing of the subject application for exploration assistance.

As we previously notified you, the application has been referred to Mr. D. R. MacLaren, OME Field Officer in Spokane, Washington, for further consideration. Mr. MacLaren will notify you if he requires additional information and to arrange for an on-site examination of the property if necessary.

Sincerely yours,

FRANK E. JOHNSON (gla)

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Division File
Economic Geology File
OME docket
OME Reading File
OME Region I
Mr. Peterson

ECPeterson/gla 3-18-68

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
9/22	Peterson	120
9/22/67	Stirbens	120
		110
		220
		120M

AIRMAIL

F. H. G. Mining Company
c/o Frederick L. Hubbard
16513-37th N.E.
Seattle, Washington 98155

SEP 22 1967

Re: OME-6579 (Gold)
F.H.G. Mining Company
Washington State Mineral Lease No. 58405
Chelan County, Washington

Gentlemen:

This will acknowledge receipt of your letter of September 15 to Mr. D. R. MacLaren, requesting that we continue to hold the subject application in our active files until sometime next year pending receipt of a State Mineral Lease and completion of preliminary exploration work on the property.

For administrative and fiscal reasons this office does not hold action on an application for that length of time. Therefore, under these circumstances, we shall consider the application as having been withdrawn and place it in our inactive files.

We shall be pleased to reopen this case at anytime in the future. It will be necessary for you to file a new application, referring to this OME docket number, and furnishing the information requested in the application form pertinent to the new proposal. This information should include new bank letters dated within 90 days of the filing of the new application, and a copy of the Washington State Mineral Lease. Information already submitted need not be repeated.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Reading File
Region I
Mr. Peterson

ECPeterson/bsl 9/22/67

23263

MME FORM ... E SLIP

REV. 2-59 OFFICE OF MINERALS EXPLORATION

TO: Chief, OME

1. Re: OME-6579 (Gold)
2. F.H.G. Mining Co.
3. Washington State Mineral Lease No. 58405
4. Chelan County, Wash.
5.

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

	DATE	INITIALS
	9/18/67	
OFFICIAL COPY O. M. E. RECEIVED SEP 2. 1967		
INITIALS CODE		
	130	
	120	me
	110	
	120	P

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: Reply to our letter of 9/13/67. Recommend withdrawal until Lease shall have been secured.

Ed: Will the Applicant post a Performance Bond in the event of a contract?

Kirk.

M56300-62

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

[illegible] Frederick L. Hubbard
[illegible] Mining Co.
[illegible] 27th N.E.
[illegible], Wash. 98155
[illegible]t. 1[illegible], 1967

Mr. D. R. MacLaren
U.S. Dept. of the Interior
office of Minerals Exploration
Geological Survey
So. 157 Howard Street
Spokane, Washington

[illegible] No. 58405
[illegible] - 179 Chelan County

Dear Mr. MacLaren:

Thank you for your concern regarding our mineral [illegible] venture. I remember you stated it would be impossible to acquire a Government [illegible] without a valid State lease. The [illegible] State [illegible] Dept. has not [illegible] issued our lease, as they notified us they intended to do the latter [illegible]. However, we have received a letter from the State [illegible] still valid.

We have drilled a total of [illegible] into the [illegible] near a lime bedding.

It would be appreciated if we could keep our [illegible] until we receive our lease and open up the areas you were interested in [illegible], and of course we would like to have a vein structure in our drift for [illegible] and sample.

I am sure it will be next year before this preparation [illegible] be completed. We hope to have our lease soon. It would be necessary to design [illegible] plan because of the length of drift we have accomplished and will probably have more knowledge regarding the vein structure in the lime bedding.

We will notify you of our intentions as soon as possible.

Truly yours,

/s/ Frederick L. Hubbard

Frederick L. Hubbard
F.L.H. Mining Co.

RECEIVED

GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
September 13, 1967

OFFICIAL COPY
O. M. E.
RECEIVED
SEP 15 1967

INITIALS	CODE
[illegible]	130
[illegible]	120
[illegible]	140
[illegible]	120

Mr. Frederick L. Hubbard
16513 - 37th N.E.
Seattle, Washington 98155

Re: OME-6579 (Gold)
F.H.G. Mining Company
Washington State Mineral Lease
No. 58405
Chelan County, Washington

Dear Mr. Hubbard:

When I attempted to examine the above property June 26, 1967, you may recall that the walls of all the trenches and the breast of the tunnel were so badly sloughed and caved that it was not possible to see any structure, much less to take any meaningful samples. Also, you had not as of that date received your copy of the State Mineral Lease.

It was my understanding that as soon as the lease was received, you would send us a copy and clean out the trenches so that the gold-bearing structure could be seen and sampled.

Since then we have heard nothing further from you. We would appreciate it if you would advise us as to the status of the lease and whether or not you wish us to consider your application further.

Sincerely yours,

D. R. MacLaren
Field Officer, OME
Region I

DRMacLaren/mls
cc: OME

Director's Reading File

OFFICIAL COPY
O. M. E.
RECEIVED
JUN 19 1967

INITIALS	CODE
gla	120
[illegible]	110
CP	120

GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
June 16, 1967

Mr. Frederick L. Hubbard
F. H. G. Mining Co.
16513 - 37th N.E.
Seattle, Washington 98155

Re: OME-6579 (Gold)
F. H. G. Mining Co.
Washington State Mineral Lease
No. 58405
Chelan County, Washington

Dear Mr. Hubbard:

As arranged with Mrs. Hubbard by telephone June 16, 1967, I will arrive at the Wenatchee TraveLodge the late afternoon of Sunday, June 25, 1967, and attempt to get in touch with Mr. Fritz and visit the mine on the 26th.

If you have not sent to our Washington, D. C. office a copy of Washington State Mineral Lease No. 58405 as requested in Mr. Johnson's letter of November 16, 1966, you are urged to do so. If you wish to give me a copy during the inspection, I will be glad to forward it to Mr. Johnson.

Sincerely yours,

D. R. MacLaren
Field Officer, OME
Region I

cc: Mr. Fred Fritts
1627 Cherry Street
Wenatchee, Washington 98801

OME w/cpy incoming let. 5/22/67

Director's Reading File

DRMacLaren/mls

[illegible] Mining Company
[illegible]erick L. Hubbard
[illegible] 27th [illegible].
[illegible], Wash. 98155
[illegible], 1967

[illegible] - [illegible]
[illegible]
Washington State [illegible] Lease
No. 50:05-Chelan County, Wash.

