STATE GOVERNING BOARD

W. H. STRAYER, CHAIRMAN, BAKER ALBERT BURCH . . . MEDFORD E. B. MACNAUGHTON . PORTLAND

EARL K. NIXON

F. W. LIBBEY MINING ENGINEER JOHN ELIOT ALLEN



Indiana Mire

FILE IN THE ROOT STATE ASSAY LABORATORIES

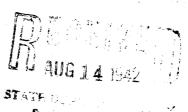
RAY C. TREASHER FIELD GEOLOGIST

2102 COURT ST., BAKER HUGH K. LANCASTER FIELD ENGINEER

## STATE DEPARTMENT OF GEOLOGY AND MINERAL INDUSTRIES

702 Woodlark Building PORTLAND, OREGON

August 13, 1942.



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

Dear Mr. Libbey:

Les and I visited the <u>Indiana Mine</u> on Tuesday, August 11. We met Mr. Dismark and Mr. Tucker, vice president and manager of the Union Silver Mining Company, and Raleigh Chadwell, superintendent.

The mine is located on the Grand Ronde River in Sec. 9, T 65, R 36 E. It is 40 miles from La Grande, 9 miles of which is on highway 30, and the other is either good county or lumber company road, except for the last six miles.

Les went underground and over the surface, and no evidence of lead or zinc was found. There were not even samples of this type of rock around the blacksmith shop, as is usually found in a prospect. Their development work consists of 150 feet of tunnel, and an 80 foot 70° incline shaft. No ore of any type was found in these workings.

In talking with Mr. Tucker and Mr. Chadwell, I found that they were placing their hopes of base metal production on the stories of old miners and prospectors who worked in the mine years ago. It will be absolutely impossible for them to produce ore of any type this year.

Their chief problem is getting the road finished. The last six miles of road are rough and in poor repair, but one or two days with four or five men working, will make this a passable dry weather road. As a matter of fact, we were able to drive to the mine without any difficulty, but some repairs should be made if much trucking is to be done. It was my suggestion to Mr. Tucker that he bring in his equipment and do development work this year, and then make another request for assistance on the road if their development work proved base metal ores. It seems to me that it would be absolutely absurd for the government to spend any money on a mine such as the Indiana, especially in view of the fact that there are no maps, no definite history of production, and all hopes are based on hearsay.

remost

Singerely,
Hugh K Lancaster,
Field Engineer

from union Solver Mining Go. 1001/1/42



#### STATE OF OREGON CORPORATION DEPARTMENT 1158 CHEMEKETA STREET, N. E. SALEM

January 12, 1959

Mr. Hollis M. Dole, Director State Department of Geology and Mineral Industries. 1069 State Office Building Portland 1, Oregon

Attention: Mr. N. S. Wagner, Geologist

Re: Indiana Mines, Incorporated

Dear Mr. Dole:

Mr. Wagner's report pertaining to subject corporation and promoting individuals, dated January 5, 1959, has been received.

We wish to thank you and Mr. Wagner for the splendid cooperation. Rest assured the report and other data received from your department will always be considered and maintained as confidential.

If we can be of assistance at any time, please feel free to contact us.

Very truly yours,

Frank J. Healy Corporation Commissioner

Robey S. Ratcliffe

Securities Examiner

RSR:pc

## Jamary 13, 1959

Mr. Horman S. Wagner State Assay Laboratory Baker, Oregon

Dear Wagt

Enclosed is a copy of letter from Ratcliffe that should be of interest to you.

Perhaps you should clip this to the copy of the memo you sent him as he states they will keep the information confidential.

Regards.

Sincerely yours,

Hollis M. Dole Director

HMD: jr

State of Oregon DEPARTMENT OF GEOLOGY AND MINERAL INDUSTRIES **Branch Office** 2033 First Street

Baker, Oregon

You will never know how much I take to write letters like this. Cenyway, the deed in done and I trust it proves satisfactory for the purpose for which it was needed.

