MME Form 9
Rev. Nov. 65

UNITED STATES
DEPARTMENT OF THE INTERIOR
Geological Survey

OFFICIAL DOCKET FILE Contract No. 2272 Docket No. 6703

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- [ ] Withdrawn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
- [ ] Closing Letter
- [x] Cost Audits 8/6/9
- [ ] Termination Notice or Agreement
- [ ] Recision Notice
- [ ] Assignment of Contract
- [ ] Contract Amendments
- [x] Contract with all exhibits and annexes
- see below [ ] Owner's Consent to Lien and Subordination Agreement
- [ ] Application and Attachments

SF 25 and 28

Right Side

- [ ] Project Summary (final)
- [ ] Work Completed Analysis (final)
- All other material filed in chronological order including the following reports if checked:
- [ ] Field Team Semiannual Report for Certified Project
- [x] Final Field Team Report (Tab)
- [ ] Operator's Final Report (Tab)
- [ ] Interim Field Team Reports
- [ ] Operator's monthly reports and all attachments
- [x] On-site Exam. Report (Tab) 7/2/68
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Left Side

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

Right Side

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

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

Folders No._____: Settlement Sheets

Folders No._____: Drill Logs

Folders No._____: Royalty Material

72195-65

E Form 7
(63)

OFFICIAL FILE COPY

Date	Surname	Code
9/12/69	Hum	120
		120

220

AIRMAIL

SEP 15 1969

B & J Properties
12531 30th N. E.
Seattle, Washington 98125

Re: OME-6703 (Mercury)
B & J Properties
St. Regis Paper Company
Pierce County, Washington
Contract 2272

Gentlemen:

Reference is made to your terminated 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

ECPeterson/bsl 9/12/69

I-C-DC-OME-22-69
Government's copy

UNITED STATES
DEPARTMENT OF THE INTERIOR

Office of Survey and Review

Audit Operations

OFFICIAL
COPY
C. M. E.
RECEIVED
SEP 2 1969

INITIALS	CODE
zla	130
	120M
ajp	120P

Report of Review-Contract 2272
Docket No. OME-6703 (Mercury)
B&J Properties, Inc. (Operator)
Pierce County, Washington

Report
of
Review

Washington, D.C.
August 1969

On August 11, 1969, we reviewed the contract files of the Office of Minerals Exploration (OME) pertaining to their minerals exploration contract No. 2272 with B&J Properties and examined the related disbursement records in the Branch of Budget and Finance, Administrative Division, Geological Survey.

The contract was awarded on October 2, 1968, for $41,200, the total estimated cost of the project, with OME participation on a 75-percent basis or not to exceed $30,900. The contract provided for the exploration by diamond drilling from prepared surface sites, crosscutting, drifting, and long-hole drilling for mercury-bearing ore bodies in and along a northeasterly trending quartz vein which traverses volcanic rocks of Tertiary Age. Samples were to be analyzed for mercury, and for gold and silver as warranted.

Repayment of the disbursed Federal funds plus simple interest at 7½ percent was to be made on the basis of established royalties of all minerals and metals produced from the land during the exploratory 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 November 1, 1968, and was to be completed within 6 months from the date of the contract or shall have incurred allowable costs in a sum not less than the total approved amount.

The work was to be divided into two stages. The operator was to complete all of Stage I and as much of Stage II as is authorized in advance by the Government and confirmed in writing, approval of Stage II depending upon the results obtained in Stage I.

Final report of the OME Region I Geologist stated that the results of work under Stage I of the contract did not justify the additional work specified in Stage II and recommended a termination of the contract.

Three vouchers have been submitted to OME totaling $7,892 and $5,919 reimbursed to the operator for the OME participation on a 75-percent basis. We believe that the claimed and accepted costs are proper under the terms of the contract. The units of work authorized and paid are summarized on Exhibit I.

C. D. Bar

Regional Director

Summary of Contract Terms, Accepted Costs, and Unexpended Balance

Stage I - Actual Costs	Authorized Amounts	Accepted Costs	Unexpended Balance
Category (1) Independent Contracts			
Bulldozing access roads and drill sites 32 hours at $21/hr.	$ 672	$ 504	$ 168
Mobilization and demobilization, and one move between drill sites, 1 drill unit	600	600	
Diamond core drilling, 1,000 feet at various rates	7,900	4,365	3,535
Cementing and redrilling, 40 hours at $15/hr.	600		600
Reaming and casing, 100 feet at $4.50/ft.	450		450
Laying and retrieving water supply systems, 10 hrs. at $12.50/hr.	125		125
Category (2) Personal Services			
Subcategory (a) Supervision and Technical Services			
1 Supervisor - geologist-engineer, 3 mos. at $750/mo.	2,250	1,875	375
1 outside consultant (2 days/month) 6 days at $75/day	450		450
Category (3) Operating Materials and Supplies			
100 cardboard core boxes at $1.25/ea.	125	55	70
Cement, cement substitutes, drilling mud, and additives	791		791
Sludge catching and sampling supplies	50		50
Subtotal	$14,013	$7,399	$6,614

Summary of Contract Terms, Accepted Costs, and Unexpended Balance

	Authorized Amounts	Accepted Costs	Unexpended Balance
Category (7) Miscellaneous			
Per diem, outside consultant, 6 days at $16/day	$ 96	$	$ 96
Mileage, Seattle to project area and return 960 miles at $0.10/mi.	96		96
FICA payroll taxes, insurance	225		225
Office and accounting expenses, 3 months at $50/mo.	150	150	
Assaying, 60 samples, mercury at $7/sample, gold and silver combined at $5/sample	420	343	77
Stage II - Fixed Unit Costs 1/			
Drifting and crosscutting, 600 feet at $40/ft.	24,000		24,000
Timbering drifts and crosscuts, 60 feet at $12/ft.	720		720
Longhole drilling, 400 feet at $1.25/ft.	500		500
Assaying, 140 samples, mercury at $7/sample, gold and silver combined at $5/sample	980		980
Total Costs	$41,200	$7,892	$33,308
Government Participation at 75%	$30,900	$5,919	$24,981

1/ The Government retains no equity in any of the equipment or materials used.

Note: Memo, 5-22-69, from OME Region I, Geologist states that results of contract work did not justify additional work specified in Stage II and recommends that the contract be terminated.

Government's copy

MME Form 50
July 1965

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
U. S. GEOLOGICAL SURVEY

EXPLORATION CONTRACT
(Long Form)

Docket No.	Commodity	Contract No.	County	State
OME -6703	Mercury	2470	Pierce	Washington

It is agreed OCT 2 1968 (Date), between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and

B & J Properties, a Washington corporation

whose mailing address is 12531 30th N. E., Seattle, Washington, 98125, hereinafter called the "Operator," as follows:

ARTICLE 1. Authority and scope.--(a) This contract entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before NOV 1 1968 (Date), and, subject to the provisions of Article 9 and Exhibit A, shall either have completed the work within 6 months from the date of the contract or shall have incurred allowable costs (see Article 6) in a sum not less than the total cost set forth in Exhibit A.

(b) The total allowable cost of the work set forth in Exhibit A is $41,200.00. The Government will contribute ~~62½~~ 75 percent of the allowable costs as they are incurred, in a total sum not in excess of $30,900.00 in accordance with the provisions of Articles 3, 4, 5, and 6. "Costs incurred" means costs that have been paid or have become due and payable, or that the Government determines have become obligations.

(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 right 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 7 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) Independent contracts.--To the extent that the allowable costs are estimated in Exhibit A with express reference to performance by independent contractors on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations), the work may be so performed (see Article 6(a), Category (1)). Any such independent contract shall refer to some specific and identifiable part of the work, and shall be subject to all of the pertinent terms and conditions of this exploration contract; but the Government shall not be considered a party thereto, and its rights under this contract, including the right to terminate its contributions, shall not be affected thereby. Regardless of the provisions of any such independent contract, the Government will participate in payments to the independent contractor only as to work performed in accordance with the provisions of this exploration contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable.

(c) 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. 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 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. If work under this contract is carried on in conjunction with any other operations, or if labor, supervision, services, materials, supplies, equipment, facilities, or other requirements for carrying on the work are also used in connection with other operations, the costs shall be segregated and accounted for on a basis and by methods and accounts that are satisfactory to and approved by the Government.

(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; however, the original of the Operator's Monthly Voucher shall be supported by documentary evidence, such as certified copies or transcripts of payrolls and invoices, for all costs claimed under Article 6 (a) (1).)

(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 related costs.

(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 the 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. Costs.--(a) Allowable costs.--The allowable costs of the work to which the Government will contribute are limited to:

(1) the necessary, reasonable, and direct actual costs that are estimated in Exhibit A by categories as specified in this article; and

(2) fixed costs for units of work to be performed (per foot, per hour, etc.) agreed upon in lieu of actual costs and set forth in Exhibit A.

The Government will not contribute to costs under any category or subcategory omitted from the estimate of costs in Exhibit A. Any excess over any estimate which is indicated as the maximum of any category, subcategory, or item, either as to requirement or related cost; any excess over a fixed unit cost; and any excess over the total allowable cost of the work are not allowable. The Operator shall incur such excesses for his own account without contribution by the Government, but the Operator is not obligated to incur more than his agreed percentage of the total allowable cost of the work.

Any category or subcategory or element thereof not designated as a maximum in this article, or in Exhibit A may be exceeded, provided that the total allowable cost of the work, which is a maximum, is not exceeded.

CATEGORY (1)--INDEPENDENT CONTRACTS.--(See Article 3(b)). The total of this category and the average unit cost estimated for each type of work to be performed under an independent contract are maximums.

CATEGORY (2)--PERSONAL SERVICES.

Subcategory (a)--Supervision and Technical Services--All elements of this subcategory (number of supervisors, technicians, outside consultants, periods of employment, rates of pay, and total) are maximums.

Subcategory (b)--Labor.

CATEGORY (3)--OPERATING MATERIALS AND SUPPLIES.--Includes such items as drill bits and steel, explosives, fuel, pipe, power, timber, rail, and small tools costing less than $50 each.

CATEGORY (4)--OPERATING EQUIPMENT.

Subcategory (a)--Rental.--The number of each rented item [6 mine cars, 1 truck], the rate of rental [$100 per month, $5 per hour], and the total of this subcategory are maximums.

Subcategory (b)--Purchases.--The total of this subcategory is a maximum.

Subcategory (c)--Depreciation.--All elements of this subcategory (time periods, rate of depreciation, and subcategory total) are maximums.

CATEGORY (5)--INITIAL REHABILITATION AND REPAIRS.--Costs of items listed under this category include all requirements, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The total of this category is a maximum.

Subcategory (a)--Initial rehabilitation and repairs of existing buildings, fixtures, and installations (exclusive of mine workings).--The total of this subcategory is a maximum.

Subcategory (b)--Initial rehabilitation and repairs of operating equipment.--The total of this subcategory is a maximum.

CATEGORY (6)--NEW BUILDINGS, FIXTURES, AND INSTALLATIONS (EXCLUSIVE OF MINE WORKINGS).--Costs of items listed under this category include all requirements, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The total of this category is a maximum.

CATEGORY (7)--MISCELLANEOUS.--Includes requirements and costs that do not fall within any of the first six categories, such as repairs other than initial and maintenance of operating equipment, analytical work, prints and other reproductions, accounting, Operator's share of payroll taxes, liability insurance covering employment, travel, and communications.

(b) Nonallowable costs.--In addition to the limitations imposed by paragraph (a) of this Article 6 the Government will not contribute to the following costs:

(1) Costs of the land, such as rental, depreciation, depletion, or other costs of acquiring, owning, or holding possession;

(2) Indirect costs, such as general overhead, corporate management, interest, taxes (other than payroll and sales taxes), insurance (other than liability insurance covering employment), damages to persons, damages to property (other than necessary repairs or replacements of equipment or other property used in the work);

(3) Previous work performed or costs incurred before the date of this contract; and

(4) Deferred payments.--Any costs incurred by the Operator under any rental-purchase agreement, installment-purchase agreement, or any agreement for the purchase of goods under the provisions of which payment of the full purchase price is deferred more than 90 days from the delivery of the goods, unless the purchase agreement is approved by the Government in writing.

(c) Reductions in costs.--The Operator shall account for and give the Government credit for any incidental benefits, credits, or money received in the ordinary course of business in prosecuting the work (as by salvage or sale of materials or equipment, furnishing of room or board, furnishing of power or services to third persons, rebates or discounts on purchases, etc.), in the same ratio in which the Government contributes to costs; and such amounts shall be treated as a reduction in costs incurred so that they are available for use within the limit of the original total cost. The provision does not apply to receipts from production which are subject to the Government's royalty under the provisions of Article 7.

ARTICLE 7. 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 retains 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 7(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 8. Interests in purchased property.--(a) Title and ownership.--All costs under this contract shall be incurred by the Operator in the Operator's own name and for the Operator's own account; but any property acquired to the cost of which the Government contributes shall belong to the Operator and the Government jointly in proportion to their respective contributions although title thereto shall be taken in the name of the Operator.

(b) Preservation of property.--Until the final disposal of any property in which the Government has an interest, the Operator shall preserve and protect same for the best interest of the Government, and any reasonable and necessary cost thereof will be treated as an allowable cost of the exploration. After the completion of the work, termination of the Government's obligation to contribute, or when such property is not being used for the work, the Operator shall not use it elsewhere without the written consent of the Government and without paying a reasonable rental to be fixed by the Government for its proportionate interest.

(c) Disposal of property.--Upon the completion of the work, termination of the Government's obligation to contribute to costs, or when the property is no longer needed for the work, the Operator shall promptly dispose of salable or salvageable property in which the Government has an interest for the joint account of the Government and the Operator, either by return to the vendor, sale to others, purchase by the Operator, or sale or transfer to the Government at a price at least as high as could be obtained from others, unless the Government in writing waives its interest in any such property. Without advance approval of the sales price by the Government, the Operator shall not sell at any price any item of property that cost more than $500, and shall not sell at less than 25 percent of the purchase price any item of property that cost $500 or less. The Government, in lieu of approving the sales price for any such item, may itself purchase the item at the best price which the Operator is able to obtain or offers. Property remaining upon any termination of the work shall be considered in groups or categories (such as drill steel, explosives, pipe, or rail), and if the original cost of the remaining unexpended portion of any such group or category is less than $50, the Government waives its interest therein. If necessary to accomplish the disposal of any item, the Operator shall dismantle and sever it from the land, the cost thereof to be treated as a cost of the exploration.

(d) Default of the Operator re disposal.--If within 90 days after the completion of the work, termination of the Government's obligation to contribute to costs, or after the property is no longer needed for the work, the Operator has failed to sell or otherwise liquidate or dispose of any property in which the Government has an interest, the Government, at any time prior to final settlement under the contract, may:

(1) in writing extend the time within which the Operator must dispose of or liquidate the property;

(2) by written notice to the Operator, place upon such property what it determines to be a fair valuation thereof, not in excess of the cost less 1.66 percent per month from the date such property was purchased under this contract to the termination of said 90-day period; and such property shall thereupon be considered and accounted for as having been purchased by the Operator at the valuation so fixed by the Government; and

(3) enter and take possession of such property wherever it may be found, and remove and dispose of it for the joint account of the parties.

ARTICLE 9. 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 contribute to costs not then incurred other than such as may be allowable under the provisions of the contract as necessary and incidental to final accounting and reporting; 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 contribute to costs not incurred when the notice was given, other than such as may be allowable by the provisions of the contract as necessary and incidental to final accounting and reporting; 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 9 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 13.

ARTICLE 10. 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 11. 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 12. 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 13. 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 14. 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 15. 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 16. Changes and added provision.--

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

B & J PROPERTIES
(Operator)

By Wm. H. Pierce

Title Pres.

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

Bliss
Long
App'd Sol. Off.
E. Peterson
Kisberna
Johnson
Gilsgaard
Weyr

I, T. B. Huyett (Name), certify that I am the Asst. secretary of the corporation named as Operator herein; that Wm. H. Pierce (Name), who signed this contract on behalf of the Operator, was then Pres. (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]

UNIVERSITY OF CALIFORNIA LIBRARY

EXPLORATION CONTRACT
B & J PROPERTIES, INC.
OME-6703

ANNEX I

The land including all rights pertaining thereto, referred to in Article 2 of the contract, consists of the W1/2SE1/4 and E1/2SW1/4 of sec. 18, T. 16 N., R. 6 E., WB&M, Pierce County, Washington.

The Operator is in possession of the land under the terms of an Agreement dated November 3, 1967, and an Extension Agreement dated April 2, 1968, from the owner St. Regis Paper Company.

A Performance Bond in lieu of Lien and Subordination Agreements in the amount of $30,900.00 is attached and made part hereof.

The property is shown outlined in green on Figure 1, entitled, "Property map and proposed exploration, Stage I, B & J Properties, Inc." 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)*	TYPE OF ORGANIZATION *("X" one)*
B & J Properties, Inc. 12531 30th N.E. Seattle, Wash.	☐ INDIVIDUAL ☐ PARTNERSHIP ☐ JOINT VENTURE ☒ CORPORATION
	STATE OF INCORPORATION Washinggon

SURETY(IES) *(Name(s) and business address(es))*	PENAL SUM OF BOND			
Wm. H. Pierre Lawrence Guyette Both of 11525 Lake City Way N.E. Seattle, Wash.	MILLION(S)	THOUSAND(S)	HUNDRED(S)	CENT(S)
		30	900	none
	CONTRACT DATE	CONTRACT NO.		
	Oct. 2, 1968	2272		

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. Wm. H. Pierre (Seal)	2. Lawrence Guyette (Seal)	Corporate Seal
Name(s) & Title(s) *(Typed)*	1. Wm. H. Pierre, Pres.	2. Lawrence Guyette, Asst. Secty	

INDIVIDUAL SURETY(IES)		
Signature(s)	1. Wm. H. Pierre (Seal)	2. Lawrence Guyette (Seal)
Name(s) *(Typed)*	1. Wm. H. Pierre	2. Lawrence Guyette

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)*
Lawrence Lightfoot Guyette

MY ADDRESS *(street and number, city and State)*
18240 62nd N.E.
Seattle, Washington

TYPE AND DURATION OF MY OCCUPATION
Business Manager

NAME OF MY EMPLOYER
Bill Pierre Motors, Inc.

MY BUSINESS ADDRESS *(street and number, city and State)*
11525 Lake City Way, N.E.
Seattle, 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

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)*
18240 62nd N.E. Seattle, Washington

FAIR VALUE OF SUCH REAL ESTATE
$35,000.00

ASSESSED VALUE OF SUCH REAL ESTATE FOR TAXATION PURPOSES
$5,000.00

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
none

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
$20,000.00

THE ABOVE PERSONAL PROPERTY CONSISTS OF THE FOLLOWING
Bonds, stocks, cash

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

MY SIGNATURE AS SURETY
L. L. Guyette

Subscribed and sworn to before me this date at Seattle, Washington

OFFICIAL SEAL

Roger L. Long — *(Signature)*
Notary Public — *(Title of official administering oath)*
Oct. 23, 1968 — *(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*)

Logan L. Long

SIGNATURE

Logan L. Long

OFFICIAL TITLE

Exec. Vice Pres. - Commercial Bank of Seattle

ADDRESS

3046 N.E. 127th

Seattle, Washington 98125

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
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)*
WILLIAM HENRY PIERRE

MY ADDRESS *(street and number, city and State)*
16706 Shore Drive N.E.,
Seattle, Washington

TYPE AND DURATION OF MY OCCUPATION
Ford Dealer and Banker

NAME OF MY EMPLOYER
Bill Pierre Motors, Inc.

MY BUSINESS ADDRESS *(street and number, city and State)*
11525 Lake City Way, N.E.
Seattle, 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

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)*

(1) 16706 Shore Drive N.E., Seattle, Washington

(2) Copalis, Washington

FAIR VALUE OF SUCH REAL ESTATE
$140,000

ASSESSED VALUE OF SUCH REAL ESTATE FOR TAXATION PURPOSES
$40,000

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
$275,000

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
$1,000,000

THE ABOVE PERSONAL PROPERTY CONSISTS OF THE FOLLOWING
Bank Stocks, Ownership of Ford Dealership, Listed Securities, Rental Property, Cash

ALL OTHER BONDS ON WHICH I AM SURETY *(state character and amount of each bond; if none, so state)*
Auto Dealer's Bond $10,000

MY SIGNATURE AS SURETY
William H Pierre

Subscribed and sworn to before me this date at Seattle, Washington

OFFICIAL SEAL

Logan L. Long *(Signature)* Notary Public *(Title of official administering oath)* Oct. 23, 1968 *(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*)	SIGNATURE
Logan L. Long	Logan L. Long

OFFICIAL TITLE

Exec. Vice Pres. - Commercial Bank of Seattle

ADDRESS

3046 N.E. 127th
Seattle, Washington 98125

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
B & J PROPERTIES, INC.
OME-6703

EXHIBIT A

The purpose of this project is to explore by diamond drilling from prepared surface sites, crosscutting, drifting, and long-hole drilling for mercury-bearing ore bodies in and along a northeasterly trending quartz vein which traverses volcanic rocks of Tertiary age.

General Provisions

A bulldozer no smaller than a Caterpillar D-7 or equivalent unit of any other make shall be used for preparation of access roads and drill sites.

No drilling or underground work shall be performed within 100 feet of the exterior boundaries of the land outlined on Figure 1.

All diamond drill holes shall be completed with standard BX (nominal diameter 1-1/8") core size or equivalent wire line size equipment.

All diamond drill holes shall be cased as necessary. The Government will not contribute to the cost of casing left in a hole at the Operator's request.

Diamond drill core shall be stored in boxes identified by hole number with markers in the core sections indicating the depths represented.

Facilities shall be provided for recovering drill sludge, and such sludge shall be retained when drilling in significantly mineralized rock.

All drill core shall be logged and significantly mineralized core shall be split and one split assayed. Whenever core recovery is less than 60 percent, a split of the corresponding retained sludge shall be assayed separately. The remaining core shall be stored in proper sequence with the unsampled core, and the remaining sludge shall be stored in suitable containers properly identified as to hole number and depth.

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 rails shall be not less than 16-pound size, air lines not less than 2-inch diameter, water lines not less than 3/4-inch diameter, and vent lines not less than 12-inch diameter.

All significantly mineralized areas traversed by the underground workings shall be sampled. A representative bulk sample shall be collected from each round broken in mineralized rock. Channel samples shall be cut normal to the trends of the deposit at intervals of not more than 5 feet. Significantly mineralized cuttings from the long-holes shall be sampled, and no individual sample shall represent more than 5 linear feet of hole.

All splits of samples for assay, from whatever source, shall be analyzed for mercury, and for gold and silver as warranted.

True copies of assay certificates, copies of drill logs, and maps or sketches showing the work completed during the reporting period, the location and width of all samples taken and the geological formations and structures traversed by the drill holes and workings shall be furnished monthly to the Government.

Stored samples shall be made available for Government inspection and possible use, and may be disposed of with prior Government approval.

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

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

The work shall be divided into two stages. The Operator shall complete all of Stage I and as much of Stage II as is authorized in advance by the Government and confirmed in writing. Approval of Stage II shall depend upon the results obtained in Stage I.

Description of the Work

Stage I

The work shall consist of bulldozing access roads to two drill sites, leveling the sites, and drilling not more than four

diamond drill holes totalling not more than 1,000 feet. The approximate location of the drill holes are shown on Figure 1 referred to previously.

The approximate directions, inclinations, and lengths of the drill holes are as follows:

Hole No.	Direction	Inclination	Length in Feet
1	S 45° E	+5° to +10°	250
2	S 45° E	-40°	250
3	S 45° E	+5° to+10°	250
4	S 45° E	-40°	250

Stage II

The work shall consist of crosscutting from a prepared portal site to and through the target vein, drifting northeasterly and southwesterly on the vein, and long-hole drilling the drift walls to test the extent of favorable mineralized zones. The site of the portal shall be determined after study of Stage 1 results.

It is estimated that 600 feet of crosscutting and drifting will be required to reach and explore the target vein, and that 400 feet of long-hole drilling will be required.

Estimated Costs of the Work

Stage I

Actual Costs

Category (1) Independent Contracts

Bulldozing access roads and drill sites 32 hours @ $21.00/hour	$ 672.00
Mobilization and demobilization, and one move between drill sites, 1 drill unit	600.00

Diamond core drilling,
1,000 feet $ 7,900.00

Depth/feet	Rate/foot NXWL	BXWL	AXWL
0-300	$8.50	$7.90	$7.50

Cementing and redrilling,
40 hours @ $15.00/hour 600.00

Reaming and casing,
100 feet @ $4.50/foot 450.00

Laying and retrieving water supply systems,
10 hours @12.50/hour 125.00

$10,347.00

Category (2) Personal Services

None except:

Subcategory (a) Supervision and Technical Services

1 supervisor - geologist - engineer
3 months @ $750.00/month $ 2,250.00

1 Outside consultant (2 days/month)
6 days @ $75.00/day 450.00

$ 2,700.00

Category (3) Operating Materials and Supplies

None except:

100 cardboard core boxes @ $1.25/each 125.00

Cement, cement substitutes, drilling mud,
and additives 791.00

Sludge catching and sampling supplies 50.00

966.00

Category (7) Miscellaneous

None except:

Per diem, outside consultant, 6 days @ $16.00/day	$ 96.00	
Mileage, Seattle to project area and return 960 miles @ $0.10/mile	96.00	
F.I.C.A. payroll taxes, insurance	225.00	
Office and accounting expenses 3 months @ $50.00/month	150.00	
Assaying, 60 samples, Mercury @ $7.00/sample Gold and silver combined @ $5.00/sample	420.00	
		$ 987.00
Total Estimated Costs, Stage I		$15,000.00

Stage II

Fixed Unit Costs 1/

Drifting and crosscutting, 600 feet @ $40.00/foot	$24,000.00	
Timbering drifts and crosscuts, 60 feet @ $12.00/foot	720.00	
Long-hole drilling, 400 feet @ $1.25/foot	500.00	
Assaying, 140 samples, Mercury @ $7.00/sample Gold and Silver combined @ $5.00/sample	980.00	
Total Estimated Costs, Stage II		$26,200.00

S U M M A R Y

Total Estimated Costs, Stage I	$15,000.00
Total Estimated Costs, Stage II	$26,200.00
Total Estimted Costs of the Project.	$41,200.00
Government Participation @ 75%	$30,900.00

1/ 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.'"

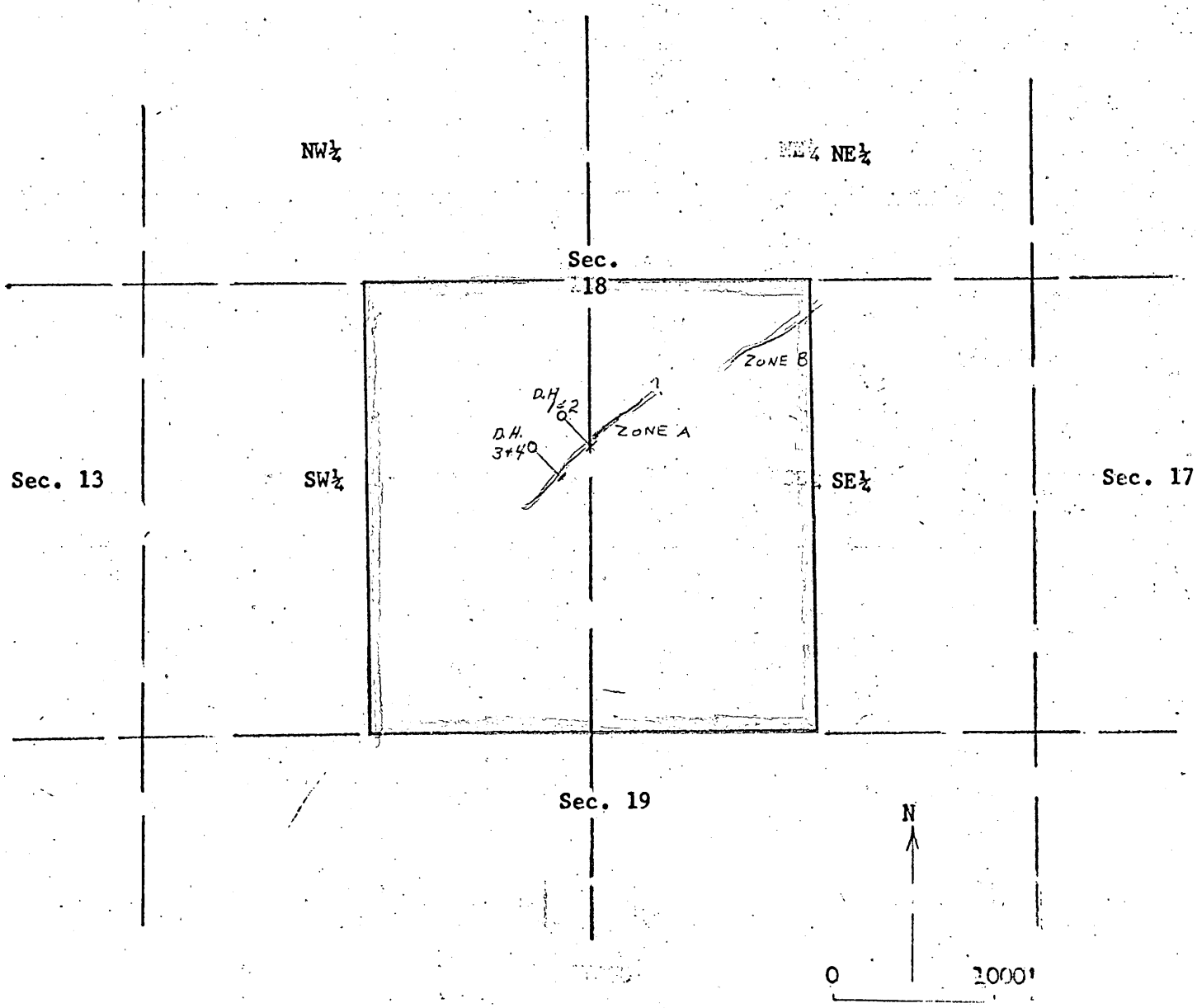


Figure 1. Property map and proposed exploration,
B & J Properties, Inc.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

February 29, 1968

OFFICIAL COPY
O. M. E.
RECEIVED
MAR 4 1968
INITIALS | CODE

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region I

Subject: New Application (Mercury)
B and J Properties, Inc.
St. Regis Paper Co.
Pierce County, Washington

The enclosed application appears to include a lease that is difficult to accept by the Government because of its short duration for exploration purposes, and certain very tight or ambiguous specifications as follows:

Item 2: The lease, for exploration purposes, extends from November 3, 1967, until September 3, 1968, or for 90 days of good weather from September 3, 1968, whichever is less.

Item 3: Specifies driving adits or open cut exploration. This could preclude diamond drilling if the terms are strictly interpreted.

Item 4(a): St. Regis could disapprove of the small access road location, should it choose to do so.

Item 4(b): If a tunnel were approved, the applicant could cut timber, apparently for clearing work sites, but might not be able to use it for ground support.

Item 4(c): Does this mean that St. Regis could say when no more muck could be dumped at the tunnel portal and designate other places to which it must be hauled?

Item 4(d): This could be a problem during interim inspections, causing unnecessary delay.

If the lease is acceptable to OME, the applicant should be requested to furnish copies of letters he has written to the banks. Only two drilling bids and one for equipment rental are offered, but perhaps these can be accepted.

In his "Summation of Requirements - - - MME 40" under item 1(b) the applicant states "see attached list" but no list of affiliated, parent, or controlling companies etc. is included. This is probably a typographical error, but possibly it should be clarified.

D.R.MacLaren

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.)*

B & J Properties
12531 30th N.E.
Seattle, Wn. 98125

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER 6702

DATE RECEIVED 3/4/68

REGION 1

DIVISION CODE

BUSINESS ORGANIZATION *(Check one)*

INDIVIDUAL
CORPORATION XX
PARTNERSHIP
OTHER *(Specify)*

STATE IN WHICH FIRM IS ORGANIZED Washington

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE
Wm. H. Pierre	16706 Shore Dr.N.E. Seattle,Wn.	President
Roy H. Jones	18354 Ridgefield Rd N.W. Seattle,Wn	Sec.-Treas.

MINERAL(S) FOR WHICH YOU WISH TO EXPLORE
Mercury

ESTIMATED COST OF PROJECT
$ 78,657.00

PROPERTY NAME	LOCATION COUNTY	STATE
St.Regis Paper Co.	Pierce	Wn.

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.

2/19/68
DATED

William H Pierre
BY *(Signature)*

Pres.
TITLE

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

INFORMATION REQUIRED WITH THIS APPLICATION

1. Financial Eligibility:

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

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

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

2. Applicant's Rights in Land:

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

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

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

3. Physical Description:

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

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

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

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

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

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

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

4. Accessibility of Property:

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

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

5. Exploration Work:

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

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

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

6. Experience:

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

7. Estimate of Costs:

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

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

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

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

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

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

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

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

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

~~ASSOCIATE~~ PROFESSOR
MINING ENGINEERING
UNIVERSITY OF WASHINGTON

REGISTERED PROFESSIONAL
MINING ENGINEER
STATE OF WASHINGTON

DONALD L. ANDERSON
Consulting Engineer
10715 LAKESIDE AVE. N. E.
SEATTLE, WASHINGTON 98125

OFFICIAL
COPY
O. M. E.
RECEIVED
MAR 4 1968
INITIALS | CODE

Mr. Bill Pierre
B&J Properties, Inc.
Seattle, Washington

Dear Mr. Pierre,

Please note the enclosed report and application for an O.M.E. loan on the Mashel River Mercury deposit.

As stated, the property is extremely interesting; it has good geologic structure and the presence of mercury has been established. Hence it is worthy of an exploration program and falls well within the category of the class of mineral deposits that the O.M.E. wishes to see developed. At present the deposit is only a prospect and there is no assurance that commercial grade ore will be found and developed. Nevertheless, as a prospect it has merit and is worthy of systematic exploration. You will note the enclosed letter from Marshall T. Huntting, Supervisor-Division of Mines and Geology and his views on the deposit. Other field engineers and geologists who have been on the site have similar views.

Should a mine be developed, it would be an operation of stature. At this stage of preliminary thinking, a concentrating plant with a capacity of not less than 500 t.p.d. is indicated.

The site is readily accessible and should Mr. Mac Laren of the U.S.G.S. field office at Spokane wish to visit the deposit, a one day trip could suffice. He could take a morning flight from Spokane (Monday, Wednesday or Friday), we could meet him at the airport, take him out to site and he could return to Spokane that same evening. I might add that because of the location, diamond drilling and associate work can be carried out at Mashel during the winter months. This makes it convenient in obtaining the services of a reputable drilling contractor since winter is a time of minimum activity for most drillers.

I hope that the Office of Minerals Exploration will look with favor on this application and that work on the project may start at an early date.

Very truly yours,

Donald L. Anderson

Donald L. Anderson

MASHEL RIVER MERCURY DEPOSIT

Authorization and Purpose

An examination and study of the Mashel River mercury deposit was made at the request of B & J Properties, Inc., Seattle, Washington. Field work was done during the latter part of November and early December, 1967.

The purpose of this examination was to study the mineral deposit and to advise whether it has a potential that is worthy of an exploration program.

Location and Access

Mashel River mercury is located in Section 18, Twn 16N, R 6E, Pierce County, Washington. The prospect lies along (near) the headwaters of the Mashel River at an elevation of 2400-2500 feet on the western slopes of the Cascade Mountains (see attached topographic map).

The property is readily accessible by paved highway south from Seattle via Puyallup, Sumner and Orting to the Kings Creek entrance of St. Regis Paper Company. From here an all-weather road, about 18 miles in length, leads directly to the site.

Orting, the nearest town and supply point, is approximately 30 miles from the outcrop.

Ownership

This particular mining property is patented land and is owned by St. Regis Paper Company. It is under lease to B & J Properties, Inc., Seattle, Washington; a copy of the lease is attached.

Miscellaneous Features

Lying on the western slopes of the Cascades at moderate elevation, this site enjoyrs relatively mild winters and moderate precipitation. Logging operations are here conducted throughout the year.

Adequate water for exploration and production is found in the creeks at the mine and nearby rivers. Timber for mining purposes is readily available in the area.

Electric power is available at Eatonville, about 10 miles to the west; a transmission line would have to be constructed.

History

This mercury deposit has no history of production. Some prospecting was done in the past and a few short adits were driven. However, despite a favorable geologic environment, no exploratory work of any significance has been carried out, probably because of ownership restrictions. (see attached letter from Washington Division of Mines and Geology).

Geology

The general rock formation in this area consists of Eocene extrusives and "Predominantly andesite flows and breccia" 1. Washington Division of Mines and Geology describes the host rock as andesite with the enclosed quartz as having "numerous cavities and joints filled and coated with cinnabar and limonite" 2.

