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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

(Field number) _____ Area 2 _____ June 4, 1957 _____
(Region) (Date)

REPORT

Land district _____ Feb. 6, 7, 15; March 4, 6;
and serial No. Classification No. 123 Date of examination and April 16, 17, 18, 1957
Name Small Tract Classification Field examiner Edgar A. Hollingsworth
Subject Validity of Mining Claims Approved: _____
Date November 27, 1956 _____
(Application or proof) A. L. Simpson
Lands and Minerals Officer

Lands involved: Mount Diablo Meridian

T. 18 N., R. 20 E.
Sec. 30, N $\frac{1}{2}$ (or NE $\frac{1}{4}$ & lots 1 & 2 of NW $\frac{1}{4}$)

Introduction

The above described lands were examined in February, March, and April, 1957 to determine the presence and validity of any mining claims located subsequent to the field examination made by Eugene L. Schmidt on October 23, 1950.

The status of the land, description of the surface, and suitability under the Small Tract Act, have all been thoroughly presented in Mr. Schmidt's above-mentioned report and will, therefore, be omitted from this report except for the purpose of clarification or elucidation.

On the strength of Mr. Schmidt's report and recommendation, the land was declared suitable for disposition under the Small Tract Act of June 1, 1938. However, because the Reno and Washoe County Officials were unable, at the time, to assume the added responsibility inherent to the addition of a relatively isolated subdivision, the land was not withdrawn for small tract usage until the issuance of Classification Order No. 123 on November 27, 1956.

Procedure

The land was first examined for this assignment on February 6, 1957. The NE corner of Sec. 30 and the N quarter corner between Secs. 19 and 30 were located and several excavations were observed, (see Plate #1) the size of the excavations varying from shallow cuts 6 ft. long, 4 ft. wide, and 2 ft. deep to large back hoe pits 20'x6'x15'. Further examination disclosed location notices for two placer claims known as the Fair Lady No. 4 and Fair Lady No. 3 located by Mr. Reed H. Parkinson of 1471 G St., Sparks, Nevada.

Mr. Parkinson was contacted the following day and additional information was obtained from him concerning the claims. Mr. Parkinson indicated, at the time, that he was primarily interested in the land for the placer gold contained thereon and had several assays that indicated values ranging from a trace to over \$4.00 per ton in gold. The assays were run by Mr. J. Benjamin Parker, owner of the Nevada Mineral Laboratories, 336 Morrill St., Reno, Nevada. Results were obtained by fire assaying methods.

Further information concerning the claims obtained from the Washoe County Recorder's Office is as follows: (all claims are located on the north half of Sec. 30, T. 18 N., R. 20 E., M.D.M.)

<u>Name of Claim</u>	<u>Date Located</u>	<u>Legal Description</u>	<u>Locator</u>
Fair Lady No. 1	May 23, 1954 Re-loc. July 16, 1954	S $\frac{1}{2}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$	R. W. Parkinson
Fair Lady No. 2	May 23, 1954 Re-loc. July 16, 1954	N $\frac{1}{2}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$	R. W. Parkinson
Fair Lady No. 3	May 28, 1954 Re-loc. July 16, 1954	S $\frac{1}{2}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$	R. W. Parkinson
Fair Lady No. 4	June 11, 1954 Re-loc. July 16, 1954	N $\frac{1}{2}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$	R. W. Parkinson
Pay Dirt Butte	Nov. 3, 1954	NW $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$	R. W. Parkinson & Associates
Golden Shaft Placer	Nov. 3, 1954	NE $\frac{1}{4}$	R. W. Parkinson & Associates

On May 11, 1954, Mr. R. W. Parkinson filed an application for five acres of land under the Small Tract Act, on Sec. 30, described above. His application is recorded as Nev.-024603 and is described as follows: W $\frac{1}{2}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$, Sec. 30, T. 18 N., R. 20 E., M.D.M. The required filing fee and three years rental, totaling \$25.00, were paid and filed under CC-173152.

The south half of Sec. 30 is covered by two homestead patents, numbers 1103890 issued July 22, 1939 and 1095217 issued Jan. 20, 1938 with mineral rights being conveyed to the patentee, thereby invalidating, ab initio, the NW $\frac{1}{4}$ SW $\frac{1}{4}$ of the Pay Dirt Butte placer claim located by Mr. Parkinson and associates.

The remaining claims have been located on surveyed, unappropriated, public domain, and the requirements of the mining law pertaining to locating and holding placer claims have been fulfilled, with the exception of showing a valid discovery

of mineral. The determination of whether or not a valid discovery exists is, of course, the purpose of this paper.

Mr. Parkinson claims sole ownership of all the claims by virtue of having purchased the interests of the other locators.