43 STE HEPT, OF GROUPS

a state to be to

# repartment of Geology and Mineral Industries

1069 State Office Bldg. Portland 1, Oregon

January 5, 1959

Mr. Frank J. Healy, Corporation Commissioner State Corporation Department 1158 Chemeketa Street, N. E.

Attention: Robey S. Ratcliffe

Dear Mr. Healy:

The following paragraphs are devoted to a commentary on the subjects you mentioned in your letter of November 26, 1958, namely the Indiana Mine and the individuals who currently aspire to form a company to operate it.

As a geologist for this department, I have a very real interest in seeing Oregon's mineral resources developed in a sound and successful manner. For this reason, I would dearly like to be able to answer your letter of Nov. 26, 1958 with a strong endorsement of both the mine and its prospective operators. As was stated in my letter of December 4, 1958, however, my comments will be negative in nature. This is particularly so with respect to the individuals and the fact that it must be this way undoubtedly constitutes the underlying reason for my oversight about writing you the letter I promised. In short, even though I realize that there are times when it is necessary to call a spade a spade, I still dislike having to do so when it involves voicing judgement with respect to other people. My sincere apologies for the oversight of not having written you before this.

The Indiana Mine: The only known history of this mine includes two periods/during which exploratory development was done. One occurred about 1906, 07, and 08. The other around 1942, 3 and 4. During the first period of activity a deep shaft was sunk and various lateral drifts supposedly run. To the best of my knowledge, there are no maps or engineers reports or other records of a technically pertinent nature in existence today covering the work and the development results disclosed at that time. Neither does the very complete Handbook of Mines and Prospects in Oregon, issued in 1916 by the old Oregon Bureau of Mines and Geology, contain so much as a listing of this operation, let alone a description.

At best all that is known concerning the early operation consists of hand-ne-down tales related by individuals who were supposedly acquainted with ration. Furthermore, most of these stories are themselves second and

Very briefly, the size of the dumps and the partial re-opening ags effected in 1944 serve to confirm that the early activity did ent an ambitious program, as claimed by some of these reports. ery early electric insulators and wiring also serve to indicate erty was also rather lavishly well equipped for an exploration east in some areas of equipment. This also bears out some portions shown credited to miners and teamsters who reportedly worked there.

an

Helbunking u- penesole

the form of a commercially valuable orebody is not known. The are that lead-silver ore was found in the lower reaches of the workings and that some of this ore was teamed over the mountain to North Powder and shipped somewhere, but that no great production was ever made because the miners brought and won a suit against the company for back wages shortly after the ore was found. The resul was that the equipment was sold at sheriff's sale and the company was forced out of business. Fragments of galena ore recovered from the old stockpile and dumps confirm that at least some ore was raised to the surface during the course of the early operations. Small zones of broken and fragmented vein matter were encountered in portion of the 1944 reactivation attempt. Assays of selected samples show an interesting content of silver in a few instances. The grade of the general run of ore is quite much lower however as shown most eloquently by the Bunker Hill and Co. Smelter return for a carload shipment of the ore. This shipment consisted almost solely of development ore that was upgraded by hand sorting before shipment. Insofar as I know, this is probably the only shipment made during the 1944 period. Certainly there couldn't have been many more better ones, but if there are you should surely be able to secure official records thereof from Mr. Holderman.

The first period of operation occurred at a time when the silver potentialities of this prospect undoubtedly constituted the principle center of interest to those promoting the exploration work. The second period of operation occurred during the time when this nation was engaged in World War II. The possibility of developing a new lead reserve undoubtedly constituted the basis on which priorities for supplies and equipment were authorized for the conduct of the task of re-opening the old workings in a form necessary to permit examination, sampling and evaluation of the prospect's orebearing potentialities. Why priorities should have been authorized in the first place is a bit of a mystery, considering (1) the vague and unimpressive available evidence there was for believing that a commercially significant orebody might be found, (2) the manifestly negligible qualifications of the management and personnel conducting the re-activation attempt (3) the utter inadequacy of the equipment they had for doing the job in the face of the mining problems that existed. About all that can be said on this score is that many strange things were sanctioned in the name of defense during the war for reasons that sometimes are not wholly under standable today. You might possibly secure some significant information relative to both the property and the management if you can succeed in running down the reports of the Priority Board examiner.