The host rock is definitely an acid volcanic, light colored and perhaps having more characteristics of a rhyolite than an andesite. Relatively small phenocrysts are predomiant and in hand specimen the rock is referred to as a porphyry.

Mineral Deposit

The cinnabar is contained within a massive quarts body that outcrops boldly. The harder quarts has been more resistant to erosion than the volcancis and hence stands above the enclosing rock, particularly at its eastern extremity. (see Fig.6)

At its southern end, the deposit strikes about N 30° E and dips steeply to the northwest. The dip appears to be about 75° but the dip (and true width) are somewhat obscured by erosion of the outcrop. At the eastern end, the strike has changed to N 65°-75° E and the dip is about 75° to the northwest. (see Fig.2)

The continuity of the deposit between Zone A and Zone B has not been established. However, there is no evidence of any break causing the change in the apparent strike. The inference is that the quartz body was warped after emplacement and that A and B are expressions of one continuous mineralized zone whose outcrop

is not continuous because of differential erosion and sebsequent cover of overburden.

At the south end, the outcropping is massive fractured quartz. This continues northeast along the strike but gradually changes to less quartz and more non-siliceous altered inclusions. This latter material should not be as hard as the quartz and could account for the loss in identity of the outcrop about 7-800 feet northeast of the southern extremity. A similar condition is noted in Zone B as it approaches the creek to the east. At this location there is a pronounced depression between the hangingwall and footwall "limbs" which separates the zone into several parts. In fact, beyond the creek to the east, three separate outcrops are visible (see Fig 2) and thus the east end of Zone B splits into several members with intervening porphyry.

Mineralogy

The quartz ganghe has been widely fractured and as previously mentioned is widely stained with limonite. A fracture pattern that is roughly aligned to strike and dip may be expected but is not as yet established. For instance, Sample No. 1 was taken along the face of a northwest-striking wall (fracture) and Sample No. 3 was taken along an easterly-striking wall (fracture).

The red limonite staining is a most pronounced feature and in fact tends to obscure the cinnabar when the two occur together. A short adit within Zone A shows some pyrite and a minimized staining affect. Hence initial pyrite along fracture planes within the siliceous mass is believed to be the source of the iron stain and to be associated with cinnabar and any other sulfide minerals that may be present.

The cinnabar occurs lining vugs, along fractures and to a lesser extent it is also found within the quartz gangue. The frequency of occurrence of these vugs and fractures containing the cinnabar can only be determined by drilling and underground exploration.

Stibnite has been reported but was not observed. Associate minerals such as realgar and orpiment may be expected but were not observed.

Insofar as circumstances at this stage indicate a mercury recovery by flotation of the cinnabar followed by retorting the concentrate, the mineralogical association or presence of other minerals which have low sublimate temperatures should pose no problem.

Sampling

Chip sampling was done at selected sites along the outcrop and within two short adits. The approximate locations of samples is shown under Assay Results. The purpose of sampling at these particular sites was not to attempt to establish a grade of ore, but rather to establish the presence of mercury.

Assay Results

No.	Lt. of cut	Location	Hg%	Au oz	Ag oz
1	7 feet	200' N.E. of S. extremity	.62	nil	.20
3	8 "	500' " " " "	.28	"	.16
4	10 "	west wall of short adit ZoneA @ face	nil	"	.24
5	10 "	east " " " " " " " "	"	"	.22
6	10 "	west wall of adit adjacent to 4	"	"	.28
7	10 "	east " " " " " 5	"	"	.22
8	6 inches	25 ft. from portal in B adit	.25	"	.20
9	grap	dump from " "	.33	"	.40
10	2 feet	On outcrop knob 75' s. of No. 1	7.20	.02	.22
11	chunk	Highgrade from peak directly above A adit	3.30	.02	.34

Results of assays confirm the visual observation that the mercury is to be found principally lining vugs and along fractures within the quartz mass; also within the quartz gangue in at least one instance. No mercury was found within the short adit on A as shown by samples 4,5,6 & 7. At this location no vugs were encountered. However, it should be noted that cinnabar is found at the adit entrance and on the outcrop directly above the adit. This emphasizes the spotty nature of the ore and the necessity for bulk sampling.

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. 14108

December 26, 1967

Mr. Donald L. Anderson
10715 Lakeside North East
Seattle, Washington 98125

Dear Sir:

We hereby certify that we have analyzed a sample of

ORE

submitted to us by you on December 20, 1967 and we have to report as follows:

Sample Identification: Sample -A- Marked S-1
Sample -B- Marked S-3

Results:

	Sample -A-	Sample -B-
Gold (Au) - - - - - - -	None	None
Silver (Ag) - - - - - -	0.20 oz./ton	0.16 oz./ton
Mercury (Hg) - - - - -	0.62 Percent	0.28 Percent

Respectfully submitted,

J. M. KNISELEY ENGINEERING CORPORATION

By: Ernest Street

ES/rp

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. 14142

January 8, 1968

Mr. Donald L. Anderson
10715 Lakeside North East
Seattle, Washington 98125

Dear Sir:

We hereby certify that we have analyzed six (6) samples of

ORE

submitted to us by you on December 28, 1967 and we have to report as follows:

Sample Identification:
Sample -A- marked #4
Sample -B- marked #5
Sample -C- marked #6
Sample -D- marked #7
Sample -E- marked #8
Sample -F- marked #9

Results:

	-A-	-B-	-C-	-D-	-E-	-F-
Mercury (Hg), (Percent)	None	None	None	None	0.25%	0.33%
Gold (Au), (Oz./ton)	None	None	None	None	None	None
Silver (Ag), (Oz./ton)	0.24	0.22	0.28	0.22	0.20	0.40

Respectfully submitted,

J. M. KNISELEY ENGINEERING CORPORATION

By: Ernest Street

ES/rp

cc to Bill Pierre Motors

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. 14161

January 15, 1968

Mr. Don Anderson
10715 - Lakeside North East
Seattle, Washington 98125

Dear Sir:

We hereby certify that we have analyzed two (2) samples of

ORE

submitted to us on January 2, 1968 and we have to report as follows:

Sample Identification: -A- No. 10 -
-B- No. 11 -

Results:

	Sample -A-	Sample -B-
Gold (Au) - - - - - - -	0.02 oz./ton	0.02 oz./ton
Silver (Ag) - - - - - -	0.22 oz./ton	0.34 oz./ton
Mercury (Hg) - - - - -	7.2 Percent	3.3 Percent

Respectfully submitted,

J. M. KNISELEY ENGINEERING CORPORATION

By: Ernest Street

ES/rp

Sample No. 8 was taken from a stringer within a small adit at creek level in Zone B at the extreme east end of the prospect. Sample No. 9 was a grab from the dump at this same location.

Economic Outlook

The future of the price of mercury is difficult or impossible to predict. Looking at prices over the past several years, it is to be noted that after the big jump in 1963, the price has settled around $500 per flask. As for the future, the technical journals and market summaries indicate that barring some major change in our overall economic picture, there should be no big change in the market price of mercury.

Conclusions and Recommendations

The Mashel River mercury deposit shows a large well defined mineralized body with good structural strength. The total length of outcrop and inferred outcrop is in excess of 2500 feet; width of the siliceous zone ranges up to 250 feet. The continuity, then, is excellent and by the same token the depth can be expected to be appreciable. Should ore reserves be developed throughout the mass as a whole, then bulk low cost mining is indicated.

Zone B is larger than Zone A both in width and extent, but is less siliceous and cinnabar was observed at only one location. Hence it is advisable that work at this stage be confined to A. Should this turn out to be favorable, subsequent work could be done at the larger Zone B.

Based on the volcanic host rock, structural strength of the deposit, fracturing of the quartz and presence of cinnabar, the following program of exploration is recommended in two stages.

Phase 1:

Prepare drill site at Zone A

Drill three diamond drill holes in Zone A; the holes to vary from 300 to 350 feet in length for an aggregate of 1000 feet (see Fig. 3 & 4)

Phase 2:

If Phase 1 is favorable, drive a 300 feet crosscut in Zone A at site indicated followed by 500 feet of drifting plus 200 feet of crosscutting within the ore.

Bulk sample and channel sample the mineralized body.

The proposed method of operation, cost break-down and time schedules are shown as appendices.

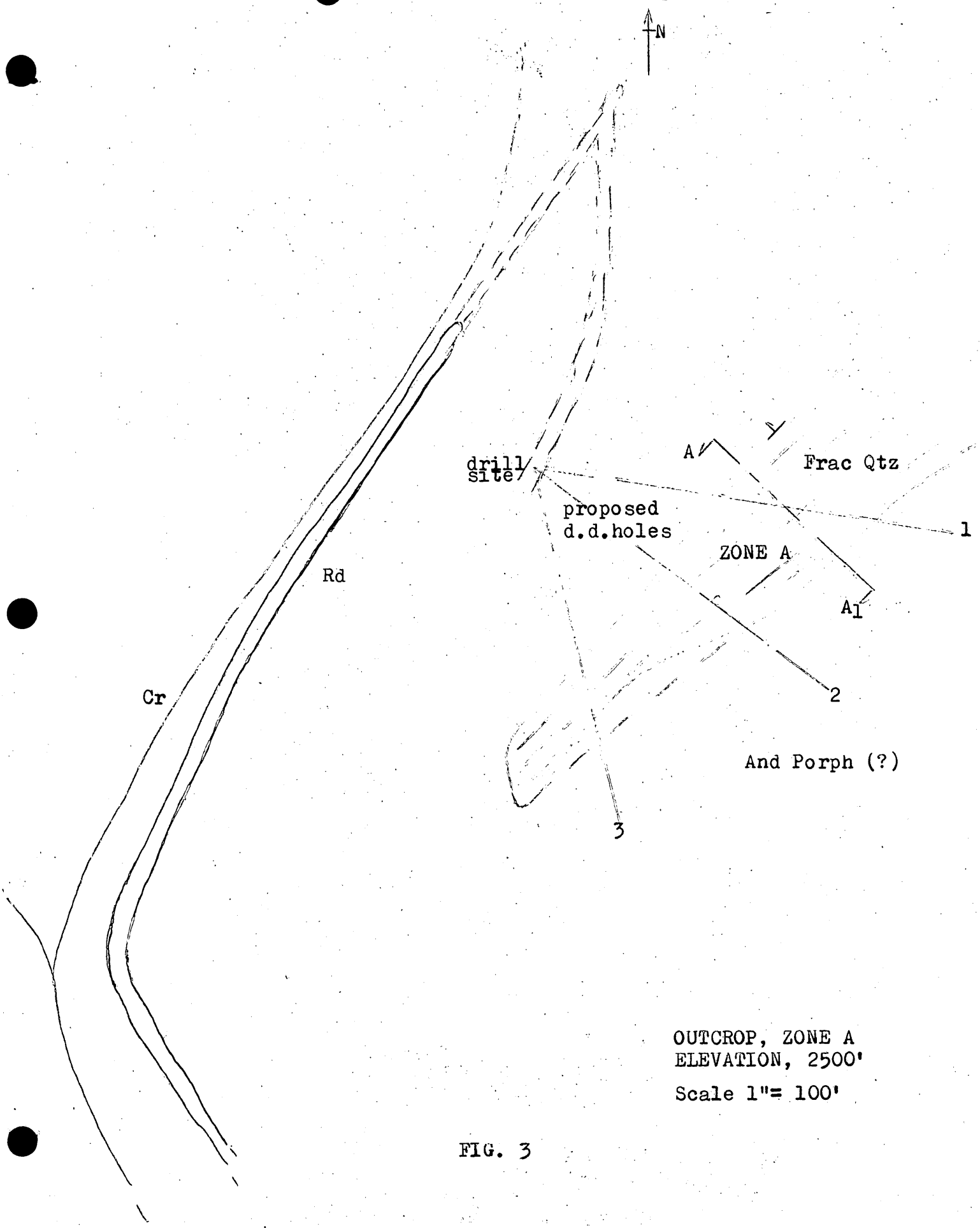
Donald L. Anderson

Seattle, Washington
January 18, 1968

Donald L. Anderson
Professor Mining Engineering
University of Washington

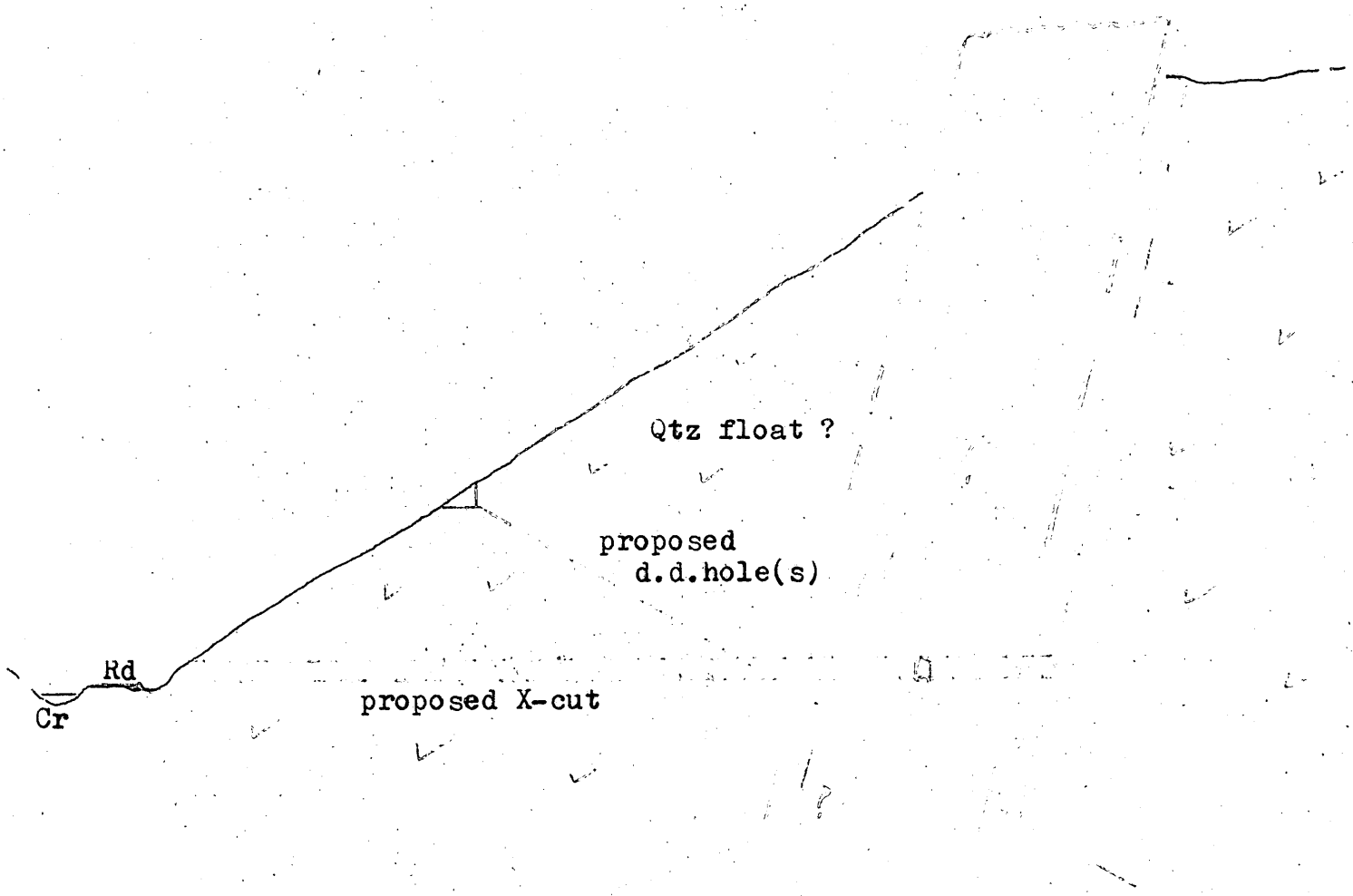
1/ Geologic Map of Washington, 1961; Washington Division of Mines and Geology.

2/ Bulletin No. 37, Inventory of Washington Minerals; Washington Division of Mines and Geology.



OUTCROP, ZONE A
ELEVATION, 2500'
Scale 1"= 100'

FIG. 3



SECTION A-A_1 THROUGH ZONE A

Scale 1"= 60'

FIG. 4

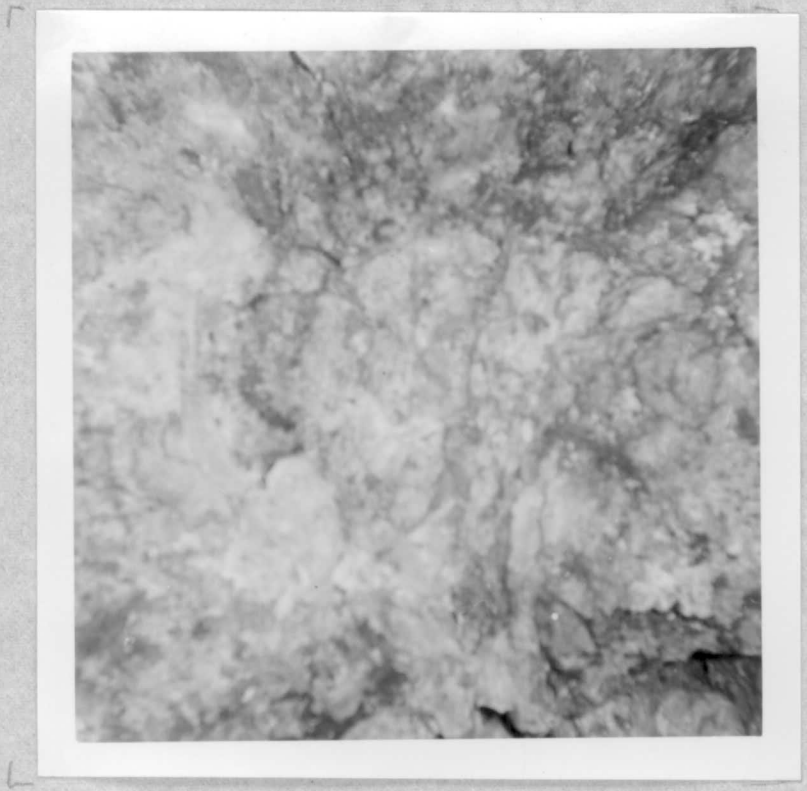
FIG. 5; Zone B looking northeast

FIG. 6; Zone B looking north

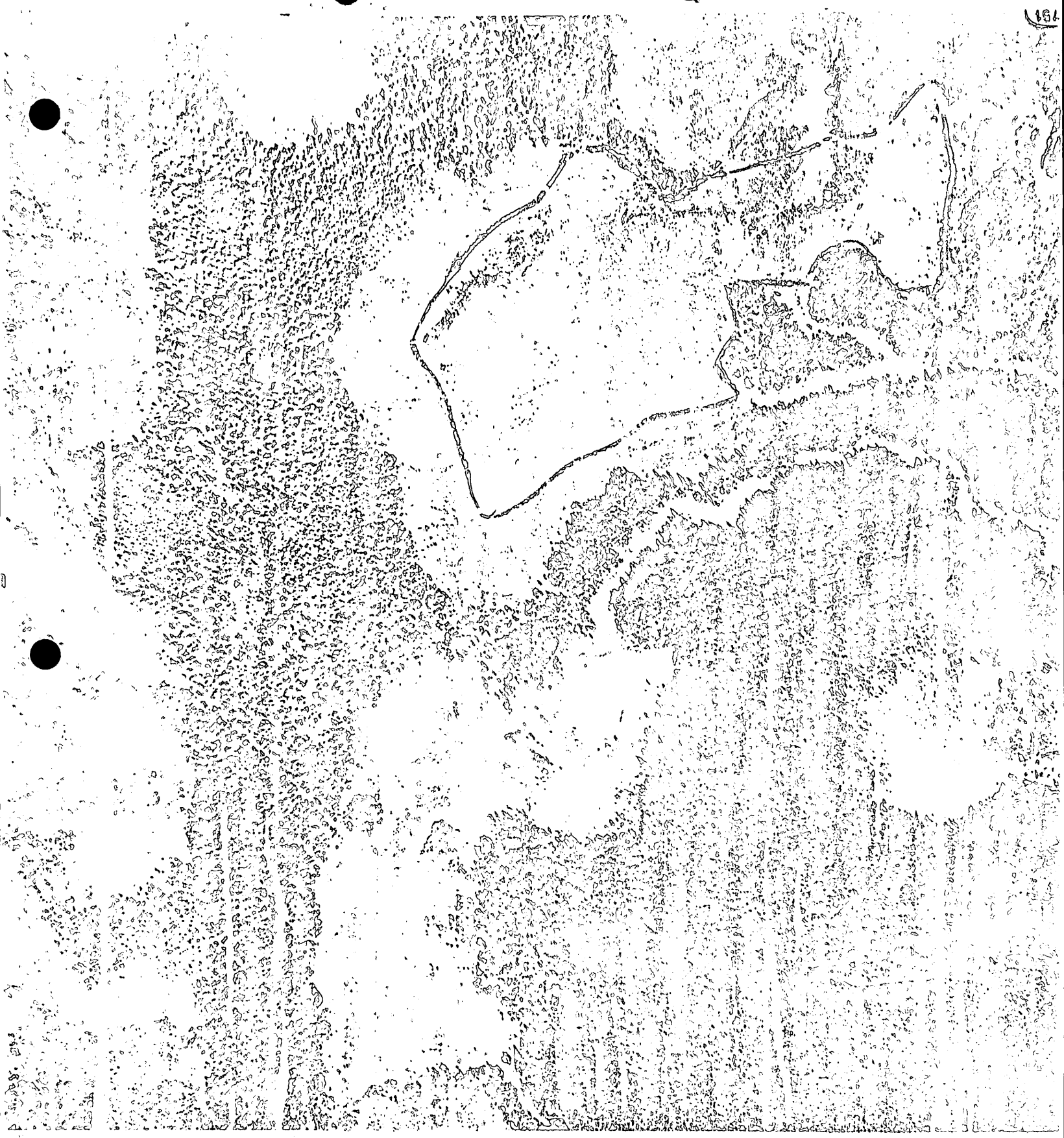
FIG. 7; Zone A looking north

FIG. 8; Zone A looking northeast

Sample 1; Cinnabar in vugs



Cinnabar in Qtz gangue



AERIAL PHOTO

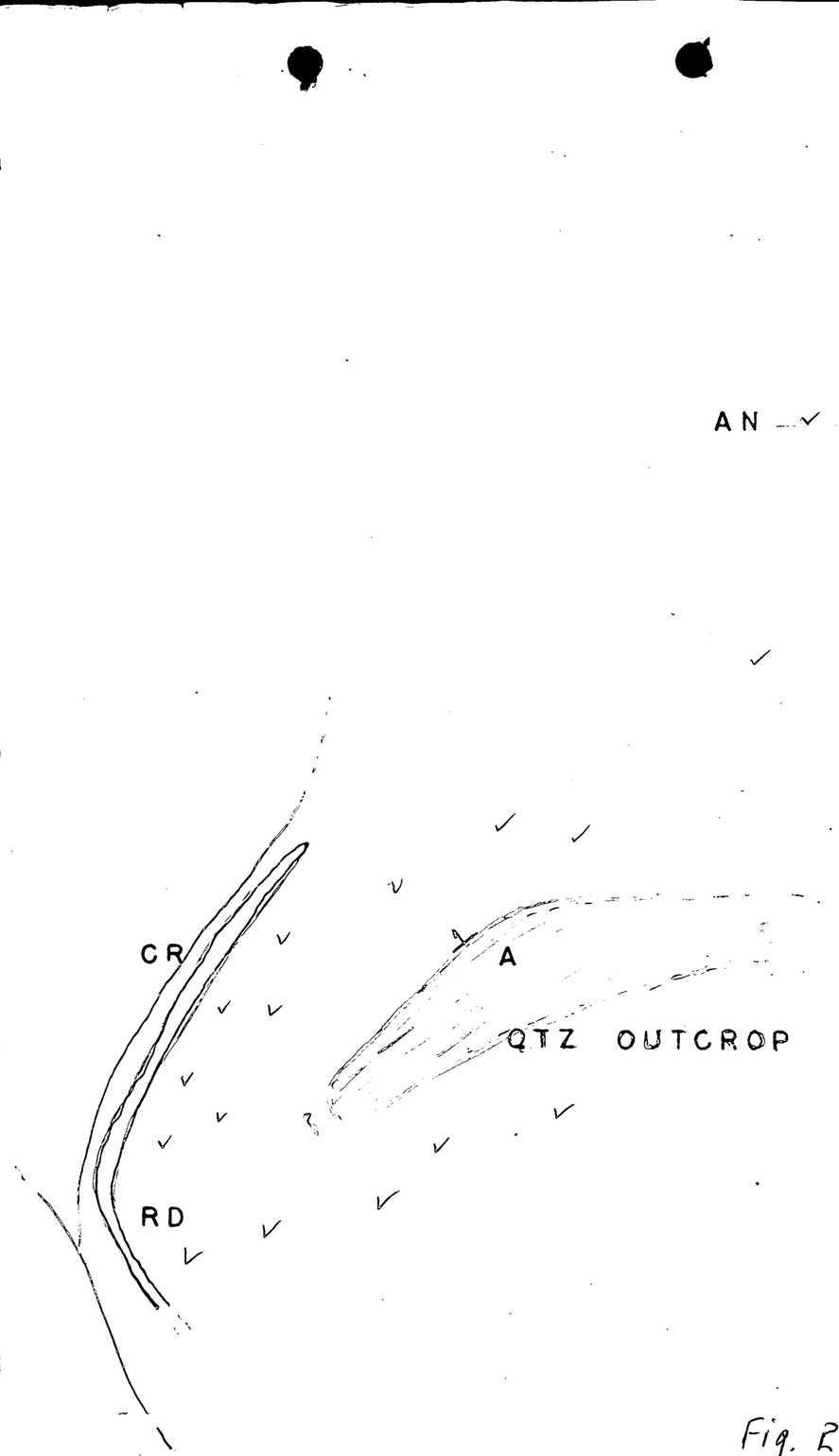
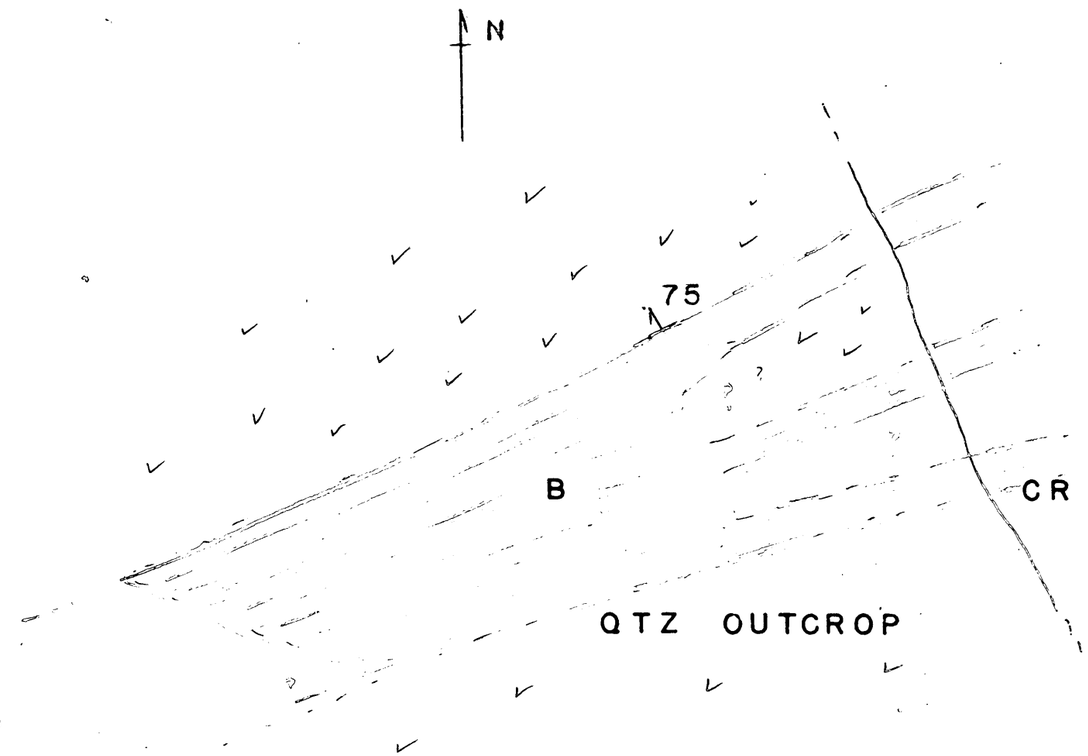


Fig. 2



AN

MASHEL RIVER MERCURY

SEC 18 TWN 16N R6E
PIERCE COUNTY, WASH.

BRUNTON-TAPE
1" = 200'

APPENDIX

PLAN OF OPERATIONS, COST AND TIME SCHEDULE

STATE OF WASHINGTON

Department of

Natural Resources

COMMISSIONER
BERT COLE

SUPERVISOR
~~XXXXXXXXXXX~~
Don Lee Fraser

BOX 168
OLYMPIA, WASHINGTON
98501

November 9, 1967

Professor Donald L. Anderson
School of Mineral Engineering
University of Washington
Seattle, Washington 98105

Dear Don:

I believe the mercury prospect you asked about in your recent letter is the one that is described under the name Mashel River on page 266 of our Bulletin 37, "Inventory of Washington Minerals, Part II, Metallic Minerals." We examined this prospect years ago, before any exploration work had been done on it but have not seen it since then. In the meantime, several prospectors have examined the property and have dickered with St. Regis Timber Company, the owner of the property. However, St. Regis has been a very "tough nut to crack." It is a long story, which I wo uld hate to try to cover in a letter. I would be glad to discuss it sometime with you at your convenience. Suffice it to say here that we think the prospect has some merit, and we would like to see some drilling and/or other exploration work done there. Apparently, the main problem is St. Regis.

Very truly yours,

BERT L. COLE
Commissioner of Public Lands

Marshall

By Marshall T. Huntting, Supervisor
Division of Mines and Geology

MTH:gd

SUMMATION OF REQUIREMENTS -- MME Form 40

1. a/ See attached correspondence

   b/ See attached list

   c/ Share to be furnished by check from B & J Properties, Inc. to be deposited in a designated bank where the account is to be established.

2. a/ Interest in the land and mineral rights is by lease, a copy of which is attached.

   b/ Sec 18, Twn 16N, R 6E, Pierce County, Washington

   c/ See attached completed ~~MME Form 52~~ Surety Bond

3. a/ No significant exploration work to date; see attached report.

   b/ None to date.

   c/ No past production

   d/ No measured ore reserves; potential only.

   e/ See attached report

   f/ " " "

   g/ Two copies of report included

4. a/ Donald L. Anderson
   10715 Lakeside N.E. — home ph: EM 3-8554
   Seattle, Wash. 98125 — Univ ph: 543-2611

   b/ Nearest shipping point is N.P. Railroad station at Kapowsin, 20 miles from the mine.

   Nearest supply point is the town of Orting, 30 miles from the mine.

5. a/ See attached report with detail of proposed work shown as appendices.

   b/ No access required other than short dozer roads to drill sites (see Fig 3)

   c/ Work would start within two weeks of execution of contract. Anticipated rates of progress are shown in report appendix.

6. Work will be under the supervision of Donald L. Anderson, Professor Mining Engineering, University of Washington. Professor Anderson is a Registered Professional Mining Engineer, State of Washington and has broad experience in mineral exploration and development in Central America and the Pacific Northwest.

7. a/ Bids for diamond drilling are attached

Costs for underground excavation are also included and supported by a cost break-down should the owner be required to do the work.

b/ See attached itemized cost estimates.

c/ " " " " "

d/ " " " " "

e/ None

f/ See attached itemized cost sheet; one tool shed will be required; it will be a portable and would be moved to the site by truck.

g/ No repair cost anticipated on a contract work basis. Should the owner do the underground work, the equipment will be rented and the owner of the machinery will have the responsibility of repairs other than minor items that would fall in the category of miscellaneous.

Cost of accounting, workmen's compensation and insurance are shown under the attached Phase 2, Plan B.

Phase 1; Cost Analysis:

Diamond drilling 3 holes for a total of 1000 feet; position and depth of holes shown in Fig 3 & 4. Estimated rate of drilling is 30 feet per day. Total elapsed time estimated at six weeks from start.

1000 feet at $10 per foot (BX)	$10,000
Mobilization fee and moving	1,000
Site preparation; 3 days, one heavy cat	500
Engr-Geol consultant; $700/ mo x 2 mo.	1,400
Engr-Geol transportation; ~~80 mi. X 2~~ X 10 days/mo X 2 mo X 9 cents per mi.	288
1 Core Splitter	300
Assaying; 100 samples at $12	1,200
Accounting; $100/mo x 2 mo	200
10% contingency	1,489
	$16,377

(The $10 per foot is based on a compromise between Boyles quote of $7.90 based on 2000 feet of drilling and Lynch Bros. quote of $17.50 which apparently would include mobilization etc.)

The BX core from the mineral zone will be logged, boxed and taken to the laboratory. There it will be split - onehalf of the core will be submitted for analysis for mercury, gold and silver; the second half will be stored for future reference.

Assay results for each d.d hole will be plotted.

Phase 2; Underground exploration of Zone A:

If Phase 1 is favorable, then Phase 2 will be initiated. The width and dip of the structure will be more accurately known but based on present knowledge, it is planned to drive-

300 feet of crosscut as in adit, partly in ore

500 feet of drifting

200 feet of crosscutting from the drift.

Estimated time of completion, using 2 men per shift at the face and two shifts per day, is 10 feet per day for a total of 100 days or five months.

A. Underground exploration contracted-

		$50/ft
1000 feet of tunnel, anticipated rate $50 ft		$50,000
Engr-Geol	consultant; $700/mo x 5	3,500
"	transportation	720
Assaying;	160 car samples at $12	1,920
Assaying;	160 channel samples at $12	1,920
100 feet of timber Xct at $11.70		1,170
Accounting; $100/mo x 5		500
10% contingency		5,973
	Total	$65,703

B. If it is not possible to contract the tunnel exploration, then the operator would do the work and a breakdown of estimated costs is included as follows:

Equipment & supplies--

Portable compressor, rental; $500/mo x 6 mo	$3,000
Mucking machine " ; 247 " x 6 "	1,482
2 Rock drills, " ; 200 " x 6 "	1,200
Compressed air loco. " ; 250 " x 6 "	1,500
Fan, air powered " ; 75 " x 6 "	450
3/4 ton pickup (rent & operate) 200 x 6 "	1,200
Preparation of tunnel site & water supply	1,200
800 feet 12" vent tube	400
2000 feet of 16 lb. rail at 10cts/lb	1,070
3 track switches	200
200 sets splice bars	220
1000 ft of 2" pipe plus fittings	500
1000 ft of 1" pipe " "	250
500 ft of plastic water supply hose	100
Tool shed, portable	900
Fuel for compressor at $9/day, 2 shifts	800
Explosives; 200 rd.x 75 lbs. x $.26	3,900
Explosives; cap & fuse at $.15/hole	600
20, 6-ft, alloy drill shanks x $16	320
30 tungsten carbide bits x $7	210
two one-ton mine cars (used)	150
two 50-foot 3/4" air hoses x$42	84
two 50-foot 1/2" water hoses x $34	68
Misc supplies,tools, track ties, spikes,etc.	300
6 elec. lamps and charger	270
Subtotal	$20,474

Supervision,labor and assaying-

1 Foreman at $45/day x 21 days x 5 mo.	4,725
4 Miners at $40/day x 21 days x 5 mo.	16,800
Transportation allow. from Orting. 5 men x 30 mi x 2 x 9 cts/mi x 21 days x 5	2,835
Engr-Geol consultant; $700/mo x 6 mo	4,200
" " " ; transportation 6 mo	864
Fringe benefits; workmens' comp. & insur. (10%)	1,680
Assaying	3,840
Accounting: $200/mo x 6 mo	1,200
Subtotal	$36,144

(labor rates in western Washington for tunnel work are approx. $5 per hour)

Timber cost (if required)-

Assume 100 feet of crosscut to be timbered with 8" x 8" sets on five-foot centers

110 bd. ft./set plus 75 bd. ft. of lagging for a total of 185 bd. ft. x $100/M = $18.50/ set

Placement: 2 sets/shift by 2 men at $40/man shift or $20 per set

Hence-

Cost of timber	$18.50/set
Cost of placement	40.00 "
Subtotal	$58.50/set or $11.70/lineal ft.

Total cost Phase 2;	Timbered		Untimbered
Equipment and supplies	20,474	or	20,474
Labor & Supervision	36,144		36,144
Timbering, 100 feet	1,170		-----
10% contingency	5,790		5,662
	63,578		62,280

Summation:

Phase 1	$16,377	or	16,377
Phase 2	63,578		62,280
Total	79,955		78,657
Government participation at 75%	59,966	or	58,995
Operator " " 25%	19,989		19,664
	$79,955		$78,657

COMMERCIAL BANK OF SEATTLE 3046 N.E. 127TH STREET • SEATTLE, WASHINGTON 98125 • EM 4-2980

February 1, 1968

Mr. William H. Pierre, President
B. & J. Properties, Inc.
12531 - 30th Ave. N. E.
Seattle, Washington 98125

Dear Mr. Pierre:

Reference is made to your letter of January 25, 1968 as well as subsequent conversations concerning application for a $70,000.00 ten year loan.