Mr. D.R. MacLaren
U.S. Geological Survey
South 157 Howard Street
Spokane, Washington [illegible]

Dear Mr. MacLaren:

You may remember our correspondence of Dec. [illegible], [illegible] to inspect our property [illegible] because [illegible] snow-fall.

Last Saturday, [illegible], we had a short stretch of [illegible], and are transporting and setting up our equipment. There is no [illegible] in the project area.

We would appreciate your [illegible] an investigator [illegible] possible. It would probably be convenient for you to contact [illegible] Fred Smitts, of 1527 Cherry Street, Wenatchee, Washington 98801. His phone number is Normandy 3-6124. Fred [illegible] live [illegible] 50 miles to the [illegible], and will notify me of the arrangements [illegible] meet you at the location.

Geophysical crew [illegible] June 5. We [illegible] that Fritz would be given two days notice and that probably earliest date would be week of June [illegible]. No further reply necessary now.

Sincerely,

[illegible]erick L. Hubbard
[illegible].G. Mining Company

RECEIVED
MAY 2 [illegible] 1967

GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
May 24, 1967

OFFICIAL
COPY
O. M. E.
RECEIVED
MAY 25 1967
FILE

Mr. Frederick L. Hubbard
F. H. G. Mining Co.
16513 - 37th N.E.
Seattle, Washington 98155

Re: OME-6379 (Gold)
F. H. G. Mining Co.
Washington State Mineral Lease
No. 58405
Chelan County, Washington

Dear Mr. Hubbard:

In reply to your letter of May 22, 1967, in regard to scheduling a field examination of your property, Mr. MacLaren is on a field trip and will not return to the office until about June 1 at which time it will be referred to him. He will contact Mr. Fred Fritts of Wenatchee, Washington, shortly thereafter.

Sincerely yours,

Mary L. Smelser for
D. R. MacLaren
Field Officer, OME
Region I

MLSmelser/mls

cc: OME w/cpy incoming

Director's Reading File

F.L.G. Mining Company
Frederick L. Hubbard
[illegible] 37th N.E.
[illegible]e, Wash. 98155
[illegible], 1967

RE. OME - 6679 [illegible]
F.L.G. Mining Company
Washington State Mineral Lease
No. 58405-Chelan County, Wash.

Mr. D.R. MacLaren
U.S. Geological Survey
South 157 Howard Street
Spokane, Washington 99204

Dear Mr. MacLaren:

You may remember our correspondence of Dec. 2, 1[illegible]. Our schedule to inspect our property was held up because of heavy snow-fall.

Last Saturday, May 20, we had a short stretch of [illegible] blowed out, and are transporting and setting up our equipment. There is no snow in our prospect area.

We would appreciate you scheduling an investigation [illegible] as soon as possible. It would probably be convenient for you to contact our partner, Mr. Fred Fritts, of 1627 Cherry Street, Wenatchee Washington [illegible]. [illegible] phone number is Normandy 3-6124. Fred would drive you the 50 miles to the property, and will notify me of the arrangements and I will meet you at the location.

Sincerely,

/s/ Frederick L. Hubbard
Frederick L. Hubbard
F.L.G. Mining Company

MAY 24 [illegible]

Ome

OFFICIAL COPY
RECEIVED
DEC 5 1966

GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane, Washington 99204
December 2, 1966

Mr. Frederick L. Hubbard
F. H. G. Mining Co.
16513 - 37th N. E.
Seattle, Washington 98155

Re: OME-6579 (Gold)
F. H. G. Mining Co.
Washington State Mineral Lease
No. 58405
Chelan County, Washington

Dear Mr. Hubbard:

I am sorry the snow got to the property before we were able to do so.

You are correct in that the surface should be free of snow in order to avoid a partial inspection that would only have to be completed by a later one. If you will let me know as soon as reasonably possible when the snow is gone, I will schedule another date with you as soon thereafter as possible.

Sincerely yours,

D. R. MacLaren
Field Officer, OME
Region I

DRMacLaren/mls

cc: OME w/cpy incoming

Director's Reading File

/S/ Frederick L. Hubbard

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
11/16	E. Peterson	130 P
11/16/66	Kishamo	120 OK
		110
		220
11/16	Coe	120

NOV 16 1966

Memorandum

To: Field Officer, Region 1

From: Chief, Office of Minerals Exploration

Subject: OME-6579 (Gold)
F. N. G. Mining Company
Washington State Mineral Lease No. 58405
Chelan County, Washington

We are referring the subject application to you for further consideration, a field examination if warranted, and recommendations.

The Applicant has furnished us with additional information requested in our letter of October 27, except for evidence that a mining lease has been obtained. Indications are that a lease will be secured from the State of Washington sometime in December, and the evidence will be forwarded at that time.

If you believe a field examination is justified, we suggest that you do this, time and weather permitting, during your next scheduled interim inspection of the L-B Mines. There is no objection to your making an examination in this case even though the leasing of the property may not have been completed.

For your records, we are enclosing an extra copy of the material submitted by the Applicant in response to our letter of October 27.

FRANK E. JOHNSON

Frank E. Johnson

Enclosure

cc: Director's Reading File
Division File
Economic Geology File
OME Reading File
OME Docket
130
Peterson

ECPeterson/mm (11/17/66)

23263

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
11/16	E Peterson	120P
"	Kuhemo	120K
		110
		220
		120 Pc

F. H. G. Mining Company
c/o Frederick L. Hubbard
16513 - 37th N.E.
Seattle, Washington 98155

NOV 2 3 1966

Re: OME-6379 (Gold)
F. H. G. Mining Company
Washington State Mineral Lease No. 58405
Chelan County, Washington

Gentlemen:

This will acknowledge receipt of your letter of November 12, in which you forwarded additional information needed to process the subject application. We are also in receipt of your new application showing a revised estimated cost figure for the proposed work.

You indicate in your letter that you expect to obtain a mining lease from the State of Washington sometime in December. At that time please furnish the necessary evidence as required in the application form under Item 2.

The application is now being referred to Mr. D. R. MacLaren, Field Officer, Region I, Office of Minerals Exploration, U. S. Geological Survey, South 157 Howard Street, Spokane, Washington 99204.

