COPY

Baker, Oregon
February 25, 1923

Mr. J. P. Winter
Portland, Oregon

Dear Mr. Winter:

The following is a preliminary report on the essential points of the Bay Horse Mine.

The Bay Horse Mine is situated in Baker County, nine miles below Huntington, on the Snake River, on the Homestead Branch of the O.S.L. Ry., the R.R. crossing the property; the Idaho Power Company transmission line also crosses the property. Three of the essential things in the development of a big body of ore, are Transportation, Power and Water; these three you have right at the very door of the Bay Horse Mine. Climate plays another important part; the elevation of the Bay Horse Mine is approximately 2000 feet - even at this time of the year they have no snow to handicap the operation.

The property is developed by two tunnels - an upper or main tunnel is driven into the hill some 300 or 400 feet, at a point just below the fault line; this in a measure is a poor location for a working tunnel due to the fact that the ore above the tunnel level, has faulted and moved to the left some 150 feet, and were it not for this fact, gravity stoping could be carried on above the tunnel level - which is much cheaper operation than the present method now employed. The ore deposit as disclosed by this tunnel shows a zone of ore 60 to 80 feet wide, values ranging from shipping ore down to milling grade, say possibly $10. Possibly the total stoping area of the mine, were it all mined together, would show a total value of at least 15 oz. of silver.

When one takes into consideration that 13 feet of cubic feet in place makes a ton, some idea of the tonnage may be had when one thinks of how many 13 cubic feet block it takes to reach across an ore body 60 to 80 feet wide.

The lower tunnel #2, is driven into the hill at a point approximately 100 feet (exactly 135') below the working tunnel, a distance of 220 feet. This tunnel has not been extended into a point to cut the ore body. The contour of the hill is such that a working tunnel approximately 300 feet below tunnel #2 could be driven into the hill, which would develop sufficient ore to run on for years to come. It is approximately 450 feet from the Railroad track to the upper tunnel level (vertically); assuming that the ore shoot is 400 feet long and that the average stoping width is 50 feet, we would then have a block 400 x 400 x 50 feet wide, would show a tonnage of approximately 615,000 tons; and assuming the value is only $10.00 a ton you will have $6,150,000.

Now suppose we go back to the fault line of this property, this took place in the vicinity of approximately 300 feet of the apex of the vein and suppose we run another tunnel in and develop 400 feet of ore, we then have another body 400 x 300 x 50 feet which shows a tonnage of 460,000 tons and in my opinion this ore would be of a higher grade than the other block, referred to, it has been my experience and the experience of some of the most able authors that in all silver deposits we have a zone of secondary enrichment, this usually occurs from the 300 foot level to the surface. My observations have shown me that the present tunnel level or what was termed the Sunshine stope showed the highest grade ore, and the part of the vein that faulted and slipped to the left, was a continuation of this part of the ore.

It is the opinion that a tunnel driven into the ore of this faulted portion would disclose a body of ore and a very large tonnage would be sufficiently high in grade, to ship at a handsome profit; in other words, I am confident that if the faulted portion of this ore body was opened up for stoping that a car load a day could be shipped with a value of at least 40 oz. per ton, and my recommendation would be that this tunnel be driven at once, and the shipping ore put on the market, the profit from which would drive the lower tunnel, install a mill and pay for all necessary expenses that will arise from this operation. I know of no other property, and I speak of those of big mines, that I have had a showing equal to this and as favorable conditions, and I do not hesitate to say that with proper development that the Bay Horse Mine, shows the biggest possibilities of any property that I have ever seen.

The Sumpter Smelter with its basic sulphides for flux, with the Bay Horse for the siliceous part of the charge, would make one of the greatest combinations that it would be possible to put together, but the one essential thing as I see it is to get the absolute control of the Bay Horse Mine, not just simply a managerial control that might be voted out of your hands at some subsequent election, but a control that would be absolute, one that you would have today and tomorrow and 5 years from now.

With proper development and equipment the Bay Horse ore should be mined and milled and development kept up for $3 per ton. I merely mention this assuming that silver may go back to the price of 60¢ per oz. The property would still be capable of producing an enormous profit. The most ideal charge for the Sumpter Smelter would be ore from the Herculean; just at this point let me give you the assay from the samples of the Herculean mine, taken last Wednesday, foot wall streak $14.52 - streak next $25.82 - hanging wall $27.75. 95% of these values are in gold, assuming that we take the Iron Hill for the base of the charge, with contains copper and iron; next we take the Herculean, which is and ideal smelting ore, high in sulphur, together with the values above referred to; then we take the ore from the Bay Horse mine together with some Limestone from our lime quarry - we then have the most ideal charge for the smelter, a minimum of coke would be used and a very high grade Matte could be made, and a smelter would be in an independent position, if the outsider desired to ship ore to the smelter he could do so, as the ore from these three properties

referred to would make a charge, than any ores of the district could be mixed with, making our costs for treating the outside ore very cheap.