While we have enjoyed your fine account relationship this past nine years and would accomodate normal credit requests, our Loan Committee nonetheless found it necessary to reject the above application.

It was the general concensus that a loan of this type along with the extended term was not a bankable loan, but rather a capital request.

We greatly appreciated the opportunity to consider this in your behalf and wish to assure you that any normal request would, I am sure, be favorably received.

Yours very truly,

Logan L. Long,
Executive Vice President

LLL:bb

DIAMOND CORE DRILLING
DIAMOND DRILLING EQUIPMENT
GROUTING
FOUNDATION TESTING
MINING
QUARRYING
SHAFT SINKING
TUNNEL DRIVING
MINE PLANT DESIGN
AND FABRICATION

Boyles Bros. DRILLING COMPANY

CONTRACTORS-ENGINEERS-GEOLOGISTS

1415 Riverside P.O. Box 4307
SPOKANE, WASHINGTON 99202
Phone (509) KE 4-0862

General Offices and Plant
1624 Pioneer Road P. O. Box 58
SALT LAKE CITY, UTAH 84110
Phone 487-7595

BRANCH OFFICES
PHOENIX
RENO
SPOKANE
DENVER
SACRAMENTO
SANTIAGO, CHILE
LIMA, PERU

December 21, 1967

Mr. Donald L. Anderson
Consulting Engineer
10715 Lakeside Avenue N.E.
Seattle, Washington 98125

Dear Sir:

We submit the following rates for your consideration for your drilling project in the Orting, washington area.

1. Mobilization and Demobilization, Including set up on first hole $500.00

2. Overburden drilling in unconsolidated materials $12.50 per foot

3.

Drilling rates	NXWL Core	BXWL Core	AXWL Core
0.0 to 300 feet	$8.50 per foot	$7.90 per foot	$7.50 per foot

4. Cementing, If required, will be at the rate of $15.00 per hour, plus cost of cement, cement substitutes and drilling mud.

5. Moving from hole to hole, setting up, tearing down and laying and retreiving water supply systems will be at the rate of $12.50 per hour.

6. Reaming, If required, $4.50 per foot, All sizes

7. Adequate roads to level drill sites will be provided and maintained at no cost To Boyles Bros. Drilling Company.

8. Casing left in holes at your request, Lost or Destroyed through Use will be charged for at 80% of list price, F.O.B. the job site.

9. Surveys and delays for your convenience will be at the rate of $12.50 per hour.

We cam be on the job within ten days after notice to proceed and estimate the work would take about 10 weeks to complete.

Thank you for you interest in our services.

Sincerely
Boyles Bros. Drilling Company

E.G. Tucker

E.G. Tucker, District Manager

LYNCH BROS., INC.

DIAMOND DRILL CONTRACTORS

3425 STONE WAY NO. TELEPHONE MELROSE 2-5052

SEATTLE, WASHINGTON 98103

January 12, 1968

Donald L. Anderson
10715 Lakeside N. E.
Seattle, Wash.

Dear Sir:

Re your request we wubmit the following estimate of costs for drilling 3 holes approximately 300 ft. deep on your properties about 30 miles from Orting, Washington.

Drilling and recovering N.X. size core	per ft.	$ 19.50
Drilling and recovering B.X. size core	per ft.	17.50
Drilling and recovering A.X. size core	per ft.	16.65

These prices may seem high but costs are based on drilling almost entirely in quartz. The diamond and bit cost in the quartz will be very high.

If conditions should be that more of the drilling is done in rock other than the quartz, a considerable reduction could be made in the drilling cost.

Very truly yours,

LYNCH BROS., INC

R C Lynch

RCL:d

Andrews Machinery
OF WASHINGTON, INC.

3633 EAST MARGINAL WAY SOUTH

CONTRACTORS' EQUIPMENT

SEATTLE 4, WASHINGTON

MAin 4-7121

December 21, 1967

Mr. Donald L. Anderson
Consulting Engineer
10715 Lakeside Avenue N. E.
Seattle, Washington 98125

Dear Mr. Anderson:

Thank you for your inquiry of December 18th. At the present time the equipment that you are asking about could be available locally on a monthly basis for rental. The rental rates for the respective units are as follows:

$100 Each	Per Month	- 3 Only	- Jackleg (airleg) percussion rock drills
$500	Per Month	- 1 Only	- 365 CFM Portable compressor
$247	Per Month	- 1 Only	- Eimco 12B mucking machine
$ 45 Each	Per Month	- 2 Only	- One-ton mine cars

Please let us know if we can be of further service.

Sincerely,

ANDREWS MACHINERY OF WASHINGTON, INC.

E. L. Wellington
Assistant General Manager

ELW/jr

FOREST PRODUCTS DIVISION ST REGIS PAPER COMPANY 1216 St. Paul Avenue, Tacoma, Washington 98401

December 27, 1967

Mr. William Pierre, President
B & J Properties, Inc.
12531 - 30th Avenue, N.E.
Seattle, Washington 98125

Dear Mr. Pierre:

On November 3, 1967, St. Regis Paper Company and B & J Properties, Inc. entered into a certain Agreement by which St. Regis allowed B & J Properties, Inc. to explore and mine certain of its properties in the West 1/2 of the Southeast 1/4 and the East 1/2 of the Southwest 1/4 of Section 18, Township 16 North, Range 6 East, Willamette Meridian.

Subsequently, your corporation has requested financing from the United States Department of Interior, Office of Minerals Exploration and has requested that St. Regis execute MME Form 52 entitled Lien and Subordination Agreements.

This is to advise you that St. Regis Paper Company will not execute MME Form 52 for the reason I have previously advised you.

Yours very truly,

R. A. Martin

R. A. Martin, Manager
Tacoma Logging &
Forestry Operations,
Forest Products Division

RAM:gm

FOREST PRODUCTS DIVISION ST REGIS PAPER COMPANY 1216 St. Paul Avenue, Tacoma, Washington 98401

December 27, 1967

Mr. William Pierre, President
B & J Properties, Inc.
12531 - 30th Avenue, N.E.
Seattle, Washington 98125

Dear Mr. Pierre:

Reference is made to your correspondence of December 18 and MME Form 52 which St. Regis was requested to execute and return to you.

After reviewing this matter St. Regis elects not to execute Form 52 because we do not wish to allow the government a lien on our property. It is concluded that this action will not prejudice the right of B & J Properties, Inc. to explore the property as long as B & J presents to the government St. Regis' letter of refusal together with a surety bond executed by and on a form satisfactory to the government.

Yours very truly,

R. A. Martin
Manager

RAM:gm

LAKE CITY BRANCH

SEATTLE-FIRST NATIONAL BANK

ESTABLISHED 1870

SEATTLE 55, WASHINGTON

February 6, 1968

Wm H. Pierre, President
B & J Properties, Inc.
12531 30th N.E.
Seattle, Washington 98125

Dear Mr. Pierre:

This is in regard to your recent application for credit at this branch, specifically a $70,000.00, ten year term loan for the purpose of exploratory costs.

We have given this request due consideration and wish to inform you that we are unable to conform with the request of the company. The purpose of your requested loan as well as the term feature precludes our favorable consideration at this time.

We are most appreciative of the desirable relationship with you and your good company, and should any other need for credit arise in the future, please to not hesitate to contact us.

Yours very truly,

John D. Moen
Manager

JDM:lbc

FOREST PRODUCTS DIVISION ST REGIS PAPER COMPANY 1216 St. Paul Avenue, Tacoma, Washington 98401

January 26, 1968

Mr. William Pierre, President
B & J Properties, Inc.
12531 - 30th Avenue, N. E.
Seattle, Washington 98125

Dear Mr. Pierre:

In response to your telephone request for a five-year extension on the lease agreement covering the property under the agreement of November 3, 1967, it is felt that your request at this time is premature since the extent of the ore body is unknown. However, if the ore body proves to be a magnitude that is not feasible to remove the same in five years, we will recommend extending the term of the agreement for an additional five years.

In conjunction with the extension it is felt that there most certainly should be a provision for a minimum amount of removal on an annual basis.

Yours very truly,

R. A. Martin
Manager

RAM:gm

A G R E E M E N T

THIS AGREEMENT, made this 3rd day of November, 1967, by and between ST. REGIS PAPER COMPANY, a corporation, hereinafter called "St. Regis," and B & J PROPERTIES, INC., of 12531 30th Avenue, N.E., Seattle, Washington, hereinafter called "Applicants,"

W I T N E S S E T H :

WHEREAS, St. Regis owns the following described real property, including mineral rights thereto, located in Pierce County, Washington: the West 1/2 of the Southeast 1/4 and East 1/2 of the Southwest 1/4 of Section 18, Township 16 North, Range 6 East, W. M., hereinafter called "said property"; and

WHEREAS, Applicants desire to explore said property to determine if said property contains mercury ore and desire to receive an option to mine said mercury ore, if any, upon said property; and

WHEREAS, St. Regis is willing to allow Applicants to explore said property and to give the Applicants the option to mine the mercury ore, if any, upon said property upon certain terms and conditions;

NOW, THEREFORE, St. Regis and Applicants covenant and agree as follows:

1. That upon execution of this Agreement, Applicants shall pay St. Regis the sum of Two Hundred Fifty Dollars ($250.00).

2. St. Regis grants to Applicants for a period ending September 30, 1968, or until ninety (90) days (excluding periods of snow coverage or severe storms) following the date first above written, whichever date be the sooner, the right to enter on said property and prospect, drill and explore said property for

mercury ore. If said property be closed during periods of high fire hazard, Applicants shall suspend their exploration if so requested by St. Regis, provided, however, Applicants shall be granted an additional time equal to the time so suspended at the end of what otherwise would have been the termination of the period of exploration.

3. Applicants anticipate that the exploration will take one of two forms:

(a) driving of tunnels (adits) at various levels to mine (stope) the ore from below, or

(b) open cut of the ore.

4. The following terms shall apply to this Agreement and to the option referred to in paragraph 7 hereof:

(a) Applicants shall erect only such surface improvements as are needed for such operations. St. Regis and Applicants shall agree upon the location of surface improvements located upon said property.

(b) Applicants shall have the right to cut timber upon said property to the extent necessary for carrying on their activities. Timber so cut by Applicants shall, unless otherwise agreed to, be cut into logs of lengths specified by St. Regis and decked along the road for disposal by St. Regis of such timber, and shall at all times remain the property of St. Regis.

(c) Applicants shall dispose of no waste upon said property without the written consent of St. Regis and Applicants shall dispose of such waste only in such areas designated by St. Regis.

(d) Applicants shall transport their employees to said property only by crew vehicles and Applicants shall not permit their employees to drive their private automobiles to said

property. Applicants shall execute the road use permit of St. Regis, a copy of which is attached hereto and marked Exhibit "A".

(e) St. Regis may inspect the said property and the operation of the Applicants at any time.

(f) Within sixty (60) days following the termination of this Agreement and within sixty (60) days following the option referred to in paragraph 7 hereof, Applicants shall provide St. Regis with copies of all maps, samples, drill logs, and other data pertaining to the mineral content of said property.

5. Applicants shall not transfer, assign or sell any of their right, title or interest in or to this Agreement or to the option provided in paragraph 7 hereof to any other person or corporation without the prior written consent of St. Regis, provided, however, Applicants may assign their right, title and interest to a responsible corporation organized by Applicants for the purpose of exploring and mining said property for mercury ore, provided further, that Applicants and the shareholders of the corporation at the date of such assignment shall not subsequently assign, transfer or sell their stock without the prior written consent of St. Regis. St. Regis shall have the right to define "responsible" to meet its own requirements.

6. Applicants shall expend at least Two Thousand Five Hundred Dollars ($2,500.00) in exploration and drilling set forth herein.

7. St. Regis grants to Applicants the option to mine mercury ore on said property subject to the terms and conditions hereafter set forth, provided the option is exercised prior to September 30, 1968, by Applicants by giving St. Regis written notice of Applicants' intent to exercise the option.

(a) The term of the option to mine said mercury

pre shall be for five (5) years after the date the option is exercised.

(b) Applicants shall pay St. Regis as an annual license fee the sum of One Thousand Dollars ($1,000.00) on or before the first day of each year of the term hereof, unless Applicants shall abandon said mining operations, in which case no further license fee will be required. If Applicants fail to pay said sum on or before the first day of each year of the term hereof, the term hereof shall expire and Applicants shall cease all mining operations.

(c) Applicants shall pay St. Regis as royalty for said mercury when sold one-sixth (1/6) of the difference between the then fair market value per flask of such mercury in New York City, New York, and the fee for brokerage and shipping. In determining the yearly amount of royalty Applicants owe St. Regis, Applicants shall be allowed to deduct the first One Thousand Dollars ($1,000.00) per year, which deduction shall be considered as an offset against the yearly license fee. Applicants shall pay St. Regis all royalties due for the preceding quarter of one year within thirty (30) days following the end of each quarter.

(d) Applicants shall conduct all mining and processing operations in accordance with good and established practices of the industry and shall conform to all applicable state and federal safety regulations.

(e) (1) To insure the payments of said royalty or payment of any other obligation of Applicants to St. Regis, Applicants shall, upon the exercising of its option hereunder, deposit with St. Regis and thereafter at all times maintain on deposit (A) cash in the sum of Ten Thousand Dollars ($10,000.00), or (B) negotiable securities acceptable

to St. Regis, endorsed in blank for transfer, having a market value of not less than Ten Thousand Dollars ($10,000.00), or (C) equivalent security acceptable to St. Regis which shall entitle St. Regis unconditionally to obtain monies therefrom for the purposes herein stated. Applicants shall be entitled to receive all interest and dividends paid thereon, so long as it shall not be in default hereunder. If at any time Applicants shall be more than fourteen (14) days in default in respect of payment of any monies payable to St. Regis hereunder, St. Regis shall have the right to sell and transfer or otherwise liquidate all or any part of said deposit and apply the proceeds thereof to the payment of the amount so in default: Provided, however, that St. Regis shall, before proceeding with any such liquidation, give seven (7) days' written notice of its intention so to do.

(2) If at any time St. Regis shall have liquidated said deposit or any part thereof as herein provided, it shall furnish to Applicants a statement showing the securities sold and the proceeds thereof, the application made of such proceeds and the amount of any money or securities remaining on deposit, and Applicants shall, within seven (7) days, re-establish the said deposit to the full value of Ten Thousand Dollars ($10,000.00). If Applicants shall fail to maintain the deposit as aforesaid, St. Regis may forthwith require Applicants to suspend operations hereunder until said deposit is restored or may terminate this option and Agreement in the manner provided for herein.

(3) Upon termination of this option and Agreement and payment of all amounts due St. Regis for mercury removed hereunder, and performance of all obligations of Applicants under this Agreement, all securities then on deposit shall be returned to Applicants.

(f) St. Regis by its agents shall have the right to go upon said property at all times for the purpose of inspecting mining operations thereon and checking Applicants' reports of the quantities and qualities of minerals removed from said property and at any reasonable time and place to examine and copy Applicants' books and records relating to such operations for the purpose of verifying said reports and operations. Applicants shall furnish St. Regis monthly with copies of all information relating directly or indirectly to the sale of mercury, the cost of shipping, the quantity and quality of minerals removed from said property, and any other matter reasonably related to the operations of Applicants hereunder.

IN WITNESS WHEREOF, this instrument is signed the day and year first above written.

ST. REGIS PAPER COMPANY

By W. R. Howell

Its V.P.

"St. Regis"

B & J PROPERTIES, INC.

By William N. Pierce, pres

"Applicants"

STATE OF WASHINGTON :
: ss.
County of Pierce :

ON this 3rd day of November, 1967, before me personally appeared W. E. Haselton, to me known to be the Vice President of the corporation that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

M. M. Steuckalme

NOTARY PUBLIC in and for the STATE OF WASHINGTON, residing at Tacoma.

(Agreement-6)

P E R M I T

Effective upon the acceptance date hereof, as hereinafter provided, ST. REGIS PAPER COMPANY, a New York corporation, acting by and through its Logging and Forestry Division, Tacoma Area, 1216 St. Paul Avenue, Tacoma, Washington 98401, hereinafter designated as "St. Regis," in consideration of Permittee's faithful performance of the covenants and compliance with the terms and conditions hereinafter contained, hereby grants to B & J PROPERTIES, INC., of 12531 30th Avenue, N.E., Seattle Washington 98125, hereinafter designated as "Permittee," a non-exclusive license and permit to:

(a) Construct, use and maintain roads upon the West 1/2 of the Southeast 1/4 and the East 1/2 of the Southwest 1/4 of Section 18, Township 16 North, Range 6 East, W.M., in Pierce County, Washington, (hereinafter called the "said property"); and

(b) As access to said property from the nearest public road, use the existing roads as marked in blue color on the map attached hereto and marked Exhibit "A-1," (hereinafter called "said roads");

upon the following terms and conditions:

1. PURPOSE

The permission herein granted shall be exercised solely for the purpose of prospecting, drilling, mining, hauling, and exploring said property for mercury ore located upon said property.

2. TERM

The term of this Permit shall commence upon the same date as Permittee exercises the option contained in a certain Agreement between St. Regis and Permittee allowing Permittee to prospect upon said property and shall extend until the certain Agreement and option are terminated: Provided, however, that

EXHIBIT "A"

this Permit may be terminated at an earlier date as provided in paragraph 10 hereof.

3. MAINTENANCE

St. Regis shall maintain said roads (except those roads upon said property which Permittee shall maintain) during periods of reasonable weather. Permittee shall be permitted to maintain only those roads upon said property. During periods when St. Regis is maintaining said roads, Permittee shall pay to St. Regis a maintenance fee of One and 50/100 Dollars ($1.50) per ton of earth or minerals hauled by Permittee. If requested by St. Regis, Permittee shall at its own cost and expense provide scales or weighing stations acceptable to St. Regis to determine the actual weight of the minerals and earth being hauled across said roads. St. Regis may inspect said scales or weighing stations if it so desires and Permittee shall provide St. Regis with all load tickets. Within thirty (30) days after the end of each quarter of a year during the term hereof, Permittee shall report to St. Regis the total weight of earth or minerals hauled by Permittee over said roads, and shall pay St. Regis at that time the maintenance fee for the weight hauled during that quarter.

4. RESERVATIONS

St. Regis, for itself, its successors, assigns and permittees, reserves the right at all times and for any purpose to go upon, cross, recross, and use said road and the right-of-way thereof, and to grant rights for the non-exclusive use of the same to other persons during the term of this Permit.

5. COMPLIANCE WITH LAWS AND REGULATIONS

With respect to all lands on which Permittee conducts any operation in connection with which Permittee exercises

rights granted hereunder, Permittee shall comply with all laws and regulations of Federal, state, and local governments, including, but not limited to, those relating to forestry, mining, and conservation practices and the prevention, suppression, and control of fire, and all valid orders of Federal and state officials pertaining thereto.

6. PROTECTION AGAINST FIRE

For protection of St. Regis land and timber in the vicinity of said property, Permittee shall

(a) dispose of all slashings and debris created by Permittee on said property in a manner satisfactory to St. Regis, and upon such disposal Permittee shall, if required to do so by St. Regis or by government officials, promptly obtain an unconditional certificate of clearance with respect to the slashing so disposed of and deliver the same to St. Regis;

(b) maintain said road in said property and right of way thereof reasonably free of inflammable debris;

(c) upon discovery of fire in the vicinity of said road or Permittee's operation, immediately notify St. Regis and the nearest State Fire Warden thereof;

(d) have available and maintain in good operating condition and make suitable provisions for use and employment of equipment for fire control, fire fighting and fire prevention, and necessary facilities, and establish such regulations and practices with respect thereto as shall be in accordance with generally accepted good practice.

7. ROAD USE RULES

Permittee shall

(a) take all reasonable precaution to prevent unauthorized persons from using said road and from entering St. Regis or other lands by means thereof;

(b) not obstruct said roads without St. Regis' permission in writing;

(c) strictly observe and faithfully comply with all speed limits, traffic and other regulations promulgated by St. Regis or public authorities;

(d) suspend use of said road for transportation of mining and other products whenever such use, due to weather conditions, will cause excessive damage to said road.

8. ASSUMPTION OF RISK AND LIABILITY OF PERMITTEE

(a) St. Regis has made no representation as to the present or future conditions of its property or the character of the traffic on any of its roads, and Permittee assumes all risks of damage to property of or injury to Permittee, in connection with the exercise of rights hereunder.

(b) Permittee shall pay for all damage to St. Regis' property resulting directly or indirectly from the acts or omissions of Permittee, its employees, agents, contractors, subcontractors thereof, or suppliers using the road under this Permit. Permittee shall reimburse St. Regis for all costs reasonably incurred or other charges imposed for fighting any fire which shall result or the liability for which shall arise directly or indirectly from the Permittee's acts or omissions hereunder, whether negligent or otherwise.

(c) Permittee shall indemnify and hold harmless St. Regis against all claims or liabilities asserted by third persons resulting directly or indirectly from the acts or omissions hereunder, whether negligent or otherwise, of Permittee, its employees, agents, contractors, subcontractors thereof, or suppliers using the road under this Permit.

9. INSURANCE

Permittee agrees to obtain before commencing operations or using any road or roads described herein, and maintain

during the continuance of this Permit, insurance in form and in carriers satisfactory to St. Regis, as follows:

(a) Motor vehicle and/or trailer coverage insuring Permittee and any party using said vehicle upon said road against liability for personal injury with limits of not less than $100,000/$300,000, and for property damage with limits of not less than $100,000 per occurrence;

(b) Public liability coverage of Permittee for personal injury with limmts of not less than $100,000/$300,000 and for property damage with limits of not less than $300,000 per occurrence arising from all operations hereunder;

(c) Contractual liability coverage of Permittee with limits of not less than $300,000 per occurrence. The certificates relating to this coverage shall state that the same specifically applies to this contract and to that certain Agreement and option between St. Regis and Permittee allowing Permittee to prospect and mine upon said property.

Each of said insurance policies shall bear an endorsement requiring the insurer to give ten (10) days' prior written notice to St. Regis of any intended or proposed cancellation of such policy or policies or the failure of the Permittee to renew or extend the same during the term hereof. Evidence of compliance herewith shall be furnished to St. Regis in such form as St. Regis shall direct.

10. TERMINATION AND SUSPENSION

All rights hereunder shall terminate automatically ten (10) days after notice of default given by either party to

the other, if the default has not been remedied within such time. The termination of this Permit shall not prejudice St. Regis' right to collect damages accrued theretofore or thereafter accruing on account of Permittee's breach of any term hereof. Any failure to exercise a right to terminate this Permit in case of default shall not constitute a waiver of the defaulting party's obligation to perform strictly in accordance with the terms of this Permit. Any such right to terminate shall remain in full force and effect and may be exercised so long as such default continues.

11. NON-ASSIGNMENT

Neither this Permit nor the right of the Permittee hereunder shall be assignable in whole or in part, by operation of law or otherwise, without the prior written consent of St. Regis thereto. Any such attempted assignment shall be void.

12. NOTICES

Any notice to be given by either party hereto to the other under the provisions of or with respect to this Permit may be served personally or by registered mail, addressed to the party to be served at the latter's post office address hereinabove set forth; and such service by registered mail shall be equivalent to personal service.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed as below subscribed.

ST. REGIS PAPER COMPANY

By _____

Its _____

"St. Regis"

ACCEPTED this 22 day of Oct, 1967.

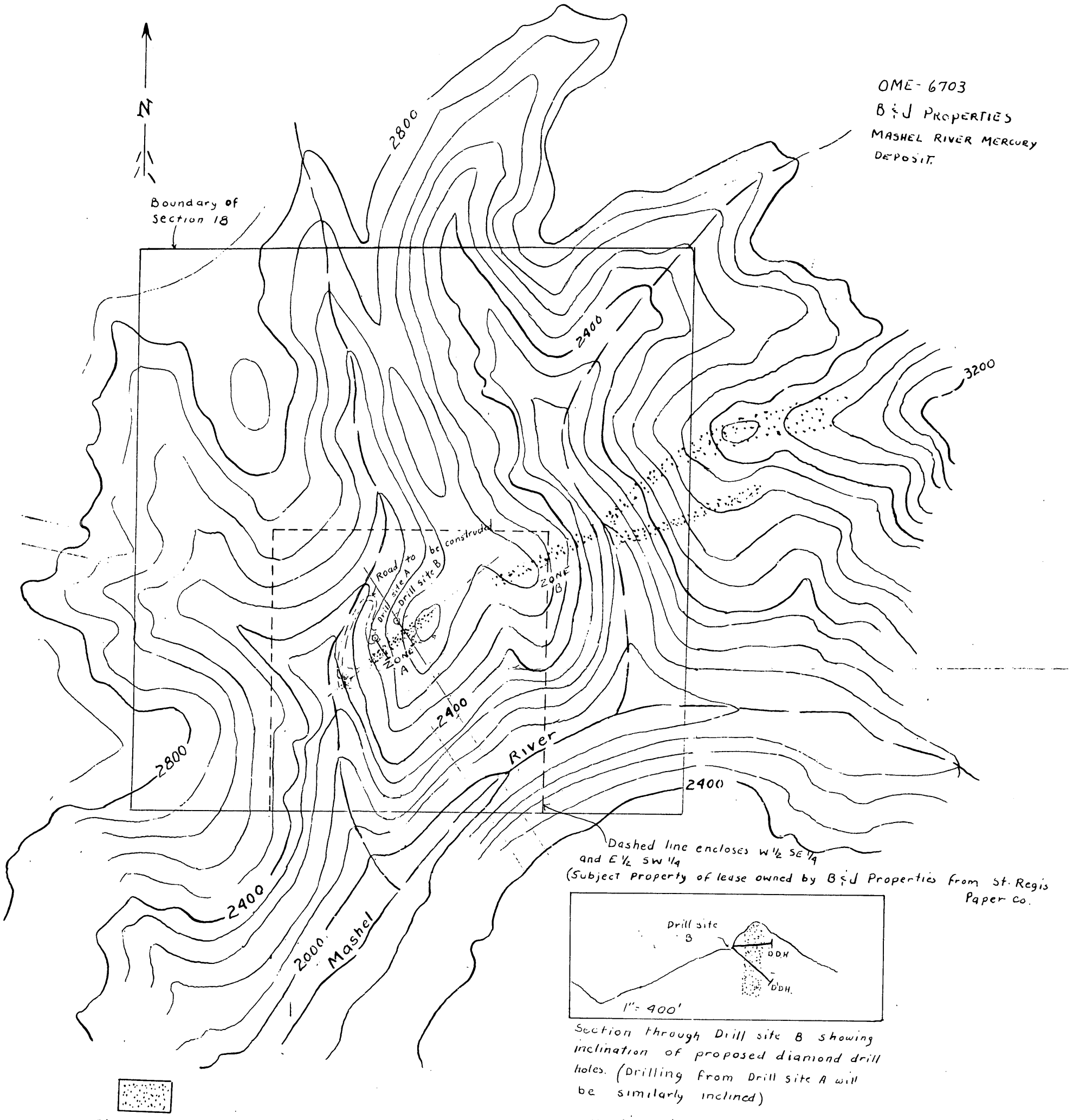
B & J PROPERTIES, INC.

By _____

"Permittee"

(Permit -6)

U.S. Geological Survey
Office of Minerals Exploration



Section through Drill site B showing inclination of proposed diamond drill holes. (Drilling from Drill site A will be similarly inclined)

Stippled area is outcrop of quartz that contains cinnabar which coats fracture surfaces and, with limonite, lines vuggy openings.

Unstippled area is generally bleached (altered?) andesite - locally contains abundant fine-grained pyrite. Thin rubble obscures most of bed rock.

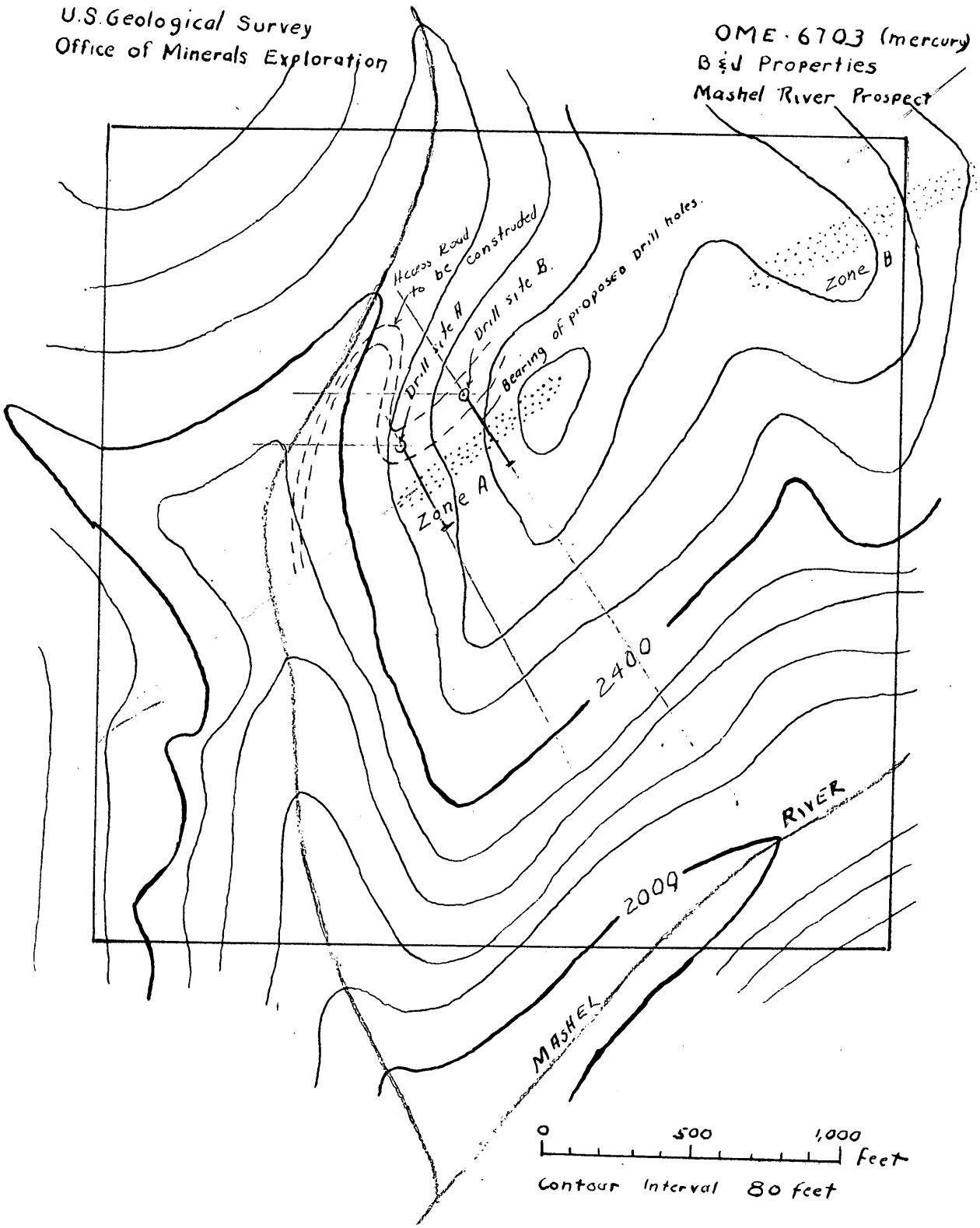
MAP OF SEC. 18, T. 16 N., R. 5 E., PIERCE COUNTY, WASHINGTON SHOWING CINNABAR-BEARING QUARTZ VEIN AND PROPOSED DIAMOND DRILL HOLES.

(TOPOGRAPHY IS ENLARGEMENT FROM KAPOWSIN, WASHINGTON 15-MINUTE QUADRANGLE SHEET)

1,000 0 1,000 2,000 3,000 FEET

CONTOUR INTERVAL 80 FEET

FIGURE 1



E½ SW¼ and W½ SE¼ Sec. 18, T. 16 N., R. 5 E.
Pierce County, Washington

FIGURE 2

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

September 9, 1970

OFFICIAL COPY
SEP 14 1970
SEARCH CORE
bsl 120 m
HK 120
WE 120 E
sla 130
220

Memorandum

To : Chief, OME

From : Field Officer, Region I

Subject: Summary final report
OME-6703 (Mercury)
B & J Properties
St. Regis Paper Company
Pierce County, Washington
Contract 2272

Summary Final Report

INTRODUCTION

This report summarizes an OME exploration project for mercury ore bodies in quartz veins that cut andesite porphyry near the Mashel River about 14 miles due west from Mt. Rainier in Washington. The contract, dated October 2, 1968, was for a total of $41,200.00, of which the Government would contribute 75 percent or $30,900.00. Work, started in December 1968 and completed in March 1969, consisted of 24 hours bulldozing access road and drill sites and diamond drilling 551 feet of core hole. Total cost was $7,892.00, of which the Government contributed $5,919.00. Scattered specks of cinnabar but no evidence of an ore body was found in the drill core; arsenic sulfides are abundant in parts of the core. The Operator was advised, in a letter dated September 15, 1969, that the Government retains no claim or lien against the property subject to the contract or any future production therefrom.

OPERATOR

B & J Properties
12531 30th N. E.
Seattle, Washington 98125

Officers include:

President:	Wm. H. Pierre	16706 Shore Dr. N. E. Seattle, Washington
Secretary-Treasurer:	Roy H. Jones	18354 Ridgefield Rd., N. W. Seattle, Washington
Assistant Secretary:	L. L. Guyette	11525 Lake City Way, N. E. Seattle, Washington 98155

PROPERTY

The land subject to the contract is the $W\frac{1}{2}SE\frac{1}{4}$ and $E\frac{1}{2}SW\frac{1}{4}$ sec. 18, T. 16 N., R. 6 E., Pierce County, Washington. The Operator was in possession of the land under terms of an Agreement dated November 3, 1967, and an extension agreement dated April 2, 1968, from the St. Regis Paper Co., owners of the land.

LOCATION AND ACCESSIBILITY

Access to the property is via an all-weather private road that is maintained as a logging road by the St. Regis Paper Co. The road begins at the King's Creek entrance, about 12 miles south of Orting, Washington, on State Highway 5E. The prospect is about 18 miles from the entrance.

Topography in the vicinity of the property is deeply dissected by tributaries of the Mashel River; slopes are steep and the average relief is about 1,000 feet (Fig. 1 - Diamond drill holes, Property, and Index maps, Mashel River prospect, $S\frac{1}{2}$ sec. 18, T. 16 N., R. 6 E., Pierce County, Washington).

GEOLOGY

Cinnabar coats fracture surfaces and lines parts of vug-like openings in a quartz vein that cuts pyroxene-andesite porphyry, part of the volcanic rocks of Tertiary age that crop out along the foothills of the Cascade Mountains (Daniels, J., 1914, p. 27). The andesite contains abundant light gray feldspar crystals, 1-4 mm long, in a fine-grained greenish-gray groundmass.

The quartz vein crops out as a conspicuous ridge that can be traced for more than half a mile (fig. 1), but is obscured by overburden in the shallow valleys of tributaries to the Mashel River. The vein strikes about N. 45° E., dips steeply north, and is a maximum of 100 feet thick. The vein appears to be composite and to the northeast it splits into two well-defined veins (fig. 1). Andesite adjacent to the vein is nearly white (bleached?), and locally contains abundant fine-grained pyrite.

Cinnabar occurs as thin films on fracture surfaces and as encrustations on nodular quartz that lines openings in the vein. Locally, limonite and cinnabar form encrustations several millimeters thick, but more commonly the cinnabar is scarcely more than a thin film. No cinnabar was seen as disseminations in the quartz.

Arsenic sulfides, both orpiment and realgar, are in andesite in the drill core, but none was seen on surface exposures. Very sparse cinnabar occurred with the arsenic minerals in one of the drill holes.

Tiny blades of stibnite are in the core of drill hole No. 2, in a zone in andesite that contained arsenic sulfides (fig. 1).

The exposures containing the most cinnabar are near the southwest end of the quartz ridge (fig. 1), and the exploration was planned to test the downdip extensions of the vein in this area. Hand-picked specimens in this area contained as much as 7.2 percent mercury.

PURPOSE OF PROJECT

The purpose of the project was to explore by diamond drilling from prepared surface sites, crosscutting, drifting, and long-hole drilling for mercury-bearing ore bodies in and along a northeasterly trending quartz vein which traverses volcanic rocks of Tertiary age.

CONTRACT

The contract, No. 2272, dated October 2, 1968, required that work start on or before November 1, 1968, and be completed within 6 months from the date of the contract. The work was to be divided into two stages as follows:

Stage I - Bulldoze access roads to two drill sites, level the sites, and drill not more than 4 diamond drill holes totalling not more than 1,000 feet.