The Regional Office will notify you in case additional information concerning the application is needed.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Reading File
Region I
Peterson
ECPeterson/mm (11/16/66)

23263

OFFICIAL
COPY
O. M. E.
RECEIVED
NOV 14 1966
INITIALS CODE
120 M
EP 110
EP 120P

F.H. G. Mining Co.
Frederick L. Hubbard
16513 37th N.E.
Seattle, Wash. 98155
Nov. 12, 1966

U.S. Dept. of the Interior
U.S. Geological Survey
Office of Minerals Exploration
Washington, D.C. 20242
Frank E. Johnson
Chief, Office of
Minerals Exploration

Re: OME-6579 (Gold)
FHG Mining Co.
Washington State Mineral Lease No. 58405
Chelan County, Washington

Dear Mr. Johnson:

In your letter to me, on Oct. 27th, 1966, you requested more information on our application for OME financial assistance. Under 3. Physical Description: please find enclosed map and sketches showing limestone and shaleformation in relation to our lease boundries, assay information requested.

1. Financial Eligibility; We will furnish individual financial statements assuring that we are able to cover our share of the costs. Please note in paragraph 7. under equipment, the 1/60th depreciation cost for use of equipment.

2. Applicant's Right in Land; As soon as we obtain our lease from the State of Washington (we have been issued a lease number - 58405 and expect the lease in December,) I will mail you duplicate photostats as soon as possible. Please be assured we will obtain a performance bond covering the governments share of the cost of the proposed work.

3 & 5. Physical Description and Exploration Work; The geological structure appears to be a simple uncomplicated formation, consisting of a limestone body, varying in width on the exposed surface 10 feet to 50 feet, and extending in a straight line for 1000 feet in length, from Alder creek below, to our No. 1 area. The limestone has an average dip of about 60 degrees north. On both sides of the linestone is a brown shale formation; the quartz vein intrusions penetrate the shale along side the limestone; also, the veins intrude up through cracks in the lime bedding. All of the quartz veins carry free gold and silver. We merely clear off the top soil down to the limestone and shale, to the quartz veins, which vary in width from a few inches to several feet in width. The vein material is a decomposed, oxidized, leeched quartz. The gold is exceptionally free and in the shape of small globulars.

We have started an adit on our No. 3 area where we found ore two feet in width; assaying 1.04 - 1.48 - 1.72 - 2.28 - 2.45 oz. Au. The vein has pinched down to knife blade thickness and we believe by following this stringer, there is a possibility of its widening out. We are now 10 feet into the hill. When we reach 200 feet, we expect to be in the center of the limestone formation with 220 feet of back, then we plan to cross-cut 50 feet each way at the end of the drift.

In regard to our assay proceedure, all of our samples were chip samples approximately one inch in width across the veins. However, do to the decomposed structure of the vein material, this was not easy; but you can be assured we took precaution to select average ore for our assays. I have taken several five-pound samples of the same material listed in the fire assay reports, and ranthem through our small ball mill and received much higher assay results; which indicates an ideal ball mill recovery operation, in the event we find sufficient ore.
I'm sure your examining geologist will be interested in this unusual quartz vein and distribution of free gold.

6. Experience; Please find enclosed a letter from Mr. Fred Fritts, explaining his mining experience.

7. Estimate of costs: Based on 5 feet advance per shift.

	Per foot cost
1. Supervision and engineering	$ 1.00
2. Labor $25.00 per man (2 men per shift)	$10.00
Timber post framing	$ 8.00
Labor falling timber and squaring posts	$ 1.25
3. Supplies and materials	
Powder and caps	$ 3.63
Bits and steel	.39
Pipe	.20
Lagging	$ 2.80
Transporting materials and fuel	.80
Repairs 5%	.88
Misc. 10%	$ 1.76
Tools	.20
4. Equipment	
Air compressor, purchase price - $3500.00 depreciation & fuel	$ 2.44
Slusher, purchase price - $1000.00 depreciation	.17
Drill, purchase price - $ 800.00 depreciation	.13
Total unit cost per foot;	$33.65

Mr. Johnson, please find enclosed new application MME form 40 with revised estimated cost of project. After investigating cost of labor in other areas, we have reduced our labor cost and with the 1/60 depreciation figure on equipment, we arrived at the new cost of project.

Sincerely yours,
Frederick L. Hubbard

Frederick L. Hubbard
Partner FHG Mining Co.
16513 37th N.E.
Seattle, Washington 98155

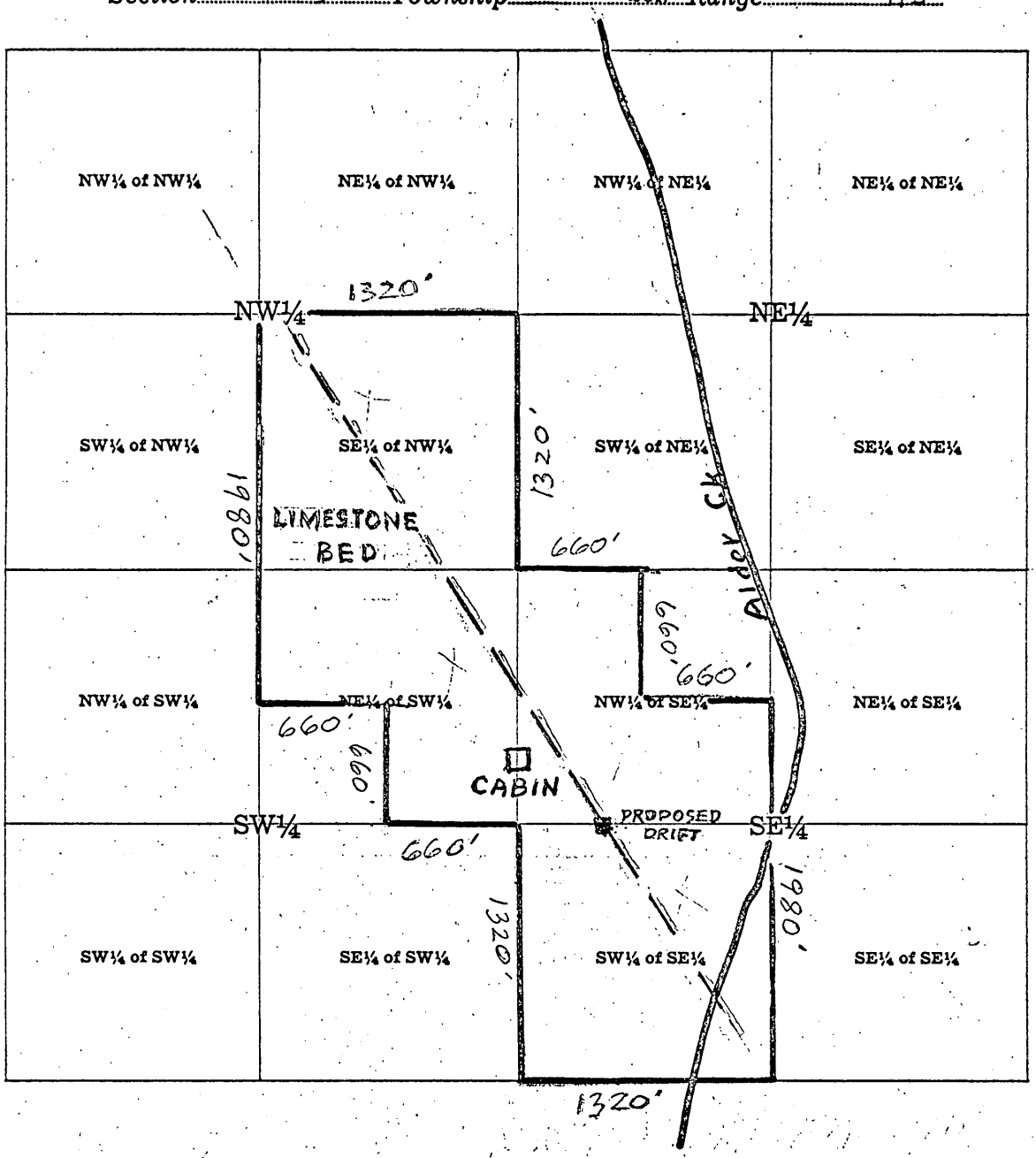
F. G. Mining Co.
Washington State Lease No. 58405

