

May 12th, 1921.

Mr. Geo. M. Esterley,
WALDO. OREGON.

My dear George:

The Bureau of Mines, Department of the Interior, has published an article entitled "Technical Paper No. 196 - Notes on the Black Sand Deposits of Southern Oregon and Northern California by R. R. Horner". This is the paper I referred to in our conversation regarding black sands.

With reference to the data on your property I beg to submit the following preliminary figures which I will verify later:

Value of ground worked by Logan upper pit,	
	22 ¹ / ₂ % p.c.y.
Value of ground worked by Esterley upper pit	
	33 ¹ / ₂ % p.c.y.
Increase in value	46%

10 mg
12/4

Value of ground worked by Esterley below Logan's pit	
	50% p.c.y.
Increase in value over Logan's upper pit equals	125%

Value of ground worked by Esterley below Esterley's upper pit	
	80% p.c.y.
Increase in value over upper ground same area	140%

General average all ground upper ^{pit} 26 ¹ / ₂ % p.c.y.	
General average all ground lower pit 50% p.c.y.	
Increase in value from upper to lower	86%

In addition to the data contained in this report I wish to add the following remarks with reference to certain operating results obtained since my prospecting:

Esterley, page 2.

5/12/21

Indicated value of a portion of ground south of Logan pit has demonstrated by prospect shafts equals 26¢ p.c.y, same ground returned by sluicing equals 36¢ p.c.y, or an increase of 40% in value.

Average value of all shafts sunk in 1916 and figured on basis of 40% increase equals 18¢ p.c.y. This I have accepted as value of unworked ground.

YARDAGE AND VALUE BY PROJECTION

Below present upper pit:

250,000 cu.yds. @ 50¢	-	\$125,000.00
200,000 cu.yds. @ 80¢	-	160,000.00

Bordering present upper pit to same depth:

275,000 cu.yds. @ 16¢	-	40,000.00
-----------------------	---	-----------

Below same area:

275,000 cu.yds. @ 30¢	-	75,000.00
1,000,000 cu.yds.		\$400,000.00

Remaining in Sections 22 and 27 -250 acres, containing:

10,000,000 cu.yds.

In Section 15 - French Flat - containing 120 acres with:

here X

6,000,000 cu.yds.		
16,000,000 cu.yds. @ 18¢		\$2,880,000.00
Total- 17,000,000 cu.yds.		\$3,280,000.00

I will write you after my conference with Hamlin. The expenses of my trip amounted to \$44.00.

Regards,
Sincerely,

LAL:EF

BUILDERS

S.S. "NIELS NIELSEN"
 S.S. "HANNA NIELSEN"
 S.S. "LUISE NIELSEN"
 S.S. "S.V. HARKNESS"
 S.S. "JOSIAH MACY"
 S.S. "STOLT NIELSEN"
 S.S. "JEANNETTE SKINNER"
 S.S. "LIEUTENANT DE MISSIESSY"
 S.S. "WESTERN FRONT"
 S.S. "WEST HAVEN"
 S.S. "WESTERN HERO"
 S.S. "TRONTOLITE"
 S.S. "ABSAROKA"
 S.S. "WEST ARROW"
 S.S. "WESTLAKE"
 S.S. "CANOGA"
 S.S. "OSSINEKE"
 S.S. "WESTERN QUEEN"
 S.S. "WEST DURFEE"
 S.S. "WEST LIANGA"
 S.S. "WEST ALSEK"
 S.S. "WEST APAUM"
 S.S. "WEST COHAS"
 S.S. "WEST EKONK"
 S.S. "WEST GAMBO"
 S.S. "WEST GOTOMSKA"
 S.S. "WEST HOBOMAC"
 S.S. "WEST HOSOKIE"
 S.S. "WEST HUMHAW"
 S.S. "WEST LASHAWAY"

SKINNER AND EDDY CORPORATION

PITTSBURGH — LONDON

L. C. SMITH BUILDING

SEATTLE, U.S.A.