What reasons Mr. Holderman has for justifying the expenditure of funds for another attempt to reopen these workings today is far from clear, considering that the oversupply of lead is today so great that the United Nations has a committee taking time to study the problems of imports, exports, prices, and international proration of production. Considering that the leading lead mining companies in the nation. including those with long records of careful, experienced and dividend-paying operati are having a hard time to keep their organizations alive today, brings to mind the saying about how "fools rush in where angels fear to tread". Without doubt, Mr. Holderman's development interests now center around the silver potentialities that might exist in the as yet unexplored areas underlying the deeper portions of the old workings, unless of course he intends to work on some newly discovered surface exposure located on the Indiana claims at some point sufficiently removed from the original workings that it clearly represents a new and independent prospect. These alternatives represent horses of two very vastly different colors. I therefore wish to re-emphasize what I have indicated before by stating that if Holderman's interests center around reopening of the old workings for the purpose of exploring the yet deeper areas, there is little room for crediting his proposal as being either sound or prudent. However, should his objective be to run exploratory workings on a newly discovered surface exposure, the situation is then quite entirely different. Whether it would make sense would

depend upon the nature of the ore, its width, grade and various other geologic mining considerations. The securement of a statement outlining the company's projected program should serve to clarify the picture with respect to those two possible alternatives.

Enclosed herewith is a copy of a report outlining observations made at the property in 1944—a year earlier than the green paper report you now have. This appended report will provide you with some additional background relative to the 1944 activity, but please note that it is typed on our pink "confidential" paper and hence rates as one of our memorandum records rather than as a formal report for public issue. Enclosed also is a copy of the Bunker Hill Smelter's settlement certificate covering the Union-Silver Mining Company shipment referred to previously.

Personnel: I am acquainted with only two of the people listed in your letter of November 26th, 1958. These are G. R. Holderman, president of the new company, and Raliegh Chadwell, managing superintendant of operations for Holderman at the Indiana and likewise the managerial brains for the East Eagle Mining and Milling Company which is another company initially organized by Holderman.

I have had too little contact with Mr. Holderman to be in a position to speak authoritatively concerning the motives behind his efforts in the field of organizing mining companies and raising funds for mining ventures. From such contact as I have had with him however, I came to the conclusion that he is personally and genuinely consumed with interest in the idea of developing a mine and that he is entirely sincere in his fund-raising activities.

The thing I can't endorse about Mr. Holderman's activities is the competency of the authority upon which they are based. In the first place, the man essentially devoid of anything resembling a sound, rational comprehension of the geologic and mining ventures he aspires to undertake. A factor which serves to make this situation doubly unfortunate is that he considers himself to be a competent assayer and chemist and proficient judge of mining and geologic problems at large. His attitude in this respect is strong to the point of being a form of delusion. Because of this attitude and the fact he is so danged uninformed and full of half-truth concepts and distorted notions concerning the technical aspects of what he aspires to do, it is practically impossible to sit down and discuss, explain, or reason anything out with him.

In all respects other than his delusion about being a competent judge of mining matters, Mr. Holderman seems to be an alert, intelligent, and normally well-informed individual who is probably quite systematic and rational in his conduct of his personal business matters. He is a genial and personable individual and my impression is that he lives in a modest, well-ordered manner, is sober in his ways and fundementally moral in character.

Raliegh Chadwell constitutes the second incompetent aspect of the authority behind Mr. Holderman's dreams. Here we have a man in whose mining competency Mr. Holderman seemingly has implicit faith. The facts of the matter are that Chadwell probably rates as the real promotor behind most of Holderman's activitie and that Holderman himself is to a large extent the sucker of the team—albeit an enthusiastically willing one.