Stage II- Crosscut from a prepared portal site to and through the target vein; drift northeasterly and southwesterly on the vein; and long-hole drill the drift walls to test the extent of favorable mineralized zones. It was estimated that 600 feet of crosscutting and drifting and 400 feet of long-hole drilling would be required.

Estimated Costs of the Work

Stage I

Actual Costs

Independent Contracts:

Bulldozing access road and drill sites
32 hours at $21/hour $672.00

Mobilization and demobilization, and
one move between drill sites,
1 drill unit 600.00

Diamond core drilling
1,000 feet 7,900.00

Depth/feet	Rate/foot NXWL	BXWL	AXWL
0-300	$8.50	$7.90	$7.50

Cementing and redrilling,
40 hours at $15/hr. 600.00

Reaming and casing,
100 feet at $4.50/ft 450.00

Laying and retrieving water supply systems,
10 hrs. at $12.50/hr 125.00 $10,347.00

Personal Services:		
1 Supervisor-Geologist-Engineer,		
3 months at $750/month	$2,250.00	
1 Outside Consultant (2 days/month)		
6 days at $75/day	450.00	$ 2,700.00
Operating Materials and Supplies:		
100 cardboard core boxes at $1.25/box	125.00	
Cement, cement substitutes, drilling mud, and additives	791.00	
Sludge catching and sampling supplies	50.00	966.00
Miscellaneous:		
Per diem, Outside Consultant, 6 days at $16/day	96.00	
Mileage, Seattle to project area and return, 960 miles at $0.10/mile	96.00	
F. I. C. A. payroll taxes, insurance	225.00	
Office and accounting expenses, 3 months at $50/month	150.00	
Assaying 60 samples: Mercury at $7.00/sample; Gold and silver combined at $5.00/sample	420.00	987.00
Total Estimated Costs, Stage I		$15,000.00

Stage II

Fixed Unit Costs

Drifting and crosscutting, 600 feet at $40/ft	$24,000.00	
Timbering drifts and crosscuts, 60 feet at $12/ft	720.00	
Long-hole drilling, 400 feet at $1.25/ft	500.00	
Assaying, 140 samples: Mercury at $7.00/sample; Gold and silver combined at $5.00/sample	980.00	
Total Estimated Costs, Stage II		$26,200.00
Total Estimated Costs, Stages I and II		$41,200.00
Government participation at 75 percent		$30,900.00

PROJECT WORK

The access road was completed and the drill rig moved to the site of holes 1 and 2 by December 3, 1968. Drilling was interrupted from late January to early March 1969 because of snow conditions at the drill site. All of the 4 holes designated under Stage I of the contract were completed by March 11, 1969. Results of the drilling did not justify Stage II work.

The approved costs of the completed work are as follows:

Independent Contracts:		
Bulldozing access roads and drill sites	$ 504	
Mobilization and demobilization, and one move between drill sites, one drill unit .	600	
Diamond core drilling:		
20 ft NX at $8.50	170	
531 ft BX at $7.90	4,195	$5,469
Personal Services:		
1 Supervisor-Geologist-Engineer, $2\frac{1}{2}$ months		1,875
Operating Materials and Supplies:		
55 core boxes		55
Miscellaneous:		
Office and accounting	150	
79 assays	343	493
Total cost of project		$7,892
Government participation at 75 percent		$5,919

The Government retains no equity in any supplies or equipment at the property.

REPORTS

The Operator submitted an acceptable final report on April 25, 1969, wherein he lists drill logs and assay data.

The Government issued a Report of Review in August 1969.

PROJECT RESULTS

No minable ore body was discovered by the diamond drilling. The vein was penetrated by 4 holes along a strike length of 260 feet and through a vertical range of 50-60 feet, some 100-150 feet below the top of the outcrop. The vein consists of quartz stringers enclosed in strongly silicified andesite, and is 60-75 feet thick where penetrated by the drill (fig. 1).

Cinnabar coats vuggy quartz in core from drill hole No. 1; however, the assay data indicate only a maximum of 0.4 pounds of mercury per ton. Cinnabar was less abundant in core from the other 3 holes.

Assays indicate the pyrite rich rock adjacent to the quartz veins contains only very low amounts of gold and silver; the highest assay was 0.015 ounces gold per ton.

Realgar and orpiment were abundant in the drill core in holes No. 2 and 3. Tiny blades of stibnite line a fracture near the end of hole No. 2 (fig. 1).

CERTIFICATION

The Government advised the Operator, in a letter dated September 15, 1969, 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.

There has been no production from the property.

SUMMARY

The diamond core drilling tested the downdip extension of a wide quartz vein enclosed by andesite. Cinnabar occurs on fractures and lines cavities in parts of the exposed vein. The drilling proved that the vein persists to depth and consists of stringers of quartz enclosed by strongly silicified andesite. Cinnabar is sparse in the quartz. Arsenic minerals, realgar and orpiment, are abundant in part of the wall rock, particularly where penetrated by the deeper holes. Stibnite was present near the bottom of one hole. The presence of arsenic and antimony minerals suggest that perhaps the main mercury mineralization was at a higher elevation and could have been eroded.

The work was competently supervised. The Operator's reports were complete and satisfactory.

Further work to test other parts of the vein does not seem to be justified. The drilling tested the downdip extension of the better mineralized part of the vein. Perhaps more mercury occurs in the vein northeast of the diamond drill sites, but the surface exposures are essentially barren of cinnabar.

REFERENCE CITED

Daniels, Joseph, 1914, The coal fields of Pierce County: Washington Geol. Survey Bull. 10, 146 p.

Willard P. Puffett

Willard P. Puffett

Enclosure: Figure 1.
Diamond drill hole, Property, and Index maps, Mashel River prospect, S½ sec. 18, T. 16 N., R. 6 E., Pierce County, Washington.

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
9/12/69	Peterson	120
		120
		220
		120M

September 12, 1969

Memorandum

To: Chief, Branch of Budget and Finance

From: Chief, Office of Minerals Exploration

Subject: OME-6703 (Mercury)
B & J Properties
St. Regis Paper Company
Pierce County, Washington
Contract 2272

Enclosed is a copy of the Field Officer's letter of September 9, 1969, forwarding a copy of the Report of Review issued in August 1969 to the subject Operator. Also enclosed is a copy of the report for your files.

Harold Kirkemo
=Harold Kirkemo

Enclosures

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

ECPeterson/bsl 9/12/69

OME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
9/15/69	Pitem	120
		120
		220

SEP 15 1969

Mr. Lawrence Guyette
11525 Lake City Way, N.E.
Seattle, Washington 98155

Re: OME-6703 (Mercury)
B & J Properties
St. Regis Paper Company
Pierce County, Washington
Contract 2272

Dear Mr. Guyette:

B & J Properties has satisfactorily met its responsibilities under the terms of the subject contract. Therefore, effective as of this date, the Government herewith releases the Performance Bond, dated October 2, 1968, signed by you and Mr. William H. Pierre, and your Affidavit of Individual Surety, dated October 23, 1968, covering obligations under the contract.

Sincerely yours,

Harold Kirkemo (jfa)
Harold Kirkemo, Chief
Office of Minerals Exploration

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

IDENTICAL ORIGINAL LETTER TO:

Mr. William H. Pierre
11525 Lake City Way, N.E.
Seattle, Washington 98155

ECPeterson/bsl 9/15/69

OME(2)

OFFICIAL COPY
O. M. L.
RECEIVED
SEP 11
INITIALS
gla 130
HK ~~120~~
bal 120 m
EP 120 P

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

Mr. L. L. Guyette, Secretary
B & J Properties
12531 - 30th NE.
Seattle, Washington 98125

Re: OME-6703 (Mercury)
B & J Properties
St. Regis Paper Company
Pierce County, Washington
Contract 2272

Dear Mr. Guyette:

Enclosed is the Operator's copy of a Report of Review issued in August 1969 on project costs under the subject contract.

Sincerely,

Willard P. Puffett
Field Officer, OME
Region I

Enclosure

MLSmelser:mls

cc: OME(2)
Voucher File

Director's Reading File

OFFICIAL FILE COPY

Date	Surname	Code
9/3/69	Petsas	120
		120
9/3	Cal	220
		120M

SEP 3 1969

AIRMAIL

Memorandum

To: Field Officer, Region I

From: Chief, Office of Minerals Exploration

Subject: OME-6703 (Mercury)
B & J Properties
St. Regis Paper Company
Pierce County, Washington
Contract 2272

Enclosed are two copies of a Report of Review issued August 1969.

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 (gla)

Harold Kirkemo

Enclosures

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

ECPeterson/bsl 9/3/69

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
May 22, 1969

OFFICIAL COPY
O. M. E.
RECEIVED
MAY 26 1969

INITIALS	CODE
I	30
	20
HK	20
	120

Memorandum

To: Chief, Office of Minerals Exploration

From: Willard P. Puffett, Geologist, OME, Region

Subject: Request for Report of Review
OME-6703 (Mercury)
B & J Properties
St. Regis Paper Company
Pierce County, Washington
Contract 2272

Work under Stage I of the subject contract was completed in March 1969 and results did not justify the additional work specified in Stage II. The Operator submitted a final voucher and an acceptable final report that was forwarded to you on April 25, 1969. In his letter accompanying the final report the Operator suggested that the project be concluded. A termination of the contract is in order and is recommended. The final voucher was processed and payment was made on May 8, 1969.

The number of units of work completed by the Operator and accepted by me as conforming to the contract specifications are:

Cat (1)

Bulldozing access roads and drill sites	24 hours
Mobilization and demobilization and one move	1 job
NX core drilling	20 feet
BX core drilling	531 "

Cat (2)

Supervisor - geologist - engineer	2½ months

Cat (3)

Core boxes	55 each

Cat (7)

Office and accounting	3 months
Assays	79 each

eport of Review, in lieu of a final audit, is in order and is uested.

Willard P. Puffett

FORM 9-1648
MARCH 1968

RECEIVED
APR 25 1969
O. M. E.
SPOKANE WASH.

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

OFFICIAL COPY
O. M. E.
RECEIVED
MAY 20 1969
INITIALS | CODE
120 | 120
120 | 120
120 | 120

OPERATOR'S MONTHLY VOUCHER

For Month of **March**

Order No. OME- **6703**
Contract 14-08-0001 ~~5272~~ 2272
Contract Amount $ **41,200.00**
Gov't. Participation % **75** $ **30,900.00**

Operator's Name **B & J Properties**
Address **12531 30th. N.E.**
Seattle, Wash. 98125

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
		$		$		$		$
Category # 1								
Mobilization and One Move	½	300.00	1	600.00	½ job	300.00	1 job	600.00
Bulldozing Roads & Drill Sites			24 hr.	504.00	—	—	24 hr.	504.00
NX Core Drilling	10'	85.00	20'	170.00	10 ft.	85.00	20 ft.	170.00
BX Core Drilling	194'	1532.60	531'	4193.90	194 ft.	1,532.60	531 ft.	4 194.90
Category # 2								
Supervison-Engr.	1	750.00	2½	1875.00	1 month	750.00	2½ months	1 875.00
Category # 3								
Core Boxes 55	55	55.00	55	55.00	55	55.00	55	55.00
Category # 7								
Office & Accounting	1 mo.	50.00	3 mo.	150.00	1 mo.	50.00	3 mo.	150.00
Union Assay			79	343.00	—	—	79	343.00
TOTALS		$ 2772.60		$ 7890.90		$ 2,772.60		$ 7,891.90

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

Date 4-24-69 *Payee **B & J Properties**

Per T. L. Gugette 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 O. Puffett OME Field Officer Date 4-25-69

(63) 14X0804

Approved for: $ 3079.45
(SUBJECT TO AUDIT)

Signature

Date MAY 8 1969 Vou. No. 96548
(SEE OTHER SIDE)

FOR OPERATOR'S USE	FOR GOVERNMENT USE
REMARKS	REMARKS 1) Operator made error in multiplication.

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.

B & J PROPERTIES
12531 - 30th Ave N. E.
Seattle Washington 98125

United States Dept. of Int.
Geological Survey
Office of Mineral Exploration
Refer: D. M. E. 6703

Subject: March Billing

Office and Accounting for the month of March--$50.00

Sincerely,

L. L. Guyette
Secretary

LLG:pl

~~Associate~~ Professor
Mining Engineering
University of Washington

Registered Professional
Mining Engineer
State of Washington

DONALD L. ANDERSON

Consulting Engineer

10715 Lakeside Ave. N. E.
Seattle, Washington 98125

April 21, 1969

B & J Properties
12531 - 30th N. E.
Seattle, Washington 98125

For professional services as an engineer-geologist in supervising an exploration project at the Mashell River Mercury property, Pierce County, Washington (O M E 6703; mercury) during the months of March and February, 1969.

Services consisted of field work and supervision of drilling D D Holes #3 and #4; logging and interpreting assays and correlating same; final field work at the site; final analysis of all data and preparation of final report.

Total time on the project amounted to 22 days for-

22/22 x $750 = $750.00 total

Donald L. Anderson

DIAMOND CORE DRILLING
DIAMOND DRILLING EQUIPMENT
GROUTING
FOUNDATION TESTING
MINING
QUARRYING
SHAFT SINKING
TUNNEL DRIVING
MINE PLANT DESIGN
AND FABRICATION

Boyles Bros. DRILLING COMPANY

CONTRACTORS-ENGINEERS-GEOLOGISTS

General Offices and Plant
1624 Pioneer Road P. O. Box 58 Phone (801) 487-3671
SALT LAKE CITY, UTAH 84110
Cable: BOYLESCO

BRANCH OFFICES
ARIZONA (PHOENIX)
CALIFORNIA (AUBURN)
COLORADO (GOLDEN)
KENTUCKY (LOUISVILLE)
NEVADA (SPARKS)
OKLAHOMA (NORMAN)
WASHINGTON (SPOKANE)
CHILE (SANTIAGO)
CABLE BOYLESBROS
MEXICO, D.F.
PERU (LIMA)
CABLE: BOYLESCO

INVOICE DATE 3-18-69
ORDER NUMBER 12-65
INVOICE NUMBER 3
CONTRACT B & J - Orting
TERMS Net
LOCATION Orting, Washington

B.& J. Properties
115 th and Lake City Way, N.E.
Seattle, Washington
98125

HOLE NO	FROM	TO	FOOTAGE	RATE	TOTAL
Hole No. 3					
NX Core	0	5	5	$ 9.55	$ 47.75
BX Core	5	103	98	8.90	872.20
Tear Down and Set Up			12 Hrs.	14.00	168.00
Hole No. 4					
NX Core	0	5	5	9.55	47.75
BX Core	5	101	96	8.90	854.40
Set Up Time			1 Hr.	14.00	14.00
Stand-By for Engineer			8 Hrs.	14.00	112.00
Core Boxes used on job.			55 ea.	1.00	55.00
					$2,171.10

FINAL INVOICE

WILLIAM H. PIERRE

April 23, 1969

Mr. Willard P. Puffett
United States Dept. of Int.
Geological Survey
Office of Mineral Exploration
U.S. Court House Rm. 658
W. 920 Riverside Avenue
Spokane, Wn. 99201

REFERENCE- - - O.M.E. 6703

Dear Sir:

Enclosed please find our final operator's monthly voucher and reports on drilling. We did have a sample tested from #4 hole, but the results were very poor.

We feel it is in the best interest of both parties that the project be concluded. I'd like to express our thanks for your help and advice in the project.

Sincerely yours,

B & J PROPERTIES

L. L. Guyette

LLG:bg
Enc.

RECEIVED
APR 25 1969
O.M.E.
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
April 25, 1969

OFFICIAL COPY
O. M. E.
RECEIVED
APR 28 1969

INITIALS	CODE
gla	120
Obal	120
HK	120
RR	120

AIR MAIL

Memorandum

To: Chief, Office of Minerals Exploration

From: Willard P. Puffett, Geologist, OME, Region I

Subject: Final Voucher and Operator's Final Report
OME-6703 (Mercury)
B & J Properties
St. Regis Paper Company
Pierce County, Washington
Contract No. 2272

Enclosed are the original and two copies each of the final voucher, the Operator's final report, and a letter from the Operator requesting that the project be concluded. There is no narrative with the final voucher, but the accompanying final report contains a narrative that describes the work for which payment is claimed.

The Operator's final report is considered satisfactory, and no funds are withheld from the final voucher. Cost data are not described in the report but, as most of the work was done under independent contracts that are well documented, this requirement can be waived. An inspection of the bills submitted by the drilling contractor shows that the costs estimated in the OME contract were considerably lower than those charged to the Operator.

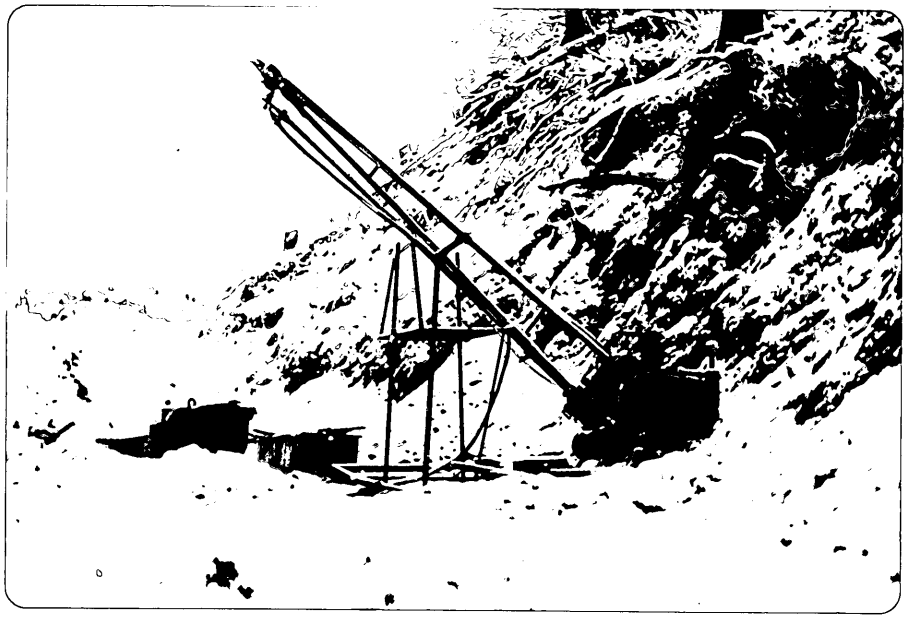
The final field examination of the project was on March 11, 1969. The completed drilling failed to find significant quantities of cinnabar, and it is concluded that further work is not warranted. No certification of discovery is justified.

A request for final audit and review will be made after this final voucher is processed.

Willard P. Puffett
Willard P. Puffett

Enclosures

on leave
gla 4/28/69



SECOND DRILL SITE

Operator's Final Report

MASSHELL RIVER MERCURY DEPOSIT - OME 6703 (Mercury)

Location, General Features

The location, description, geologic setting and general features relative to the Masshell River Mercury Deposit have been previously described and will not be repeated here. (1)

The purpose of this report is to describe the nature of the exploratory work carried out under the O M E agreement # 6703.

Mineralized Zone

The target of this exploration project was a mineralized zone located within porphyritic andesite. As exposed, the outcrop shows a massive silicified zone containing scattered mercury as cinnabar located primarily in vugs. The outcrop is otherwise iron-stained and the high silica mass, being erosion resistant, stands out prominently along the slope and to the crest of the ridge to the east of the creek (see Fig. 7 of initial report).

The strike of the zone is approximately S 45 W, the dip some 75 to the northwest and the width, as cut by the drill holes, about 75 feet (see Fig. 1). Some of the hangingwall of the body may have been removed by erosion and hence the true width may have been somewhat greater than here shown.

Drilling

A total of four BX diamond drill holes were authorized, the maximum depth of any one hole not to exceed 250 feet. The location of the drill holes is shown on Fig. 1.

Hole # 1 was drilled at S 40 E and about 5 below horizontal (see Fig. 2). This hole was collared in quartz and penetrated 75 feet of drusy, vuggy quartz containing small amounts of cinnabar and considerable pyrite. The hole entered the porphyritic footwall at 75 feet from the collar and continued to a total depth of 147 feet. The footwall was pyritized but did not show cinnabar (see log of D D Hole #1).

Hole #2 was drilled at S 40 E and at minus 40 (see Fig. 2). This hole was collared directly under hole #1 in the hangingwall of the quartz mineralized body. It penetrated the siliceous zone showing some 82 slope feet of quartzitic rock mass and established the width of the body indicated by the previous hole. Hole #2 continued into the footwall rock and was stopped at a depth of 185 feet from the collar. This second drill hole showed little cinnabar in the quartz. The footwall rock contained some realgar and orpiment; pyrite was abundant and stibnite found in open fractures at 177 feet (see log of D D Hole #2).

Hole #3 was located about 275 feet southwest of and about 30 feet below the first drill site. This hole was drilled at S 50 E and at minus 40 (see Fig. 3). Like the two previous holes, it was collared directly in and penetrated 82 feet of silicified rock before emerging into the footwall. The footwall rock was altered and contained pyrite. Hole #3 showed less quartz and more residual wallrock than holes 1 and 2. No cinnabar was observed untill about 65 feet from the collar. At this point, arsenic sulfides appear with a little cinnabar and from 70 to 80 feet, there is abundant realgar and orpiment. At 82 feet the hole entered the footwall and was terminated at 103 feet of depth (see log of D D Hole #3).

Hole #4 was located parallel to and directly over Hole #3. It was drilled horizontal (see Fig. 3) and like the previous hole, shows considerable wallrock within the mineralized zone. Apart from pyrite, this core shows little of interest and the arsenic and mercury noted at the lower horizon is here absent. The hole entered the footwall rock at 74 feet and continued to a final depth of 101 feet from the collar.

Treatment of Core

The core recovery from each hole was excellent with an average of perhaps 90%. The core was logged, boxed and brought to Seattle for storage and final disposition. The first 75 feet of core from Hole #1 was split and submitted to Union Assay Office, Inc. of Salt Lake City for mercury, gold and silver determinations. A mercury assay was made for each 5-foot of core and a gold and silver assay for each 10-foot of core (see Core Analysis-Hole #1).

Hole #2 showed encouraging mineralization in the footwall rock and hence a total of 180 feet of core was split and submitted for analysis. Similar to the procedure adopted for the first hole, a mercury analysis was made for each 5-foot of core and a gold and silver analysis for each 10-foot of core.

The cores from Holes #3 and 4 were logged but since only minor cinnabar was observed in #3 and none in #4, these cores were not split nor analyzed.

Observations

As noted in the original study, the Mashell River Deposit is a large well defined mineralized body with good structural strength and good continuity. This was an important factor in the recommendation for drilling. Unfortunately, the four holes that penetrated the zone show drill logs and assay results that are disappointing and which do not approach ore grade.

Hole #1 contained the most mercury and the results, although low, were fairly consistent. Hole #2 contained even less cinnabar with only five out of sixteen increments showing mercury. The footwall rock assays present a similar picture.

Hole #3 contains one 10-foot section that does show mercury sulfide. The core from Hole #4 exhibits no visible cinnabar.

Conclusions

In planning this initial exploratory work, It was realized that because of the nature of the deposit, the occurrence of cinnabar was expected to be erratic. However, it was hoped that sufficient mercury would be encountered in the drill holes to warrant the second stage of crosscutting and drifting with bulk sampling.

Unfortunately, the low returns from sample analyses places the prospect in a highly speculative category. Since the mercury sulfide occurs in vugs and fissures, all of the holes could have by-passed ore and from a statistical viewpoint the presence of commercial ore is not ruled out. In similar light, it is also recognized that for a deposit of this nature, bulk sampling is preferred over the relatively small sample extracted from a drill hole.

Despite the above mentioned factors, the core analyses did not approach ore grade in any instance and hence the advisability of proceeding with the tentative second stage of exploration is highly questionable.

In final summation, I recommend with reluctance not to undertake the follow-up program of underground crosscutting and bulk sampling.

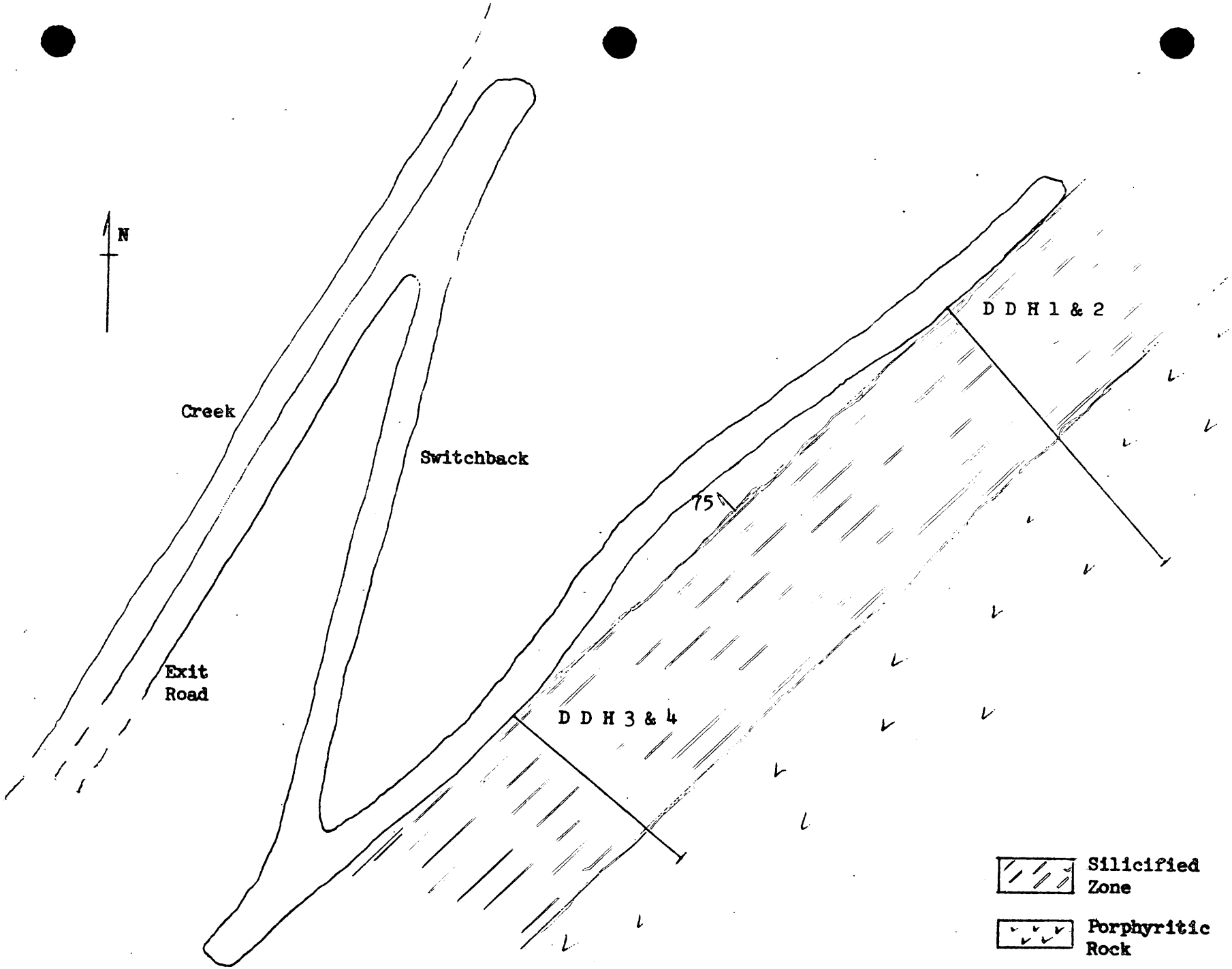
Donald L. Anderson

Seattle, Washington
April 21, 1969

Donald L. Anderson
Professor Mining Engineering
University of Washington

(I) Mashell River Mercury Deposit; January 18, 1968

RECEIVED
APR 25 1968
O.M.E.
SPOKANE, WASH.



PLAN - SHOWING OUTCROP AND DRILL SITES

Scale 1" = 60'

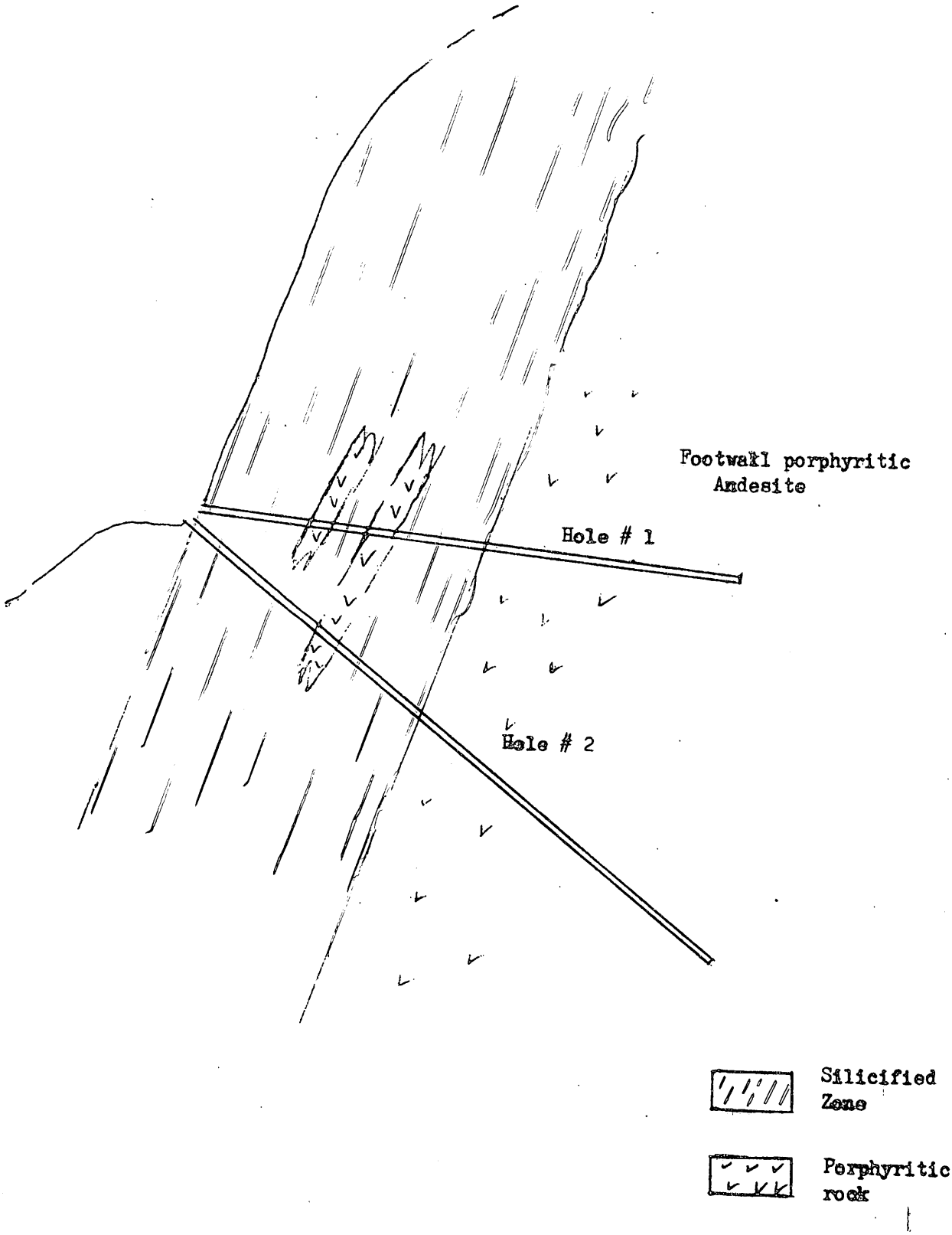


FIG. 2 - SECTION THROUGH HOLES 1 & 2

Scale 1"= 40'

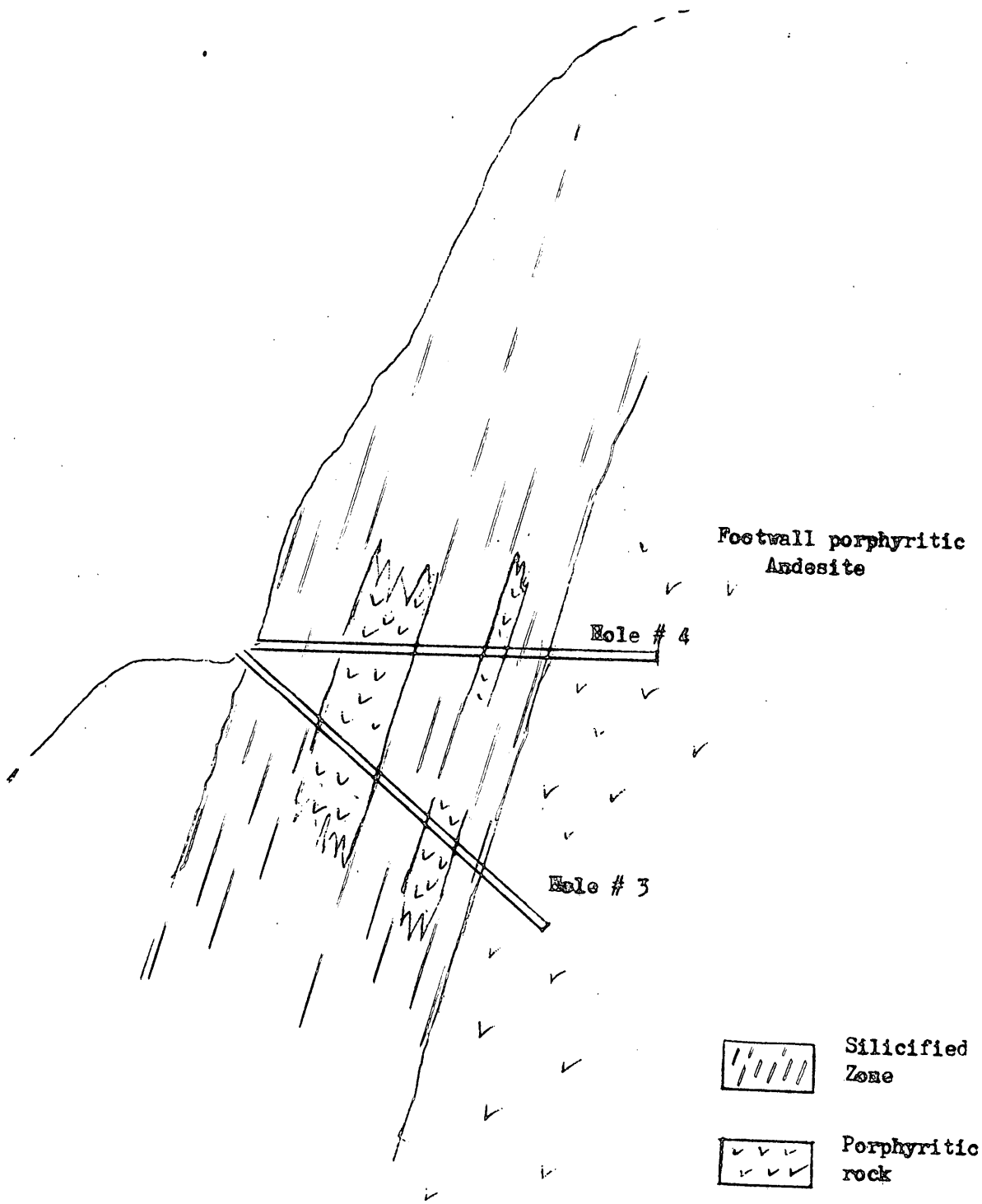


FIG. 3 - SECTION THROUGH HOLES 3 & 4

Scale 1" = 40'

Log of D D Hole #1; Strike S 40 E; Dip -5

Total length of hole: 147 feet
0 - 75 feet in quartz
75 - 147 feet in andesite porphyry

The first 5 feet of hole was N X core; the remainder was B X core.

0 - 5' Quartz with iron oxide prominent; scattered cinnabar in vugs

5 - 10' Quartz with scattered pyrite

10 - 15' Vuggy quartz with iron oxide; some gouge and sugary quartz; specs of cinnabar.

15 - 20' Vuggy and iron stained quartz.

20 - 25' Quartz with vugs and a little pyrite.

25 - 30' Fractured and vuggy quartz with iron staining.

30 - 35' Fragmented quartz with a porphyritic texture.

35 - 40' Vuggy and drusy quartz; specs of cinnabar.

40 - 45' Quartz with pyrite; cinnabar in vug.

45 - 50' Core less siliceous, more porphyritic; brecciated with considerable pyrite at 47'; vuggy and oxidized at 48'.

50 - 55' Brecciated quartz with vugs; little pyrite.

55 - 60' Vuggy and drusy quartz; some pyrite.

60 - 65' Brecciated and vuggy quartz with a little pyrite

65 - 70' Vuggy quartz; heavy pyrite in places.

70 - 75' Partly silicified; heavy pyrite and gouge showing.