I want to recomment that an effort be made to put this Bay Horse deal through and no time should be lost in bringing this about.

Very truly yours,

/s/ W. C. Fellows

COPY

BAY HORSE MINE CONNOR CR. BAKER

August 28, 1950

Mr. V.E. Nelson
Wenatchee, Washington

Dear Mr. Nelson:

You are correct in your understanding that the Bay Horse Mine is now owned by a company known as the U.S. Metals, Inc. This I confirmed through the Baker County Assessors and Sheriff's offices. Taxes are paid by a company representative by the name of Harvey F. Stone, 405 Realty Building, Spokane 8, Washington.

Our records show this property to consist of one patented, and three unpatented claims. It is situated close to the Snake River about 7 miles below Huntington. It is inactive and has been so at least as far back as 1939 insofar as I can determine from notes in our files.

Our records also include three reports as follows (1) Geology and Ore Deposits, Bay Horse Mine, by D.C. Livingston, Jan. 6, 1922; (2) Preliminary Report on the Bay Horse Mine, by Carl Anderson, M.E., Apr. 24, 1923; (3) and informal report on the mine in a letter written by Walter Fellows, M.E., Feb. 25, 1923, to Mr. J.P. Winter. The former individuals were all identified with the mine at various times during the period of peak operation. Fellows was then manager of the Sumpter smelter. The Livingston report covers geologic considerations only. The other two are diverse in their coverage and were apparently written during the formative days of the U.S. Metals Company itself. These represent unpublished reports, but copies can be had for a typing fee of 25¢ per page should you want them. In line with this discussion of available data on the mine I might add that U.S.G.S. Bulletin 846A contains a very comprehensive summary of the geologic conditions prevailing in the mine. This report quotes Livingston extensively but quotes a different report than the one listed above in our files. Bulletin 846A is by Gilluly, Reed and Park.

The foregoing represents about all the information I can give you on the property at this time. Trusting that it answers your questions in a satisfactory manner, I am

Yours very truly,

NSW:mb
cc: Ralph Mason

N.S. Wagner
Geologist

BAY HORSE MINE COPY OF BAKER

COPY

PRELIMINARY REPORT OF THE BAY HORSE MINE

SNAKE RIVER DISTRICT BAKER COUNTY OREGON

By Carl N. Anderson, Mining Engineer. Portland, Oregon
417 Oregon Bldg.

Portland, Oregon
April 24, 1923.

Preliminary Report on the Bay Horse Mine.

On April 5, 1923, I made a preliminary examination of the mining property of the U S Metals Company, which is known as the Bay Horse Mine.

L O C A T I O N

This property is situated on the Snake River about nine miles below the town of Huntington and takes in ground on both the Oregon and Idaho sides of the river. It is reached from Huntington, Oregon by the standard gage railway of the Oregon Short Line.

C L A I M S

This property consists of 25 mining lode claims together with two five acre mill sites, the total having an area of 510 acres. One of these claims is patented and the remainder are held by possessory title by the performance of annual assessment work. This area takes in all of the ground adjacent to the mine that is of value.

T O P O G R A P H Y

The hills along the Snake River are steep and rugged and at the Bay Horse Mine the ore zone is so situated that all of the material above the river level, which consists of 400 or 500 feet of back, can be mined by the gravity system without resorting to hoisting.

T R A N S P O R T A T I O N

As this property is on the standard gage railroad it could not be more ideally situated with regard to transportation facilities. All supplies can be delivered to the mine in carload lots and the ore and concentrates can be delivered direct from the mine or mill to the cars.

G E O L O G Y

The ore occurs in the form of a zone from 60 to 80 feet in width, laying on a contact between andesite and schist. All geological indications favor the continuance of the ore body and values to a great depth.

O R E T O N N A G E

The development work to date has proved not less than one million tons of ore than can be mined, milled and marketed at a profit of $5 per ton. These figures are not based upon the present price of silver, but upon the average price of this metal for a period of ten years prior to the passage of the Pittman Act. This work is all within the ore zone which carries throughout its width and length, as determined by assays in an average of 20 oz. of silver per ton. Parts of this zone contain a much higher silver tenor and ore therefrom is mined and shipped direct to the smelter. This shipping ore occurs in such an extent that hand sorting is unnecessary; the material is shipped just as it is mined out. For example 20 car loads of ore were shipped from material excavated from a cut made for a blacksmilth shop. This material netted $18. to $25. per ton after the freight and smelter charges had been deducted. In the past year the gross silver content of the ore shipped has been approximately 150,000 ounces. There is no question whatever that at least a carload of 50 tons per day can be shipped from this property which will net not less than $10. per ton. The low grade portion of the ore zone is of such a character that it can be concentrated by the flotation process, which is one of the most enconomical processes of ore concentration known to the metallurgical science. Flotation tests on the Bay Horse ore have been made by the General Engineering Company of Salt Lake City, Utah, and they show that 90% of the values can be recovered from the oxidized or surface ore, and 96% from the sulphide or fresh ore.