S.S. "WEST LOQUASSUCK"
 S.S. "WEST ELCASCO"
 S.S. "WEST MADAKET"
 S.S. "WEST ELDARA"
 S.S. "WEST MAHOMET"
 S.S. "EDENTON"
 S.S. "WEST CRESSEY"
 S.S. "EDGEcombe"
 S.S. "WEST ELCAJON"
 S.S. "EDGEFIELD"
 S.S. "EDGEHILL"
 S.S. "WEST MAXIMUS"
 S.S. "EDGEMONT"
 S.S. "ELDENA"
 S.S. "EDGEMOOR"
 S.S. "POLYBIUS"
 S.S. "EDGEWOOD"
 S.S. "ELDRIDGE"
 S.S. "EDISTO"
 S.S. "EDMORE"
 S.S. "ELMSPORT"
 S.S. "COLORADO SPRINGS"
 S.S. "CITY OF SPOKANE"
 S.S. "WHEATLAND, MONTANA"
 S.S. "STANLEY"
 S.S. "ELKHORN"
 S.S. "ELKTON"
 S.S. "EELBECK"
 S.S. "ENDICOTT"
 S.S. "CRESTON"
 S.S. "ELKRIDGE"

June 12, 1919.

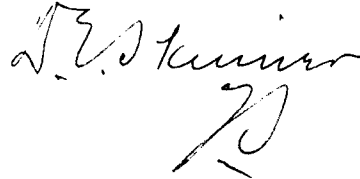
Mr L A Levensaler,
 c/o Tacoma Exploration Company,
 Tacoma, Washington

My dear Lewis:

I thank you for your enclosure of the 10th,
 and I have handed the Bank of California the original request
 to deliver me the 333 shares of stock of Waldo Corporation
 held under escrow agreement with you.

I will be pleased to see you when you are over.
 Mrs. Skinner went to Waldo yesterday, and it is barely possible
 that I will follow on tomorrow afternoon's train to be gone
 four or five days.

Yours very truly,



DES: AES

Tacoma, Washington. June 10th., 1919.

Bank of California, N. A.
Seattle, Washington.

Gentlemen;

Having received full payment of ten thousand dollars (\$10,000.00) in settlement of the escrow agreement between ourselves and D. E. Skinner, dated June 3rd., 1918, wherein 333 shares of Waldo Corporation stock was placed in escrow to be delivered to Mr. Skinner upon final payment; please consider this your authority to deliver certificate for 333 shares to Mr. Skinner upon request.

Very truly yours,

BUILDERS
S.S. "NIELS NIELSEN"
S.S. "HANNA NIELSEN"
S.S. "LUISE NIELSEN"
S.S. "S.V. HARKNESS"
S.S. "JOSIAH MACY"
S.S. "STOLT NIELSEN"
S.S. "JEANNETTE SKINNER"
S.S. "LIEUTENANT DE MISSIESSY"
S.S. "INDIANA"
S.S. "WEST HAVEN"
S.S. "SEATTLE"

SKINNER AND EDDY CORPORATION

PITTSBURGH — LONDON

L. C. SMITH BUILDING

SEATTLE, U.S.A.

S.S. "TRONTOLITE"
S.S. "ABSAROKA"
S.S. "WEST ARROW"
S.S. "WESTLAKE"
S.S. "CANOGA"
S.S. "OSSINEKE"
S.S. "WESTERN QUEEN"
S.S. "WEST DURFEE"
S.S. "WEST LIANGA"
S.S. "WEST ALSEK"
S.S. "WEST APAUM"

July 1, 1918

Louis Levensaler, Esq.,
P. O. Box 1454,
Tacoma, Washington,

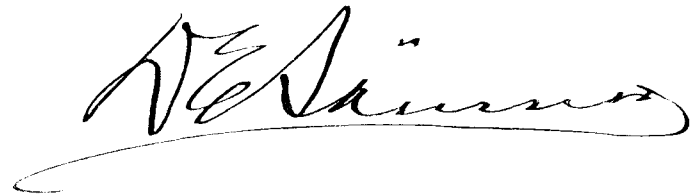
My dear Lewis:

I am handing The Bank of California, N. A., Seattle a check for \$5,000.00 payable to you and Mrs. Levensaler to cover our agreement June 3rd 1918 as part payment on your interest in the Waldo property.

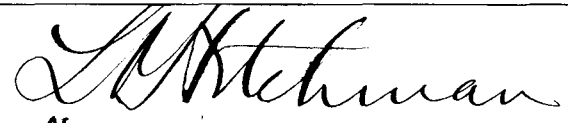
I will request the bank to give me a receipt for this and forward the check to you.

