

Sleeper Mine wakes geologists to prospects in southeast Oregon

By DICK COCKLE

Correspondent, The Oregonian

VALE — Fired by gold strikes in Nevada and elsewhere in the West, modern prospectors are quietly criss-crossing the vastness of southeastern Oregon, looking for the yellow metal — and finding it.

Corporate mining geologists have discovered at least two dozen potentially rich sites, or prospects, in a sprawling region of mountains and high desert bounded by Jordan Valley, Burns Junction, Burns and Weiser, Idaho.

Geologists call the area the Vale-Weiser District, and at least one of those prospects will become a major new mining operation within three years, predicted Mark Ferns, an Oregon Department of Geology and Mineral Industries district geologist in Baker.

"They are moving along real fast," he said. In addition, more potential bonanzas are discovered each year within the region, which Ferns believes could become "the premier gold district in the state."

"Historic production (of gold) in Oregon was slightly under 6 million ounces, and I think it's reasonable to suspect, at least from geologic conditions, that country down there is likely to hold as much gold as previously produced in the entire state," he said.

Ironically, as little as 10 years ago the region wasn't considered a likely gold producing area.

Some of the firms doing exploratory work on gold claims are shoe-string affairs formed by one or two geologists, while others are "some of the largest corporations in the United States," Ferns said.

Southeastern Oregon's gold rush was sparked in large measure by discovery of the open-pit Sleeper Mine near Winnemucca, Nev. Operated by

Nevada Gold Mining, a subsidiary of AMAX Inc. of Greenwich, Conn., which put it into production in 1986, its red and green ores contain the richest-known gold deposits in the nation.

Within six months of the Sleeper Mine's start-up, it yielded enough gold to pay off \$27 million in exploration and development costs. It is ringed by a razor wire-topped fence and guarded by a security force armed with riot shotguns.

Part of Atlas Precious Metals Inc.'s "model" in searching southeastern Oregon for the geologic features that led to the discovery of the Grassy Mountain Project south of Vale was the Sleeper Mine. Atlas' model also included the rich Paradise Peak Mine near Gabbs, Nev., and Broadlands Mine in New Zealand, said Chris Broilli, a geologist and district manager for the company.

Despite the relatively low price of gold — hovering around \$400 per ounce, or 10 percent under what it was last year at this time and half the historic high in the early 1980s — the mining industry is booming. The United States currently produces more gold than at any other time in its history, more than 4 million ounces last year, and has become the third-largest producer in the world, recently edging Canada out of that slot.

New mines are coming on line almost monthly in Nevada, and recent strikes have been made in California, Montana, Idaho and Washington. The Idaho land board recently put up 17,000 acres of Owyhee County, near the Oregon border, for competitive bidding, after a recent announcement by a company called War Eagle Mining of a "world-class ore body" near Owyhee Lake in southeastern Oregon.

That ore body is south of Silver

City near the Idaho-Oregon border, and not far from the Delamar Mine, the nation's largest operating open-pit silver mine, near Jordan Valley, Ore.

Another potential bonanza, known as Idaho Almaden, is under study near Weiser, Idaho, just across the Snake River from Oregon, by a Canadian company called Ican Ltd., Ferns said.

Developing a mine usually is a lengthy endeavor, with companies required to assure numerous state and federal agencies that the operation won't pollute the air, contaminate streams and ground water, or damage wildlife winter range, Ferns said.

And a plan must be in place to reclaim the site when mining ends, he said.

"You just can't go out and dig a hole anymore," the geologist commented. "There's a long way between discovering a prospect area and blocking out enough ore-grade material to justify a mine. All we're in right now is the embryonic stages."

Most of the gold discovered in southeastern Oregon so far has been "micron gold," invisible under an ordinary microscope. But Ferns believes veins as rich as those at the Sleeper Mine could be discovered in Oregon.

And should that happen, the economic impact on small, isolated communities, such as Vale and Jordan Valley, could rival what is happening to Elko, Nev. That city is in the midst of what the Minneapolis Star and Tribune termed "a monster of a gold rush."

"From what I hear, you can't keep people in the casinos when they can go out to the gold fields and make \$30,000 a year" by working for a mining company, Ferns said.

SOURCE: THE (PORTLAND) OREGONIAN

DATE: FEBRUARY 12, 1989

COMMODITY SECTION: NONFERROUS

STATE ARTICLE CONCERNS: OREGON, ETAL.

217