2. Applicant's Rights in Land
(b)
5. Exploration Work
(a)

S. F. No. 1854—OS—9-60—5M.

Chelan County

Section 36 Township 28N Range 17E

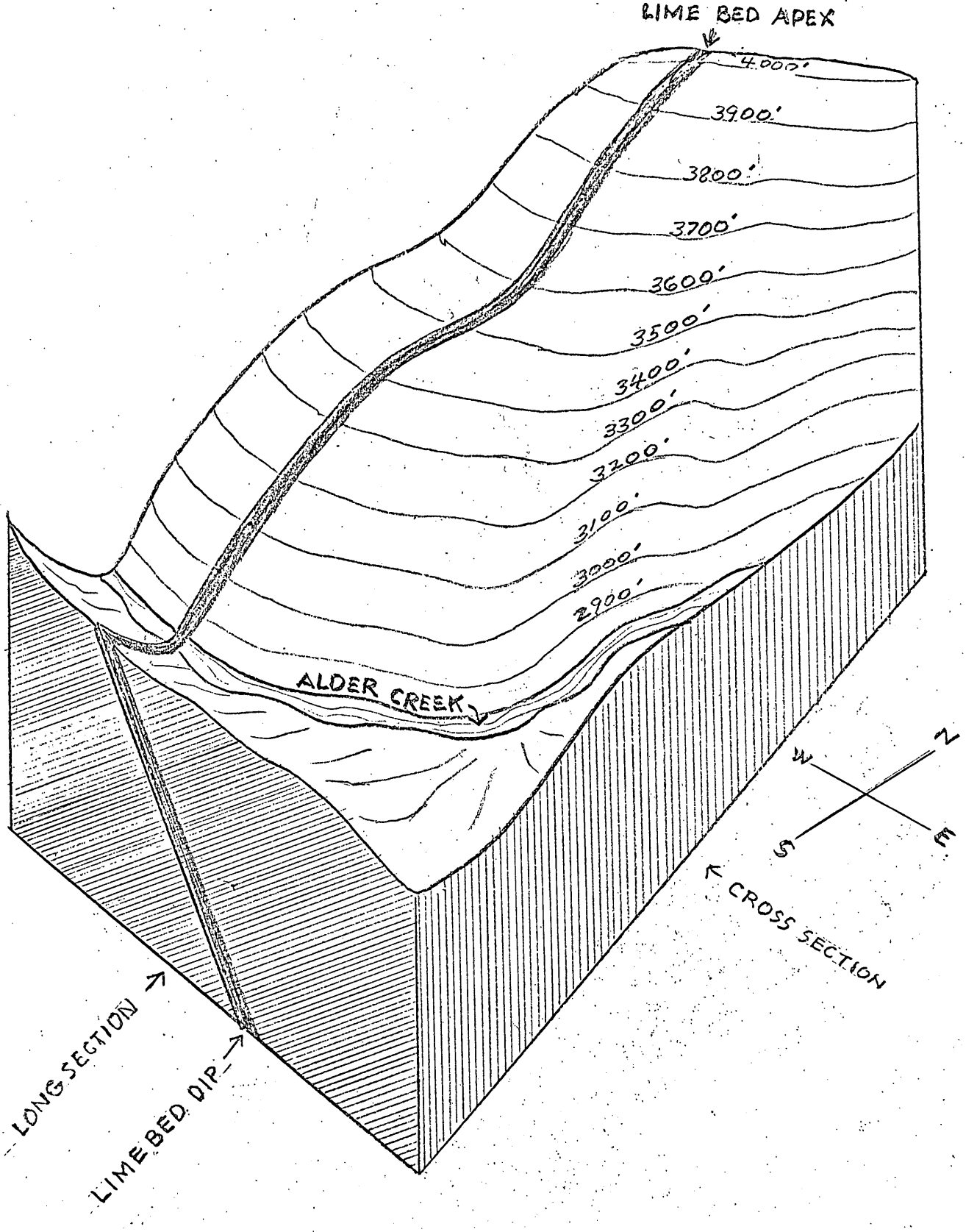


Bed

SE ¼	NW ¼	40
SW ¼	SE ¼	40
E ½	NE ½ SW ¼	20
NW ¼	NE ¼ SW ¼	10
NW ¼	NW ¼ SE ¼	10
S ½	NW ¼ SE ½	20

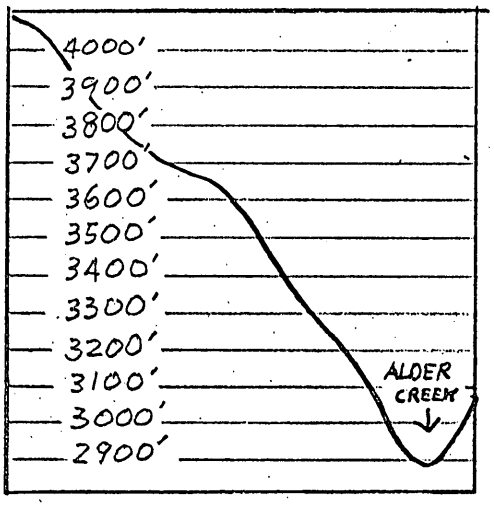
F. H. G. Minining Co.
Chelan County, Section 36, Township 28 N., Range 17 E.
Washington State Mineral Lease No. 58405
United States Dept. of the Interior
Office of Minerals Exploration, Docket No. OME 6579