Yours very truly,

DES-D



LVH:GB


Manager

The Bank of California

NATIONAL ASSOCIATION

CABLE ADDRESS
CALBANK-SEATTLE.

CODES USED
LIEBER'S
WESTERN UNION.
A. B. C. 5TH EDITION

Seattle, Washington.

July 2nd, 1918

Mr. Louis Levensaler
P.O. Box 1454
Tacoma, Washington

Dear Sir:

In accordance with your agreement of June 3rd, 1918, entered into with Mr. D. E. Skinner relative to the stock of the Waldo Corporation, we beg to enclose herewith certified check for \$5,000, payable to yourself and wife, being the July 1st, 1918 payment.

Kindly acknowledge receipt.

Yours very truly,

THE BANK OF CALIFORNIA, N. A.

L. H. Ketchum
Manager

LVH:CE

July 6th., 1918.

Mr. D. E. Skinner,
L. C. Smith Bldg.,
Seattle, Washington.

My dear Ned:

I wish to thank you very kindly for your favor of the 1st. I am also in receipt of a letter of the 2nd. from the Bank of California, N. A., Seattle enclosing a check for \$5000.00, being the July 1st., 1918 payment, as per agreement of June 3rd., 1918. I am acknowledging receipt of this to the Bank of California.

I expect to be in Seattle the early part of next week and will call on you at that time and thank you personally.

With kindest regards, I am,

Sincerely,

July 6th., 1918.

The Bank of California, N. A.
Seattle, Washington.

Gentlemen:

I hereby acknowledge receipt of the certified check for \$5000.00, enclosed with your letter of July 2nd; being the July 1st, 1918 payment as per agreement of June 3rd, 1918 entered into with Mr. D. E. Skinner relative to the stock of the Waldo Corporation.

Very truly yours,

San Francisco, Cal.,

April Fourth,

1918.

Mr. W. E. Skimmer,
L. S. Smith Building,
Seattle, Washington.

My dear Ned:--

I have your favor of March the 26th, enclosing copy of my letter of the 18th. As soon as I return to Tacoma, I will furnish you with a more formal document to be filed with the Bank of California.

I am very pleased to hear that the clean-ups at the mine are coming along regular and I hope that the total returns will be far in excess of anticipations. George is a good operator and should make a lot of money out of the mine. The history of most Placer operations is that actual working records are little in excess of detailed prospects.

With kindest personal regards, I am,

Sincerely,

BUILDERS
S.S. "NIELS NIELSEN"
S.S. "HANNA NIELSEN"
S.S. "LUISE NIELSEN"
S.S. "S. V. HARKNESS"
S.S. "JOSIAH MACY"
S.S. "STOLT NIELSEN"
S.S. "JEANNETTE SKINNER"
S.S. "LIEUTENANT DE MISSIESSY"
S.S. "INDIANA"

SKINNER AND EDDY CORPORATION

PITTSBURGH — LONDON

L. C. SMITH BUILDING

SEATTLE, U.S.A.

S.S. "WEST HAVEN"
S.S. "SEATTLE"
S.S. "TRONTOLITE"
S.S. "ABSAROKA"
S.S. "WEST ARROW"
S.S. "WESTLAKE"
S.S. "CANOGA"
S.S. "OSSINEKE"
S.S. "WESTERN QUEEN"

March 26th, 1918.

Mr. L. A. Levensaler,
#255 Monadnock Building,
San Francisco, Cal.

My dear Lewis:

I have been delayed in answering your favor of the 18th, and am enclosing copy of your letter "accepted", as you request. It seems to me that this really should also be accepted by George, but in any event this will serve as a sufficient agreement to cover the details in event it is impossible for any reason unknown at the moment, for you to send a more formal document to file with the Bank of California, to be attached to the escrow agreement resting there covering your prospective third interest in the Waldo Mine.

I am sending a copy of this to George. He was here about two weeks ago for a couple of days, in conference with Mr. Leehey regarding his Alaska litigation. He says everything is going well at Waldo and they can make a clean-up any time. I have not heard since his return, whether he has made a clean-up, but presume he can at any time. His clean-up during the middle of January was approximately \$8,000. He still seems to think he can dig a hole in the earth where they were working last year and make it pay. He thinks your report of the values, confidentially, was bum. Take this as a joke, please.