At the present time the high grade ore is shipped to the Bunker Hill Smelter at Bradley, Idaho, but with the reopening of the Sumpter Smelter at Sumpter, Oregon, the marketing condition on the ore and concentrates would be further improved.

The only faulting in evidence on this property is a plain normal fault occurring about 400 feet above the river level. This fault has shifted a block of the ore about 100 feet out of its original position, but it has in no way complicated the mining of this ore, and, if anything, this fault is in favor of the property as high grade ore of secondary nature has been deposited along this fault line.

G E N E R A L F A C I L I T I E S

The situation of this mine on the standard gage railroad of the Oregon Short Line has already been mentioned. The property is likewise favored as to the electric power supply. The Power line of the Oregon Power Company passes over the property a few hundred feet above the railroad. Being on the banks of the Snake River, water for domestic and milling purposes is at hand in more than amply quantity.

C O N C L U S I O N S

After having examined this property with the view of becoming personally interested, I do not hesitate to say that it is one of the best opportunities for a mining investment that I have ever encountered. For the past twelve years I have followed the mining engineering profession which

has carried me from Mexico to the Artic Circle. I have constantly been on the lookout for a mining property that I considered would warrant my personal investment. I, of course, have seen many that were all that was to be desired, but on these my entry could not be made. I have been through some of the largest mines in the west and I compare the present showing of the Bay Horse equal to many that have paid better than twenty-five million dollars in dividends. Therefore, when the opportunity was given me and my associates to become a part owner in this mine, I took advantage of it without delay. With the organization that the U S Metals Company will have, the Bay Horse Mine will rapidly advance to its proper position, which, in my opinion will be the largest silver mine in the northwest.

Yours very truly,

C.N. Anderson,
Consulting Mining Engineer

417 Oregon Building
Portland, Oregon

July 22, 1958

Mr. Harvey F. Stone
1721 W. Kiernan Avenue
Spokane, Washington

Dear Mr. Stone:

As requested in your letter dated July 17, I am enclosing a typed copy of the letter-report written by Mr. W. C. Fellows regarding the Bay Horse mine.

It was necessary to have this report typed as the original was too light to make a satisfactory photographic copy. The 50 cents you enclosed was sufficient to cover the typing charges.

If we can be of further service to you, please let us know.

Sincerely yours,

jr
Encl.

1721 W. Kiernan Ave
Spokane 13, Washington
July 17, 1958

Department of Geology & Mineral Industries,
State of Oregon
1069 State Office Building
Portland 1, Oregon

Attention Miss June Roberts

Gentlemen:

Thank you for copies of reports on the Bay Horse mine which were received today.

We overlooked asking for a copy of the letter-report from Mr. W. C. Fellows to Mr. Winter, and would appreciate having a photostat of this at your early convenience.

This, I believe, was two pages in length and am enclosing 50¢ herewith. If any additional charge, shall be glad to remit same upon hearing from you.

Very truly yours,

Harvey F. Stone

Harvey F. Stone

HFS/R

June 27, 1958

Mr. Raymond J. Briggs
619 Grove Street
Boise, Idaho

Dear Mr. Briggs:

Pursuant to your telephone call this afternoon we find that the following information is available on the Bay Horse mine in the Connor Creek district of Baker County, Oregon:

1. Statement regarding sampling results, by John Arthur, January 15, 1945.

2. Geology and ore deposits of the Bay Horse mine, by D. C. Livingstone, January 6, 1922.

3. Preliminary report on the Bay Horse mine, by Carl N. Anderson, M.E., April 24, 1923.

4. Informal report on the Bay Horse mine in letter written by Walter Fellows, M.E., February 25, 1923, to J. P. Winter.

5. Bunker Hill and Tacoma Smelter shipment records, 1920-1925.

All of these are on file at the Baker office. As I indicated to you on the telephone our Mr. Wagner will be only to happy to assist you in any way he can and he is thoroughly familiar with the area in question.

Sincerely yours,

Ralph S. Mason
Mining Engineer

RSM:lk

August 11, 1941

Mr. F. Whalley Watson
909 Studio Building
Portland, Oregon

Dear Whalley:

Thanks very much for your letter dated August 10th. I will write our inquirer to the effect that the Bay Horse claim was bought by Roy Magney and Harvey Stone from Baker County under a tax lien, but that in the opinion of competent attorneys the tax title is open to question.

Sincerely yours,

F. W. Libbey
Mining Engineer

FWL:ac

OREGON MINING ASSOCIATION

INCORPORATED
909 STUDIO BUILDING
PORTLAND, OREGON

10-August-1941.