As a promotor, Chadwell rates as another character with distorted delusions of a sort that eclipse Holderman's by a wide margin. Chadwell's record consists of a lifetime of hideously ill-advised and unsuccessful activity in the role of an independent mining operator. The motivating drive back of his activity approaches religious fanaticism in Mature. The chief reward he promotes for is

mostly the opportunity to develop such prospects as the Almighty gives him belief to feel should be developed. Along this line it is my understanding that he is prone to work on a participating interest basis with his sponsors, frequently taking little more than living expenses for his services by way of making his contribution to the undertaking. Just how much this reputation is exaggerated, I can't say, but I do know as a matter of first hand knowledge that Chadwell raised a large family of poorly educated children under conditions that bordered on Tobacco Road levels of privation and social nicety as a consequence of his dedication to the cause of developing a mine. My understanding is that his record also includes trouble with the Board of Licensed Engineers during the 30's because of superintendency practices of a sort that were deemed out of line.

The foregoing statements represent a summation of the facts as I know them relative to both the Indiana Mine, and the individuals listed in your letter. The utter hell of a subject of this nature is that for all you know, or I know, or anybody else knows, the miserable little bodies of brokenup marginal grade ore existent in the deeper levels of the Indiana might actually be the outlying manifestation of a rich orebody of vast proportions just sitting there waiting for somebody to have the guts to gamble the cost of the exploration work needed to disclose the facts. Mining history is full of profitable mines with just exactly such backgrounds, discovered by sheer luck by people like Holderman who barged in and spent development money in ways that no responsible mining engineer could conscientiously countenance or approve. This is why I dislike to voice negative comments which might tend to rob Mr. Holderman and his associates of the chance of their life-times. even though I can't endorse either Mr. Holderman or Chadwell as persons compitent for the presidency and management of any mining venture dependent upon stock sales for its financing.

Sincerely,

N. S. Wagner Geologist

NSW:mr Encl-2.

was far in the

化分配 美型

2.扩展的重要。

original of the control of the contr



#### STATE OF OREGON CORPORATION DEPARTMENT 1158 CHEMEKETA STREET, N. E. SALEM

December 30, 1958

Mr. Hollis M. Dole, Director State Department of Geology and Mineral Industries 1069 State Office Building Portland 1, Oregon

Attention: Mr. N. S. Wagner, Geologist

Re: Indiana Mines, Incorporated

Dear Mr. Dole:

Please refer to our letter of November 26, 1958, and answer from you dated November 28, as well as Mr. Wagner's answer of December 4, 1958, pertaining to individuals connected with subject corporation.

The application of the corporation to register its securities for sale in Oregon has remained in a pending status.

This date we received a letter from the Corporation's Secretary, D. W. Wood, requesting information about the application status.

We would appreciate receiving more information from Mr. Wagner in accordance with the last paragraph of his letter dated December 4.

Thank you for this additional assistance.

Very truly yours,

Frank J. Healy Corporation Commissioner

Robey S. Ratcliffe Securities Examiner

RSR:pc



December 4, 1958

Mr. Frank J. Healy, Corporation Commissioner State Corporation Department 1158 Chemeketa Street, N. E. Salem, Oregon

Attention: Robey S. Ratcliffe

Dear Mr. Healy:

This pertains to the correspondence exchanged between you and Hollis Dole relative to the Indianna Mine, Union County. (Correspondence - Nov. 26 from you to Dole and reply from Dole, Nov. 28, copy to me).

I did prepare a brief file report on the Indianna Mine in 1945 as indicated. This summarized salient aspects of exploratory prospect then being done and is hardly to be rated as a very comprehensive "report" on the property from a geological standpoint. Mr. Holderman did nevertheless write requesting a copy of said report a few weeks ago and this is probably the copy submitted to you.

Holderman was the principal organizer and promotor of the 1945 development attempt on the Indianna. He also functioned in the same capacity at the beginning of the East Eagle Mining and Milling Co's activity on East Eagle Creek, Baker County which began 10 years or so ago and has sputtered along ever since.

I have had dealings with the principals during both affairs and can offer some side-light information that I believe you might consider desirable. I just can't write the details now however, as I must pack and catch a train for a week-end Spokane meeting. Will write you more next Monday, but in the meantime will say that the general tenor of my remarks then will of necessity be disparging in nature.