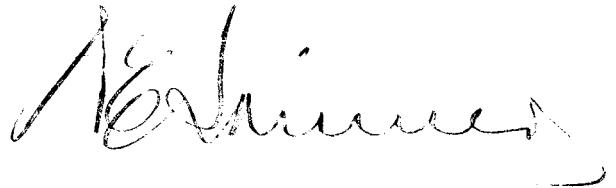
L. A. Levensaler

-2-

March 26-1918.

I will anticipate, as you advise, that upon your return to Tacoma and at your earliest convenience, you will furnish a sufficient document to be attached to the escrow agreement at the bank.

Yours very truly,

A handwritten signature in cursive script, appearing to read "L. A. Levensaler", written in dark ink.

DES-Y

March 18th, 1918.

Mr. D. E. Skinner,
L. C. Smith Bldg.,
Seattle, Wash.

My dear Ned:-

I have your letter of March 2nd, referring to the Logan Mine, and I beg to ask your apology for the late reply, as I have been away in the hills on examination work.

My return to Tacoma has been greatly delayed and I will probably not return until the middle of April. In the meantime if there is any change in my report that Victor can take up by correspondence, kindly ask him to address me at 255 Monadnock Bldg., San Francisco, and I will give it prompt attention. In any event, I will call on you upon my return to the Northwest.

This letter will serve as an agreement to you that I will sell my One-third prospective interest in the Logan Mine as described in escrow agreement in the Bank of California at Seattle, and you agree to buy same as per previous correspondence on following terms.

Price Ten Thousand Dollars; five thousand dollars due by end of working season 1917-18, and five thousand dollars due by end of working season 1918-19. The second five thousand dollars may, however, be paid during working season of 1919-20, if more convenient to you. The second five thousand dollars or any part of it if not paid by close of working season 1918-19, will draw interest at the rate of 6% per annum until paid.

but in any event, total amount to be paid by close of working season 1919-20.

The above I will verify by letter after my return to Tacoma, referring to dates of previous correspondence etc, and legal document in escrow Bank of California, Seattle.

Upon payment of the Ten Thousand Dollars, I agree to notify the Bank of California, without delay, to release to you the agreement now held by them in escrow.

I hope the above covers the case as requested in your letter of March 2nd, if not return same for necessary changes. If agreeable to you, kindly sign copy, accepted, and return to me.

With best wishes and personal regards, I am sincerely,

L. A. Jerusalem

agreed:

Clara L. Jerusalem

accepted:

[Signature]

BUILDERS
S.S. "NIELS NIELSEN"
S.S. "HANNA NIELSEN"
S.S. "LUISE NIELSEN"
S.S. "S.V. HARKNESS"
S.S. "JOSIAH MACY"
S.S. "STOLT NIELSEN"
S.S. "JEANNETTE SKINNER"
S.S. "LIEUTENANT DE MISSIESSY"
S.S. "INDIANA"

SKINNER AND EDDY CORPORATION

PITTSBURGH — LONDON

L.C. SMITH BUILDING

SEATTLE, U.S.A.

S.S. "WEST HAVEN"
S.S. "SEATTLE"
S.S. "TRONTOLITE"
S.S. "ABSAROKA"
S.S. "WEST ARROW"
S.S. "WESTLAKE"
S.S. "CANOGA"

March 2, 1918

Mr. Lewis Levensaler,
P. O. Box 1454,
Tacoma, Washington,

My dear Lewis:

Victor desires that you discuss with him, as early as is convenient, some change in your report regarding the Waldo Mine. When it is opportune for you will you kindly do so?

May I remind you that yours and Mrs. Levensaler's agreement for the sale of your interest in the Waldo mine should be forwarded as quickly as possible?

Yours very sincerely,

DES-D



BUILDERS

S. S. "NIELS NIELSEN"
S. S. "HANNA NIELSEN"
S. S. "LUISE NIELSEN"
S. S. "S. V. HARKNESS"
S. S. "JOSIAH MACY"
S. S. "STOLT-NIELSEN"
S. S. "JEANNETTE SKINNER"

SKINNER AND EDDY CORPORATION

LONDON — PITTSBURG — CHICAGO

L. C. SMITH BUILDING

SEATTLE, U. S. A.

January 19th, 1918.

Mr. Lewis Levensaler,
P. O. Box #1454
Tacoma, Wash.