On February 15, 1957, accompanied by Land Examiner, Nolan Roberts, and claimant, Reed H. Parkinson, I sampled the discovery pits on each claim. On claims where discovery pits had caved, the pit was either cleaned out to the depth that the original sampling had been done and then sampled, or if the pit had caved beyond the point where restoration to the original depth was impractical, nearby assessment pits were sampled. Where possible, samples were cut from the same location as those taken by the claimant when he sampled the claims.

The sampling procedure varied according to the condition of the pit. Channel samples were cut from the walls of the larger pits, the sample being caught on a piece of canvas in the bottom of the pit. If a pit was full of water or looked unsafe, a sample was obtained from the material removed from the pit when it was dug. Shallow discovery pits were cleaned out and samples cut from the bottom of the pit from the same strata that Mr. Parkinson had previously sampled. (See photos A, B, and C below.)



Photo A - Sample cut from material previously removed from discovery pit.



Photo B - Channel sample from side of pit and caught on tarp in bottom of the pit.



Photo C - Discovery pit which had caved and was cleaned out to original depth - sample cut from bottom of the pit in strata previously sampled by Mr. Parkinson.



All samples were quartered down to about 20 lbs., placed in sample sacks, and delivered to the Nevada Mineral Laboratories for assay. The results of the assays are as follows:

Gold Assays reported in cents/cu. yd. --

<u>Sample</u>	<u>Value</u>	<u>Date Assayed</u>
A	0.22	2-19-57
B	Trace	"
C	1.54	"
D ₂	1.76	"
D ₃	2.64	"
D	3.30	"
E	5.94	"
F	0.88	"
Wash G	Trace	3-8-57
G	Trace	"

Placer assays were run on samples "A" through "F" and both placer and regular fire assays were run on sample "G".

A placer assay consists roughly of weighing a given sample, removing the free gold from the sample by any one or combinations of various mechanical devices used for the purpose, weighing the gold obtained and calculating the results. By this method, all the free gold is recovered from a given sample. Of course, 100% recovery by this method is not very probable, but the results obtained will closely approach the recovery achieved during the actual placer mining operation.

The procedure for fire assaying gold ore requires that only a small percentage of the sample be used and a proportionate amount of the gold is obtained. Calculations are based on the weight of the gold and the weight of the portion of the sample assayed. The results obtained from the fire assay would not only indicate the amount of free gold, but also the gold that was contained in what might be referred to as gangue.

Sample "G" was run by both methods to determine whether or not the gangue material contained any values in gold. Neither assay indicated gold of any consequence so it will be assumed that the gangue is barren. The reason for selecting sample "G" to be run by both methods is that Mr. Parkinson's assay, taken from approximately the same place that "G" was cut, was assayed by fire assaying methods and indicated gold values in excess of \$4/ton.

In addition to the sampling mentioned above, supplementary test work was accomplished by panning samples obtained from the piles of material that had been removed from the various pits on the property. Mr. Parkinson, who accompanied me

on March 6th for the purpose of additional sampling, cut the samples in the same manner that he had obtained his original samples for assaying. The samples were taken to one of the creeks that traverse the claims and panned down to a black sand concentrate. No gold was observed in the concentrate by either Mr. Parkinson or myself.

Mr. Parkinson has not been discouraged by either the assay or panning results. He feels that the greater values lie on or close to bedrock, which is situated at a greater depth than has already been explored. The reasoning is in accord with normal placer procedure, but so far no attempt has been made by the locator to locate or even identify bedrock.

A survey of water wells in the area surrounding Mr. Parkinson's claims indicates that true bedrock is non-existent in depths up to 200 ft. A well drilled on the SW $\frac{1}{4}$ NE $\frac{1}{4}$, Sec. 19, T. 18 N., R. 20 E., or approximately half a mile north of the northern boundary of Mr. Parkinson's claims, encountered a strata of cemented gravel at 71 ft., which could be considered bedrock for a gold placer deposit. However, dredging to such a depth would not be economical unless values on bedrock were extremely high and the gravel from the surface to bedrock rich enough to sustain the operation. By the nature of the deposit, mainly detritus, and lack of any previous production in the area, one would not normally expect to find values sufficient to warrant the expenditure of capital required to install the type of equipment necessary to exploit the deposit. Values indicated by existing assays would surely be insufficient.

Later conversations with Mr. Parkinson revealed his intentions to market the sand and gravel found on his claims; therefore, on April 16, 17, and 18, the property was re-examined by Alex M. Peterson and myself to determine whether or not the quality of the alluvium would qualify it as a valuable mineral deposit subject to location under the mining laws.