3. Physical Description
(e) Block diagram showing limestone bed, apex and dip

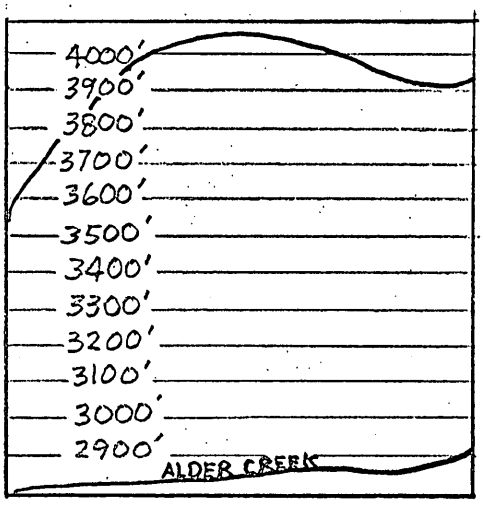


H. G. Mining Co.
Chelan County, Section36, Township 28 N. Range 17 E.
Washington State Mineral Lease No. 58405
United States Dept. of the Interior
Office of Minerals Exploration, Docket No. OME 6579

3. Physical Description
(e) Showing elevation



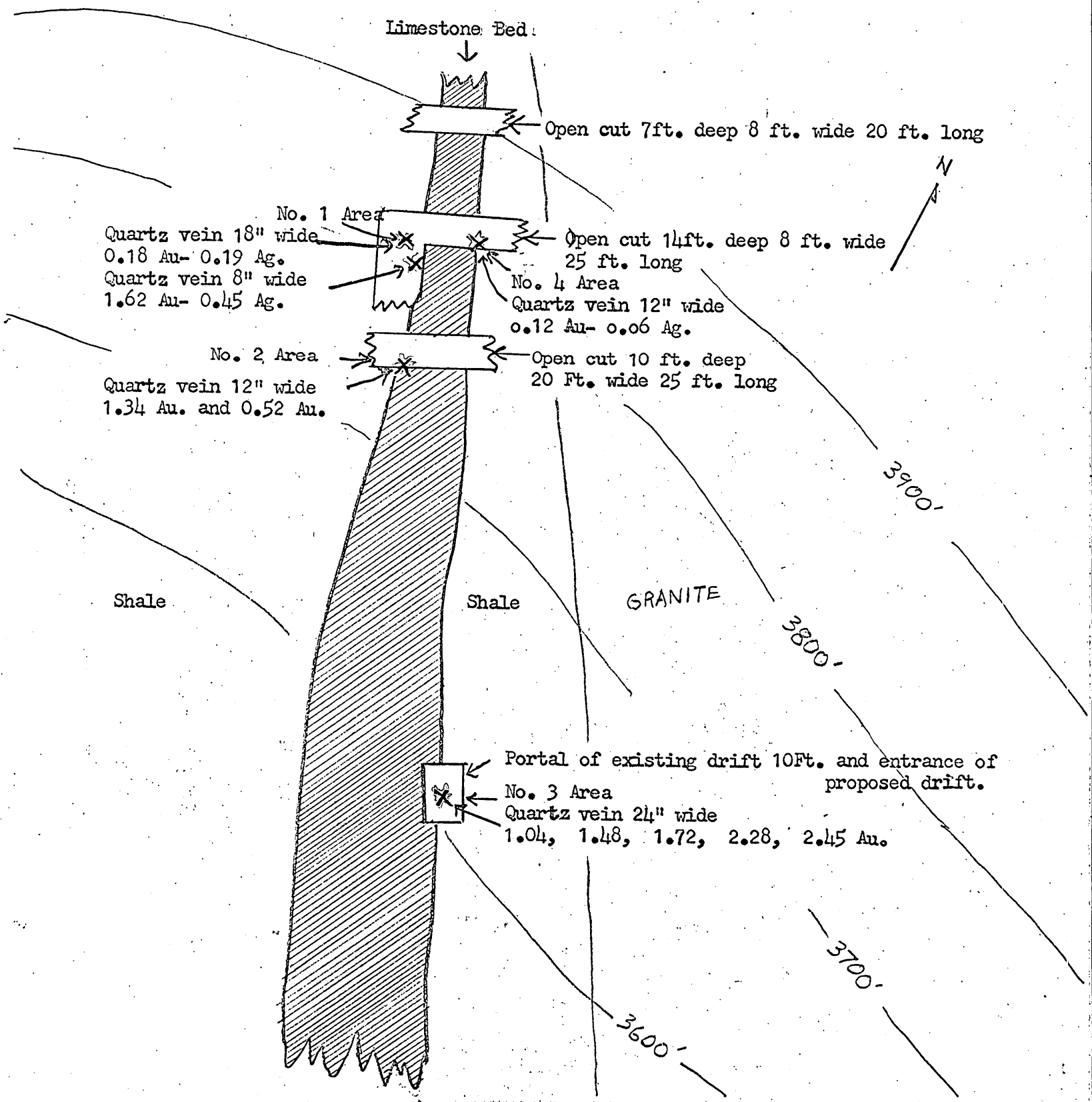
Long section
Looking North



Cross section
Looking West

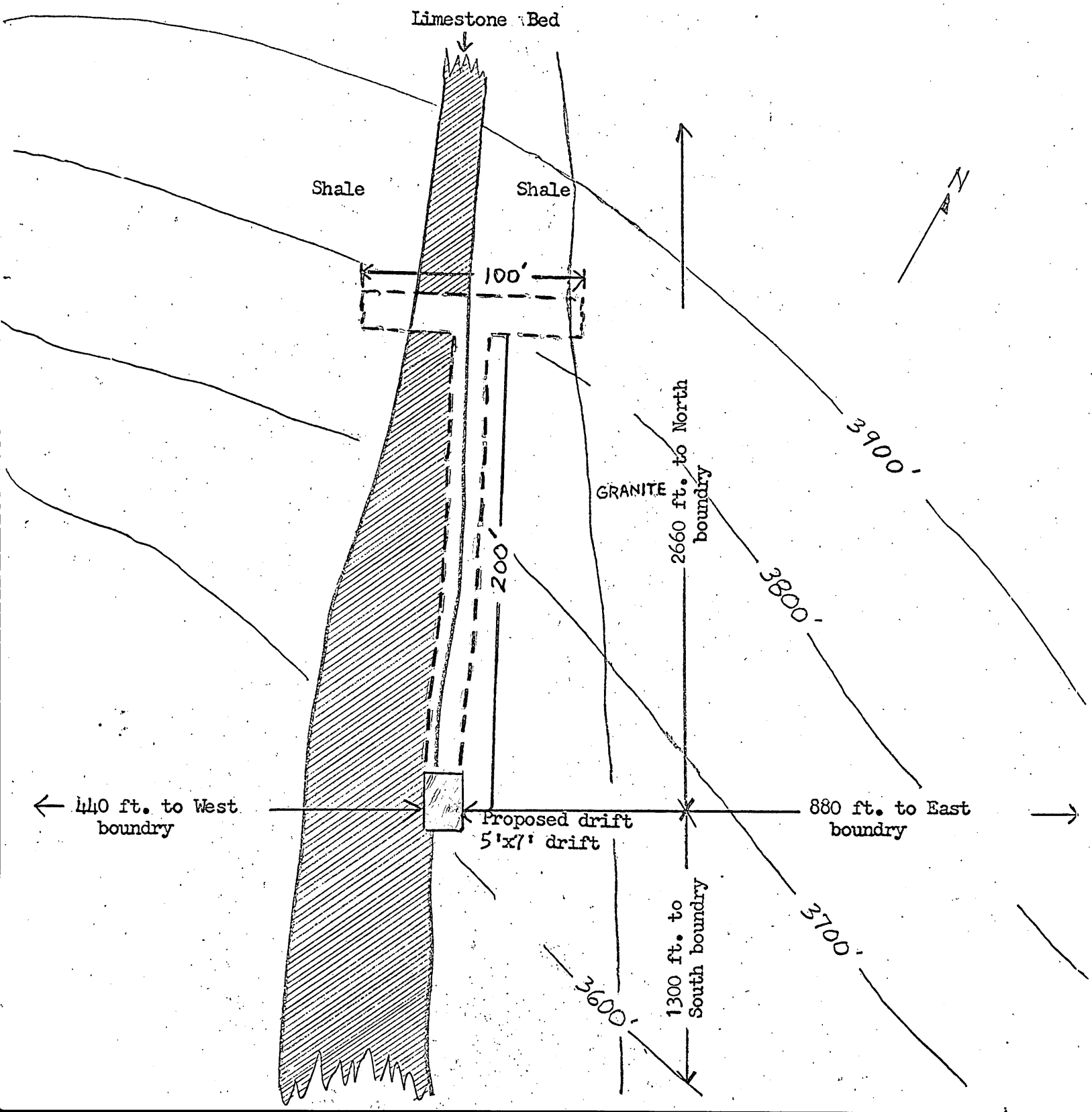
F. M. G. Mining Co.
Chelan County, Section 36, Township 28 N., Range 17 E.
Washington State Mineral Lease No. 58405
United States Dept. of the Interior
Office of Minerals Exploration, Docket No. 6579

3. Physical Description
(f) Plan - showing existing open cuts and assay information



F. H. G. Mining Co.
Chelan County, Section 36, Township 28 N., Range 17 E.
Washington State Mineral Lease No. 58405
United States Dept. of the Interior
Office of Minerals Exploration, Docket No. 6579

5. Exploration Work
(a) Showing proposed drift and distance from Washington State lease boundries.



Nov. 3, 1968

Mining experience of Fred G. Fritts -

From 1937 till 1945, I worked for the Knob Hill Mines, Inc., at Republic, Wash., doing all types of mining and timbering including assistant mining engineer and hoisting engineer.

From 1945 till 1948, two partners and myself secured a lease from Day Brothers Mining Co., Inc., main office at Wallace, Idaho. I had charge of the underground work.

From 1950-1957 and from 1959-to present time, I have worked for L.D. Mines, Inc., main office, Wenatchee, Wash., working in the capacity of all around miner, mostly contract mining and leasor.

In 1958, I was foreman at Lone Mt. Mine in Tonopah, Nevada.

Fred G. Fritts

Fred G. Fritts
1627 Cherry St.
Wenatchee, Wash.

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
10/27	Peterson	120
10/27/66	Kirkemo	120
		110
10/27	Cole	220