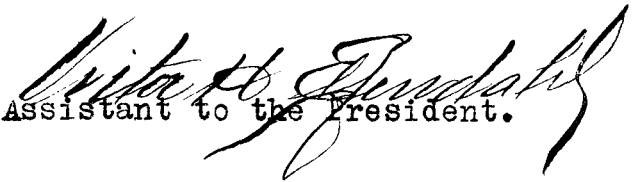
Dear Mr. Levensaler:

Mr. Skinner has handed me your favor of the
14th inst.. At the first opportunity I will have
Mr. Fleming give me the full particulars of the Nickel
property on Chicago Island and will transmit these to
you immediately when received.

Thanking you for the interest you have shown
in this matter, I remain,

Yours very truly,

VHE-Y


Assistant to the President.

SKINNER AND EDDY CORPORATION

L. C. SMITH BUILDING

SEATTLE, WASH.

WORKS:
FOOT OF MASSACHUSETTS ST.

January 16, 1918

Mr. Lewis Levensaler,
P. O. Box 1454,
Tacoma, Washington,

My dear Lewis:

I have your valued favor of the 14th inst., and thank you for your sincere offer of assistance at any time, and we certainly shall not hesitate to call on you.

The investment in the Waldo Mine I am convinced will prove satisfactory if we can keep the expenses down to such an extent as to allow the production of the mine to net us the amount it should. In my estimation the whole problem is solved in the question of expense of operation and not, at least for a number of years, in the amount of gold to be mined.

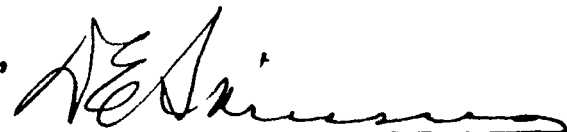
As your prospective interest in this property is in the form of a legal document in escrow in The Bank of California, N. A., I request that you be kind enough to send me a formal release signed by yourself and Mrs. Levensaler to be attached to these papers in the bank, subject, of course, to the payments as outlined in our exchange of communications.

I also note your very kind suggestion in regard to pipe that might be of service to George, and am passing him copy of your letter.

Mrs. Esterly is here but I have not as yet had the pleasure of seeing her.

Yours very truly,

DES-D



January 26, 1918.

Mr. D. E. Skinner,
L. C. Smith Building,
Seattle, Wash.

My dear Ned:

I wish to thank you for your favor of the 16th, and will attend to your request regarding a formal release to be attached to the legal document now in escrow in the Bank of California.

I will be back in Tacoma in a couple of weeks and will call on you at that time.

With kindest regards, I am

Yours very truly,

BUILDERS

S. S. "NIELS NIELSEN"
S. S. "HANNA NIELSEN"
S. S. "LUISE NIELSEN"
S. S. "S.V. HARKNESS"

BUILDERS

S. S. "JOSIAH MACY"
S. S. "STOLT-NIELSEN"
S. S. "JEANNETTE SKINNER"
S. S. "LIEUTENANT DE MISSIESSY"
S. S. "NIKKOSAN MARU"

SKINNER AND EDDY CORPORATION

LONDON — PITTSBURG — CHICAGO

L. C. SMITH BUILDING

SEATTLE, U.S.A.

January 11th, 1918.

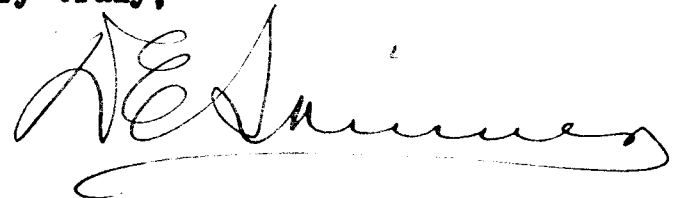
Mr. Lewis Lavensaler,
P.O. Box #1454
Tacoma, Wash.

Dear Lewis:

I am in receipt of word from George Max confirming my suggestion that we accept your proposal for your prospective third interest in the Waldo Mine. This is to advise you of our acceptance, with the reservation on my part that if it should be impossible for us to pay in equal amounts the total sum of \$10,000. for your interest, one-half from this year's clean-up and one-half from next year's, that you will be kind enough to permit any balance due, with 6% interest per annum, to run for the third year's clean-up, if it is not convenient for me to personally take care of it.

Kindly favor me with written agreement for our files and greatly oblige,

Yours very truly,



DES-Y

January 14th., 1918.