75 - 80' Andesite porphyry with some pyrite.

80 - 85' Same as previous run with a few crystals of realgar

85 - 90' Altered porphyritic rock; a little realgar; considerable pyrite.

90 - 95' Altered porphyritic rock; abundant to massive tarnished pyrite.

95 - 100' Bleached rock with pyrite to 96'; soft iron stained gouge to 100'.

100 - 105' Altered yellow-stained rock; some primary pyrite still remaining.

105 - 110' Similar to previous run.

110 - 115' Considerable pyrite, partly oxidized.

115 - 120' Core more porphyritic.

120 - 125' Altered porphyritic rock with pyrite.

125 - 130' Some silicification; rock stained brown by oxidizing pyrite.

130 - 135' Porphyritic texture prominent; feldspar phenocrysts softened.

135 - 140' Porphyritic texture; rock stained light brown.

140 - 147' Partly altered rock; some pyrite.

Log of D D H Hole #2; Strike S 40 E; Dip -40

Total length of hole 185 feet
0 - 82 feet in quartz
82 - 185 feet in andesite porphyry.

The first 4 feet of hole was N X core; the remainder was B X core.

0 - 5 '	Oxidized quartz; a few specs of realgar.
5 - 10'	Oxidized quartz with some brecciation; orpiment, realgar and cinnabar in vugs.
10 - 15'	Light and dark-colored quartz; some staining.
15 - 20'	" " " " " ; abundant pyrite in places.
20 - 25'	Honeycombed and sugary quartz; a little orpiment.
25 - 30'	White to grey quartz with light yellow staining and a few vugs to 28'; highly oxodized and vuggy to 30'.
30 - 35'	White to grey quartz; vugs and some pyrite.
35 - 40'	Grey quartizitic with pyrite; vuggy with limonite; cinnabar at 40'.
40 - 44'	Oxidized, honeycombed and vuggy quartz; cinnabar in vug at 41'.
44 - 51'	Silicified porphyritic texture; some pyrite.
51 - 55'	Silicified, vuggy; pyrite in some fractures; limonite in others.
55 - 60'	Vuggy, drusy quartz with some pyrite.
60 - 65'	Unaltered quartzitic core with considerable pyrite.
65 - 70'	Similar to previous run.
70 - 75'	Brecciated, vuggy with heavy pyrite in places.
75 - 77'	Similar to previous run.
77 - 82'	Relatively unaltered quartz; some vugs and some pyrite.
82 - 87'	At 82 to 85', core changes to footwall andesite; porphyritic with some silicification and pyrite.
87 - 94'	Oxidized fractured footwall rock heavily iron stained; some residual pyrite.
94 - 98'	Similar to previous run.
98 - 105'	Footwall andesite; some pyrite; scattered realgar at 100'.
105 - 110'	Unaltered wallrock, heavy pyrite in places.
110 - 115'	Footwall rock; considerable orpiment and realgar with pyrite.
115 - 120'	Similar to previous run.
120 - 125'	Similar to previous run.
125 - 130	Porphyritic texture; scattered orpiment and realgar

(D Hole #2)

130 - 135' Soft altered rock with a little pyrite and specs of arsenic sulfides.

135 - 140' Gougy with porphyritic texture; a little pyrite.

140 - 145' Porphyry with some pyrite.

145 - 155' Relatively unaltered wallrock with a few vugs and a little pyrite.

155 - 160' Partly altered rock with some pyrite.

160 - 165' Wallrock with some iron staining and a few vugs; a little quartz and a little pyrite.

165 - 170' Broken core; porphyritic with some silicification; scattered realgar.

170 - 175' Footwall rock with pyrite and a little realgar.

175 - 180' From 177 to 180', realgar, orpiment and stibnite found in open fractures.

180 - 185' Partly broken and silicified core with arsenic sulfides and pyrite.

Log of D D Hole #3; Strike S. 50 E; Dip -40

Total length of hole: 103 '
0-82 feet in quartz and included wallrock
82-103' in andesite porphyry

The first 5 feet of hole was N X core; the remainder was B X core.

0 - 4' Porphyritic, iron stained with some quartx

4 - 9' Mixed quartz and residual porphyry; a few vugs with a little orpiment

9 - 11' Iron stained; fragmented

11 - 18' Mixed quartz and residual porphyry with pyrite

18 - 20' Bleached; kalonite with pyrite

20 - 24' Partly silicified and some brecciation

24 - 27' Iron stained; some kalonite; core fragmented

27 - 29' Partly silicified, some pyrite

29 - 32' Porphyritic; a little iron stain

32 - 34' Partly silicified

34 - 42' Partly silicified; iron stained; some residual porphyry.

42 - 51' Partly silicified with a few vugs and some pyrite.

51 - 63' Relatively unaltered wallrock with a few quartz stringers, vugs & pyrite

63 - 70' Wall rock with quartz stringers and abundant realgar and orpiment; a little cinnabar.

70 - 74' Similar to previous run with less realgar and a little pyrite.

74 - 77' Silicified with longitudinal fractures containing abundant realgar.

77 - 79' Silicified, brecciated with vugs, a little arsenic and a little pyrite.

79 - 82' Mixed wallrock and quartz; vugs and druses.

82 - 90' Transition from silicified zone to footwall; a little orpiment and realgar.

90- 100' Altered footwall rock with considerable pyrite.

100-103' Bleached, porphyritic with pyrite.

Log of D D Hole #4; Strike S 50 E; Dip horizontal

Total length of hole: 101 feet

0-74 feet in quartz and included wallrock
74-101 feet in andesite porphyry

The first 5 feet of hole was NX core; the remainder was BX core.

0 - 5' Partly silicified iron-stained.

5 - 7' Quartz; some iron staining and vugs.

7 - 15' Poorly silicified; broken core; iron stained and kalonite; vuggy at 14'

15 - 19' Bleached with quartz stringers; some pyrite

19 - 21' Unaltered quartz

21 - 30' Iron stained porphyritic wallrock

30 - 40' Wallrock; a few stringers of quartz; fractured and iron stained

40 - 44' Quartz; honeycombed and iron stained.

44 - 55' Partly silicified, some pyrite; a few vugs.

55 - 58' Same as previous run

58 - 60' Bleached wallrock with pyrite

60 - 65' Partly silicified with quartz stringers; brecciated with pyrite.

65 - 74' Quartz stringers; some brecciation and pyrite.

74 - 87' Bleached gougy footwall rock with pyrite.

87 - 96' Altered porphyritic footwall rock with abundant pyrite.

96 - 101' Bleached footwall rock with pyrite.

CORE ANALYSIS - HOLE # 1

Hole interval	Sample No.	Hg. lbs./ton	Au. oz./ton	Ag. oz./ton
0 - 5'	12	0.20	0.015	None
5 - 10'	13	0.40		
10 - 15'	14	0.40	0.010	None
15 - 20'	15	0.40		
20 - 25'	16	0.30	Trace	None
25 - 30'	17	0.30		
30 - 35'	18	0.20	0.010	None
35 - 40'	19	0.20		
40 - 45'	20	0.20	0.015	None
45 - 50'	21	0.20		
50 - 55'	22	0.20	0.015	None
55 - 60'	23	None		
60 - 65'	24	None	0.10	None
65 - 70'	25	0.20		
70 - 75'	26	0.20		

CORE ANALYSIS - HOLE # 2

Hole interval	Sample No.	Hg. lbs./ton	Au. oz./ton	Ag. oz./ton
0 - 5'	27	None	0.015	None
5 - 10'	28	0.10		
10 - 15'	29	None	0.005	None
15 - 20'	30	0.10		
20 - 25'	31	None	0.005	None
25 - 30'	32	None		
30 - 35'	33	None	0.005	0.10
35 - 40'	34	None		
40 - 45'	35	0.20	0.005	None
45 - 50'	36	None		
50 - 55'	37	0.10	0.005	0.20
55 - 60'	38	None		
60 - 65'	39	None	0.005	None
65 - 70'	40	None		
70 - 75'	41	None	0.005	None
75 - 80'	42	0.20		
80 - 85'	43	None	Trace	0.20
85 - 90'	44	None		
90 - 95'	45	None	Trace	None
95 - 100'	46	0.10		
100 - 105'	47	0.10	Trace	None
105 - 110'	48	None		
110 - 115'	49	None	Trace	None
115 - 120'	50	None		
120 - 125'	51	None	Trace	None
125 - 130'	52	None		
130 - 135'	53	0.10	Trace	None
135 - 140'	54	None		
140 - 145'	55	None	Trace	None
145 - 150'	56	None		
150 - 155'	57	None	Trace	None
155 - 160'	58	None		
160 - 165'	59	0.20	Trace	0.10
165 - 170'	60	0.10		
170 - 175	61	None	Trace	None
175 - 180	62	None		
180 - 185'	63	0.20	Trace	None

Telephone 363-3302

Hand
Sample Serial 1054-1075

ASSAY REPORT

UNION ASSAY OFFICE, Inc.

W. C. WANLASS, President
L. G. HALL, Vice President
G. P. WILLIAMS, Treasurer
GERALDINE A. WANLASS, Secretary
P. O. Box 1528
Salt Lake City, Utah 84110

Min B & J Properties
12531 30th N. E.
Seattle, Washington 98125

RESULTS PER TON OF 2000 POUNDS

Jan. 8, 1969

NUMBER	GOLD Ozs. per Ton	SILVER Ozs. per Ton	LEAD Wet on Ore	COPPER Per Cent	INSOL. Per Cent	ZINC Per Cent	SULPHUR Per Cent	IRON Per Cent	LIME Per Cent	Per Cent	[illegible]
										Hg-%	Hg-lbs per ton
B&J-12										0.010	0.20
13										0.020	0.40
14										0.020	0.40
15										0.020	0.40
16										0.015	0.30
17										0.015	0.30
18										0.0100	0.20
19										0.010	0.20
20										0.010	0.20
21										0.010	0.20
22										0.010	0.20
23										None	None
24										None	None
25										0.010	0.20
26										0.010	0.20
Composites											
B&J-12 & 13	0.015	None									
14 & 15	0.010	None									
16 & 17	Trace	None									
18 & 19	0.010	None									
20 & 21	0.015	None									
22 & 23	0.015	None									
24 & 25	0.010	None									

Telephone 363-3302

Hand
Sample Serial 4622-4640

ASSAY REPORT
UNION ASSAY OFFICE, Inc.

W. C. WANLASS, President
L. G. HALL, Vice President
G. P. WILLIAMS, Treasurer
GERALDINE A. WANLASS, Secretary
P. O. Box 1528
Salt Lake City, Utah 84110

Mine B & J Properties
12531 30th N.E.
Seattle, Washington 98125

RESULTS PER TON OF 2000 POUNDS

Feb. 4, 1969

NUMBER	GOLD Ozs. per Ton	SILVER Ozs. per Ton	LEAD Wet on Ore	COPPER Per Cent	INSOL. Per Cent	ZINC Per Cent	SULPHUR Per Cent	IRON Per Cent	LIME Per Cent	[illegible]	[illegible]
										Hg %	Hg lbs per ton
B & J-27										None	None
28										0.005	0.10
29										None	None
30										0.005	0.10
31										None	None
32										None	None
33										None	None
34										None	None
35										0.010	0.20
36										None	None
37										0.005	0.10
38										None	None
39										None	None
40										None	None
41										None	None
42										0.010	0.20
43										None	None
44										None	None
45										None	None

Telephone 363-3302

Hand
Sample Serial 4641-4659

ASSAY REPORT
UNION ASSAY OFFICE, Inc.

W. C. WANLASS, President
L. G. HALL, Vice President
G. P. WILLIAMS, Treasurer
GERALDINE A. WANLASS, Secretary
P. O. Box 1528
Salt Lake City, Utah 84110

Mine B & J Properties
12531 30th N.E.
Seattle, Washington 98125

RESULTS PER TON OF 2000 POUNDS

Feb. 4, 1969

NUMBER	GOLD Ozs. per Ton	SILVER Ozs. per Ton	LEAD Wot on Ore	COPPER Per Cent	INSOL. Per Cent	ZINC Per Cent	SULPHUR Per Cent	IRON Per Cent	LIME Per Cent	[illegible]	[illegible]
										Hg %	Hg lbs. per ton
B-& J-46											
4										0.005	0.10
47										0.005	0.10
48										None	None
49										None	None
50										None	None
51										None	None
52										None	None
53										00005	0.10
54										None	None
55										None	None
56										None	None
57										None	None
58										None	None
59										0.010	0.20
60										0.005	0.10
61										None	None
62										None	None
63										0.010	0.20
64										None	None

Telephone 363-3302

and
Sample Serial 4660-4678

ASSAY REPORT

UNION ASSAY OFFICE, Inc.

W. C. WANLASS, President
L. G. HALL, Vice President
G. P. WILLIAMS, Treasurer
GERALDINE A. WANLASS, Secretary
P. O. Box 1528
Salt Lake City, Utah 84110

Mir B & J Properties
12531 30th NE
Seattle, Washington 98125

RESULTS PER TON OF 2000 POUNDS

Feb. 4, 1969

NUMBER	GOLD Ozs. per Ton	SILVER Ozs. per Ton	LEAD Wet on Oro	COPPER Per Cent	INSOL. Per Cent	ZINC Per Cent	SULPHUR Per Cent	IRON Per Cent	LIME Per Cent	Per Cent	Per Cent
Composites											
B&J-27-28	0.015	None									
29-30	0.005	None									
31-32	0.005	None									
33-34	0.005	0.1									
35-46	0.005	None									
37-38	0.005	0.2									
39-40	0.005	None									
[illegible]-42	0.005	None									
[illegible]-44	Trace	0.2									
45-46	Trace	None									
47-48	Trace	None									
49-50	Trace	None									
51-52	Trace	None									
53-54	Trace	None									
55-56	Trace	None									
57-58	Trace	None									
59-60	Trace	0.1									
61-62	Trace	None									
63-64	Trace	None									

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
O. M. E.
RECEIVED
MAR 17 1969
INITIALS | CODE

MEMORANDUM

To: Field Officer, OME, Region I

From: Willard P. Puffett, Geologist

Subject: Interim inspection report
OME-6703 (Mercury)
B & J Properties
St. Regis Paper Company
Pierce County, Washington
Contract 2272

I made an interim inspection of the contract work of the B & J Properties on Tuesday, March 11, 1969. In the morning I logged the core from DDH's 1 and 2; the core is stored in the basement of the residence of Mr. L. L. Guyette, Assistant Secretary of B & J Properties, who lives at 18240 - 62nd Street N.E., Seattle, Washington. During the afternoon, Mr. Guyette, Mr. Donald L. Anderson, Consulting Engineer, and I drove to the drill site and examined the core from holes 3 and 4. We returned to Seattle late in the afternoon and I discussed with Mr. Guyette the procedures to follow in submitting vouchers and in requesting termination of the contract.

The four holes designated in the contract have been drilled and the results indicate that only very sparse amounts of cinnabar occur in the quartz below the outcrop. The "vein" consists of stringers of quartz surrounded by strongly silicified andesite porphyry that contains much pyrite. Away from the silicified andesite the feldspar phenocrysts are argillized to a white clay. Orpiment and realgar coat some fractures in the argillized andesite and also occur as disseminated tiny crystals within part of the rock. Tiny blades of stibnite(?) in a zone about 3 inches thick is in the lower part of hole 2. The general distribution of the quartz, silicified andesite, and mercury and arsenic minerals is shown in figure 1, a cross section through holes 1 and 2.

Assay data indicate that there are only very sparse amounts of mercury in widely separated parts of the core. None of the pyrite-rich andesite contains gold in much more than trace amounts.

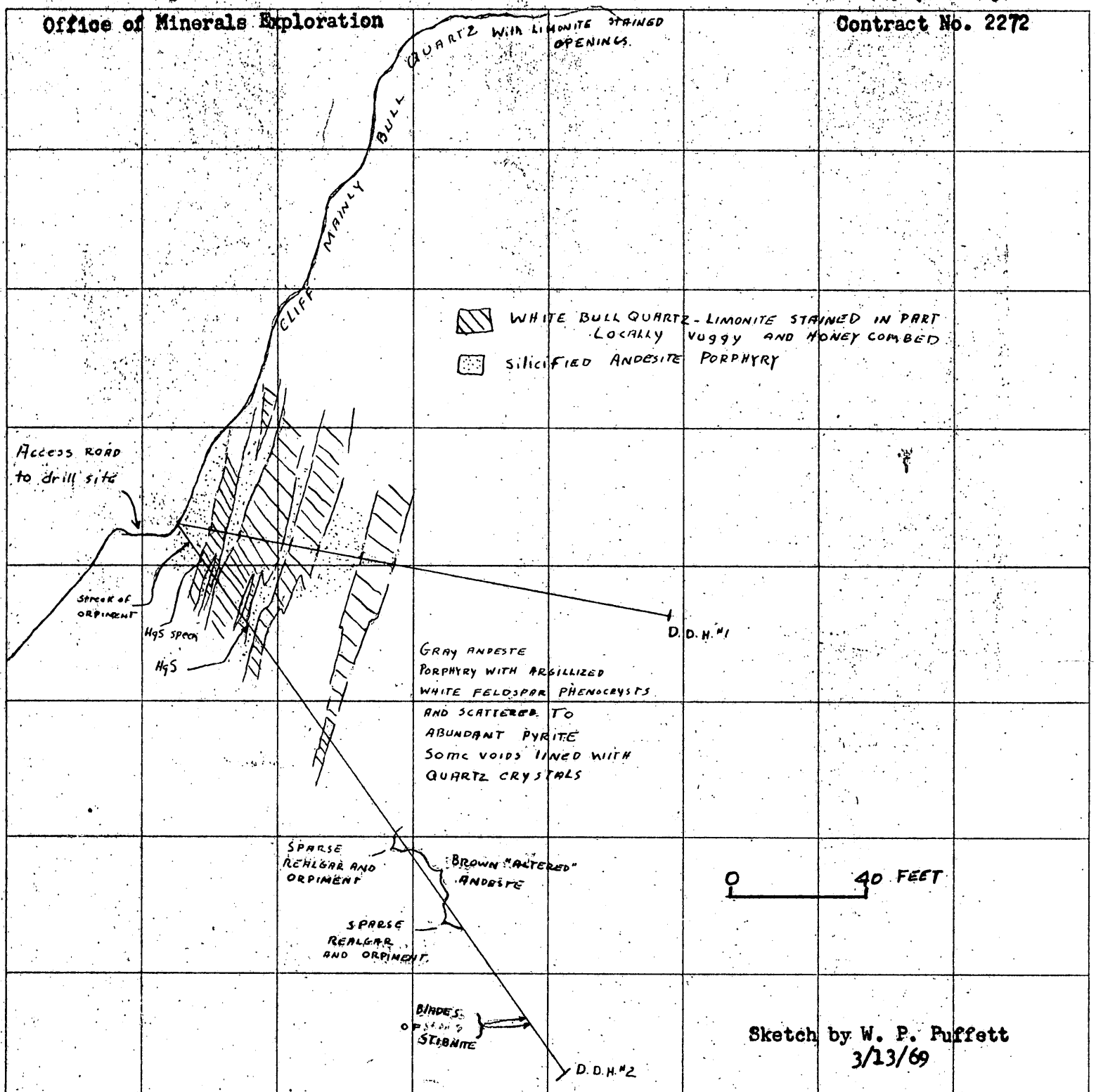
No detailed log was made of holes 3 and 4, but the core was closely examined for the presence of cinnabar and none was seen. Possibly, when the core is split some will be found. Orpiment and realgar occur in the lower part of hole 4 in relatively unaltered andesite. Mr. Anderson will submit complete logs of these holes.

The results of the drilling indicate that the thick quartz vein at the surface is actually a series of quartz veins in silicified andesite. The cross section through the drill holes indicates that the vein probably thins at depth or becomes a broad zone containing many narrow quartz veins. Cinnabar is more abundant in the outcrop than in the drill core. The presence of orpiment, realgar, and stibnite in the drill core suggests that arsenic and antimony minerals increase with depth. Possibly, the cinnabar at the surface represents only the root portion of an ore body that has been mostly removed by erosion.

There is no justification for doing more exploration for mercury at the property. Mr. Guyette was advised to request a termination of the contract. He will do this after he has received the bills from the drilling contractor and has submitted his final voucher.

Willard P Puffett

Enclosure
Distribution:
OME(Orig.&1)
Docket
Puffett



Sketch by W. P. Puffett
3/13/69

Figure 1 Cross-section through diamond drill holes No. 1 and No. 2 at B & J Properties, Mashel River Prospect (St. Regis Paper Co.) Pierce County, Washington

J. A. Gondron Co., Spokane

K·E ALBANENE 195M TRACING PAPER 62943

FORM 9-1648
MARCH 1968

RECEIVED MAR 20 1969

OFFICIAL COPY O.M.E. RECEIVED APR 14 1969 INITIALS CODE

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

OPERATOR'S MONTHLY VOUCHER

For Month of Feb. 1969

Docket No. OME- 6703
Contract 14-08-0001 2272
Contract Amount $ 41,200.00
Gov't. Participation % 75 $ 30,900.00

Operator's Name B & J Properties
Address 12531 30th N.E.
Seattle Wn 98125

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
Category # 1		$		$		$		$
Mobilization and Demobilization and one move			½	$300.00	—	—	½ job	300.00
Bulldozing roads and drill sites			24hr.	$504.00	—	—	24 hrs	504.00
NX core drilling	5ft	$42.50	10ft	85.00	5 ft	42.50	10 ft	85.00
BX core drilling	195ft	1540.50	337ft	2661.30	195 ft	1540.50	337 ft	2661.30
Category # 2								
Supervisor- Engr.	½mon.	375.00	1½	1125.00	½ mo	375.00	1½ mo	1125.00
Category #7								
Union assay	57	247.00	79	343.00	57	247.00	79	343.00
Office/ Accounting	1	50.00	2	100.00	1 mo	50.00	2 mos	100.00
TOTALS		$ 2255.00		$ 5118.30		$ 2255.00		$ 5118.30

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

Date 3/15/69 *Payee B & J Properties

Per L.L. Guyette Sec. Title Asst. Sect.

*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 D.R. MacLaren OME Field Officer Date

(63) 14X0804

Approved for: $ 1691.25 (SUBJECT TO AUDIT)

Signature MS

Date APR 8 1969 Vou. No. 95848

(SEE OTHER SIDE)

FOR OPERATOR'S USE	FOR GOVERNMENT USE
REMARKS	REMARKS

073924

MAR 28 3 19 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.

~~Associate~~ Professor
Mining Engineering
University of Washington

Registered Professional
Mining Engineer
State of Washington

DONALD L. ANDERSON

Consulting Engineer

10715 Lakeside Ave. N. E.
Seattle, Washington 98125

March 13, 1969

B & J Properties
12531 - 30th N. E.
Seattle, Washington 98125

For professional services as an engineer-geologist in supervising an exploration project at the Mashell River Mercury property, Pierce County, Washington (O M E 6703; mercury) during the months of January and February, 1969:

This is a continuation of the exploratory project initiated in December, 1968. Services consisted of field work; logging and splitting of the core from Hole #2; identifying and sacking samples for submission to the assayer; analyzing results obtained from Hole #2; and preparation for drilling Holes #3 and #4.

Total time on the project amounted to 11 days for -

11/22 x $750 = $375.00

Donald L. Anderson

RECEIVED
Air Mail
MAR 20 1969
J. M. E.
SPOKANE, WASH.

B & J PROPERTIES
12531 30th N.E.
SEATTLE, WASH 98125

March 7th/69

Office and accounting fee for the month of Feb.

$50.00

L.L.Guyette Sec.

DIAMOND CORE DRILLING
DIAMOND DRILLING EQUIPMENT
GROUTING
FOUNDATION TESTING
MINING
QUARRYING
SHAFT SINKING
TUNNEL DRIVING
MINE PLANT DESIGN
AND FABRICATION

Boyles Bros. DRILLING COMPANY

CONTRACTORS-ENGINEERS-GEOLOGISTS

General Offices and Plant

1624 Pioneer Road P. O. Box 58 Phone (801) 487-3671
SALT LAKE CITY, UTAH 84110
Cable: BOYLESCO

BRANCH OFFICES
ARIZONA (PHOENIX)
CALIFORNIA (AUBURN)
COLORADO (GOLDEN)
KENTUCKY (LOUISVILLE)
NEVADA (SPARKS)
OKLAHOMA (NORMAN)
WASHINGTON (SPOKANE)
CHILE (SANTIAGO)
CABLE: BOYLESBROS
MEXICO, D.F.
PERU (LIMA)
CABLE: BOYLESCOP

INVOICE DATE 12/31/68
ORDER NUMBER 12-65
INVOICE NUMBER 1
CONTRACT B & J ORTING
TERMS:
LOCATION ORTING, WASHINGTON

B. & J. PROPERTIES
115th & LAKE CITY WAY, N. E.
SEATTLE, WASHINGTON 98125

ATTN: MR. L. L. GUYETTE

HOLE NO	FROM	TO	FOOTAGE	RATE	TOTAL
Mobilization					$ 550.00
Hole #1					
NX Core	0	5	5	$ 9.55	47.75
BX Core	5	147	142	8.90	1,263.80
Hole #2					
NX Core	0	5	5	9.55	47.75
BX Core	5	60	55	8.90	489.50
Set up Time	2 Man Crew		3 Hr.	14.00	42.00
Road Delay	2 Man Crew	December 28th	8 Hr.	14.00	112.00
			Total		$2,552.80

BILLED [illegible] 1969

COPY

2440.80

DIAMOND CORE DRILLING
DIAMOND DRILLING EQUIPMENT
GROUTING
FOUNDATION TESTING
MINING
QUARRYING
SHAFT SINKING
TUNNEL DRIVING
MINE PLANT DESIGN
AND FABRICATION

Boyles Bros. DRILLING COMPANY

CONTRACTORS-ENGINEERS-GEOLOGISTS

General Offices and Plant

1624 Pioneer Road P. O. Box 58 Phone (801) 487-3671
SALT LAKE CITY, UTAH 84110
Cable: BOYLESCO

ARIZONA (PHOENIX)
CALIFORNIA (AUBURN)
COLORADO (GOLDEN)
KENTUCKY (LOUISVILLE)
NEVADA (SPARKS)
OKLAHOMA (NORMAN)
WASHINGTON (SPOKANE)
CHILE (SANTIAGO)
CABLE: BOYLESBROS
MEXICO, D.F.
PERU (LIMA)
CABLE: BOYLESCOP

INVOICE DATE: 1-31-69
ORDER NUMBER: 12-65
INVOICE NUMBER: 2
CONTRACT: B & J Orting
TERMS: Net
LOCATION: Orting, Washington

B.& J. Properties
115 th and Lake City Way, N.E.
Seattle, Washington
98125

HOLE NO.	FROM	TO	FOOTAGE	RATE	TOTAL
Hole No. 2					
BXWL	60	200	140	$ 8.90	$1,246.00
Road Delay-Snow	(2 Men)		8 Hrs.	14.00	112.00
			Total		$1,358.00

9

Telephone 363-3302

Hand Sample Serial 4660-4678

ASSAY REPORT

UNION ASSAY OFFICE, Inc.

W. C. WANLASS, President
L. G. HALL, Vice President
G. P. WILLIAMS, Treasurer
GERALDINE A. WANLASS, Secretary
P. O. Box 1528
Salt Lake City, Utah 84110

Mine B & J Properties
12531 30th NE
Seattle, Washington 98125

RESULTS PER TON OF 2000 POUNDS

Feb. 4, 1969

File # 2

NUMBER	GOLD Ozs. per Ton	SILVER Ozs. per Ton	LEAD Wet on Ore	COPPER Per Cent	INSOL. Per Cent	ZINC Per Cent	SULPHUR Per Cent	IRON Per Cent	LIME Per Cent	Per Cent	Per Cent
Composites											
B&J-27-28	0.015	None	0 - 10'								
29-30	0.005	None	10 - 20'								
31-32	0.005	None	20 - 30'								
33-34	0.005	0.1	30 - 40'								
35-46	0.005	None	40 - 50'								
37-38	0.005	0.2	50 - 60'								
39-40	0.005	None	60 - 70'								
41-42	0.005	None	70 - 80'								
43-44	Trace	0.2	80 - 90'								
45-46	Trace	None	90 - 100'								
47-48	Trace	None	100 - 110'								
49-50	Trace	None	110 - 120'								
51-52	Trace	None	120 - 130'								
53-54	Trace	None	130 - 140'								
55-56	Trace	None	140 - 150'								
57-58	Trace	None	150 - 160'								
59-60	Trace	0.1	160 - 170'								
61-62	Trace	None	170 - 180'								
63-64	Trace	None	180 - 190'								

Telephone 363-3302

Hand Sample Serial 4641-4659

ASSAY REPORT
UNION ASSAY OFFICE, Inc.

W. C. WANLASS, President
L. G. HALL, Vice President
G. P. WILLIAMS, Treasurer
GERALDINE A. WANLASS, Secretary
P. O. Box 1528
Salt Lake City, Utah 84110

Mine B & J Properties
12531 30th N.E.
Seattle, Washington 98125

RESULTS PER TON OF 2000 POUNDS

Feb. 4, 1969

NUMBER	GOLD Ozs. per Ton	SILVER Ozs. per Ton	LEAD Wet on Ore	COPPER Per Cent	INSOL. Per Cent	ZINC Per Cent	SULPHUR Per Cent	IRON Per Cent	LIME Per Cent	Per Cent	Per Cent
										Hg %	Hg lbs per ton
	Hole #2										
B & J-46	95 —	100								0.005	0.10
47	100 —	105								0.005	0.10
48	105 —	110								None	None
49	110 —	115								None	None
50	115 —	120								None	None
51	120 —	125								None	None
52	125 —	130								None	None
53	130 —	135								0.005	0.10
54	135 —	140								None	None
55	140 —	145								None	None
56	145 —	150								None	None
57	150 —	155								None	None
58	155 —	160								None	None
59	160 —	165								0.010	0.20
60	165 —	170								0.005	0.10
61	170 —	175								None	None
62	175 —	180								None	None
63	180 —	185								0.010	0.20
64	185 —	190								None	None

Telephone 363-3302

Hand Sample Serial ... 4622-4640

ASSAY REPORT

UNION ASSAY OFFICE, Inc.

W. C. WANLASS, President
L. G. HALL, Vice President
G. P. WILLIAMS, Treasurer
GERALDINE A. WANLASS, Secretary
P. O. Box 1528
Salt Lake City, Utah 84110

Mine ..... B & J Properties
12531 30th N.E.
Seattle, Washington 98125

RESULTS FOR TON OF 2000 POUNDS

Feb. 4, 1969

NUMBER	~~GOLD~~ Ozs. per Ton	SILVER Ozs. per Ton	LEAD Wet on Ore	COPPER Per Cent	INSOL. Per Cent	ZINC Per Cent	SULPHUR Per Cent	IRON Per Cent	LIME Per Cent	~~Per Cent~~ Hg %	~~Per Cent~~ Hg lb per to
	FT'		Hole #2								
B & J-27	0-5'									None	None
28	5-10'									0.005	0.10
29	10-15'									None	None
30	15-20'									0.005	0.10
31	20-25'									None	None
32	25-30'									None	None
33	30-35'									None	NOne
34	35-40'									None	None
35	40-45'									0.010	0.20
36	45-50'									None	None
37	50-55'									0.005	0.10
38	55-60'									None	None
39	60-65'									None	None
40	65-70'									None	None
41	70-75'									None	None
42	75-80'									0.010	0.20
43	80-85'									None	None
44	85-90'									None	None
45	90-95'									None	None

One (2)

U.S. Court House, Rm. 656
West 920 Riverside Avenue
Spokane, Washington 99201
January 24, 1969

INITIALS | CODE

Mr. L. L. Guyette, Secretary
B & J Properties
12531 - 30th NE.
Seattle, Washington 98125

Re: OME-6703 (Mercury)
B & J Properties
St. Regis Paper Company
Pierce County, Washington
Contract 2272

Dear Mr. Guyette:

Apparently our recent telephone conversation relative to voucher preparation was more confusing than helpful. I regret the necessity of returning all copies of the voucher forms for correction, but they show no total amount claimed; also, several of the entries and supporting documents require revision and/or correction, and some are lacking. As a guide and hopefully an aid to clarify what follows, I am enclosing a sample, in pencil, of how the voucher should appear, based on contract terms and the supporting data. Your claim may vary as you prepare your voucher, but the outline should be followed.

Category (1).--"Mobilization and demobilization and one move between drill sites, etc." The contract price of $600.00 is for the completed job, and includes setting up time for which Boyles charges you $42.00. The Boyles bid for mobilization and demobilization was $500.00, indicating $250.00 each. OME cannot contribute to the cost of moving or of demobilization until these operations have been completed, and cannot contribute to the total cost of the entire job in excess of $600.00. A claim for not more than 1/2 job at $300.00 will be acceptable for mobilization and set up. This would leave a maximum of $50.00 for one move and $250.00 for demobilization or a total of $300.00 for both operations, depending on how each is billed by Boyles.

Under diamond core drilling the maximum allowable cost for a maximum of 1,000 feet is $7,900.00 and the allowable unit prices per foot are $8.50 for NX, $7.90 for BX, and $7.50 for AX sizes of core. However, in Exhibit A, General Provisions, paragraph 3 requires that all holes be completed at not less than BX size.

Category (2).--Provision is made for a supervisor-geologist-engineer for 3 months at $750.00 per month and for an outside consultant (2 days/month) 6 days at $75.00 per day. If Mr. Anderson is not on the company payroll, he may bill the Operator as follows:

1. For services as supervisor-engineer-geologist on the project, he should bill the Operator on a "fee basis" at the rate of $750.00 per month, indicating on his bill the actual period or periods of service and the professional service performed. A copy of an acceptable form used in the past is enclosed.

2. For consulting service on the project, he should bill the Operator for the period of service as a consultant at the rate of $75.00 per day, for $16.00 per diem, and for mileage.

Obviously, he cannot serve [illegible], which he did [illegible] and a consultant. Also, he should sign his b[illegible]ed. [illegible]o in the case of the incompleted one submit[illegible]e contract items are c[illegible]tored in boxes as spec[illegible]laimed, but presumably the core is being s[illegible]n 5, and drill sludge [illegible]ified in Exhibit A, General Provisions, paragrap[illegible]f the same section. [illegible] is being collected as required in paragraph 6 o[illegible]rson bills the Op[illegible]d mileage. [illegible]erator as an outside consultant can he claim per diem [illegible]

Category (7).--Only if Mr. An[illegible]

Missing items that should accompany the voucher (see Contract Article 5(b)(3) and "Second" under Operator's Monthly Report on the back of the voucher form) are a narrative report, a plan showing the locations and bearings of the holes, sections in the planes of the holes showing dips, sample locations with widths and assay values; logs of each hole showing feet of each run, feet of core recovered and percent of core recovery, description of rock penetrated, alteration and mineral content if of any significance.

I hope this has clarified for you the voucher preparation and the supporting data that is required.

Sincerely,

D. R. MacLaren
Field Officer, OME
Region I

Enclosures

DRMaclaren/mls
cc: OME(2)
Voucher File
Director's Reading File

~~Associate~~ Professor
Mining Engineering
University of Washington

Registered Professional
Mining Engineer
State of Washington

DONALD L. ANDERSON

Consulting Engineer

10715 Lakeside Ave. N. E.
Seattle, Washington 98125

January 13, 1969

Mr. Willard P. Puffett
Geologist, OME, Region 1
Geological Survey
U. S. Court House, Rm. 656
West 920 Riverside Avenue
Spokane, Washington 99201

Re. OME - 6703 (Mercury)

Dear Mr. Puffett,

Herewith another brief progress report on the Mashell River mercury project. Please note the enclosed sketch; you will observe that Hole No. 1 is complete at 147 feet and that Hole No. 2 is now at 187 feet. We are presently at a standstill because of deep snow but when the weather permits, would like to continue this No. 2 hole to the maximum of 250 feet.

Assays have been received from the 75 feet of quartz in Hole 1 and are disappointing. However, they do have some merit in consistency. Of the 15 samples, two were blank and the rest ranged from 0.2 lbs. to 0.4 lbs. per ton. Gold averaged 0.015 oz. and there was no silver.

Hole No. 2 appears to contain somewhat more cinnabar and the footwall rock contains some arsenic sulfides and considerable pyrite. We are splitting the core and in this instance will also assay the footwall rock.

Resumption of work will depend on the weather and I will inform you of same on the effective date.