Cincerely,

N. S. Wagner Geologist

NSW:mr Cc-Hollis Dole

STATE OF A CONCON

#### November 28, 1958

Mr. Frank J. Healy, Corporation Commissioner State Corporation Department 1158 Chemeketa Street, N.E. Salem, Oregon

Attention: Robey S. Ratcliffe

Dear Mr. Healy:

This Department did prepare a report dated May 24-25, 1945, on the old Indianna mine.

Mr. N. S. Wagner, our field geologist at Baker, was the man who made the examination and prepared the report. I presume the report you are referring to is a copy of our file report. It is Department procedure, whenever preparing such reports, to send a copy to the mine owners.

I am sending your letter and a copy of this letter to Mr. Wagner requesting that he add up-to-date information, if available, to the report and answer the questions in the last sentence of your letter. If Mr. Wagner can offer any comments, good or bad, it must be understood that they will be on a confidential basis and in reply to a request from another State agency. I am sure you will be hearing from Mr. Wagner in a very short time.

Sincerely yours,

HMD:jr ec N.S. Wagner Hollis M. Dole Director



#### STATE OF OREGON

CORPORATION DEPARTMENT 1158 CHEMEKETA STREET, N. E.

SALEM

November 26, 1958

Mr. Hollis M. Dole, Director State Department of Geology and Mineral Industries 1069 State Office Building Portland, Oregon

Re: Indiana Mines, Incorporated Old, Union Silver Mining Co., Union County, Oregon

Dear Mr. Dole:

Indiana Mines, Incorporated, (Oregon 4-12-58) has filed an application with this department to register for sale 50,000 shares of its 1¢ par value common stock at 20¢ a share.

With the exhibits presented was a geologists report, on your present letter head, dated May 24-25, 1945, and signed (in type only) by N. S. Wagner, Geologist. The informants being G. R. Holderman, Mgr., and Ralph Chadwell, foreman, of Union Silver Mining Company, 1929 Aurora Ave., Seattle, Washington, and Box 447, LaGrande, Oregon

The new corporation, Indiana Mines, Incorporated, formed in Oregon April 12, 1958, lists G. R. Holderman, President; W. J. Logus, Vice-President; David W. Wood, Secretary-Treasurer., and Roger L. Holderman as a Director. These four individuals appear to be the principal organizers and promoters. They have obtained, with others, 12 claims and received the major portion of the 1,716,791 shares outstanding for such claims. The claims being in Camp Carson District, Union County, Oregon - T6S, R36E, S.9-15.

It would be desirable to know if your department or associates have knowledge as to the above mentioned Geologists Report, and if it and the data are authentic. Also, we would appreciate any data available of a personal nature (good or bad) about any or all of the above mentioned individuals and their past promotion activities.

Thank you for this assistance.

Trove

Very truly yours,

Frank J. Healy

Corporation Commissioner

Robey S. Ratcliffe Securities Examiner

RSR:pc

DEET, OF GEOLOGY

Explore Oregon . . . Centennial Exposition June 10-September 17 . . . 1959

## W. J. LOGUS & COMPANY

Mining Specialists

1129 - 10TH AVENUE NORTH

TELEPHONE: CAPITOL 5606

SEATTLE 2, WASHINGTON

June 3rd 1957.

Ralph S. Mason, Mining Engineer, Department of Geology and Mineral Industries, State of Oregon, 1069 State Office Building, Portland, Oregon.

Dear Mr. Mason:-

We are carrying on some work on the Indiana Mine located in Union County at the head waters of the Grand Ronde River during the next thirty days. The property that you mentioned in the Morman Basin District, Baker County, Oregon is not the property that we are interested in.

The writer was unable to meet Mr. N. S. Wagner in your Field Office at Baker, Oregon when I last went through there as it was on a Sunday, however, I am going to be there again and will call on him. I was told that he is familiar with this property.

Thanking you for your favor of Nov. 8th and 13th 1956, I remain.