Mr. D. E. Skinner,
L. C. Smith Bldg.,
Seattle, Wash.

My dear Ned;

I am in receipt of your favor of the 11th, outlining the terms of settlement for my prospective one third interest in the Waldo mine. This is to advise you of my acceptance of your proposition.

I wish to thank you kindly for your personal interest and for all that you have done for me. If I can be of any service to^{you}/at any future time do not hesitate to call on me.

I hope that your investment in the Waldo mine will prove to be a very satisfactory one.

With personal regards, I am,

Yours, Very truly,

Spokane, Wash., Sept. 27, 1915.

Mr. G. M. Esterly,
1031--23rd Ave. No.,
Seattle, Wash.

Dear George:

I am enclosing an article from the Engineering & Mining Journal of August 7th, which describes in detail the gold placers of the Waldo district, Oregon.

The principal operator here is James Logan who is working his own ground and the Osgood ground under a two year lease.

On the Logan ground bed rock is flat and the gravel must be elevated. By this method he has worked out a cut, covering 6-1/3 acres to a depth of 27' and removed 275,000 cu. yds. from which has been cleaned up \$65,000 or a little over 23 cents per cu. yd.

This represents two seasons' work, a season being about 6 months from November 1st to May 1st, which varies according to the rain fall.

What the net value has been, I do not know, but there is a good margin of profit. Logan states five men run the entire plant, however, I don't believe this includes himself and a ditch man.

The property embraces 300 acres now-patented and 1200 acres of patented ground, one-half of which can probably be worked. His water rights give him about 13,000 inches which

Mr. C. M. Esterly-2-

is the bulk of the water of the several ditches although more could be had by enlarging the ditches.

In addition, the equipment consists of 3 miles of good pipe, giants and a new 10 k.w. plant for lights, etc.

The mine is held at \$300,000 on terms. It is doubtful if the property is worth this, but I do consider it is worthy of a thorough investigation and negotiation for other terms.

The Osgood Mine

Lies just south of the Logan, but is mostly bench. The bed rock has a steep grade and plenty of dumping ground. The gravel, however, is partially cemented and shooting would have to be employed, as I doubt very much if the giants would break it up sufficiently.

Reliable, previous records as to the value of the ground are not available, however, considerable ground has been worked and Mr. Logan is now preparing to resume operations this fall and winter.

During 1913, 1914 and up to Feb. 10th, 1915, Logan had won from the ground \$13,150 from an area 300' x 160' x 30' deep, approximately 24¢ per cubic yard. It is impossible to get these figures exact, not knowing the extent of the old workings before the recent operations. (See pictures in accompanying article).

The Osgood holdings include 40 acres of patented

Mr. G. B. Waterly -3-

ground and 594 acres of non-patented, possibly half of this is workable. The ditch and water right gives as near as I could ascertain without looking up the records about 2800 inches.

This ground, like the Logan carries its best values in the upper gravels and not close to the bed rock.

In both cases the wash is light, no boulders of any size.

The property can be had for \$60,000 on terms.

I would suggest you take a trip down there during the working season and look the properties over.

There is other ground on Sailor Gulch owned by Wm. Harris of Spokane, that can also be purchased. This is the property you referred to me a year ago, that was worked by the Chinese.

The district has produced a great deal of gold and there still remains considerable ground yet to be prospected.

Very truly yours,

Copy.

Grants Pass, Ore., Oct. 1, 1900.

Mr. Adam Hay Anderson,
Apartado 866,
Mexico, D. F.

My dear sir:

As per your request, I submit the following report on the ground formerly known as the "Chinese Derrick Ground", situated about forty miles west of Grants Pass, Oregon, and about 1 1/2 miles from the town of Waldo; lying adjacent to the celebrated Simmons & Wymer Hydraulic Placer Property, which has been worked for nearly forty years and can be worked on a large scale for a much longer period.

The ground known as the "Sailer Diggings" or "Chinese Derrick" ground has been from its inception and is today the richest ground in Oregon, and for that matter, on the Pacific Coast. In the early '50s, 1851 and 1852, gold was discovered here by a party of sailors who deserted their vessel at Crescent City and, making their way inland sixty miles, found coarse gold in "Sailer Gulch" at the present town of Waldo. The news spreading, soon brought a rush of twenty or thirty men to the locality; thence they branched out in the Althouse, Scott's Gulch, Allen's Gulch and numerous small gulches in the vicinity, where the surface clear to the top of the hills adjacent to these draws and gulches paid a handsome return from the grass roots. But like all placer camps, as soon as the rich shallow dirt in the gulches was exhausted of the cream of its wealth, the camps were deserted for new Eldorados, yet today mining is carried on in a desultory fashion in the same gulches and remunerating a few men for their labor.