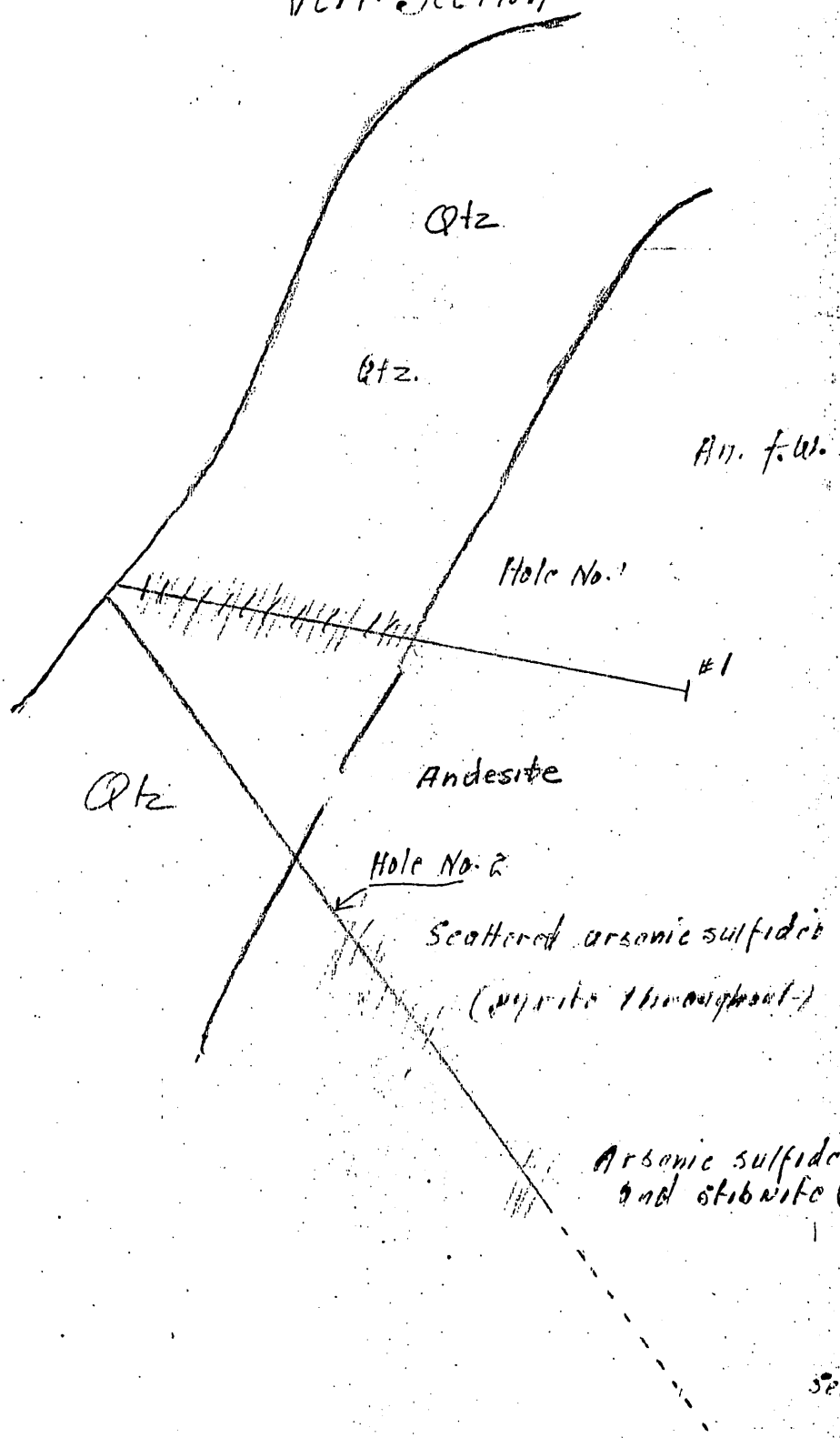
Sincerely Yours,

Donald L. Anderson

RECEIVED
JAN 15 1969
W. M. E.
SPOKANE, WASH.

OME 6703
B & J Properties
St. Regis Paper Co.
Pierce Cty, Wash.
Contract 2272

Vert. Section



RECEIVED
FEB 4 1969
O.M.E.
SEATTLE, WASH.

OFFICIAL COPY
O. M. E.
RECEIVED
FEB 14 1969
INITIALS

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

OPERATOR'S MONTHLY VOUCHER

For Month of December

Docket No. OME- 6703
Contract 14-08-0001 2272
Contract Amount $ 41,200.00
Gov't. Participation % 75 $ 30,900.00

Operator's Name B & J Properties
Address 12531 30th N.E.
Seattle Wn 98125

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
		$		$		$		$
CATEGORY #1								
Mobilization and Demobilization and 1 move	½	$300.00	½	$300.00	½ job	300.00	½ job	300.00
Bulldozing roads and drill sites	24hr	$576.00	24hr	$576.00	24 hrs	504.00	24 hrs	504.00
NX core drilling	5ft	42.50	5ft	42.50	5 ft	42.50	5 ft	42.50
BX Core drilling	142ft	1121.80	142ft	1121.80	142 ft	1,121.80	142 ft	1,121.80
CATEGORY #2								
Supervisor - Engr. See copy enclosed	1mo.	750.00	1mo.	750.00	1 mo	750.00	1 mo	750.00
Category # 7								
Union assay	22	96.00	22	96.00	~~22~~	~~96.00~~	~~22~~	~~96.00~~
Office/accounting	1mo.	50.00	1mo.	50.00	1	50.00	1.	50.00
						$ 2864.30		$ 2864.30
TOTALS		$2936.30		$2936.30		$ ~~2,768.30~~		$ ~~2,768.30~~

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

Date 1/31/68 *Payee B&J Properties

Per L.L. Guyette Title Asst. Secretary

*When a voucher is signed for 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 [illegible] OME Field Officer 2/6/69 Date

Approved for: $ 2,148.23 (SUBJECT TO AUDIT)

Signature [illegible]

Date FEB 14 1969 Vou. No. 94741 (SEE OTHER SIDE)

FOR OPERATOR'S USE

REMARKS

Mr. Anderson has enclosed a detailed report that should cover all of the operation to date.

Note: The bulldozing bill is less than the O.M.E. contract because they didn't charge us all the time they spent on the job. The per hour rate is more, the contract for this phase is complete. They had a tough time and spent over a week to complete the job.

L.L. Guyette

L.L. Guyette

FOR GOVERNMENT USE

REMARKS

1 Contract price is $21.00/hr

2 May be reinstated when sample locations are given — info received and item approved

3 Approved although items lined out on invoice by Operator are not initialed

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 [illegible] 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:

B & J Properties
12531 30th N.E.
Seattle, Washington 98125

Amount Claimed:	Differences (Explained Below)	Amount Approved
2,936.30	72.00	2,864.30 2,148.23 Gov. Part.
Bu. Voucher No.	Payee's Invoice No.	Period
	Docket #6703 Contract #2271	December 1968

EXPLANATION

Claimed 24 hours at $24.00 - Contract allows 24 hours at 21.00 for Bulldozing roads and drill sites. $504.00

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

ms

Branch of Budget and Finance

FORM 60-055 REV. 2/65

INVOICE

FOREST PRODUCTS DIVISION ST REGIS PAPER COMPANY

MAIL CHECKS TO: [redacted] TACOMA, WASHINGTON 98401

PLEASE IDENTIFY REMITTANCE WITH

OUR ORDER – INVOICE NO. 85034

SALES CODE	DATE ORDER ACK'D	CUSTOMER P. O. NO.	INVOICE DATE	PAGE NO.
65-601-004-740			2-3-69	

TERMS. INTEREST WILL BE CHARGED ON PAST DUE ACCOUNTS: NET 30 DAYS

SALESMAN:

SOLD TO / SHIP TO:

B & J Properties
12531 - 30th Ave. N. E.
Seattle, Wash.

Attn: Mr. Lawrence Guyette

ROUTING

DATE SHIPPED	CAR NUMBER

QUAN. SHIPPED	DESCRIPTION	FOOTAGE	PRICE	AMOUNT
	D 8 Cat. & operater for building road to drilling site			
	24 hrs. @$24.00 per hr.			$576.00

$576.00

"GOODS DESCRIBED IN THIS INVOICE WERE PRODUCED IN COMPLIANCE WITH ALL APPLICABLE REQUIREMENTS OF SECTIONS 6, 7, AND 13 OF THE FAIR LABOR STANDARDS ACT, AS AMENDED, AND OF REGULATIONS OF THE UNITED STATES DEPARTMENT OF LABOR ISSUED UNDER SECTION 14 THEREOF."

FORWARD ORIGINAL PAID FREIGHT BILL TO SUBSTANTIATE DEDUCTION

CUSTOMER ORIGINAL

DIAMOND CORE DRILLING
DIAMOND DRILLING EQUIPMENT
GROUTING
FOUNDATION TESTING
MINING
QUARRYING
SHAFT SINKING
TUNNEL DRIVING
MINE PLANT DESIGN
AND FABRICATION

Boyles Bros. DRILLING COMPANY

CONTRACTORS-ENGINEERS-GEOLOGISTS

General Offices and Plant

1624 Pioneer Road P. O. Box 58 Phone (801) 487-3671
SALT LAKE CITY, UTAH 84110
Cable: BOYLESCO

BRANCH OFFICES
ARIZONA (PHOENIX)
CALIFORNIA (AUBURN)
COLORADO (GOLDEN)
KENTUCKY (LOUISVILLE)
NEVADA (SPARKS)
OKLAHOMA (NORMAN)
WASHINGTON (SPOKANE)
CHILE (SANTIAGO)
CABLE: BOYLESBROS
MEXICO, D.F.
PERU (LIMA)
CABLE: BOYLESCOP

INVOICE DATE: 12/31/68
ORDER NUMBER: 12-65
INVOICE NUMBER: 1
CONTRACT: B & J ORTING
TERMS: ORTING, WASHINGTON
LOCATION:

B. &. J. PROPERTIES
115th & LAKE CITY WAY, N. E.
SEATTLE, WASHINGTON 98125

ATTN: MR. L. L. GUYETTE

HOLE NO.	FROM	TO	FOOTAGE	RATE	TOTAL
Mobilization					$ 550.00
Hole #1					
NX Core	0	5	5	$ 9.55	47.75
BX Core	5	147	142	8.90	1,263.80
Hole #2					
NX Core	0	5	5	9.55	47.75
BX Core	5	60	55	8.90	489.50
Set up Time	2 Man Crew		3 Hr.	14.00	42.00
Road Delay	2 Man Crew	December 28th	8 Hr.	14.00	112.00
			Total		$2,552.80

BILLED JAN 8 1969

~~Associate~~ Professor
Mining Engineering
University of Washington

Registered Professional
Mining Engineer
State of Washington

DONALD L. ANDERSON

Consulting Engineer

10715 Lakeside Ave. N. E.
Seattle, Washington 98125

January 27, 1969

B & J Properties
12531 - 30th N. E.
Seattle, Washington 98125

For professional services as an engineer-geologist in supervising an exploration project at the Mashell River Mercury property, Pierce County, Washington (O M E 6703; mercury) during the month of December, 1968:

Services consisted of initiation of exploratory work at this mineral prospect. This included laying out the road cut and drill sites and supervising the movement of the drill rig to the first two sites. The direction and dip of the first two drill holes was established and the drill positioned for the project. Drilling was initiated and supervised and general direction of the job maintained.

The cores from the first hole were logged, split and submitted to the assayer for analysis. Sketches were prepared of the drill holes and interpretation made of the results.

Total time on the project including weekends amounted to 22 days for -

22/22 x $750 = $750.00 total

Donald L. Anderson

B & J PROPERTIES
12531 - 30th N.E.
Seattle, Washington

January 20, 1969

United States Department of Interior
Geological Survey
Office of Mineral Exploration

Reference: O. M. E. 6703

Subject: December Billing

~~Gasoline Mileage~~

~~320 miles @ 10¢~~ ~~$32.00~~

Account'd for month of

December 50.00

~~Total~~ ~~$82.00~~

L. L. Guyette,
Secretary

Telephone 363-3302

Hand Sample Serial 1054-1075

ASSAY REPORT

UNION ASSAY OFFICE, Inc.

W. C. WANLASS, President
L. G. HALL, Vice President
G. P. WILLIAMS, Treasurer
GERALDINE A. WANLASS, Secretary
P. O. Box 1528
Salt Lake City, Utah 84110

Mail: B & J Properties
12531 30th N. E.
Seattle, Washington 98125

RESULTS PER TON OF 2000 POUNDS

Jan. 8, 1969

NUMBER	GOLD Ozs. per Ton	SILVER Ozs. per Ton	LEAD Wet on Ore	COPPER Per Cent	INSOL. Per Cent	ZINC Per Cent	SULPHUR Per Cent	IRON Per Cent	LIME Per Cent	Per Cent	[redacted]nt
										Hg-%	Hg-lbs per ton
BJ-12										0.010	0.20
13										0.020	0.40
14										0.020	0.40
15										0.020	0.40
16										0.015	0.30
17										0.015	0.30
18										0.0100	0.20
19										0.010	0.20
20										0.010	0.20
21										0.010	0.20
22										0.010	0.20
23										None	None
24										None	None
25										0.010	0.20
26										0.010	0.20
Composites											
BJ-12 & 13	0.015	None									
14 & 15	0.010	None									
16 & 17	Trace	None									
18 & 19	0.010	None									
20 & 21	0.015	None									
22 & 23	0.015	None									
24 & 25	0.010	None									

Hole No. 1 started directly in the H W of the quartz mineralized body. It penetrated 75 feet of drusy, vuggy quartz containing small amounts of mercury and considerable pyrite . This hole then continued into the porphyritic footwall rock up to a total of 147 feet from the collar (see attached sketch). The footwall was pyritized but did not show visible cinnabar.

Core recovery was good, varying from a low of 50% for the 105-110 foot run to a maximum of 100%. Average core recovery was about 80-90%.

A log of the hole is here included.

Hole No. 2 started directly under Hole No. 1 in the H W of the quartz mineralized body. It penetrated the siliceous zone showing about the same width of quartz as Hole No. 2. This hole continues into the F W wallrock up to a depth of 185 feet from the collar as of January 27, 1969.

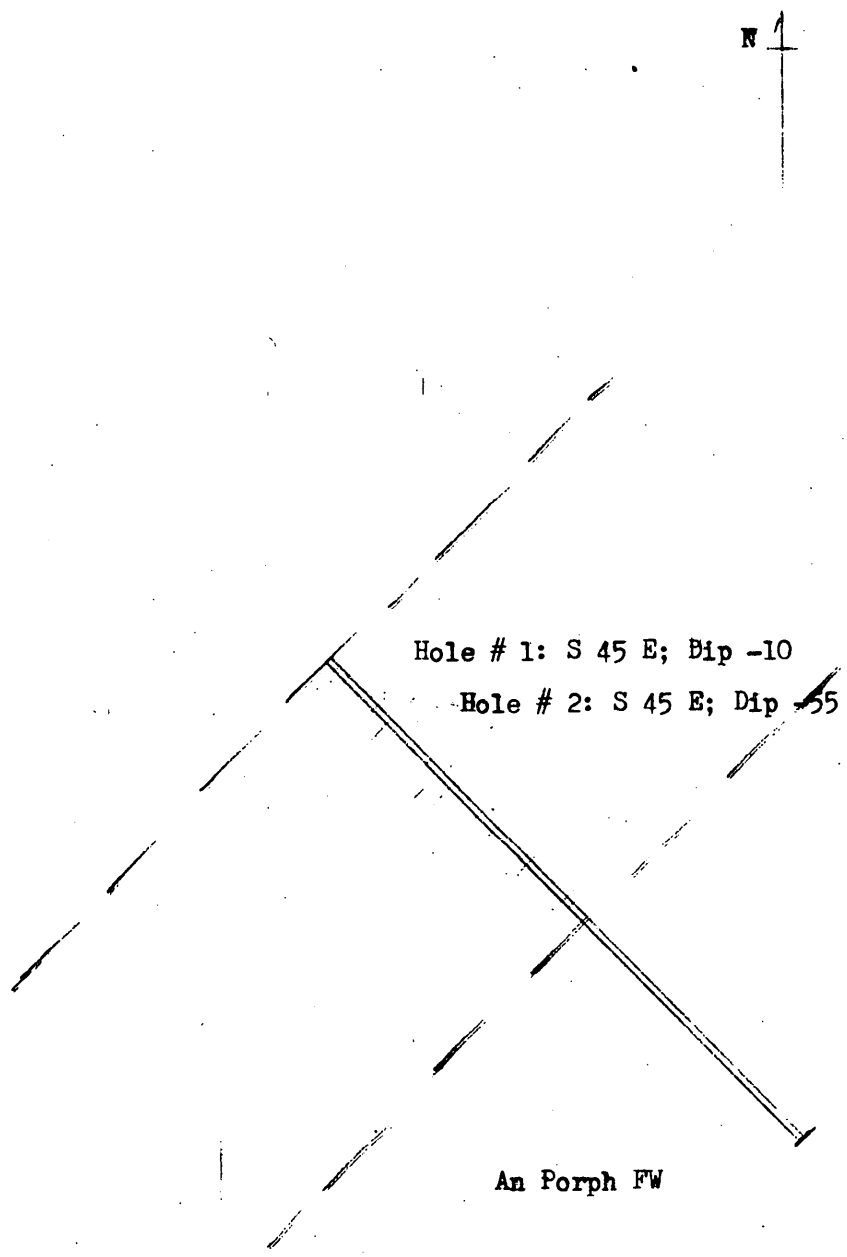
Hole No. 2 shows some cinnabar in the quartz and also in the F W. In addition, realgar and orpiment are fairly common and abundant pyrite is found in the wallrock of this hole.

The core has been split and has been submitted for analysis. Because of the interesting nature of the F W rock, all of the core from this hole is being assayed. Should assays be favorable, it is planned to continue this hole up to the maximum allowable distance of 250 feet.

As in Hole No, 1, core recovery was good and a log of the hole is here included.

MASHELL RIVER

O M E 6703 (Mercury)



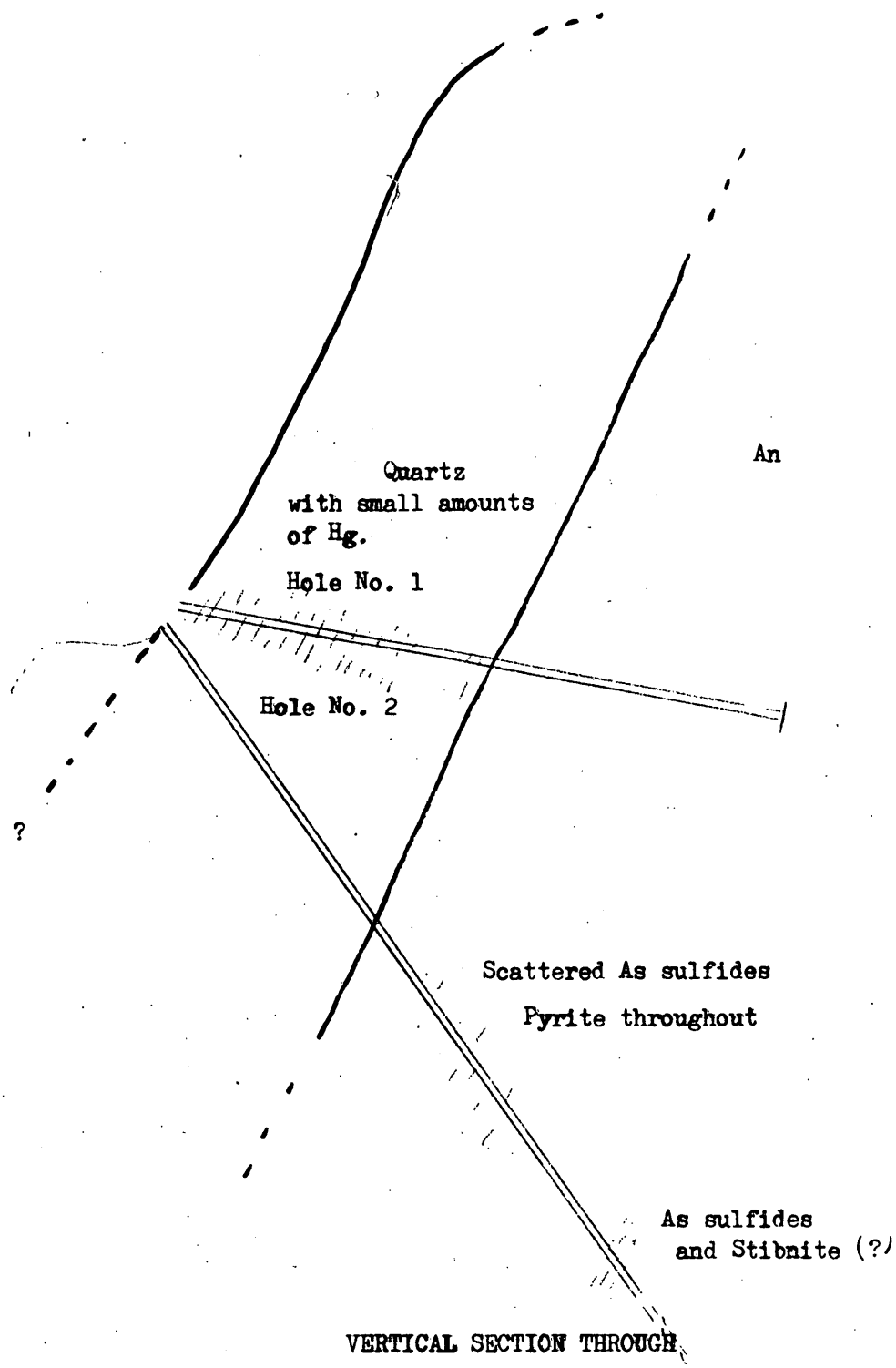
PLAN

(Location of Holes # 1 and # 2 are as shown on original contract)

Scale 1"= 40'

MASHELL RIVER

O M E 6703 (Mercury)



VERTICAL SECTION THROUGH

HOLES No. 1 & No. 2

Scale 1"= 40'

MASHELL RIVER O M E 6703 (Mercury)

Log of D D Hole #1; Strike S 45 E; Dip -10

Total length of hole--147'
0 - 75 feet in quartz
75 - 147 feet in andesite porphyry

The first 5 feet of hole was N X; the remainder was B X; core recovery was good for the entire hole.

0 - 5 feet: Quartz with iron oxide prominent; scattered cinnabar in vugs; scattered pyrite.

5 - 10 feet: Scattered pyrite in quartz

10 - 15 feet: Vuggy quartz with iron oxide; 6" of gouge at 13 ' with sugary quartz and abundant pyrite; specs of cinnabar.

15 - 20 feet: Vuggy and iron-stained quartz.

20 - 25 feet: Quartz with vugs and a little pyrite.

25 - 30 feet: Fractured and vuggy quartz iron stained.

~~30 - 35 feet: Fragmented quartz with iron stained and some pyrite; specs of cinnabar~~

30 - 35 feet: Fragmented quartz with the appearance of a porphyritic texture.

35 - 40 feet: Vuggy and drussy quartz; cinnabar in specs.

40 - 45 feet: Quartz with pyrite; cinnabar in vug.

45 - 50 feet: Core less siliceous, more porphyritic; brecciated with considerable pyrite at 47 feet; vuggy and oxidized at 48 feet.

50 - 55 feet: Brecciated quartz with vugs; little pyrite

55 - 60 feet: Vuggy and drussy; some pyrite

60 - 65 feet: Brecciated and vuggy quartz with a little pyrite.

65 - 70 feet: Vuggy quartz; heavy pyrite in places.

70 - 75 feet: Less quartz. heavy pyrite and gouge showing.

75 - 80 feet: Andesite porphyry with some pyrite

80 - 85 feet: Same as previous run with a few crystals of realgar.

85 - 90 feet: Altered porphyritic rock; a little realgar; considerable pyrite.

90 - 95 feet: Altered porphyrotic rock; abundant to massive pyrite tarnished to the appearance of chalcopyrite.

95 - 100 feet: Bleached rock with pyrite to 96'; soft gouge stained with limonite to 100'.

100 - 105' feet: Altered rock mass stained yellow by oxidizing pyrite; some primary pyrite still remaining.

105 - 110 feet: Similar to previous run.

110 - 115 feet: Considerable pyrite partly oxidized.

115 - 120 feet: Core more porphyritic.

120 - 125 feet: Altered porphyritic rock with pyrite.

125 - 130 feet: Some silicification; rock altered and stained brown by oxidizing pyrite.

130 - 135 feet: Porphyritic texture prominent; feldspar phenocrysts softened.

135 - 140 feet: Porphyritic texture; rock stained light brown.

140 - 147 feet: Partly altered rock mass; some pyrite.

Log of D D Hole # 2; Strike S 45 E; Dip -55

Length of hole to January 27, 1969 -- 185'
0 - 85 feet in quartz
85 - 185 feet in andesite porphyry.

The first 4 feet of hole was N X; the remainder was B X; core recovery was good.

0 - 5' Oxidized quartz; a few specs of realgar

5 - 10' Oxidized quartz with some brecciation; orpiment, realgar and cinnabar in v

10 - 15' Light and dark colored quartz; some staining

15 - 20' " " " " " ; abundant pyrite in places

20 - 25' Honeycombed and sugary quartz; orpiment and cinnabar

25 - 30' White to grey quartz with light yellow staining and a few vugs to 28'
Highly oxidized and vuggy to 30'

30 - 35' Grey to white quartz; vugs; some pyrite; cinnabar at 35'

35 - 40' Grey quartzitic with pyrite; vuggy with limonite; cinnabar in vug at 40'

40 - 44' Oxidized, honeycombed and vuggy quartz; cinnabar in vug at 41'

44 - 51' Silicified porphyritic texture; some pyrite.

51 - 55' Silicified, vuggy; pyrite in some fractures; limonite in other fractures; iridescence noted from altering pyrite

55 - 60' Vugs, druses, some pyrite; cinnabar at 56'

60 - 65' Unaltered quartzitic core, considerable pyrite

65 - 70' Similar to previous run

70 - 75' Brecciated, vuggy with heavy pyrite in places

75 - 77' Similar to previous run

77 - 82' Relatively unaltered quartz; some vugs and pyrite

82 - 87' At 82 to 85', core changes to F W andesite; porphyritic and with some silicification and pyrite.

87 - 94' Oxidized fractured F W rock heavily iron stained; some residual pyrite.

94 - 98' Similar to previous run

98- 105' F W andesite; some pyrite, scattered realgar at 100'

105-110' Unaltered wallrock, heavy pyrite in places

110-115' F W rock; considerable orpiment and realgar with cinnabar and pyrite.

115-120' Similar to previous run

120-125' Similar to previous run

125-130' Porphyritic texture; scattered orpiment and realgar

130-135' Soft altered rock with a little pyrite and specs of arsenic sulfides.

135-140' Gougy porphyritic texture; a little pyrite

140-145' Porphyry with some pyrite

145-155' Relatively unaltered wallrock with a few vugs and a little pyrite

155-160' Partly altered rock with some pyrite

160-165' Rock shows some iron staining with a few vugs, quartz and a little pyrite

165-170' Core broken in pieces; porphyritic with some silicification; scattered realgar

170-175' F W rock containing pyrite, a little realgar and cinnabar (?)

175-180' At 177', realgar, orpiment and stibnite (?) found in open fractures; this continues to 180'.

180-185' Broken partly silicified rock with arsenic sulfides and pyrite.

~~ASSOCIATE~~ PROFESSOR
MINING ENGINEERING
UNIVERSITY OF WASHINGTON

REGISTERED PROFESSIONAL
MINING ENGINEER
STATE OF WASHINGTON

DONALD L. ANDERSON
Consulting Engineer
10715 LAKESIDE AVE. N. E.
SEATTLE, WASHINGTON 98125

6703

2/14 130 BLL 120 m 110 120 P

February 5, 1969

Mr. Willard P. Puffett
Geologist, O M E Region 1
Geological Survey
U. S. Courthouse, Rm. 656
West 920 Riverside Avenue
Spokane, Washington 99201

Dear Mr. Puffett,

In response to your phone call to Bud Guyette, please note that the assays B&J-12 to B&J-26 inclusive are all from D. D. H. #1. B&J-12 corresponds to 0 - 5 feet of hole, 13 to 5 - 10 feet of hole ..... and in sequence to B&J-26 corresponding to 70 - 75 foot of hole, making a total of 15 assays for mercury for each 5-foot increment of hole from 0 - 75 feet.

As indicated under the assay results, samples were combined to give assays for gold and silver for each 10-foot of run.

Please observe that the core recovery was excellent within the quartz and for Hole # 1, the mineralized quartz only was submitted for analysis. The split cores are stored and available for your inspection when you come to Seattle.

We are now awaiting road clearance to continue drilling and will advise you promptly upon resumption of same.

Sincerely Yours,

Donald L. Anderson

RECEIVED
FEB 7 1969
O. M. E.
SPOKANE, WASH.

MME FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS EXPLORATION

TO: Chief, OME	DATE	INITIALS
1.	1/15/69	
Re: OME-6703 (Mercury)		
2. B & J Properties		
St. Regis Paper Company		
3. Pierce County, Washington		
Contract 2272		
4.		
D. R. MacLaren		
5. D. R. MacLaren		
FROM: Fld. Officer, Reg. I		

OFFICIAL COPY
O. M. E.
RECEIVED
JAN 22 1969
INITIALS CODE

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:

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

GEOLOGICAL SURVEY
U.S. Court House, Rm. 656
West 920 Riverside Avenue
Spokane, Washington 99201
December 27, 1968

OFFICIAL COPY
O. M. E.
RECEIVED
DEC 30 1968

INITIALS	CODE
	130
	20
	110
	120

Mr. Donald L. Anderson
10715 Lakeside Avenue N.E.
Seattle, Washington 98125

Re: OME-6703 (Mercury)
B & J Properties
St. Regis Paper Company
Pierce County, Washington
Contract 2272

Dear Mr. Anderson:

I have your letter of December 22, 1968, wherein you describe the results of the first completed diamond drill hole on the Mashell River mercury exploration project.

In our conversation on the telephone, I indicated approval of your requested hole no. 2a. However, after re-reading the contract, I find that the contract states that there is authorized no more than four holes totalling not more than 1,000 feet. Hence, your planned hole no. 2a cannot be approved at this time. I have called Mr. Guyette regarding this and hope that he relayed the information to you.

It now appears very probable that the 1,000 feet of drilling suggested in the contract will not all be used in the four holes. If, after four holes are completed, it is found that more drilling will be necessary, then possibly the contract can be amended to permit another hole. We cannot appraise this possibility now but must await the results of at least two more holes that are now authorized.

Will you notify me when the third hole is completed? At that time I will plan to visit the project and confer with you regarding the drilling results and discuss the pros and cons of Stage II of the project.

Sincerely,

Willard P. Puffett
Geologist, OME, Region I

cc: B & J Properties
12531 - 30th N.E.
Seattle, Washington 98125

WPPuffett/mls

cc: OME w/cpy of incoming let. and 2 sketches
Director's Reading File

~~Associate~~ Professor
Mining Engineering
University of Washington

Registered Professional
Mining Engineer
State of Washington

DONALD L. ANDERSON

Consulting Engineer

10715 Lakeside Ave. N. E.
Seattle, Washington 98125

December 22, 1968

Mr. Willard Puffert
U. S. Geological Survey
U. S. Court House, R. 656
W. 920 Riverside Avenue
Spokane, Washington 99201

Re: OME-6703 (Mercury)

Dear Mr. Puffert,

Following my letter of December 13, herewith a follow-up progress report on the Mashell River mercury project.

You will note from the enclosed sketches that the length of the first drill hole (147 ft.) is considerably less than had been anticipated. Hole No. 1 penetrated the mineralized body and went through into the footwall at 75 feet. No additional quartz was found in the F W and hence the hole was stopped in andesite (?) porphyry at 147 feet from the collar.

Hole No. 2 as of December 21st when drilling stopped was about 70 feet in depth and thus if the projected dip is as sketched, this hole will have about 20 feet more to penetrate the quartz body. We are planning to stop Hole No. 2 after it has penetrated some 25-30 feet of footwall.

The drillers are now on Christmas vacation and are expected to resume drilling on December 27-28. This means that by about December 30, Hole No. 2 will have been completed.

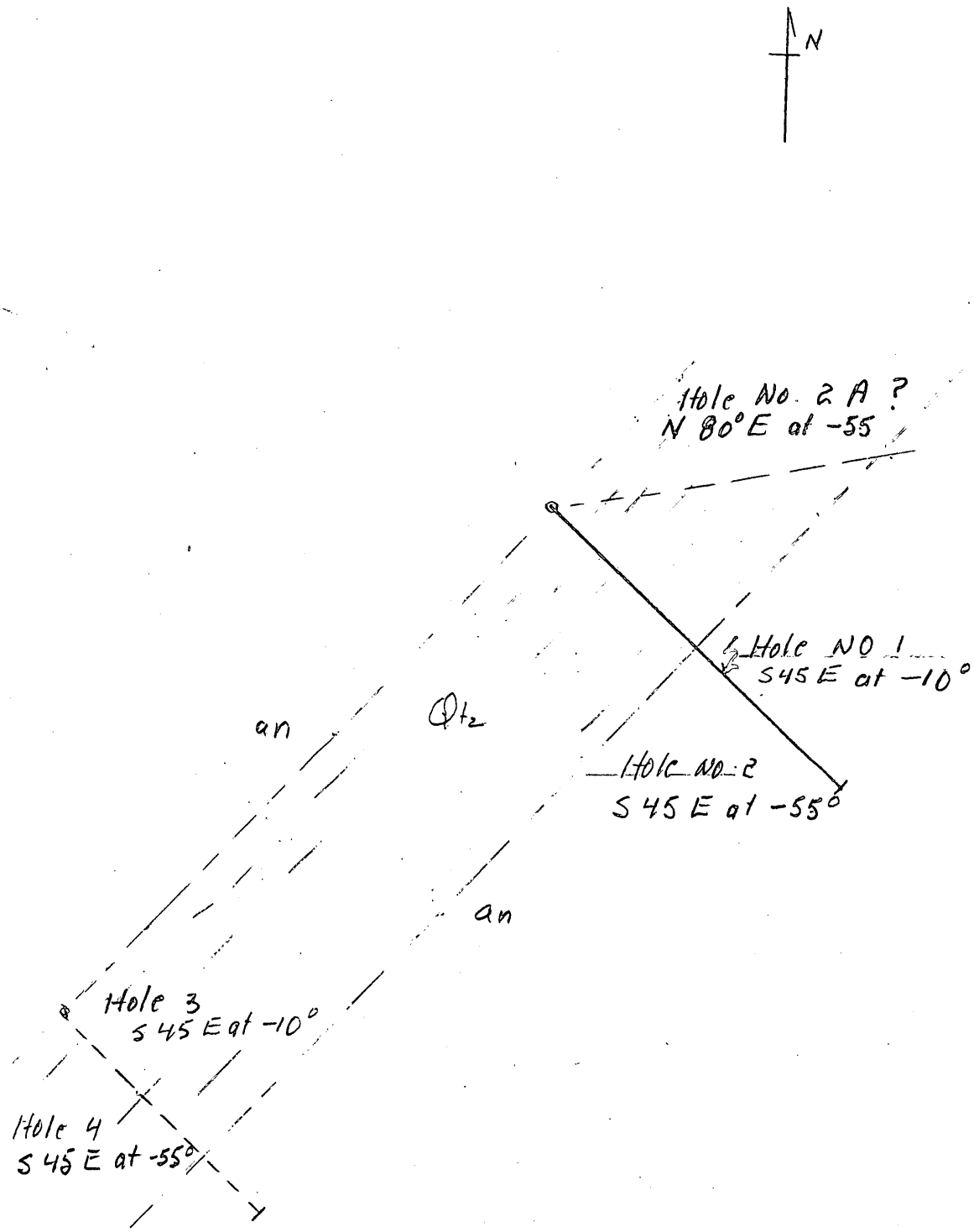
Insofar as holes 1 & 2 will have amounted to about 270 feet or considerably less than had been planned, we would like permission to drill Hole No. 2A from this set-up. Hole 2A, if approved, would be about N 80 E and -55. It would be about 140 feet in length giving a total of some 410 feet at the first set-up.

Since we are up against a time problem, I would like to call you on Tuesday afternoon or on Thursday. Should we fail to make a connection, perhaps you might call Mr. Guyette relative to the next move.

RECEIVED
DEC 24 1968
U.S.G.S.
SPOKANE, WASH.