		120M

AIRMAIL

F. H. G. Mining Co.
c/o Frederick L. Hubbard
16513 - 37th N. E.
Seattle, Washington 98155

OCT 27 1966

Re: OME-6579 (Gold)
F. H. G. Mining Co.
Washington State Mineral Lease No. 58405
Chelan County, Washington

Gentlemen:

A careful review of your application for OME financial assistance to explore the referenced property for gold and silver indicates that additional information is required to continue its processing.

The information needed is listed below under the same headings as listed on the back of the application form (MME Form 40).

1. Financial Eligibility: As the Government will participate only to the extent of 50 percent of the allowable costs of the proposed project, we must have some assurance that you can furnish your share of the costs. You indicate that your share of the project costs would be contributed by the labor furnished by you, and presumably by the use of equipment that you plan to purchase. However, we find that allowances for these items usually are not sufficient to cover the operator's share of the costs. The allowance for use of equipment owned by the operator is calculated in an OME contract by allowing depreciation to the extent of 1/60 of its fair market value or its book value, whichever is less, for each month the equipment is used on the contract.

2. Applicant's Right in Land: In the event of an exploration contract, it will be necessary for you to secure a mining lease on the referenced property from the State of Washington. We note that you expect to obtain this lease sometime in December. As you know, the State of Washington cannot execute a subordination agreement covering the land included in Washington State Leases; therefore, it will be necessary to have your assurance that you are able and willing to obtain a Performance Bond or an Affidavit of Individual Surety covering the Government's share of the cost of the proposed work.