At the foot of these gulches is a large flat or basin, quite deep and varying in width from one-fourth of a mile to several miles, through which flows the Illinois River. In a few places,

notably the mouth of Sailer's Gulch, where the gold was first discovered and the richest of all the gulches, the surface was worked by excavating to a depth of 15 feet; but the ground being so flat and there being no dump for the tailings, it was never worked to any extent by white men and no one knew the value or even the depth of this ground until a Chinaman, named Weng Back Fong, leased the ground from one James Lyttle, the owner by location, for a period of ninety-nine years. This was some ten years ago. By building a dam on the creek and constructing some ditches, he was enabled to get water for his sluice boxes and Chinese wheels, of which he had built three; two to operate pumps and one for the derrick. He hired mostly Chinamen, occasionally white men and would generally commence operations about May 15th and be in active operation until about the middle of September, a period of four months, during which time the water in the Illinois River was at its lowest stage. This work, slow and laborious, was the crudest kind of placer mining; hoisting the dirt out of the pit with a derrick and dumping the same into sluice boxes fitted with ordinary pole riffles, which involved great loss in the tailings, as subsequent examination has shown. After nine years of operation, his excavation was forty-one feet deep and from which was taken about 50,000 cubic yards. The heavy material was piled back in the hole and a large force of Chinamen were employed forking the remainder out of the boxes to keep it from choking the riffles, as the boxes were set on a grade of only two inches to twelve feet. On account of the limited power of the pumps, they were unable to raise from a greater depth than forty-one feet, consequently could not mine below this level. However they sunk a shaft fifty feet deep in the bottom of the excavation, which gave a total depth at this point of ninety-one feet. At this depth quick-sand was encountered and the shaft abandoned. There was an eye witness to the fact that this shaft penetrated exceedingly rich ground and from various strata, pans of dirt were taken, which would

Chinamen could not contend, working to this depth and getting rid of the tailings, so he contented himself with working the upper forty feet a short time every year during the dry season, and was in continual fear of having his ground jumped or less it on some legal technicality. Chinamen were in disfavor throughout this part of Oregon and on several occasions some of them had been run out of the country by mobs, when it was known that they were making wages out of placer ground. This Chinaman had had his sluice boxes robbed several times and was very wary about making known the richness of his ground. It is a well known fact that for two or three years he was in debt, not making enough while stripping the upper fifteen feet of ground overlying the rich gravel to pay the expenses of his numerous laborers and the cost of improvements, consisting of dams, flumes, ditches, Chinese wheels, derrick, etc. In the meanwhile, after he had sunk his shaft forty feet finding rich pay below him and on the strength of which Wymer Brothers, who operated a store at Waldo, after making a survey and examination, backed him in his enterprise, so that in the spring of 1899, when the sale of this ground was consummated, the Chinaman's books showed an expenditure of \$59,000 for labor and supplies. What his profits were, no one can tell, but today he is a Banker in Hong Keng, doing a large business and reputed to be worth \$250,000, all of which he must have taken from this ground.

The bed rock is serpentine, cut by some perphyry dikes, schist and trap rock. The gravel below the first eleven feet is of medium size and composed of pebbles of diorite, chlorite, schist, clay etc., lying in beds of strata. The first stratum is about eleven feet thick, consists of wash from the Illinois River and contains gold to the value of about 10 cents per yard, which is sufficient to pay the expense of its removal. This overlies a stratum of reddish clay, well mixed with gravel, resulting from the decomposition of an iron bearing perphyry.

The gold in this is medium size, being coarser than that lying below it. This stratum is two feet in thickness and has a value of \$2.75 per cubic yard. This rests on a rather heavy and compact clay, carrying a value of more than \$1.00 per cubic yard, but which is not counted on for value whatever, although it can be saved. Under this is a very rich stratum of the celebrated red gravel, containing gold to the value of \$16.03 per cubic yard, places in this gravel actually panning 75¢ per pan, or approximately \$75.00 per yard. The balance of the ground to the 41 foot level being clay intermixed with sufficient gravel to permit thorough disintegration during the process of washing and carrying a value of 27¢ per cubic yard. Below this is a fifty foot shaft, at the bottom of which, quick-sand was encountered precluding further sinking operations. Throughout its entire depth the shaft averaged \$1.00 per cubic yard and like the upper forty-one feet, the gravel was in numerous strata of pay streaks, some of which were exceedingly rich.