The land embraced by the mining claims might best be described as an alluvial slope with a minimal amount of classification of contained detritus. There is a mantle of D. G. (decomposed granite) and silt covering most of the claims to a depth of two to six feet. (see photographs No. 1 and 2)

The distribution of material ranges from D. G. containing a small amount of pebbles, cobbles, and boulders as illustrated by photograph No. 3, to boulder nests containing mainly large boulders as shown in photograph No. 4. Material shown in photograph No. 5 is more or less characteristic of the whole deposit - pebbles, cobbles, and boulders in a matrix of silt and D. G.

Visual comparison of the material contained on Mr. Parkinson's claims and material being mined in operating pits throughout the vicinity indicated, with

the exception of pits 20 and 21, (see Plate I and photos 6, 7, and 8) that the bulk of the material located by Mr. Parkinson on the $N\frac{1}{2}$, Sec. 30, as a sand and gravel placer, would not qualify for Type II base or bituminous or concrete aggregate and therefore, would not be locatable under the mining laws.

The $NW\frac{1}{4}$, Sec. 30, contained no evidence of usable sand and gravel in commercial amounts, but recent exploration work in the $NE\frac{1}{4}NE\frac{1}{4}$, Sec. 30, exposed good sand and gravel of unknown extent. (See photo 6 & 7) Back hoe pits 200' to 400' south and southwest of pit #21 showing good gravel, expose sand and gravel of very poor quality, possibly indicating the occurrence of the good sand and gravel is very limited in extent. However, with the exception of the $NE\frac{1}{4}NE\frac{1}{4}NE\frac{1}{4}$, the $N\frac{1}{2}NE\frac{1}{4}$ is relatively unexplored and might contain a large enough gravel deposit of commercial value to warrant an operation. Other parts of the $NE\frac{1}{4}$, where marginal gravel is now exposed, upon further exploration, may reveal usable material. (see photo #8)

The market for sand and gravel, in the vicinity of Reno, is quite active and, according to the opinions of the sand and gravel operators, there is a shortage of good deposits in the area. Public sentiment and enforcement of zoning regulations are causing the operators to abandon their pits within the Sparks and Reno city limits, thereby eliminating the more desirable deposits and making it necessary for the operators to use gravel of inferior quality and go farther for it.

With the omission of the names of the operators, a thumbnail sketch of the sand and gravel industry in the Reno-Sparks area is as follows:

Operator "A" is located adjacent to the Reno city limits with the processing and batch plants in the pit. The operation supplies the market with bituminous mix, concrete, and the various types of crushed rock products. Reserves are estimated to be sufficient to sustain the operation for at least ten more years at the present rate of depletion. The quality of the gravel is very good and processing consists mainly of crushing and sizing.

Operator "B" is located six miles east of downtown Reno (intersection of Virginia and 4th Sts.) with the processing plant in the pit. Aggregate for bituminous mix and concrete is hauled by truck to the batch plants located between Reno and Sparks. Besides the bituminous mix and concrete, the company supplies the market with the various types of crushed rock products. Estimated reserves are sufficient to sustain the present rate of production for at least 35 years, according to the plant superintendent. In order to meet specifications, the material from the pit requires a considerable amount of "scrubbing" to remove silt and undesirable constituents. The material is also deficient in sand, necessitating the integration of a ball mill into the processing circuit to provide the desired fraction necessary for concrete aggregate.

Operator "C" has a pit, processing plant and a hot mix plant approximately eight miles from downtown Reno and a concrete plant located between Sparks and Reno. The pit produces material for the "hot mix" plant only, the concrete aggregate being purchased from operator "B". The "hot mix" operations has just recently been moved from its original location in Hidden Valley, about ten miles southeast of downtown Reno. Neither pit contains exceptional sand or gravel, but the material in the new pit is superior to that contained in the old one. Reserves in the new pit are still undetermined, but it must be assumed that the deposit is large enough to justify the move. Use of the material contained in the pit for concrete aggregate would undoubtedly require a processing plant similar to the one used by Operator "B".

Operator "D" has a "hot mix" and concrete plant located between Reno and Sparks and is mining material from a number of pits throughout the area. The company officials claim to have adequate reserves, but from casual observation, it could be assumed that they are in need of a good material site.

Operator "E" has a pit located approximately two miles west of downtown Reno and, at present, is mining and marketing "specification fill." The operation does not produce bituminous mix or concrete, but according to the owner, aggregate for both can be processed from material contained in the deposit. The owner mentioned plans for the installation of a processing plant in the near future. The deposit contains a considerable amount of "chalk" which in some places renders the material unsuitable for any use. However, major portions of the pit are relatively free of the substance and it presents no great problem. Reserves compare favorably with those of other operations in the area.