3 and 5. Physical Description and Exploration Work:
Please submit a sketch map showing present workings and proposed exploration in relation to claim boundaries. Information as to widths of the samples for which you provided assay certificates, sampling methods used to obtain your samples and locations of the sites sampled should be supplied. Also include any further geological data of the claim area that may be available.

Please clarify why you expect the rate of advance for drifting and crosscutting to be only 15 feet per month. It seems that a normal advance of about 3 feet per 8-hour shift should be expected.

6. Experience: Supply in more detail the background and experience record of Mr. Fred Fritts who would supervise the proposed work.

7. Estimate of Costs: Furnish detailed estimates of the necessary costs for the proposed work. The estimated costs should be distributed as follows for the work to be performed:

1. Supervision and engineering
2. Labor
3. Supplies and materials
4. Equipment

This request for additional information should not be construed as a commitment by the Government to grant an exploration contract. We shall hold the further processing of your application in abeyance until the requested data are received.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Region I
OME Reading File
Mr. Peterson

EPeterson/gla 10-27-66

October 21, 1966

Mr. Frederick L. Hubbard
F. H. G. Mining Company
16513 - 37th N. E.
Seattle, Washington 98155

Subject: OME-6579

Dear Mr. Hubbard:

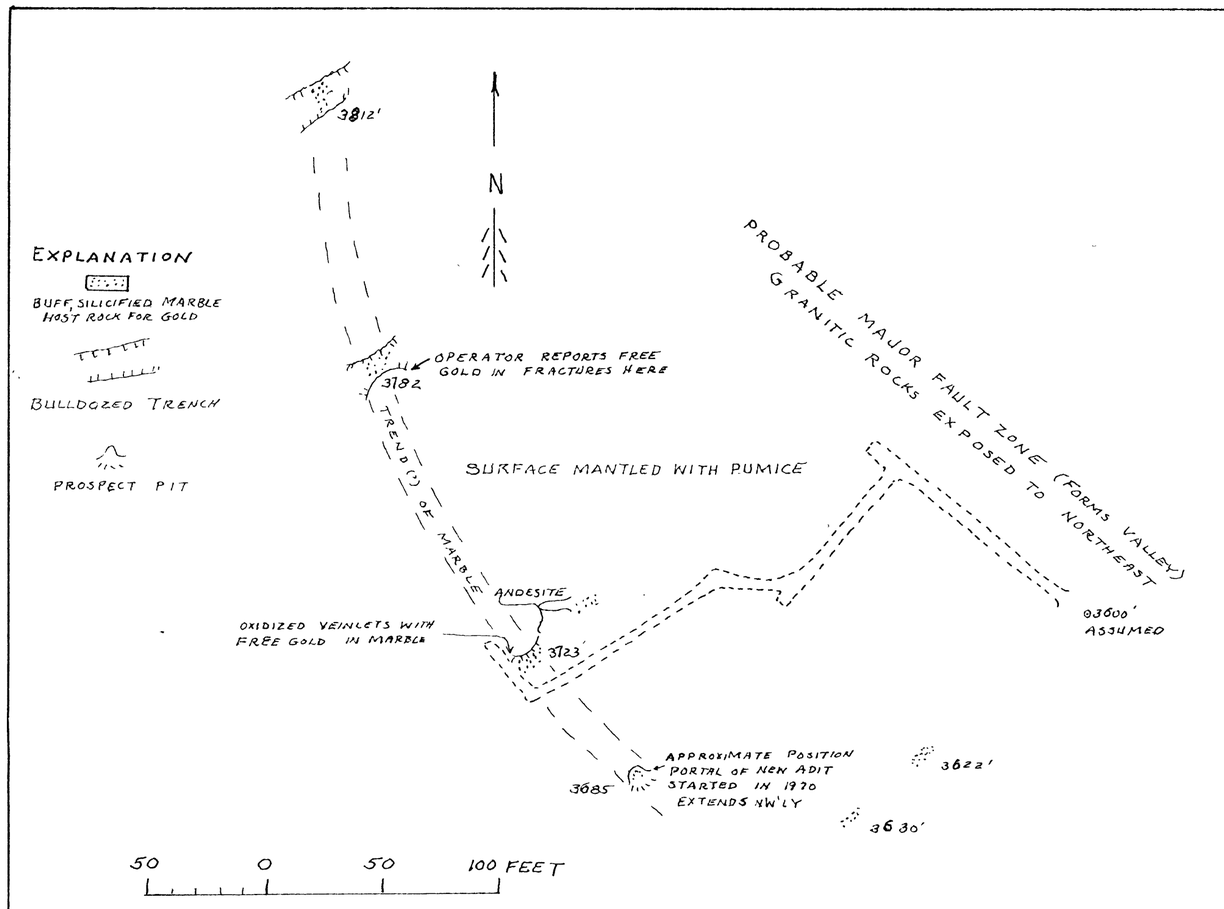
Your application for exploration assistance, dated October 11, 1966, submitted to our office at Spokane, Washington, has been assigned Docket No. OME - 6579.

Please identify all future correspondence relating to your application by this docket number.

Sincerely yours,

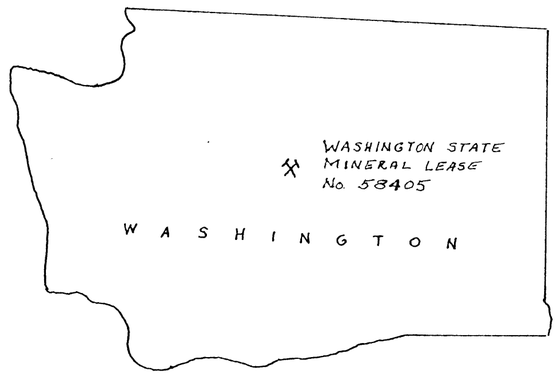
Frank E. Johnson
Chief, Office of
Minerals Exploration

