

SENeca ASBESTOS

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September 28, 1954

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Mr. W.W. Oughtred, Manager
Asbestos Corporation (Explorations) Limited
Thetford Mines
Quebec, Canada.

Dear Mr. Oughtred;

In line with your recent request I spent a day with Mr. Ray Stithem on the asbestos property which he and his associates have located near Seneca and the highlights of the examination are summarized in an informal manner in the following paragraphs. Before proceeding further however I wish to remind you that we as a department are very definitely restrained by law when it comes to making evaluations of single properties owned by individuals or small groups of people. This is a very fundamental matter of policy and it is also one of the phases of administrative practice which Mr. Libbey takes very seriously. I therefore try to describe the observations I made in as comprehensive a manner as possible in the following paragraphs in order to provide you with a clear and orderly summary of the basic facts from which you can draw your own conclusions, but I refrain as a matter of necessity from offering any specific conclusions concerning the overall worthiness of the property. This makes the writing of reports such as this somewhat difficult sometimes but I am sure you will understand the position we are in when it comes to evaluation of individual properties.

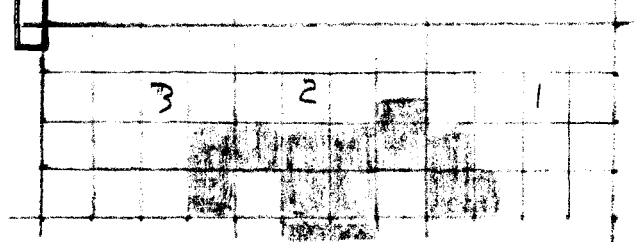
Turning to the subject at hand, the first point to be made is that Mr. Stithem's associates are his brother Warren and Mr. Gail DeWitt of Bates, Oregon, and Frank Keefer plus Mr and Mrs Carall of Seneca, Oregon. These people hold four groups of placer claims containing six claims to the group, taken August 31, 1953. Figured at six claims to the group this amounts to a total of 480 acres.

The property is laid out in a fairly compact manner and it embraces most of the south half of a section plus adjoining portions of the sections adjoining it to the east, west and south. The following diagram gives a general picture of the shape of the plot, but Stithem didn't have his property map with him so that this diagram cannot be considered as wholly accurate in every detail inasmuch as it was prepared on the spur of the moment from his recollections of the original map.

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Legal description puts the location in the S $\frac{1}{2}$ of section 2 and the adjoining portions of sections 1, 3 and 11, township 16 south, range 31 east. This is about four miles east from the paved highway extending between John Day and Burns and six to seven miles from the town of Seneca. Present access to the property is by a dirt road leading to the Forest Services' Dry Soda Lookout.

The country is not characterized by steep, rugged terrain like that with which you contended at Mount Vernon. Rather to the contrary there is only a moderate amount of relief in the form of low and modestly dissected hills within the bounds of the property itself while the terrain between Seneca and the property is an essentially flat valley floor. Another contrast between the setting of these claims and that prevailing at the Mount Vernon occurrence is that these claims are forested. The woods (isnt) nearly as dense as you found it on Stithem's Butte Creek property however. In fact, bare ridges are quite numerous here and it is possible, with a little care, to drive a conventional car to most portions of the property.

Contour maps have not been made for this portion of Central Oregon and as the weather was quite unsettled on the day of the examination I made no attempt to use my aneroid. I cannot therefore quote you any measured figure for elevation at the property. The elevation at Seneca is 4666 feet however, according to the Forest Service maps and my estimation is that the mean elevation on the property is in the neighborhood of 4900 feet. Certainly not much higher.

Wintertime temperatures get quite low in this area. In fact, Seneca is generally noted as one of the cooler spots in central Oregon. I doubt however that wintertime working conditions would be any more severe than those to which you are now accustomed at Thetford, if indeed they would be as severe.