These results were obtained by an expert placer miner, a Cornishman of many years experience in sampling placer mines, and are verified by Mr. I. D. Hammond of the Hammond Manufacturing Company, who at one time offered to lease the ground of the English Canadian Company and pay \$5000.00 for this privilege, which was refused. A dredge was purchased of the Hammond Manufacturing Company and placed upon the ground, but it proved to be too weak and in every way inadequate to handling the gravel, breaking down so often that it was impossible to run continually for forty-eight hours. As it was set up on the lower end of the claim on worked out ground, no values were obtained and the breaks in the machinery caused delays for repairs of from two to six weeks. This dredge was recommended by a man named J. S. Windell, who posed as a placer mining and dredge expert; but testimony in a trial, in September, 1900, in the case of J. S. Windell against the English Canadian Company, proved that the said J. S. Windell had been an assistant

and book-keeper in a produce and commission house in Seattle, from which place he went to North Bend, British Columbia, and worked as a laborer and roustabout for four months on a dredge owned by the Beatty Gold Dredging Company, managed by Mr. Symmes. This dredge was of the dipper type, taking in sufficient material in the bed of the river. From this position he came to Waldo, on the recommendation of Mr. Harry White, an intimate friend of his, who vouched for him. A subsequent operation of the dredge showed his utter incapacity to manage it, as well as the inability of the dredge to dig even in the lightest material on the tailings ground. At this time I was employed by Mr. W. J. Harris to ascertain what the difficulty was and to examine and take charge of the property, he having in the meantime discharged Mr. Wendall. After examination of the ground and equipment, I saw at once that it would be an impossibility to dig with this machinery and suggested some improvements, which were carried out and were successful, as far as they went, reducing by \$12.00 the daily running expense and permitting the digging of ground that could not be excavated before. Still the dredge could not be made strong enough without remodeling the entire hull and machinery, realizing this fact, I advised Mr. Harris to confine himself to shallow operations until he got into the Chinese pit and there make a test run, if practicable, before the machine became a total wreck. This was done, although a great deal of time was consumed by stoppages for repairs, whilst skimming the top soil. The main shaft was twisted and the lower shaft on the digging ladder was broken several times, also the end of the digging ladder breaking off caused a great deal of expense in delay. On getting into the excavation and pumping the water down with a pump on the dredge, it was discovered that the tailing piles in the pit prevented the turning of the boat, so that a small area only could be excavated. This was partly due to the fact that a point of clay extended out into the excavation from top to bottom and this

had to be dug away before a face could be had to work to. Therefore the amount of gravel excavated was not a fair test as the part of the time was consumed in squaring off this obstruction to the handling of the boat, and also the material excavated carried the least value, only a small portion of the rich stratum being dug.

Two clean ups were made, the first from the upper eleven feet before lowering the water, the second from the thirty feet below this.

The accompanying table shows the value per cubic yard, the number of yards excavated and the number of hours run. The net result is 57 $\frac{1}{2}$ ¢ per cubic yard, a splendid showing, even under these adverse circumstances and giving some idea of the immense richness of the ground.

With proper dredging machinery, which can easily be bought to handle 1,000 or more cubic yards per day, this ground can be made to pay handsomely in a short time and be a very bonanza for its owners. There are other ways by which this deep and rich deposit might be worked, namely, the hydraulic elevator system. Water could be obtained from a high ditch under 400 feet head, but it would have to be purchased from the ditch company. However dredging is no experiment, as the handsome returns in New Zealand, on ground very poor compared with this, will show. There is in addition to this original claim of sixty acres, 180 acres adjacent which is nearly, if not quite, as rich. The deep channel runs through this and some of the surface ground was paid handsomely, with rockers. This is a valuable acquisition, making the property, when properly equipped, worth at the lowest estimate \$1,000,000.00 and one of the most valuable blocks of placer ground on the Pacific Coast.

Respectfully submitted,

Signed

Geo. M. Williams