Very Truly Yours,

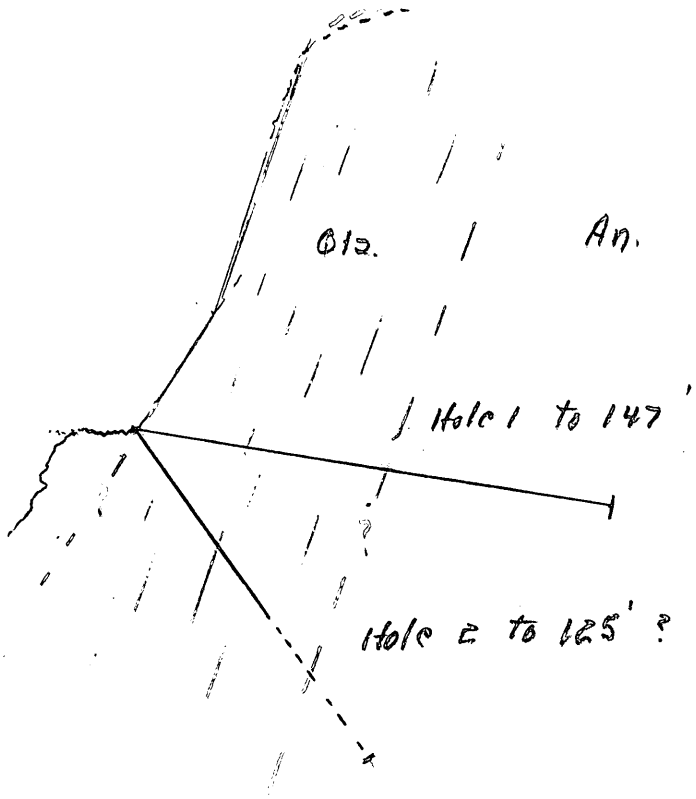
Donald L. Anderson



Scale Apprx 1" = 60'

Plan

RECEIVED
DEC 24 1968
U.P.E.
SPOKANE, WASH.



Scale Approx 1" = 60'

Section

MME FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS EXPLORATION

TO:	DATE	INITIALS
1. Chief, OME	12/16/68	
2. Re: OME-6703 (Mercury) B & J Properties		
3. St. Regis Paper Company Pierce County, Washington Contract 2272		
4.		
5. MLS M.L. Smelser for		
FROM: D. R. MacLaren, Fld. Officer	Reg.	I

FOR: Check items for action desired

____ Action ____ Reply for signature of ____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions X Your information

REMARKS:

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

RECEIVED
DEC 24 1968
O.M.E.
SPOKANE, WASH.

ASSOCIATE PROFESSOR
MINING ENGINEERING
UNIVERSITY OF WASHINGTON

REGISTERED PROFESSIONAL
MINING ENGINEER
STATE OF WASHINGTON

DONALD L. ANDERSON
Consulting Engineer
10715 LAKESIDE AVE. N. E.
SEATTLE, WASHINGTON 98125

December 13, 1968

OFFICIAL COPY
O. M. E.
RECEIVED
DEC 18 1968
INITIALS | CODE
120
120
110
120

Mr. Willard Puffert
U. S. Geological Survey
U. S. Court House, Rm 656
W. 920 Riverside Avenue
Spokane, Washington 99201

Re: OME-6703 (Mercury)
B & J Properties

Dear Mr. Puffert,

This is to advise you that after some delay, Boyles Bros. Drilling finally arrived on the site at the Mashell River in Pierce County. The drill rig was moved today to the location of the first and second drill holes and drilling is expected to start within two days.

Because of extreme difficulties in building an access road (large boulders and steep topography) the drill sites are about 30-35 feet higher on the slope than had been originally planned and marked. However, both drill sites are in excess of 100 feet below the top of the ridge.

Holes No. 1 & 2 have been oriented S 45 E as per your Appendix A. However, since the sites are somewhat higher than had been previously indicated and since you mentioned that the recommended inclinations were approximate, we have changed the slope of No. 1 hole to -10. This, I might add, puts it in a slightly better position with respect to the dip of the structure. By the same token, we would like to incline Hole No. 2 about -55.

I will keep you informed of progress and I presume that you will visit the location again at your convenience.

Very Truly Yours,

Donald L. Anderson

RECEIVED
DEC 16 1968
S. M. E.

GEOLOGICAL SURVEY
U.S. Court House, Rm. 656
West 920 Riverside Avenue
Spokane, Washington 99201
November 13, 1968

OFFICIAL COPY

Mr. Wm. H. Pierre, President
B & J Properties
12531 - 30th N.E.
Seattle, Washington 98125

Re: OME-6703 (Mercury)
B & J Properties
St. Regis Paper Company
Pierce County, Washington

Dear Mr. Pierre:

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 kept exhibited in a conspicuous place available to both employees and applicants for employment.

We would appreciate your advising us when the OME contract work has started.

Sincerely,

Mary L. Smelser for
D. R. MacLaren
Field Officer, OME
Region I

Enclosures

MLSmelser/mls
cc: OME
Director's Reading File

GEOLOGICAL SURVEY
U. S. Court House, Rm. 656
W. 920 Riverside Avenue
Spokane, Washington 99201
October 25, 1968

OFFICIAL COPY
O. M. E.
RECEIVED
OCT 28 1968
FILE COPY

Mr. Wm. H. Pierre, President
B & J Properties
12531 - 30th N.E.
Seattle, Washington 98125

Re: OME-6703 (Mercury)
B & J Properties
St. Regis Paper Company
Pierce County, Washington

Dear Mr. Pierre:

Enclosed are the original and three copies of a proposed contract for the subject property. The contract consists of MME Form 50 (7 pages), Annex I (1 page), Exhibit A (6 pages), Exhibit B (1 page), and one map (fig. 1). All copies of the contract have been signed for the Government by the Acting Director, U. S. Geological Survey. The date for commencement of the work, which cannot precede the date of the contract, should be inserted in Article 1(a).

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 12 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 7½ percent interest accrues from the date on which the individual payments are made by the Government and like the principal is payable from royalty on production.

Sincerely,

D. R. MacLaren
Field Officer, OME
Region I

Enclosures

MLSmelser/mls
cc: OME
Director's Reading File

GEOLOGICAL SURVEY
U. S. Court House, Rm. 656
W. 920 Riverside Avenue
Spokane, Washington 99201
October 4, 1968

AIRMAIL

Mr. Wm. H. Pierre, President
B & J Properties
12531 - 30th N.E.
Seattle, Washington 98125

Re: OME-6703 (Mercury)
B & J Properties
St. Regis Paper Company
Pierce County, Washington

Dear Mr. Pierre:

We have received a proposed contract to explore for mercury on the B & J properties. However, before we can forward the copies of the contract for your consideration a Performance Bond in lieu of the 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 October 2, 1968, and the Contract No. is 2272. The bond should be in the amount of $30,900.00. Instructions for the completion and execution of the forms are on the back of each form.

As soon as we receive three copies of each form duly executed and signed, the contract will be forwarded to you.

Sincerely,

D. R. MacLaren
Field Officer, OME
Region I

Enclosures

MLSmelser/mls

cc: OME

Director's Reading File

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
9/25/68	E. Peterson	120
9/25/68	Kirkemo	120
"	Johnson	110
9/25	Kirkgaard	
9/24	Hupp	
		220
		120M

OCT 2 1968

AIRMAIL

Memorandum

To: Field Officer, Region I

From: Chief, Office of Minerals Exploration

Subject: OME-6703 (Mercury)
B & J Properties
St. Regis Paper Company
Pierce County, Washington

Enclosed are the original and three copies of a proposed contract for the subject property. The contract consists of MME Form 50 (7 pages), Annex I (1 page), Exhibit A (6 pages), Exhibit B (1 page), and one map (Figure 1), 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 an authorized representative of the Applicant. Thereafter, please distribute the copies as usual.

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 (glo)

Frank E. Johnson

Enclosures

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

BSLong/1 9/25/68

DRAFT - ECPeterson/bsl
9/4/68

To Legal 9/16/68

EP 120
HK 120
KJ ~~110~~

MME Form 50
July 1965

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
U. S. GEOLOGICAL SURVEY

EXPLORATION CONTRACT
(Long Form)

Docket No.	Commodity	Contract No.	County	State
OME-6703	Mercury		Pierce	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

B & J Properties

_____,

whose mailing address is 12531 30th N. E., Seattle, Washington, 98125, hereinafter called the "Operator," as follows:

ARTICLE 1. Authority and scope.--(a) This contract entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before _____ (Date), and, subject to the provisions of Article 9 and Exhibit A, shall either have completed the work within 6 months from the date of the contract or shall have incurred allowable costs (see Article 6) in a sum not less than the total cost set forth in Exhibit A.

(b) The total allowable cost of the work set forth in Exhibit A is $41,200.00. The Government will contribute 75 percent of the allowable costs as they are incurred, in a total sum not in excess of $30,900.00 in accordance with the provisions of Articles 3, 4, 5, and 6. "Costs incurred" means costs that have been paid or have become due and payable, or that the Government determines have become obligations.

(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 right 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:

_____

(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:

_____

(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 7 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) Independent contracts.--To the extent that the allowable costs are estimated in Exhibit A with express reference to performance by independent contractors on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations), the work may be so performed (see Article 6(a), Category (1)). Any such independent contract shall refer to some specific and identifiable part of the work, and shall be subject to all of the pertinent terms and conditions of this exploration contract; but the Government shall not be considered a party thereto, and its rights under this contract, including the right to terminate its contributions, shall not be affected thereby. Regardless of the provisions of any such independent contract, the Government will participate in payments to the independent contractor only as to work performed in accordance with the provisions of this exploration contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable.

(c) 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. 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 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. If work under this contract is carried on in conjunction with any other operations, or if labor, supervision, services, materials, supplies, equipment, facilities, or other requirements for carrying on the work are also used in connection with other operations, the costs shall be segregated and accounted for on a basis and by methods and accounts that are satisfactory to and approved by the Government.

(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; however, the original of the Operator's Monthly Voucher shall be supported by documentary evidence, such as certified copies or transcripts of payrolls and invoices, for all costs claimed under Article 6 (a) (1).)

(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 related costs.

(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 the 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. Costs.--(a) Allowable costs.--The allowable costs of the work to which the Government will contribute are limited to:

(1) the necessary, reasonable, and direct actual costs that are estimated in Exhibit A by categories as specified in this article; and

(2) fixed costs for units of work to be performed (per foot, per hour, etc.) agreed upon in lieu of actual costs and set forth in Exhibit A.

The Government will not contribute to costs under any category or subcategory omitted from the estimate of costs in Exhibit A. Any excess over any estimate which is indicated as the maximum of any category, subcategory, or item, either as to requirement or related cost; any excess over a fixed unit cost; and any excess over the total allowable cost of the work are not allowable. The Operator shall incur such excesses for his own account without contribution by the Government, but the Operator is not obligated to incur more than his agreed percentage of the total allowable cost of the work.

Any category or subcategory or element thereof not designated as a maximum in this article, or in Exhibit A may be exceeded, provided that the total allowable cost of the work, which is a maximum, is not exceeded.

CATEGORY (1)--INDEPENDENT CONTRACTS.--(See Article 3(b)). The total of this category and the average unit cost estimated for each type of work to be performed under an independent contract are maximums.

CATEGORY (2)--PERSONAL SERVICES.

Subcategory (a)--Supervision and Technical Services--All elements of this subcategory (number of supervisors, technicians, outside consultants, periods of employment, rates of pay, and total) are maximums.

Subcategory (b)--Labor.

CATEGORY (3)--OPERATING MATERIALS AND SUPPLIES.--Includes such items as drill bits and steel, explosives, fuel, pipe, power, timber, rail, and small tools costing less than $50 each.

CATEGORY (4)--OPERATING EQUIPMENT.

Subcategory (a)--Rental.--The number of each rented item [6 mine cars, 1 truck], the rate of rental [$100 per month, $5 per hour], and the total of this subcategory are maximums.

Subcategory (b)--Purchases.--The total of this subcategory is a maximum.

Subcategory (c)--Depreciation.--All elements of this subcategory (time periods, rate of depreciation, and subcategory total) are maximums.

CATEGORY (5)--INITIAL REHABILITATION AND REPAIRS.--Costs of items listed under this category include all requirements, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The total of this category is a maximum.

Subcategory (a)--Initial rehabilitation and repairs of existing buildings, fixtures, and installations (exclusive of mine workings).--The total of this subcategory is a maximum.

Subcategory (b)--Initial rehabilitation and repairs of operating equipment.--The total of this subcategory is a maximum.

CATEGORY (6)--NEW BUILDINGS, FIXTURES, AND INSTALLATIONS (EXCLUSIVE OF MINE WORKINGS).--Costs of items listed under this category include all requirements, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The total of this category is a maximum.

CATEGORY (7)--MISCELLANEOUS.--Includes requirements and costs that do not fall within any of the first six categories, such as repairs other than initial and maintenance of operating equipment, analytical work, prints and other reproductions, accounting, Operator's share of payroll taxes, liability insurance covering employment, travel, and communications.

(b) Nonallowable costs.--In addition to the limitations imposed by paragraph (a) of this Article 6 the Government will not contribute to the following costs:

(1) Costs of the land, such as rental, depreciation, depletion, or other costs of acquiring, owning, or holding possession;

(2) Indirect costs, such as general overhead, corporate management, interest, taxes (other than payroll and sales taxes), insurance (other than liability insurance covering employment), damages to persons, damages to property (other than necessary repairs or replacements of equipment or other property used in the work);

(3) Previous work performed or costs incurred before the date of this contract; and

(4) Deferred payments.--Any costs incurred by the Operator under any rental-purchase agreement, installment-purchase agreement, or any agreement for the purchase of goods under the provisions of which payment of the full purchase price is deferred more than 90 days from the delivery of the goods, unless the purchase agreement is approved by the Government in writing.

(c) Reductions in costs.--The Operator shall account for and give the Government credit for any incidental benefits, credits, or money received in the ordinary course of business in prosecuting the work (as by salvage or sale of materials or equipment, furnishing of room or board, furnishing of power or services to third persons, rebates or discounts on purchases, etc.), in the same ratio in which the Government contributes to costs; and such amounts shall be treated as a reduction in costs incurred so that they are available for use within the limit of the original total cost. The provision does not apply to receipts from production which are subject to the Government's royalty under the provisions of Article 7.

ARTICLE 7. 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 retains 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 7(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 8. Interests in purchased property.--(a) Title and ownership.--All costs under this contract shall be incurred by the Operator in the Operator's own name and for the Operator's own account; but any property acquired to the cost of which the Government contributes shall belong to the Operator and the Government jointly in proportion to their respective contributions although title thereto shall be taken in the name of the Operator.

(b) Preservation of property.--Until the final disposal of any property in which the Government has an interest, the Operator shall preserve and protect same for the best interest of the Government, and any reasonable and necessary cost thereof will be treated as an allowable cost of the exploration. After the completion of the work, termination of the Government's obligation to contribute, or when such property is not being used for the work, the Operator shall not use it elsewhere without the written consent of the Government and without paying a reasonable rental to be fixed by the Government for its proportionate interest.

(c) Disposal of property.--Upon the completion of the work, termination of the Government's obligation to contribute to costs, or when the property is no longer needed for the work, the Operator shall promptly dispose of salable or salvageable property in which the Government has an interest for the joint account of the Government and the Operator, either by return to the vendor, sale to others, purchase by the Operator, or sale or transfer to the Government at a price at least as high as could be obtained from others, unless the Government in writing waives its interest in any such property. Without advance approval of the sales price by the Government, the Operator shall not sell at any price any item of property that cost more than $500, and shall not sell at less than 25 percent of the purchase price any item of property that cost $500 or less. The Government, in lieu of approving the sales price for any such item, may itself purchase the item at the best price which the Operator is able to obtain or offers. Property remaining upon any termination of the work shall be considered in groups or categories (such as drill steel, explosives, pipe, or rail), and if the original cost of the remaining unexpended portion of any such group or category is less than $50, the Government waives its interest therein. If necessary to accomplish the disposal of any item, the Operator shall dismantle and sever it from the land, the cost thereof to be treated as a cost of the exploration.

(d) Default of the Operator re disposal.--If within 90 days after the completion of the work, termination of the Government's obligation to contribute to costs, or after the property is no longer needed for the work, the Operator has failed to sell or otherwise liquidate or dispose of any property in which the Government has an interest, the Government, at any time prior to final settlement under the contract, may:

(1) in writing extend the time within which the Operator must dispose of or liquidate the property;

(2) by written notice to the Operator, place upon such property what it determines to be a fair valuation thereof, not in excess of the cost less 1.66 percent per month from the date such property was purchased under this contract to the termination of said 90-day period; and such property shall thereupon be considered and accounted for as having been purchased by the Operator at the valuation so fixed by the Government; and

(3) enter and take possession of such property wherever it may be found, and remove and dispose of it for the joint account of the parties.

ARTICLE 9. 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 contribute to costs not then incurred other than such as may be allowable under the provisions of the contract as necessary and incidental to final accounting and reporting; 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 contribute to costs not incurred when the notice was given, other than such as may be allowable by the provisions of the contract as necessary and incidental to final accounting and reporting; 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 9 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 13.

ARTICLE 10. 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 11. 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 12. 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 13. 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 14. 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 15. 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 16. Changes and added provision.--

_____

_____

_____

_____

Executed in quintuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

B & J PROPERTIES

_____
(Operator)

By_____

By Arthur A. Baker

Acting **Director, U. S. Geological Survey**

Title_____

_____

I, _____, certify that I am the
(Name)

_____ secretary of the corporation named as Operator herein; that

_____, who signed this contract on behalf of the Operator, was then
(Name)

_____ of said corporation; that said contract was duly signed for
(Title)

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
B & J PROPERTIES, INC.
OME-6703

ANNEX I

The land including all rights pertaining thereto, referred to in Article 2 of the contract, consists of the W½SE¼ and E½SW¼ of sec. 18, T. 16 N., R. 6 E., WB&M, Pierce County, Washington.

The Operator is in possession of the land under the terms of an Agreement dated November 3, 1967, and an Extension Agreement dated April 2, 1968, from the owner, St. Regis Paper Company.

A Performance Bond in lieu of Lien and Subordination Agreements in the amount of $ 30,000.00 is attached and made part hereof.

The property is shown outlined in green on Figure 1 entitled, "Property map and proposed exploration, stage I, B & J Properties, Inc.," attached and made part hereof.

UNION ASSAY OFFICE, INC.

P. O. BOX 1528
SALT LAKE CITY 10, UTAH

CHARGE TO B & J Properties
1253130th N.E.
Seattle, Washington 98125

DATE Feb. 28, 1969

DATE		NAME	LOT NUMBER		
Feb.	4	B & J 27 to 45		95.00	
	4	B & J 46 to 64		95.00	
	4	Composites, B&J 27-28 to 63-64		57.00	
	4	Paid $239.00 2-4-69		- 239.00	
		Balance Due			$8.00

To insure proper credit please return one copy with payment

EXPLORATION CONTRACT
B & J PROPERTIES, INC.
OME-6703

EXHIBIT A

The purpose of this project is to explore by diamond drilling from prepared surface sites, crosscutting, drifting, and long-hole drilling for mercury-bearing ore bodies in and along a northeasterly trending quartz vein which traverses volcanic rocks of Tertiary age.

General Provisions

A bulldozer no smaller than a Caterpillar D-7 or equivalent unit of any other make shall be used for preparation of access roads and drill sites.

No drilling or underground work shall be performed within 100 feet of the exterior boundaries of the land outlined on Figure 1.

All diamond drill holes shall be completed with standard BX (nominal diameter 1-1/8") core size or equivalent wire line size equipment.

All diamond drill holes shall be cased as necessary. The Government will not contribute to the cost of casing left in a hole at the Operator's request.

Diamond drill core shall be stored in boxes identified by hole number with markers in the core sections indicating the depths represented.

Facilities shall be provided for recovering drill sludge, and such sludge shall be retained when drilling in significantly mineralized rock.

All drill core shall be logged and significantly mineralized core shall be split and one split assayed. Whenever core recovery is less than 60 percent, a split of the corresponding retained sludge shall be assayed separately. The remaining core shall be stored in proper sequence with the unsampled core, and the remaining sludge shall be stored in suitable containers properly identified as to hole number and depth.

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 rails shall be not less than 16-pound size, air lines not less than 2-inch diameter, water lines not less than 3/4-inch diameter, and vent lines not less than 12-inch diameter.

All significantly mineralized areas traversed by the underground workings shall be sampled. A representative bulk sample shall be collected from each round broken in mineralized rock. Channel samples shall be cut normal to the trends of the deposit at intervals of not more than 5 feet. Significantly mineralized cuttings from the long-holes shall be sampled, and no individual sample shall represent more than 5 linear feet of hole.

All splits of samples for assay, from whatever source, shall be analyzed for mercury, and for gold and silver as warranted.

True copies of assay certificates, copies of drill logs, and maps or sketches showing the work completed during the reporting period, the location and width of all samples taken and the geological formations and structures traversed by the drill holes and workings shall be furnished monthly to the Government.

Stored samples shall be made available for Government inspection and possible use, and may be disposed of with prior Government approval.

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

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

The work shall be divided into two stages. The Operator shall complete all of Stage I and as much of Stage II as is authorized in advance by the Government and confirmed in writing. Approval of Stage II shall depend upon the results obtained in Stage I.

Description of the Work

Stage I

The work shall consist of bulldozing access roads to two drill sites, leveling the sites, and drilling not more than four diamond drill holes totalling not more than 1,000 feet, ~~including overburden drilling.~~ The approximate location of the drill holes are shown on Figure 1 referred to previously.

The approximate directions, inclinations, and lengths of the drill holes are as follows:

Hole No.	Direction	Inclination	Length in feet ~~including overburden drilling~~
1	S 45° E	+5° to +10°	250
2	S 45° E	-40°	250
3	S 45° E	+5° to +10°	250
4	S 45° E	-40°	250

Stage II

The work shall consist of crosscutting from a prepared portal site to and through the target vein, drifting northeasterly and southwesterly on the vein, and long-hole drilling the drift walls to test ~~for possible parallel~~ the extent of favorable mineralized zones. The ~~width~~ site of the portal to be determined after study of Stage 1 results.

It is estimated that 600 feet of crosscutting and drifting will be required to reach and explore the target vein, and that 400 feet of long-hole drilling will be required.

Estimated Costs of the Work

Stage I

Actual Costs

Category (1) Independent Contracts

Bulldozing access roads and drill sites,

32 hours @ $21.00/hour — $ 672.00

Mobilization and demobilization, and one move between drill sites,

1 drill unit — 600.00

Diamond core drilling, ~~and overburden drilling~~,

1,000 feet — 7,900.00

Depth/feet	Rate/foot NXWL	BXWL	AXWL
0-300	$8.50	$7.90	$7.50

Cementing and redrilling,

40 hours @ $15.00/hour — 600.00

Reaming and casing,

100 feet @ $4.50/foot — 450.00

Laying and retrieving water supply systems,

10 hours @ $12.50/hour — 125.00

Total Category (1) $10,347.00

Category (2) Personal Services

None except:

Subcategory (a) Supervision and Technical Services

1 supervisor - geologist - engineer

3 months @ $750.00/month $2,250.00

1 Outside consultant (2 days/month)

6 days @ $75.00/day 450.00

Total Category (2) . . . . . $ 2,700.00

Category (3) Operating Materials and Supplies

None except:

100 cardboard core boxes @ $1.25/each 125.00

Cement, cement substitutes, drilling mud, and additives 791.00

Sludge catching and sampling supplies 50.00

Total Category (3) 966.00

Category (7) Miscellaneous

None except:

Per diem, outside consultant,

6 days @ $16.00/day 96.00

Mileage, Seattle to project area and return,

960 miles @ $0.10/mile 96.00

F.I.C.A., payroll taxes, insurance	$ 225.00	
Office ~~expense~~, accounting, and ~~and~~ expense		
~~engineering~~,		
3 months @ $50.00/month	150.00	
Assaying, 60 samples,		
Mercury @ $7.00/sample		
Gold and silver combined @		
$5.00/sample	420.00	
Total Category (7)		$ 987.00
Total Estimated Costs, Stage I		$15,000.00

Stage II

Fixed Unit Costs 1/

Drifting and crosscutting,		
600 feet @ $40.00/foot	24,000.00	
Timbering drifts and crosscuts,		
60 feet @ $12.00/foot	720.00	
Long-hole drilling,		
400 feet @ $1.25/foot	500.00	
Assaying, 140 samples,		
Mercury @ $7.00/sample		
Gold and Silver combined @ $5.00/sample	980.00	
Total Estimated Costs, Stage II		$26,200.00

S U M M A R Y

Total Estimated Costs, Stage I	$15,000.00
Total Estimated Costs, Stage II	$26,200.00
Total Estimated Costs of the Project	$41,200.00
Government Participation @ 75%	$30,900.00

1/ The Government retains no equity in any of the equipment or materials used.

MME FORM 6 REFERENCE SLIP

REV. 2-59 OFFICE OF MINERALS EXPLORATION

TO: Chief, OME

DATE	INITIALS
7/31/68	

1.

Re: OME-6703 (Mercury)

2. B & J Properties, Inc.

Mashel River Mercury Prospect

3. St. Regis Paper Company

Pierce County, Wash.

4.

5. D. R. MacLaren

FROM: Fld. Officer, Reg. I

OFFICIAL COPY

O. M. E.

RECEIVED

AUG 2 1968

INITIALS	CODE

FOR: Check items for action desired

X Action ____ Reply for signature of ____ Surname

____ Approval ____ Investigate ____ Signature

____ Comment ____ Recommendations ____ File

____ Conference ____ Rewrite

____ Instructions ____ Your information

REMARKS: Transmittal of application examination report recommending a contract. I concur with the recommendation.

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

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
July 30, 1968

JUL 31 1968
(Dispatched)

Memorandum

To: Field Officer, Region I

From: Willard P. Puffett, Geologist WPP

Subject: Application Examination Report
OME-6703 (Mercury)
B & J Properties, Inc.
Mashel River Mercury Prospect
St. Regis Paper Company
Pierce County, Washington

On-site Exam

INTRODUCTION

The Mashel River Mercury Prospect of the B & J Properties, Inc., was examined on July 2, 1968, in the company of W. H. Pierre, President, Bud Guyette of the B & J Properties, Inc. E. A. Magill, U. S. Bureau of Mines, was also present. The applicant proposes to explore for cinnabar that occurs on fracture surfaces and as linings of of vuggy openings in a quartz vein that forms a conspicuous outcrop near the crest of a steep-sided hill.

RECOMMENDATION

It is recommended that an exploration contract be awarded the applicant. Diamond drilling as a first stage to be followed by cross-cutting and drifting seems feasible. A modest tonnage of fairly high-grade selected ore can be reasonably expected from such exploration.

LOCATION AND ACCESSIBILITY

The applicant's property is the W½SE¼ and E½SW¼ of sec. 18, T. 16 N., R. 6 E., in Pierce County, Washington. St. Regis Paper Company owns the property and has leased it to the applicant until September 30, 1969.

Access to the property is via an all-weather private road that is maintained as a logging road by St. Regis Paper Company. The property is 18 miles from the King's Creek entrance of St. Regis Paper Company; this entrance is about 12 miles on State Highway 5E south of Orting, Washington, the nearest town and supply point. The private logging road is not open to the public and permission from the paper company is necessary to use it.

The topography in the vicinity of the property is deeply dissected by tributaries of the Mashel River; slopes are steep and the average relief is about 1,000 feet. Timber covers much of the area, but logged parts are clear. Bedrock is exposed at only widely separated places, generally along roadcuts or in stream beds; thin soil cover and forest rubble obscures bedrock elsewhere.

GEOLOGY

The bedrock in the applicant's property area has been mapped by Daniels (1914, pl. I), as pyroxene-andesite, and is part of the volcanic rocks of Tertiary age that crop out along the foothills of the Cascades (Daniels, Joseph, 1914, p. 27). Much of the rock exposed in the roadcuts near the property is composed of abundant light gray feldspar crystals in a fine-grained greenish gray groundmass. The feldspar crystals are subequant to prismatic and range from 1 to 4 mm long. There is no common orientation of the crystals such as flow banding, etc.

Of most economic significance on the property is an apparent tabular mass of quartz (hereafter referred to as a vein) that forms a conspicuous outcrop which can be traced for more than half a mile (fig. 1). The vein is not continuous through all this length as it is crossed by tributaries of the Mashel River that have incised valleys across it and some of the vein is obscured in the shallower valleys. The quartz vein strikes about N. 45 E. and dips steeply, possibly to the north. The thickest part of the exposed vein is about 100 feet, but it is difficult to measure as the steep cliffs are difficult to traverse.

Exposures of rock adjacent to the quartz are nearly white (bleached?) volcanic rock that locally contains abundant fine-grained pyrite. It is assumed that the white rock is altered pyroxene-andesite and that the alteration is related in some way to the origin of either the quartz vein or the cinnabar mineralization, or both.

Within the quartz vein are slickensided surfaces and limonite-lined vuggy openings. The largest "vugs" seen are greater than 2 feet in diameter; however, most are smaller. There also are tabular or slotlike openings lined with limonite and bordered by finely colloform-banded quartz. The slotlike openings are seldom more than an inch or two wide and commonly are lined with nodular masses of silica.

The origin of the quartz vein is not clear. Locally, it appears to be a composite of many veins. Possibly, it developed as a fissure-filling and was associated with hot-spring activity. The colloform banding common near the slotlike openings suggests the possible hot-spring activity.

Cinnabar occurs as thin films on fracture surfaces and as encrustations on nodular quartz that lines the slotlike openings. Locally, limonite and cinnabar form encrustations several millimeters thick, but more commonly the cinnabar is scarcely more than a thin film. The applicant stated that he had found cinnabar disseminated in quartz in one place, but careful search during the examination found only one small piece in which cinnabar possibly occurs within quartz. The cinnabar appears to have formed late in the history of the vein for where it lines slickensided surfaces there is no smearing of the cinnabar along the surface. In no place is there evidence of fracturing or even minor faulting that took place after deposition of the cinnabar. Because of the apparently young relative age of the cinnabar, zones of fracturing in the vein should be favorable places in which to search for concentrations of the mineral. Possibly, such zones of fracturing are in the valleylike depressions between the outcrops of the vein.

The average amount of cinnabar in the vein is difficult to determine because the cinnabar is limited to fracture surfaces and linings of openings. Some zones of fracturing are apparently barren of cinnabar. Possibly, there are areas within the vein where there are several closely spaced fractures or slotlike openings that have been coated with cinnabar. Several different cinnabar-lined fractures were seen on the surface, but their exact spatial relationship to each other is uncertain. The applicant has submitted analytical data showing that some of the high-grade pieces contain as much as 7.2 percent mercury and this is certainly believable. Much of the mineralized rock obviously is not this richly mineralized, but one should be able to select some fairly high-grade rock along the fractured zones. It seems about certain that the quartz between the fractures and vuggy areas is barren of cinnabar. As a consequence, the average grade of rock across a minable width would be wholly dependent on the number of cinnabar-coated fractures or vugs within that width. Surface indications suggest that large-scale, nonselective extraction of the vein would yield very low-grade rock. There should be excellent recovery by furnacing of selected cinnabar-bearing rock for, as the cinnabar is not within the quartz but only coats it, volatization should be very complete and efficient.

The examination was conducted mainly on the outcrops in Zone A. According to the applicant, there is more surface indication of mercury in this zone than in Zone B to the northeast. Cursory examination of the vein in Zone B found that much of the quartz is fractured locally, but no cinnabar was found in the fractured areas. There is no obvious reason for the more abundant cinnabar in Zone A.

PRODUCTION

The applicant's property is essentially an unproved prospect and there has been no production from it. A small adit has been driven into the north side of the vein in Zone A for about 25 feet. Another adit is reported to be near the creek bed east of the applicant's property. Possibly, these adits were prospects for gold, but this cannot be confirmed. A possible source of gold would be the fine-grained pyrite in the wall rock near the vein.

APPLICANT'S PROPOSAL

The applicant has proposed a two-phase program to explore for mercury ore in the vein in Zone A:

> Phase I is to prepare a drill site and drill three diamond drill holes that will range from 300 to 350 feet long. These 3 holes will be from 1 drill site and will be inclined downward and will be at horizontal angles of from 30° to 40° from each other. This drilling will test one level of the vein along a strike length of 280 feet. None of the holes will be in the same vertical plane, but they will all be in about the same horizontal plane. The level explored will be about 250 feet below the average top of the outcrop.
>
> Phase II will be dependent on favorable results from Phase I. It will consist of driving 300 feet of crosscut to be followed by drifting along the most promising mineralized zone. Short crosscuts from the drift will explore for parallel zones indicated by the drilling. Total crosscut and drift = 1,000 feet.

The cost analysis submitted by the applicant suggested the following costs per unit of work done:

Diamond drilling (BX) 1,000 ft at total cost $16,377 (includes site preparation of $500) and 100 assays at $12 each	$16.38/ft
Drifting and crosscutting 1,000 ft at total cost $65,703 (includes assays of 320 samples at $12 each	$65.70/ft
Total cost of exploration as submitted by applicant	$82,080.00

ALTERNATIVE PROPOSAL

The engineer retained by the applicant was not present at the time of the examination and it was not possible to confer with him regarding modifications of the proposed exploration program. The two members of the applicant company present disclaimed technical knowledge necessary to discuss alternatives to the exploration as designed by their engineer. The engineer presumably is in Central America (Nicaragua?) and will not return until some time in September.

I believe that the quartz vein in Zone A should be explored in a manner similar to that outlined by the applicant. I do think, though, that the drilling should be accomplished by drilling 2 holes inclined in the same vertical plane from 2 drill sites 250 feet apart and parallel to the strike of the vein rather than by 3 holes from a single site. Two drill sites will involve slightly more site preparation, but the advantages to be gained should more than offset this additional cost. By drilling 2 drill holes in the same vertical plane from each of 2 sites, one can project the geologic data more accurately between holes, between drill sites, and between the holes and surface data. A total of 250 feet along the strike and about 180-200 feet down dip of the vein would be explored. All diamond drill holes should be so directed that wall rock in both margins of the vein will be explored. Possibly, vuggy or fractured zones along the vein boundaries are sites for cinnabar deposition--this could not be easily determined from examination of the surface exposures.

Underground exploration work should be undertaken only after careful evaluation of the drilling. Little, if any, drifting or crosscutting should be planned outside the vein, i.e., in the wall rock. If a favorable zone of minable width is indicated by the drilling, a crosscut to the projected position of this zone and drifting for several hundred feet along the zone would be justified. Surface exposures indicate more than 800 feet of strike length of the vein in Zone A. A total of 1,000 feet of crosscut and drift should be sufficient to determine if significant quantities of cinnabar ore are present. The exact location, direction, and extent of the underground work will be dependent on the diamond drilling and on day-to-day results of the drifting.

The proposed exploration is as follows:

Phase I

Diamond drill two holes from drill site "A" on a bearing at right angles to the strike of the quartz vein. One hole would be horizontal or inclined at +5° or +10°. The second hole would be inclined at -40°. Each hole to be about 250 feet long and would intersect the full width of the quartz vein.(figs. 1 and 2).

Diamond drill two holes from drill site "B" that will be about 250 feet east of drill site "A". The holes will have the same bearing and inclination and will be about the same length as those at drill site "A".

Total length of diamond drilling 4 holes at 250 ft each (core to be BXWL or larger)	= 1,000 ft

Phase II

Drive a 5 x 7 foot crosscut through the vein. Site of portal to be determined after study of drilling results. From the crosscut, drifts will extend along cinnabar-bearing zones that have been indicated by the diamond drilling. If feasible, short crosscuts will be driven from the drift to test possible parallel mineralized zones.

Total drifting and crosscutting	= 1,000 ft

15

POSSIBLE RESULT OF EXPLORATION

The applicant has submitted assay data that show some parts of the vein to contain as much as 12.4 pounds per ton mercury across a width of 7 feet. Many assay data indicate parts of the vein are barren. The applicant concludes that values in the vein are spotty, and bulk sampling, which wasn't done, is necessary to determine mercury content of the vein.

Exposures on the surface indicate that the cinnabar is confined to narrow streaks and vuggy zones. It seems improbable that these zones are more than a few inches thick, although some might be as wide as a foot. The amount of cinnabar in the narrow zones, however, is probably enough to permit an adequate mining width.

If one can assume that the exploration will be successful in proving the existence of minable ore for a length of 1,000 feet, the following tonnages can be calculated. For calculation purposes, it is assumed that the mineralized streaks will average 1 percent (20 pounds per ton) mercury and this would be diluted to 0.25 percent (5 pounds per ton) mercury across a mining width of 4 feet. Possibly, a 3-foot mining width could be maintained in a shrinkage stope. With the above assumption of an ore zone 1,000 feet long, 4 feet wide, and 200 feet from the surface to the drift level, there would be indicated 800,000 feet^3 or 67,000 tons which would contain about 4,400 flasks of mercury. At a market price of $500 per flask, the product would have a value of $2,200,000. Five percent royalty on this production is about $110,000, or more than the anticipated cost of the exploration. Of course, if parallel streaks of like grade material were found, the value of the discovery would be proportionally greater, and conversely, the discovery could be much smaller.

If it can be proved that the vein contains mercury minerals in minable amounts, the rest of the vein to the east of Zone A might also be inferred to be a potential source of mercury. If Zone A is not proven to be minable, then one could reasonably discount the vein to the east as a source for mercury. Either discovery, both positive or negative, could certainly be significant in assessing the potential of this area.