Geologic Considerations;

Serpentine and related rock types such as dunites and peridotites, etc., appear to be the predominate bedrock present within the bounds of the claims. This I established as a matter of firsthand observation. I can add however that Stithem reports that similar bedrock actually extends a considerable distance beyond the property's boundry lines. No attempt was made to trace this bedrock condition outside of the claim area, primarily because of the lack of time, but also for the reason that Stithem reported never having found very ~~much~~ encouraging signs of asbestos in it. Mention of this extra-lateral bedrock situation is therefore made merely for the purpose of illustrating that a fundamentally suitable bedrock appears to be abundantly present in the region at large.

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The bedrock exposures on the property include in-place outcroppings and areas of fine rubble which are essentially in-place and essentially soil-free. The in-place croppings are generally quite restricted in size however as compared with the size of the areas occupied by the residual rubble, but both types of exposure are fairly well distributed throughout the width and breadth of the property. This is especially so along the ridge tops although good exposures also occur along the lower margins of some of the ridges too.

Despite the fact that the foregoing types of bedrock exposure are fairly numerous and quite widely dispersed over the property, the sum total acreage of bedrock exposure probably doesn't amount to more than five percent of the total acreage of land surface contained in the property --- and five percent is a generous estimate. In other words, an estimated 95 percent of the bedrock surface within the claim area is obscured by a soil mantle which effectively prevents examination of the bedrock conditions. No very far reaching conclusion can therefore be made under the circumstances concerning the extent or limitations of the asbestos potentialities on the property as a whole until considerably more prospect development work is done than has been done.

Whether or not such prospect work should be done --- whether or not the showing merits it ---- is of course the \$64 question. The best I can do is to describe the asbestos showings which I saw and then let you take over from there when it comes to analyzing the situation. With that in mind I offer the following remarks.

The asbestos on the property is the chrysotile variety. It works up into fibers which are quite silky and which seem to have a fairly tough tensile strength. In only two instances however were veinlets noted with widths much in excess of one quarter of an inch. These measured approximately one half inch. The usual run of veinlet width seemed to range between one eighth and one quarter inches if thinner widths are disregarded.

Observed asbestos occurrences range from isolated veinlets to local spots in which there are numerous veinlets within a comparatively small area. On the whole however areas of completely barren bedrock are certainly far more prevalent than are asbestos-bearing areas, but in saying this I should in all fairness mention that the cloudy weather which prevailed during the course of the examination made it more difficult to spot asbestos than would have been the case had the sun been bright. Many stringers may have been overlooked accordingly. In any event the areas which contain closely spaced veinlets rarely exceed much more than ten to fifteen feet on a side before petering out or being obscured by overburden.

Offhand I would say that these high concentration areas appear to contain asbestos veinlets about as frequently (numerically speaking) as did the best areas on either the Mount Vernon or Butte Creek occurrences. More significant perhaps is the fact that the asbestos showings are dispersed here over a greater claim surface area than than was initially apparent on either the Mount Vernon or Butte Creek areas. On the other hand the great amount of barren and obviously sub-grade bedrock which is to be seen relative to the rock areas containing interesting amounts of asbestos, and the lack of any especially conspicuous evidence of structural

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control between the presently observable concentrations, serves to suggest the possibility that the nature of the local asbestos occurrence may well be characterized by erratic distribution of small sized zones of mineralization rather than by any single occurrence of large size and sustained veinlet concentration.

By way of conclusion the only summary I can draw is that (1) the presently exposed "hot spots" show an interesting percent of veinlet concentration, but that (2) they are in themselves wholly inadequate in size (tonnage) to be of value from a mining standpoint. As a consequence (3) substantially larger sized zones of asbestos-bearing rock must necessarily be found before the property can justly be regarded as a potentially commercial prospect. (4) Whether or not any such large asbestos-bearing zones actually exist beneath any part of the extensive soil-covered portion of the property is an entirely problematical factor under the present circumstances of exposure and prospect development as there is little or no observable evidence which can be interpreted as directly indicative of the likelihood that hidden concentrations may exist. On the other hand (5) the existant showings are located on widely separated portions of the property thus indirectly indicating that additional occurrences could conceivably be present in the unexplored portions of the property.

Trusting these remarks will serve to clarify your understanding of the prevailing conditions on this property, I remain

Yours very truly

N.S. Wagner