Copy to Region I

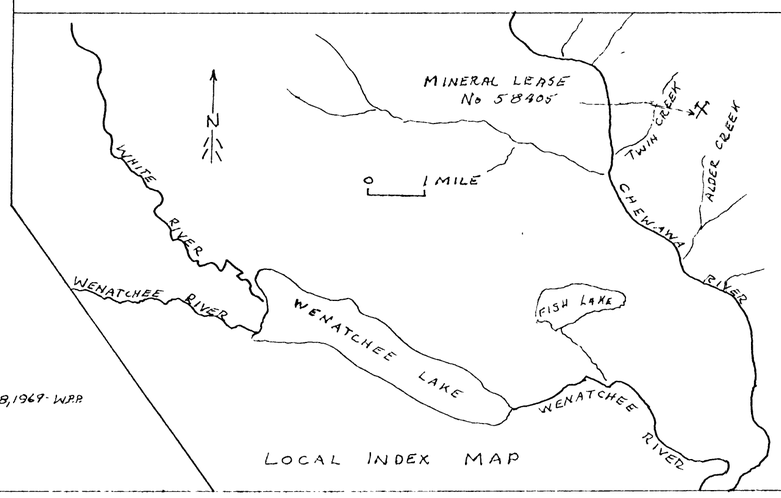


PLAN MAP- COMPOSITE OF SURFACE AND UNDERGROUND WORK

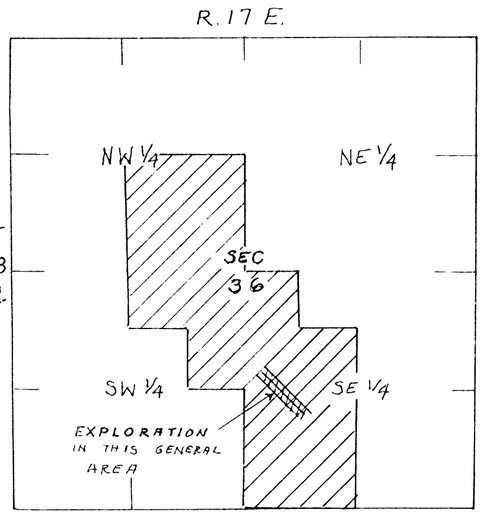
FROM BRUNTON & TAPE SURVEYS - 1968, 1969 - W.P.P.



INDEX MAP OF WASHINGTON



LOCAL INDEX MAP



PROPERTY MAP
LEASED LAND IS CROSSHATCHED

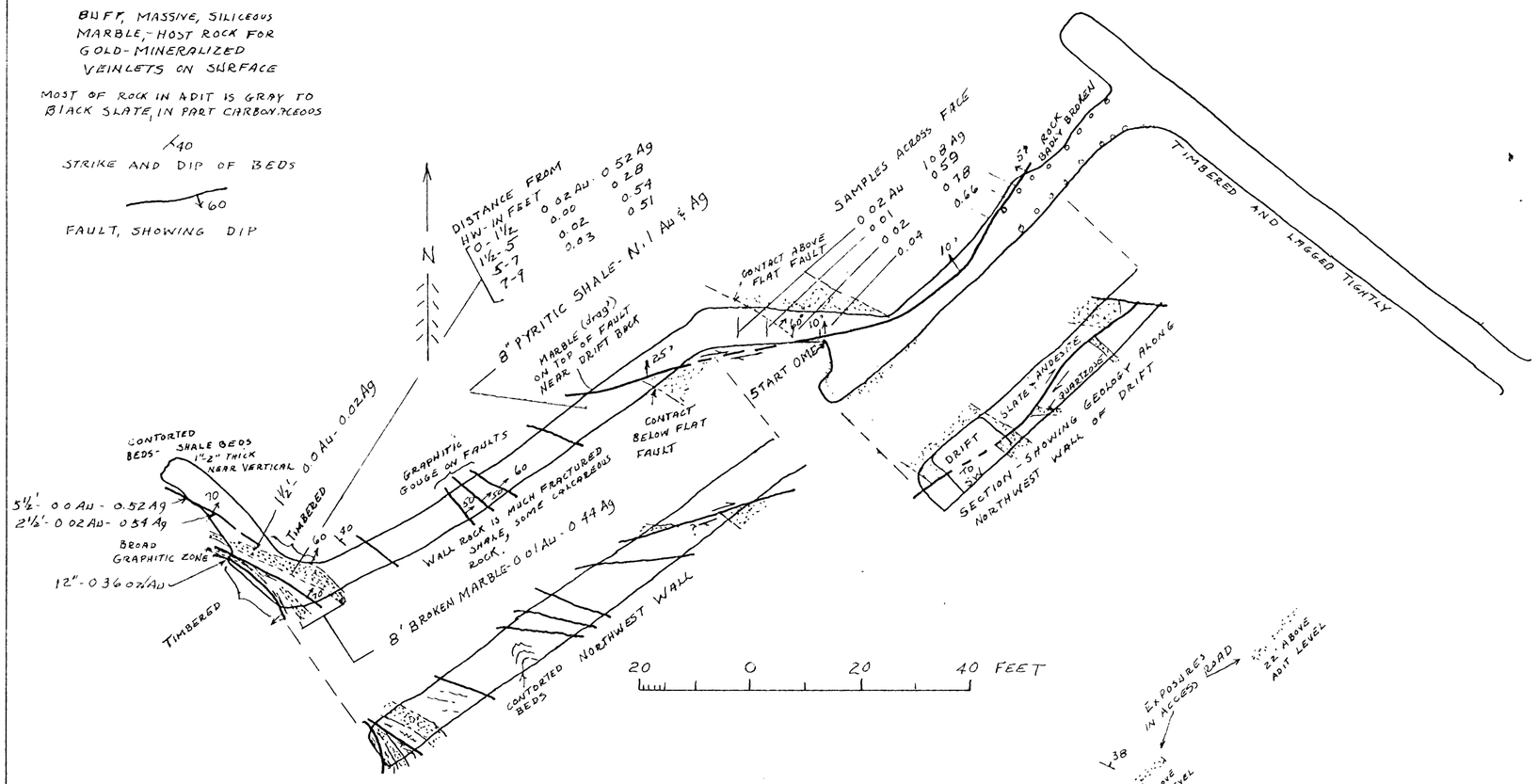
EXPLANATION

BUFF, MASSIVE, SILICEOUS MARBLE,- HOST ROCK FOR GOLD-MINERALIZED VEINLETS ON SURFACE

MOST OF ROCK IN ADIT IS GRAY TO BLACK SLATE, IN PART CARBONACEOUS

40
STRIKE AND DIP OF BEDS

60
FAULT, SHOWING DIP



GEOLOGY IN ADIT

MAPPED BY W.P. PUFFETT - 1969

FIGURE 1 - GEOLOGIC, PROPERTY, AND INDEX MAPS, THREE F MINING CO., INC., WASHINGTON STATE MINERAL LEASE No. 58405, SEC. 36, T. 28 N., R. 17 E., CHELAN COUNTY, WASHINGTON