COSTS

Phase I

Access road and drill site preparation: The applicant's map shows that about 700 feet of new road will be needed to extend from the end of an existing log road to the diamond drill site. (This is the only drill site indicated on the applicant's map and is indicated as site "A" on map accompanying this report.) As the second drill site, "B", is about 250 feet east of "A", there will be required a total of about 1,000 feet of access road. The applicant states that 3 days of bulldozing is necessary to prepare access road to drill site "A"; 1 more day of bulldozing should be sufficient to prepare drill site "B".

Mr. Guyette stated that St. Regis Paper Company has agreed to use their equipment to build the access road and prepare the drill sites. Because the land is theirs, the paper company probably wants to control the quality of such type work being done on their land. They have agreed to do the work for $500. At 3 days or 24 hours, the indicated rate for dozing is $20.83 per hour which is reasonable. No documentation of this agreement was submitted with the application, but as Mr. Guyette is related to many of the local officials of the paper company, there seems little reason to doubt that the agreement has been made. In all likelihood private contractors would not be permitted on the St. Regis Paper Company property. Hence, although bids for the access road preparation were not submitted with the application, the arrangements between the applicant and St. Regis Paper Company for this work can be classed as an independent contract, even though no formal documentation exists.

Time required for access road and drill site preparation	1 week (40 hours)

Diamond drilling: No diamond drilling has been done in the quartz vein and the rate of penetration to be expected is very uncertain. Possibly, a daily rate of 25 feet is reasonable. Little, if any, overburden will remain after drill site preparation. Vuggy zones and open fractures will probably require cementing and redrilling. A total of 40 hours of cementing and redrilling is included in the cost estimate; this figure may have to be revised upward or downward after the first hole is complete and experience has been gained in drilling the quartz vein.

Total time required 40 days for diamond drilling and 5 days for cementing and redrilling	allow	3 months
Total time for Phase I		$3\frac{1}{2}$ months

Actual Cost

1. Independent Contracts

Bulldozing 1,000 ft of access road and 2 drill sites 4 days or 32 hrs at $20.83/hr,$666.55, say $650		$ 650.00
Diamond drilling		
Mobilization and demobilization one surface drill unit and one move between drill sites	$ 600.00	
Core drilling 1,000 ft maximum no holes more than 300 ft long BXWL at $7.90/ft	7,900.00	
Cementing and redrilling 40 hrs at $15/hr	600.00	
Reaming and casing 100 ft at $4.50 per ft	450.00	
Laying and retrieving water supply systems 10 hrs at $12.50 per hr	125.00	9,675.00

2. Personal Services

Engineer-consultant 14 days at $75/day		1,050.00

3. Operating Materials and Supplies

Cardboard core boxes 100 at $1.25	125.00	
Cement, drill muds, additives, etc. 100 sacks at $8.35 each	835.00	
Sludge catching and sampling supplies	50.00	1,010.00

5. and 6. None

7. Miscellaneous

Samples assayed for mercury 50 at $7 each	$350.00	
Samples assayed for gold and silver 10 at $5 each	50.00	
Accounting and office expenses and/or core storage 3 months at $50/mo	150.00	550.00
Total estimated cost - Phase I		$12,935.00
Government participation at 75%		$ 9,701.25
Cost per foot of diamond drilling		$ 11.89

Phase II

1,000 feet of crosscutting and drifting, 5' x 7' in the clear of timber. Estimated rate of advance is 5' per shift, 2 shifts per day, 40 shifts per month. 5 months required. 22 holes per 5' round. Possibly 10 percent or 100 feet of timbering will be required (20 standard sets). Most of the drifts and crosscuts will be driven in quartz and there is expected to be a high rate of abrasion of drill bits and steel.

1. Independent Contracts — None

2. Labor and Supervision

2 miners at $40/per shift	$80.00	
1 helper-trammer at $24/day	24.00	
Total	$104.00	
FICA and other insurance at 19.5%	20.28	
	$124.28	$24.86/ft

3. Operating Materials and Supplies (per 5-foot round)

Powder, 35 lbs at $26/cwt	$ 9.10	
Caps, 22 at $0.04 each	.88	
Fuse, 220 ft at $0.02/ft	4.40	
Air line, 2" w/fittings, 975 ft 0.50 ft delivered (less 50%, no salvage)	1.22	
Water line, 3/4" w fittings, 800 ft at 0.25 ft delivered (less 50%, no salvage)	.50	
Vent line, 12", 800 ft at $0.50 ft (not needed for stub crosscuts) (less 50%, no salvage)	1.00	
Rail, 16#, 5.07 tons at $200/T (less 50%, no salvage)	2.53	
3 track switches at $66.67 (less 50%, no salvage)	0.50	
Fish plates, spikes, etc., $0.54/ft	2.70	
Ties, 300 at $0.20 each	.30	
Fuel, oil and gas	4.50	
Steel, 1 replaced each 200 ft, at $16 each 110 ft per round	8.80	
Bits, 1 replaced each 200 ft, at $7.00 each 108 ft per round	3.85	
Repairs and upkeep, $0.60 per ft	3.00	
Air hose, 3/4" w/fittings 150 ft at $0.85/ft	.64	
Water hose, 1/2" w/fittings 150 ft at $0.68/ft	.51	
Small tools, repair parts, etc., $0.50/ft	2.50	
Total per 5 foot round	$46.93	$9.39/ft

4. Operating Equipment

To be furnished by applicant

	Fair market value	Monthly deprec.	5 months deprec.
Tool shed, portable	$900.00	$15.00	$75.00

The applicant states that he will rent the following equipment and has submitted an offer by Andrews Machinery, Inc., to rent some of the items. However, by assuming an approximate fair market value for this equipment and depreciating it, the total cost will be less as shown in the following tabulation:

Item	Fair market value	Monthly deprec.	5 months deprec.	Monthly rental	5 months rental
1 365 CFM portable compressor	$15,000.00	$250.00	$1,250.00	$500.00	$2,500.00
1 EIMCO 12 B mucking machine	4,000.00	66.67	333.35	247.00	1,235.00
2 Rock drills (Jack leg)	1,600.00	26.67	133.35	200.00	1,000.00
1 Air trammer	4,500.00	75.00	375.00	250.00	1,250.00
1 Fan, air powered	600.00	10.00	50.00	75.00	375.00
Total		$428.34	$2,141.70	$1,272.00	$6,360.00
Per foot			$2.14		$6.36

To be rented:

Item	Monthly rental	5 months rental
1 3/4 T pickup truck (including fuel)	$200.00	$1,000.00
Per foot		$1.00

To be purchased:

Item	Cost	Less 50% no salvage
6 Electric lamps and charger	$270.00	$135.00
2 1-T mine cars (used)	150.00	75.00
Total		$210.00

Total cost of operating equipment

If rented items depreciated assuming fair market value		$3,351.70
	per foot	$3.35
If items rented according to application		$7,645.00
	per foot	$7.65

5. and 6. None

7. Miscellaneous	Total	Per ft
130 Assay determinations for mercury at $7/determination	$ 910.00	
10 Assay determinations for gold and silver at $5 each	50.00	
1 Engineer-Geologist-Consultant $75/day, 5 days/month (includes per diem and travel)	1,875.00	$1.88
Office expenses 5 mos at $45/mo	225.00	0.22
	$3,060.00	$2.10

Total cost per foot for drifting and crosscutting:

Labor and supervision	$24.86
Operating material and supplies	9.39
Operating equipment (if rented $7.65); if deprec.	3.35
Engineer-consultant and office expense	2.10
If operating equipment deprec. -	$39.70
If operating equipment rented -	$44.00

Timbering

A short adit into the quartz vein has remained open without timber and it is assumed that little, if any, timbering will be necessary. Possibly, though, the vuggy zone exposed at the surface might indicate open or spalling ground at depth. Hence, timbering might be necessary in about 10 percent of the length of the underground workings. This will mean a total of 100 feet of timbering. Two miners 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 100 feet is 6-2/3 or 7 shifts (2 shifts per day), say $1\frac{1}{2}$ weeks.

1. Independent Contracts — None

2. Labor and Supervision

2 miners at $40/day	$ 80.00
1 helper-trammer at $24/day	24.00
Total	$104.00
FICA and other insurance at 19.5%	20.48
	$124.48

At 15 feet per day — $8.30/ft

3. Operating Materials and Supplies

42 posts, 8"x8"x7'	= 1,568 bf	
21 caps, 8"x8"x6'4"	= 709 bf	
40 collar braces 4"x6"x4'4"	= 347 bf	
140 lagging (in back only) 3"x12"x5'	= 2,100 bf	
	4,724 bf	
At $75/Mbf	354.30	$354.30
Plus 10% blocks, wedges, etc.		36.00
		$390.30

At 100 feet of timber — $3.90/ft

Total timbering — $12.20/ft

RECAPITULATION

Phase I

Prepare access road and 2 drill sites	$ 650.00	
Diamond drill 1,000 feet (BXWL min.) at $11.89/ft	11,890.00	
50 assays for mercury at $7 each	350.00	
10 assays for gold and silver at $5 each	50.00	
Total cost - Phase I		$12,940.00

Phase II

Crosscut and drift 1,000 feet at $39.70/ft	$39,700.00	
Timber 100 feet at $12.20/ft	1,220.00	
130 assay determinations for mercury at $7 each	910.00	
10 assay determinations for gold and silver at $5 each	50.00	
Total cost - Phase II		$41,880.00
Total cost project		$54,820.00
Government participation at 75 percent		$41,115.00

Enclosures
Distribution:
OME ✓
USGS(SRO)
Docket
Puffett

REFERENCES CITED

Daniels, Joseph, 1914, The coal fields of Pierce County: Washington Geol. Survey Bull. 10, 146 p.

OFFICIAL FILE COPY

Date	Surname	Code
4/30/68	Peters	120
4/30/68	Kirkemo	120
		110
4/30	cal	220
		120M

APR 30 1968

AIRMAIL

Memorandum

To: Field Officer, Region I

From: Chief, Office of Minerals Exploration

Subject: OME-6703 (Mercury)
B & J Properties
St. Regis Paper Company
Pierce County, Washington

The subject application is referred to you for further consideration, a field examination if warranted, and recommendations.

The Applicant has furnished the information requested in our letter of March 14, and the application is now complete. You will note that in the event of a contract the Applicant will furnish either a Performance Bond or Individual Surety in lieu of Lien and Subordination Agreements.

We have no specific questions on the geology or other preliminary considerations. If a contract is recommended you might discuss the questions raised in your letter of transmittal concerning the lease.

A review of the cost estimate indicates that allowances for personal services and related items are high, and would necessarily need trimming if a contract is recommended.

For your records, we are enclosing the duplicate copy of the material submitted by the Applicant in response to our request for additional information.

FRANK E. JOHNSON

Frank E. Johnson

Enclosures

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

ECPeterson/bsl 4/30/68

Form 7
3)

OFFICIAL FILE COPY

Date	Surname	Code
4/30/68	Peterson	120
4/30/68	Kirkham	120
		110
		220
		120M

APR 30 1968

AIRMAIL

B & J Properties
12531 30th N. E.
Seattle, Washington 98125

Re: OME-6703 (Mercury)
B & J Properties
St. Regis Paper Company
Pierce County, Washington

Gentlemen:

This will acknowledge your letter of April 25, 1968, enclosing additional information in support of the subject application for financial assistance.

We are now referring the application for further consideration to Mr. D. R. MacLaren, Field Officer, Region I, U. S. Geological Survey, U. S. Courthouse, Room 656, West 20 Riverside Avenue, Spokane, Washington 99201.

Mr. MacLaren will notify you if additional information concerning the application is needed, and possibly to make arrangements for a field examination.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

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

ECPeterson/bsl 4/30/68

WILLIAM H. PIERRE

April 25, 1968

6703

OFFICIAL COPY
O. M. E.
RECEIVED
APR 29 1968

INITIALS	CODE
glu	130
	120
	110
HK	120
	120

United States Dept. of Interior
Geological Survey
Washington, D.C.

Attn: Mr. Frank E. Johnson

Ref.# OME- 6703 (Mercury)

Dear Sir:

Enclosed please find papers that were missing in our application for a OME loan.

B & J Properties is a family-owned corporation and not affiliated with any other company.

We are willing to provide a Standard Performance Bond Form #25 and a Standard Affidavit of Individual Surety Form #28 on approval of our loan request.

Sincerely yours,

William H. Pierre

B & J PROPERTIES, INC.

Wm. H. Pierre

WHP:bg

WILLIAM H. PIERRE

January 6, 1968

Mr. J.D. Moen, Manager
Seattle First National Bank
Lake City Branch
Seattle, Washington 98125

Dear Mr. Moen:

I would like to apply for B & J Properties, Inc. a $70,000 loan to be used for exploration of a mercury property in Pierce County, Washington near Mt. Rainier owned by St. Regis Paper Company.

The principal sum borrowed could be repaid in monthly payments over a 10-year period, commencing 90 days after the loan has been granted.

Hoping to hear from you in the near future.

Yours very truly,

Wm. H. Pierre

WHP:bg

FOREST PRODUCTS DIVISION ST REGIS PAPER COMPANY 1216 St. Paul Avenue, Tacoma, Washington 98401

April 15, 1968

Mr. William Pierre, President
B & J Properties, Inc.
12531 - 30th Avenue, N.E.
Seattle, Washington 98125

Dear Mr. Pierre:

Enclosed for your information and file is fully executed original copy of Extension Agreement dated April 2, 1968. This document extends the term of the November 3, 1967 Agreement until September 30, 1969.

Yours very truly,

E. S. Sedlacek
Chief Forester

ESS:gm

EXTENSION AGREEMENT

THIS EXTENSION AGREEMENT made this 2nd day of April, 1968, by and between ST. REGIS PAPER COMPANY, a corporation, hereinafter called "St. Regis", and B & J PROPERTIES, INC., a corporation, hereinafter called "Applicant";

W I T N E S S E T H :

WHEREAS, on the 3rd day of November, 1967, St. Regis and Applicant entered into a certain Agreement (hereinafter called "said Agreement") providing for the mineral exploration by Applicant upon certain described property owned by St. Regis and providing for certain options, and

WHEREAS, Applicant desires an extension of the period of exploration and it is to the advantage of St. Regis to grant said extension,

NOW, THEREFORE, St. Regis and Applicant covenant and agree as follows:

1. The first sentence of Paragraph 2 of said Agreement is amended to read as follows:

> "St. Regis grants to Applicant for a period ending September 30, 1969, the right to enter on said property and prospect, drill and explore said property for mercury ore."

2. The date"September 30, 1968" as used in first sentence of Paragraph 7 of said Agreement is hereby amended to read "September 30, 1969".

3. The above two amendments shall become effective the day first written above on this Extension Agreement.

4. In all other respects the terms and conditions of said Agreement shall remain the same.

IN WITNESS WHEREOF, this Extension Agreement is signed the day and year first above written.

ST. REGIS PAPER COMPANY

By: W R Haselton
Its Vice President

"St. Regis"

B & J PROPERTIES, INC.

By: William H Pierce, Pres
Its

By: _____
Its

"Applicant"

STATE OF WASHINGTON)
SS.
COUNTY OF PIERCE)

On this 12th day of April, 1968, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared W. R. Haselton to me known to be Vice President of ST. REGIS PAPER COMPANY, the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument.

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

A A Studhalme
NOTARY PUBLIC in and for the STATE OF WASHINGTON, residing at Tacoma.

January 25, 1968

Commercial Bank of Seattle
3046 N. E. 127th
Seattle, Washington 98125

Gentlemen:

As you know, B. & J. Properties, Inc., have been a customer the past nine years, and during this time have not applied for a credit relationship.

We now, however, would like to apply for the following loan:

Amount: 370,000.00

Terms: 10 Years

Purpose: Exploratory costs on Mercury Property, Legal description; The West 1/2 of the Southeast 1/4 and East 1/2 of the Southwest 1/4 of Section 18, Township 16 North, Range 6 East, W.M.

Your early consideration and reply to this application would be greatly appreciated.

Yours very truly,

B. & J. Properties, Inc.

William H. Pierre

William H. Pierre,
President

WHP:bb

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
4/26/68	Peterson	120
4/26/68	Kirkham	120
		110
4/26	cal	220
		120M

AIRMAIL

APR 26 1968

B & J Properties
12531 30th N. E.
Seattle, Washington 98125

Re: OME-6703 (Mercury)
B & J Properties
St. Regis Paper Company
Pierce County, Washington

Gentlemen:

On March 14, 1968, we wrote you outlining certain information which is necessary to continue the processing of your application. To date, we have not had a reply to the letter. Will your please inform us of your plans regarding the application. If you have decided not to pursue it further, will you please so inform us.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

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

ECPeterson/bsl 4/26/68

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
3/13/68	Peters	120
3/4/68	Kirkemo	120
"	onleave	110
3/14	Call	220
		120M

AIRMAIL

MAR 14 1968

B & J Properties
12531 30th N. E.
Seattle, Washington 98125

Re: OME-6703 (Mercury)
B & J Properties
St. Regis Paper Company
Pierce County, Washington

Gentlemen:

A preliminary review of your application for exploration assistance indicates that the following additional information is needed before we can continue its processing.

Furnish copies of your letters to the two banks requesting an exploration loan. The correspondence should state the amount of the loan, purpose, date, and terms requested.

The names and addresses of affiliated, parent, or controlling companies should be supplied. The attached list mentioned under Item 1(b) of your narration was not received.

Please clarify whether the lease under which B & J Properties control the subject property can be extended. As the lease will expire on September 30, 1968, or perhaps sooner depending upon certain stated conditions, an exploration contract could not be executed under such time restrictions.

We note that the St. Regis Paper Company, the owner of the subject property, has refused to execute the Lien and Subordination Agreements. In this case we must advise you that in the event of an exploration contract, the Government will require you to submit a Performance Bond or an Affidavit of Individual Surety equal to its share of the estimated cost of the work. Please advise if the company is willing to submit such a bond at that time. A Standard Performance Bond Form 25, and a Standard Affidavit of Individual Surety Form 28 are enclosed for your study.

A map or sketch showing the proposed exploration in relation to the property lines and corners should be furnished. The topographic map submitted does not give these details.

We will be pleased to consider your application further upon receipt of the requested information. Nothing in this letter should be construed as a commitment by the Government to grant an exploration contract.

Sincerely yours,

Harold Kihano (glu)

for Frank E. Johnson
Chief, Office of
Minerals Exploration

Enclosures

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

ECPeterson/bsl 3/13/68

March 4, 1968

B & J Properties
12531 30th N. E.
Seattle, Washington 98125

Subject: OME-6703

Gentlemen:

Your application for exploration assistance, dated February 19, 1968, submitted to our office at Spokane, Washington, has been assigned Docket No. OME-6703.

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

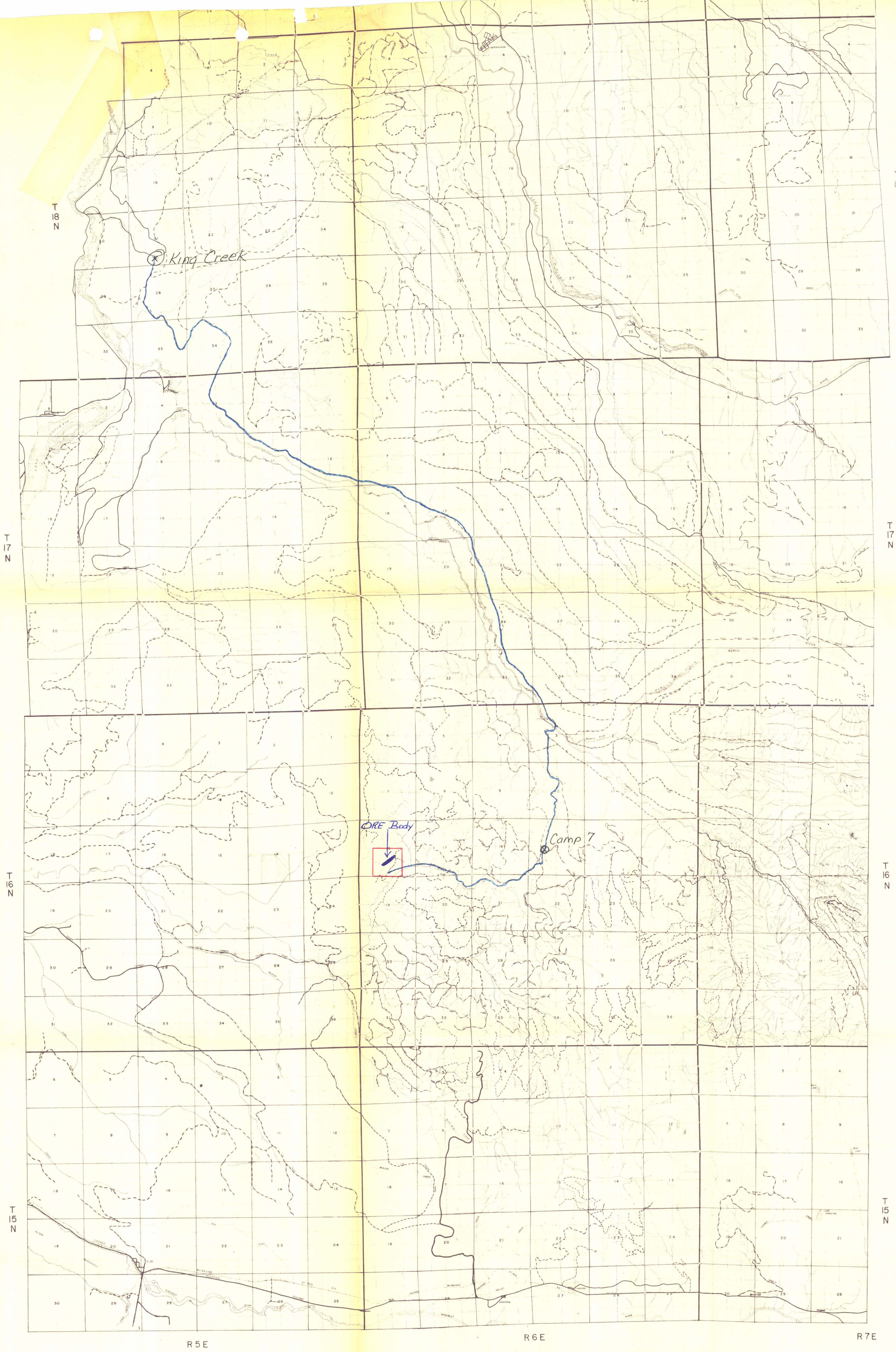


Exhibit A-1

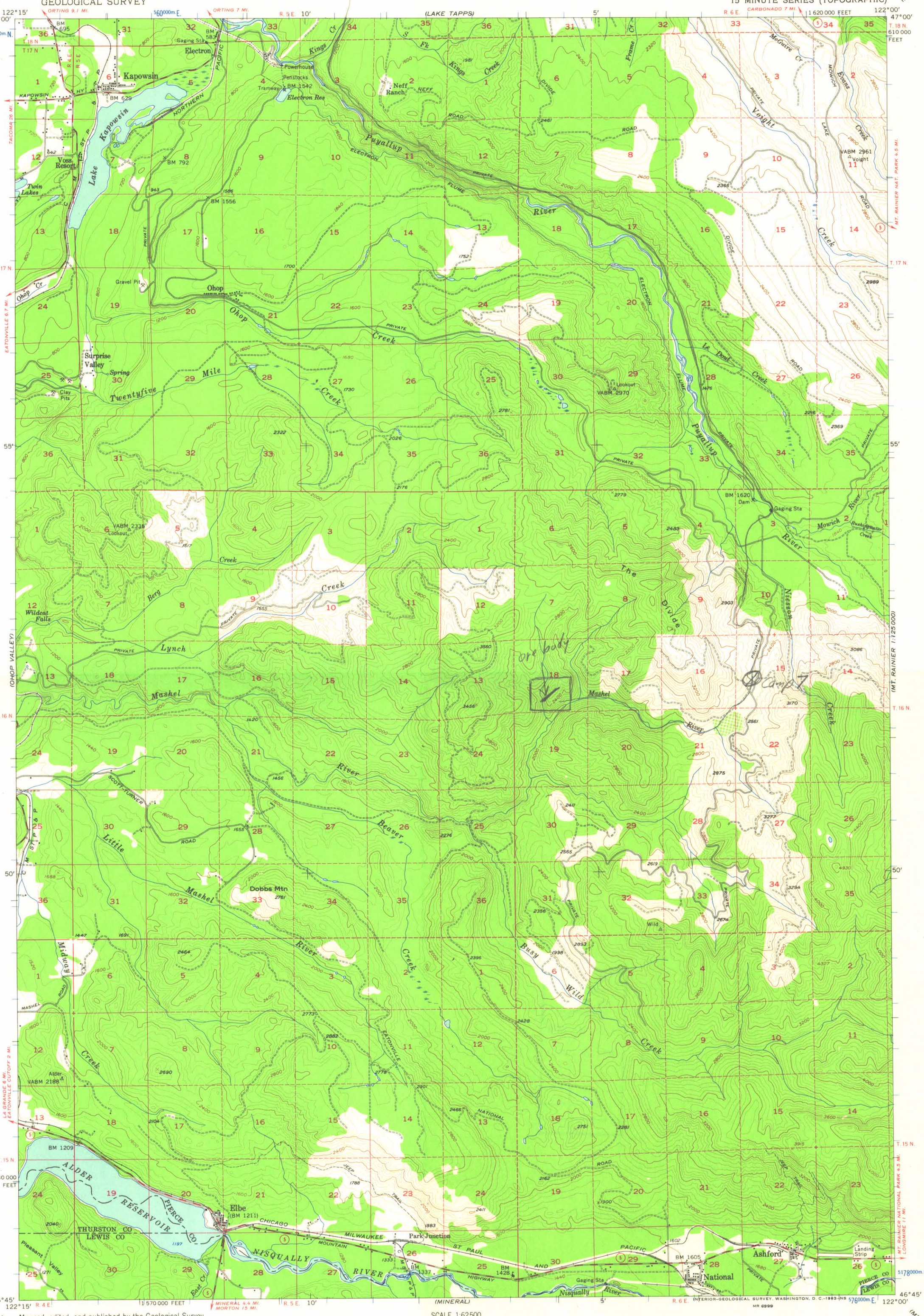
30/342.02

KAPOWSIN FOREST CAMP. CAMP #3

King Creek

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

KAPOWSIN QUADRANGLE
WASHINGTON
15 MINUTE SERIES (TOPOGRAPHIC)



Mapped, edited, and published by the Geological Survey

Control by USGS and USC&GS

Topography from aerial photographs by multiplex methods
Aerial photographs taken 1952. Field check 1956

Polyconic projection. 1927 North American datum
10,000-foot grid based on Washington coordinate system, south zone
1000-meter Universal Transverse Mercator grid ticks, zone 10, shown in blue

Dashed land lines indicate approximate locations

Unchecked elevations are shown in brown

TRUE NORTH
MAGNETIC NORTH
22°
APPROXIMATE MEAN DECLINATION, 1956

SCALE 1:62500

1 ½ 0 1 2 3 4 MILES

3000 0 3000 6000 9000 12000 15000 18000 21000 FEET

1 .5 0 1 2 3 4 5 KILOMETERS

CONTOUR INTERVAL 80 FEET
DATUM IS MEAN SEA LEVEL

WASHINGTON
QUADRANGLE LOCATION

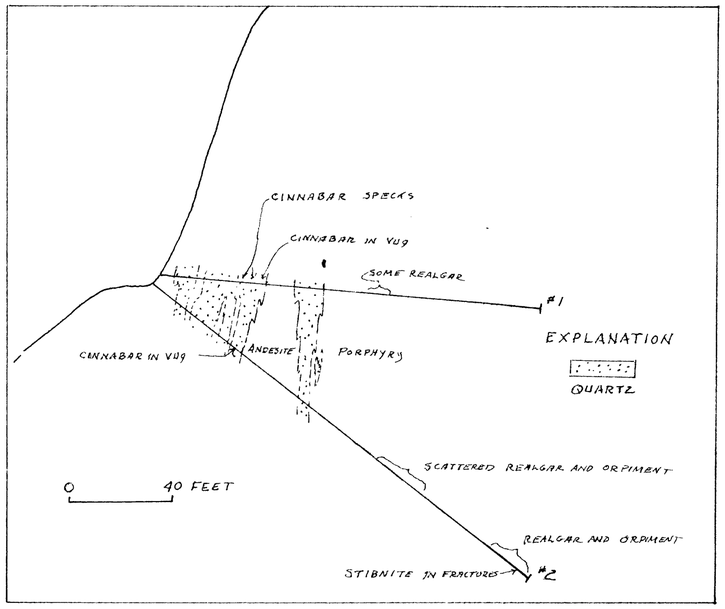
ROAD CLASSIFICATION
Medium-duty — Light-duty
Unimproved dirt
State Route

KAPOWSIN, WASH.
N4645—W12200/15
1956

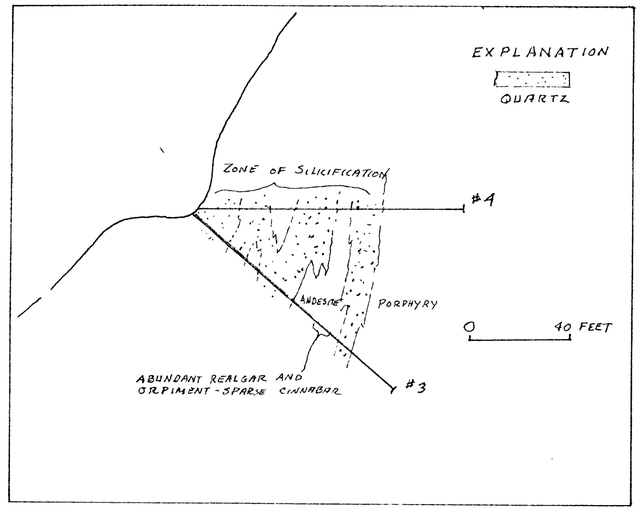
FOR SALE BY U. S. GEOLOGICAL SURVEY, DENVER 25, COLORADO OR WASHINGTON 25, D. C.
A FOLDER DESCRIBING TOPOGRAPHIC MAPS AND SYMBOLS IS AVAILABLE ON REQUEST

Exhibit A-1

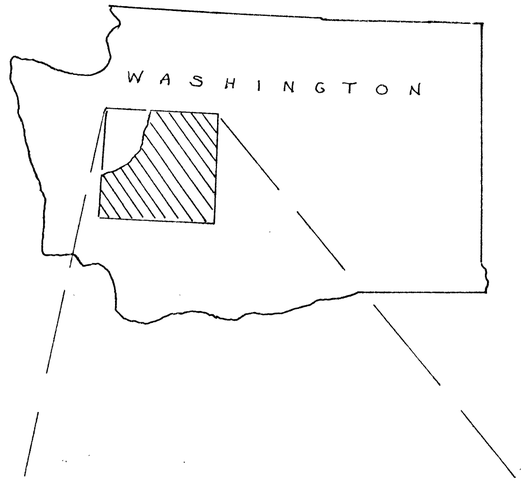
30/342.02

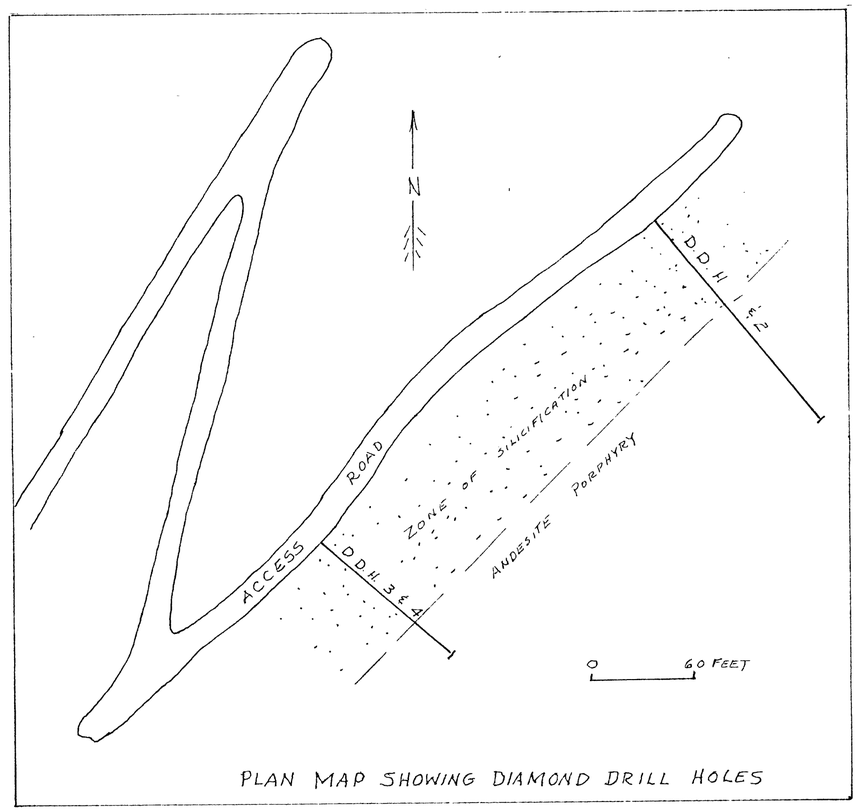


VERTICAL SECTION THROUGH DIAMOND DRILL HOLES 1 AND 2

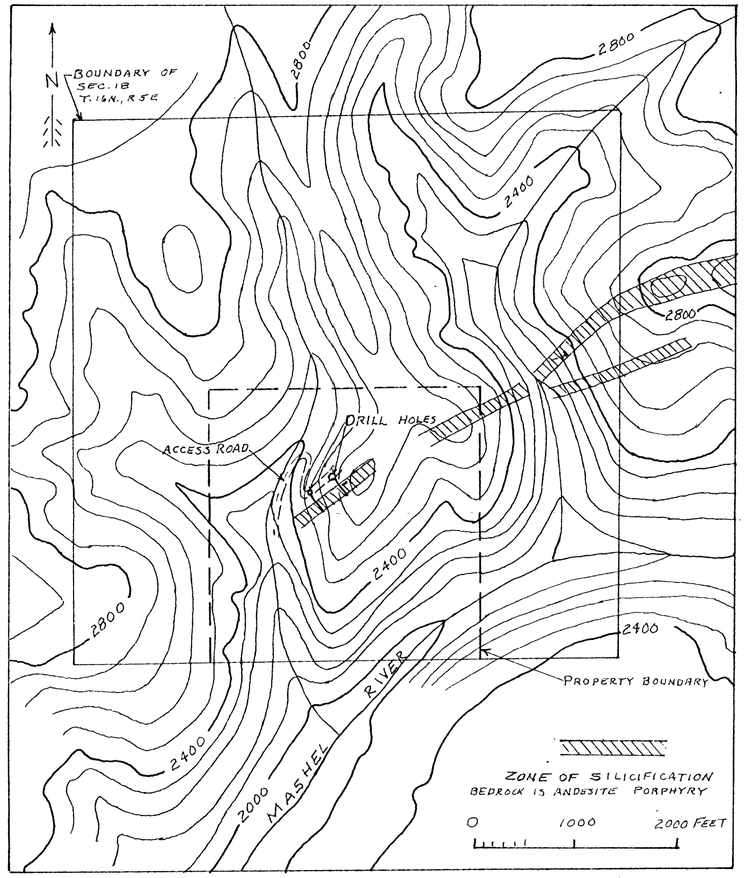


VERTICAL SECTION THROUGH DIAMOND DRILL HOLES 3 AND 4

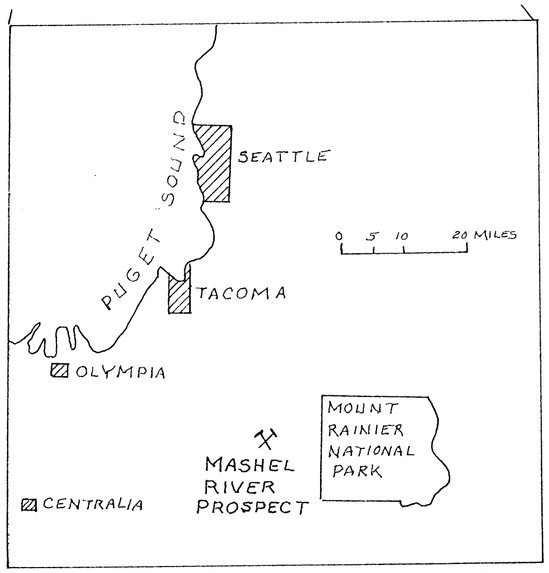




PLAN MAP SHOWING DIAMOND DRILL HOLES



TOPOGRAPHIC MAP SHOWING PROPERTY BOUNDARY
ENLARGED FROM KAPOWSIN, WASHINGTON QUADRANGLE



INDEX MAP - PART OF WESTERN WASHINGTON

COMPILED 8/70 by W.P.P.

FIGURE 1. DIAMOND DRILL HOLE, PROPERTY, AND INDEX MAPS, MASHEL RIVER PROSPECT, S½ SEC. 18, T. 16N., R. 6E., PIERCE COUNTY, WASHINGTON