Conclusions:

1. From all evidence available, it must be concluded that the occurrence of gold on the NE $\frac{1}{4}$, Sec. 30, is not sufficient to qualify the land as mineral and the claims cannot be validated by reason of the gold contained thereon.
2. The portion of the Pay Dirt Butte Placer Claim described as the NW $\frac{1}{4}$ SW $\frac{1}{4}$, Sec. 30, has been located on patented land and is invalid, ab initio.
3. Because of the lack of a discovery on any of the claims on the NW $\frac{1}{4}$, Sec. 30, and the nature of the material contained thereon, the Pay Dirt Butte and Fair Lady claims, Nos. 1 through 4, must be declared null and void.
4. The NE $\frac{1}{4}$, Sec. 30, located under the Golden Shaft Association Placer claim, for the most part contains gravel of questionable quality and would not entirely satisfy the requirements of the "Ten-acre Rule". However, good gravel has been found on a portion of it and according

to the mining laws pertaining to locations where no intervening or conflicting rights are involved, "...but one discovery of minerals is required to support a placer location whether it be of 20 acres by an individual, or of 160 acres or less by an association of persons." On the other hand, where a problem of conflicting rights does exist, or the land has value for other purposes, "...the proof of the mineral value of a deposit must be specific, clear, and unequivocal." (E. M. Palmer, 38 L. D. 294; Helen V. Wells et al 54 I.D. 306; United States vs. Lavenson, 206 Fed. Supp. 755). A sale of the material contained on the claim would be proof that a valuable mineral deposit did exist, but lack of said sale in the presence of suitable material contained on the claim, as evidenced by backhoe pit No. 21, would indicate that the land did not at this time contain any valuable mineral deposit. Since the king-pin of the criteria used to determine the validity of sand and gravel claims is the "marketability theory", and since no market exists for this particular deposit, it must be concluded that the Golden Shaft placer claim is invalid.

Insofar as Mr. Parkinson was misled by erroneous assays, and on the strength of these assays spent a considerable amount of time and money exploring and developing his property that would not have been spent had the assays been correct, and since he has indicated good faith in maintaining his claims, it is the opinion of the author that the claimant should be shown a considerable degree of leniency when the validity of his claim is being determined, possibly to the extent of allowing him a certain period of time in which to develop a market for the sand and gravel contained on his claims. However, such an opinion is purely academic insofar as the interpretation of existing laws and departmental decisions concerning the validity of a claim with respect to discovery definitely state that: "...Where mining rights to public land are cut off by a withdrawal of the land from operation of the mining laws, events occurring after the withdrawal cannot aid a mining claimant to establish a claim to the land." (United States vs. Onokama Realty Co. (A 26466 Oct. 24, 1952). Further: "A mining claim initiated at a time when the land was subject to the operation of the mining laws is not a valid claim unless there has been a discovery of minerals within the limits of the claim prior to the withdrawal of the land from the operation of the mining laws." (Cameron vs. United States 252 U.S. 450 456; United States vs. Clyde W. Riggle, A-27184, July 11, 1955; United States vs. Lamot D. Everett, A-27060 Oct. 17, 1955.) Also, according to the Bakersfield Fuel and Oil Co. decision 39 L.D. 460, "...A discovery after location will relate back and validate the imperfect location only if no valid claim intervenes," -- in which case a withdrawal of the land from location has the same effect of a valid claim.

Insofar as Classification Order 123, issued November 27, 1956, authorized under the act of June 1, 1938, segregates the land from further mineral entry and Public Law 167, enacted July 23, 1955, withdraws "common occurring minerals", from location under the mining laws, and both laws are applicable to the lands located by Mr. Parkinson, any further work by the claimant to perfect his location would be to no avail since he no longer has or will ever be able to attain any legal right to the land under the mining laws.

Recommendations

1. It is recommended that the NW $\frac{1}{4}$ SW $\frac{1}{4}$ of the Pay Dirt Butte be declared null and void ab initio.
2. It is recommended that adverse charges be filed against the Fair Lady claims No. 1, No. 2, No. 3 and No. 4; the Golden Shaft claim; and that portion of the Pay Dirt Butte described as the NW $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$, Sec. 30.

Respectfully submitted,

Edgar A. Hollingsworth

Edgar A. Hollingsworth
Valuation Engineer (Mining)



Photo No. 1



Photo No. 3



Photo No. 2



Photo No. 4

Photo No. 5



Photo No. 6



Photo No. 7



Photo No. 8

SEC. 30

TWP. 18 N

RN. 20 E

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LEGEND

BACKHOLE PIT ○

SURVEY CORNER ◆

BUILDINGS OWNED BY MRS. L. WINNEMAN

ACCESS ROADS

POWER LINE

PERENNIAL STREAM

STEEP BLUFF

LETTERS INDICATE GOLD FLASER SAMPLES

PATENTED LAND

MINING CLAIMS

SCALE 1" = 400'