F.W.Libbey-Min.Eng.
State Dept. G & M I,
Woodlark Building,
Portland-Oregon.

Dear Fay:-

Answering your letter 7th re ownership of the Bayhorse Mine, near Huntington. This property was, until 1938, owned in fee simple by U.S.Metals Co., a Washington corporation. Delinquent taxes accumulated and Bayhorse Claim, the one patented claim in the group, was sold by Baker County for taxes in October 1938 to Roy Magney and Harvey Stone for a thousand dollars.

In order to protect a mortgage on the property and to prevent just such a tax sale, suit was entered in the Federal Court in 1929 against the Metals Co., and a Trustee appointed by Judge Fee to take charge and report. The sale by Baker Co., was made while this suit was still pending, the property under the jurisdiction of the Court, and in defiance of a writ of Lis Pendens on file with Baker County. Furthermore John Magney, father of Roy Magney, was a Trustee of the Metals Co, and had full knowledge of the status of the entire matter.

Following the tax sale, in the spring of 1939, Judge Fee dismissed the suit that had been in good standing until that time. The Magneys have enjoyed possession since the tax sale and have done some work I understand.

Advice of competent attorneys is that Baker County had no right to sell the claim while the suit and Lis Pendens were in effect. The tax title is therefore open to question and ownership is in much doubt. My opinion is that a first class lawsuit to quiet title, probably reaching to the Supreme Court, will have to be fought to determine who really owns the Bay Horse.

Cordially yours,

F. Whalley Watson

FWW/f F.Whalley Watson-E.M.

Ward & Ward
unquieted ownership

July 31, 1941

Mr. V. Worsley
Ward and Ward
Sonora, California

Dear Mr. Worsley:

Your letter, dated July 28th containing inquiry concerning the Bay Horse Mine, has been received. Reports on this property on file at this office are rather meager. We have reports that ore was shipped to the Tacoma smelter from 1920 to 1925, but we do not know in what quantity or of what value. Apparently the property has been idle for several years. In his report on the gold belt of the Blue Mountains of Oregon in the Annual Report of the United States Geological Survey, Part II, 1901, Lindgren mentions that the Bay Horse had a small silver production in 1891.

In U.S.G.S. Bulletin 846-A Gilluly, Reed, and Park mention the shipments of ore to the Tacoma smelter and state that "the total production has not been great. The mine was abandoned and inaccessible at the time of the visit." Field work for this bulletin was done in 1929 and 1930. The authors quote from a report by D. C. Livingston published by the Idaho Bureau of Mines and Geology as Pamphlet 13 (1925). This quotation gives the owner of the property as U. S. Metals Company of Portland, Oregon. We do not know of any such mining company in this city.

I am sending copy of your letter to our field engineer, Hugh K. Lancaster, at Baker and asking him if he has any late information on the property and, if so, to give you that information.

Yours very truly,

FWL:vm

F. W. Libbey
Mining Engineer

cc: Hugh K. Lancaster

AUBURN, CALIFORNIA

SONORA, CALIFORNIA

WARD & WARD

MINING AND METALLURGY
ASSAYING AND ANALYSIS

Sonora, Calif.
July 28th.1941.

Dept. of Geology, and Mineral Ind.
Portland, Oregon,

Gentlemen;

Will you kindly give me the following information, If its possible, and without being unethical. The production and former owners of the "Bay Horse Mine" near Rome, Oregon, also the present owner, and if the property is operating. If so how much production are they putting out.

This information will be greatly appreciated, as would an eraly reply, and we do thank you kindly for this.

we remain,
very truly yours,
Ward and Ward.
by J. Ward
Sonora, Calif.

Connor Creek

14-17

52

reopened - 1938

Lindgren says small silver prod 1891

August 7, 1941

Mr. Whalley Watson
2250 N. E. Flanders
Portland, Oregon

Dear Whalley:

We have an inquiry as to ownership of the Bay Horse Mine over in the Conner Creek District. Have heard Hendricks of Baker believes that you would know about it.

If you can give us this information, we would appreciate it.

With kindest regards,

Sincerely yours

F. W. Libbey
Mining Engineer

FWL:hj

STATE DEPARTMENT OF GEOLOGY AND
MINERAL INDUSTRIES
329 S. W. OAK STREET
PORTLAND, OREGON

August 5, 1941

Mr. F. W. Libbey
702 Woodlark Building
Portland, Oregon

Dear Mr. Libbey:

According to Ed Hendricks, the present owner of the Bay Horse Mine is a chap named Magney of Spokane, Washington. He does not know his initials but tells me that F. Whalley Watson would know the details on this mine ownership. As you know Mr. Watson, it might be better for you to write him concerning the ownership.

Sincerely yours,

Hugh

Hugh K. Lancaster,
Field Engineer