Yours very truly,

WJL:s

7

Mr. W. J. Logus W. J. Logus & Company 1129 - 10th Avenue North Seattle 2, Washington

Dear Mr. Logus:

Thank you for your letter of November 10 in which you explained that the Indiana mine in the Mormon Basin district is not the one you are currently interested in.

In checking through our files I find that I have some unpublished information on the Union County property. Our Baker office has copies of all of our unpublished material on this mine and I am sure that your inquiry to Mr. Wagner will develop all of the pertinent information that you desire. In looking through our files, however, I note that there was a report in the July 30, 1945 Mining Journal and also a report in Engineering and Mining Journal for September 1944 and September 1945. You may be interested in checking into these references while awaiting your reply from Mr. Wagner.

Sincerely yours,

Ralph S. Mason Mining Engineer

RSM:lk cc N. S. Wagner

### W. I. Logus & Company

Mining Specialists

1129 - 10TH AVENUE NORTH

TELEPHONE: CAPITOL 5606

SEATTLE 2, WASHINGTON

November 10 1956.

Ralph S. Mason, Mining Engineer, Department of Geology and Mineral Industries 1069 State Office Building, Portland, Oregon.

Dear Mr. Mason:-

Your letter of November 8th received together with list of mining publications available at your department, for which I thank you.

The property I have in mind is located in the "Woodley Area, Union County, Oregon", shown in your publication, The Ore.-Bin. Vol. 18, No. 10, October 1956, located in T 6 S, R 36 E and is marked on this small map. The property that you mentioned located in the Mormon Basin in Baker County is not the same one we are interested in.

I will write to Mr. N. S. Wagner or call on him im person at Baker, Oregon and on my next trip to Portland I will call at your office and maybe you can help me locate some old records covering this property.

Yours very truly

WJL:s

November 8, 1956

Mr. W. J. Logus W. J. Logus & Company 1129 - 10th Avenue North Seattle 2, Washington

Dear Mr. Logus:

Our records on the Indiana mine in the Mormon Basin district of Baker County are rather scanty and the following information on the geology is all that we have.

"Geology: The lower tunnel alone is accessible part of the year. 30 feet from the portal the tunnel passes from granite to a very much sheared altered 'porphyry'. The contact runs about east-west and dips 65 degrees to the S. It is a clean-cut fault which has been followed in one direction for 100 feet. There is no mineralization on this fault. The main vein runs at right angles to the contact or about north 20 degrees E. It dips between 40 degrees and 50 degrees to the west. The main vein consists of from one-half inch to three feet of brecciated and recemented glassy quartz with only a small amount of sulphide but with considerable hematite and manganese oxides. Free gold can be seen with a hand lens. The vein and country rock are cut by a number of faults trending west-northwest and dipping south."

In your letter you mentioned that the mine is located about 45 miles from La Grande. The Indiana mine in our records is located 9 miles south of Durkee in the center of the south half of sec. 11, T. 12 S., R. 42 E., on the headwaters of Sinker Creek. Is this the same property or is there a similarity of names and your property is not the same as this one.

If you have any further questions concerning the Indiana mine I would like to suggest that you write to Mr. N. S. Wagner at our field office, 2033 First Street, Baker, Oregon.

## W. J. LOGUS & COMPANY

Mining Specialists

1129 - 10th AVENUE NORTH

TELEPHONE: CAPITOL 5606

SEATTLE 2, WASHINGTON

November 3rd 1956.

Department of Geology and Mineral Industries,

1069 State Office Bldg.,

Portland 1, Oregon.

Dear Sirs:-

We are planning to do work on the old "INDIANA MINE" located about 45 miles from La Grande, Oregon in the Blue Mountains. Can you supply me with any geological reports covering this mine or the district in which it is located. Would you please give me the titles of any reports that may have been published in the past covering this mine or district as they may be out of print and I could try and pick them up or look them up in the libraries in this vicinity.

Awaiting your reply, I remain.

WJL:s

Yours very truly,



The same are the same of the same