

September 1, 1938.

Mr. C. F. Glaspell,
Buttercup Mines, Inc.,
Bridgeport, Oregon.

Dear Mr. Glaspell:

Replying to your letter of August 31st, there is no accepted standard in the matter of royalty on gold mine leases, but I should say that in the case of a property which is undeveloped, although the property has had some exploration and where the lessee expects to furnish all labor and supplies, machinery and equipment, the conventional royalty is 10% to the lessor and 90% to the lessee. In some cases it is even less than $7\frac{1}{2}\%$ or $8\frac{1}{2}\%$, where little or no exploration has been done, and little is known about the values on the property in question.

Where the property has been explored thoroughly and yardage or tonnage demonstrated and blocked out, the royalty is sometimes "upped" to repay the lessor in part for the work done.

Where the owner of the property or lessor furnishes mining equipment as well as land and the lessee's contribution is little other than supervision and operation, the royalty to the lessee of course would be less, and would have to be determined on the basis of how much in the form of superintendence, past experience, etc., is furnished by the lessee. Conditions on the properties in question will have to determine the matter.

If you could give me more details I might be able to offer a better opinion and make a better suggestion. However, if you have a property which has been producing at a good rate and your operating equipment is in renting condition and you propose to turn the operation over to some other party who is experienced in such matters, and leave the responsibility to him, you might work out some such deal as this: In the operation - in this case it would be a sub-lease, I suppose - to receive an amount say of \$300 or \$350 per month, and an additional participation in the product of the operation of say 20% to 50%, depending on whether or not he is supplying the current finances.

There are no precedents in the latter case that I could mention, although I should say a 10% royalty is a very common royalty indeed for the lessor of a bare property, where the lessee furnishes everything.

With best wishes, I am,

Yours very truly,

Earl K. Nixon, Director

EKN:fas

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SEP 1 1938

STATE DEPT OF GEOLOGY
& MINERAL INDS.

BUTTERCUP MINES, Inc.

North-East of
BRIDGEPORT, OREGON

August 31, 1938.

Mr. Earl K. Nixon, Director,
Oregon State Mining Board,
704 Lewis Building,
Portland Oregon.

Dear Mr. Nixon:

Will you please advise us if there is any standard for an average percentage customarily used in mining in situations involving lease whereby lessor grants to lessee the right to mine lessor's ground, lessee furnishing all machinery, tools, equipment, etc., and also in a case whereby lessor grants lessee the right to mine lessor's ground, lessor to furnish in addition to the ground all machinery, tools, equipment, quarters etc., and what would be a fair figure of percentage to be used in both of two such cases outlined.

If practice has not established an average figure would you kindly express your own ideas on the subject.

Thanking you, we are,

Yours truly,

BUTTERCUP MINES, INC.,

By C. J. Glaspell

*The foregoing is intended for our information
& not to be used as a criterion or an
authority.*

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February 7, 1938

G. F. Glaspell, President
Buttercup Mines, Inc.
Bridgeport, Oregon

Dear Mr. Glaspell:

I am leaving for Baker this afternoon and will arrive sometime Wednesday. I will make an effort to call at your camp Thursday or Friday and so suggest that you get in touch with me at the Baker Hotel Wednesday evening in person or by telephone.

Answering your question about mining magazines, I would suggest that you consider subscribing to the California Mining Journal, address--Auburn, California; The Mining Journal, address--528 Title & Trust Bldg., Phoenix, Arizona. Very likely you are already a subscriber to the Engineering and Mining Journal, published in New York.

Sincerely yours,

EKN:va

Director

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STATE DEPT OF GEOLOGY
& MINERAL INDS.

BUTTERCUP MINES, Inc.

North-East of
BRIDGEPORT, OREGON

February 4, 1938.

Mr. Earl K. Nixon, Director,
Oregon State Mining Board,
704 Lewis Building,
Portland, Oregon.

Dear Mr. Nixon:

We want to express our appreciation of your courteous treatment when we called at your office personally.

After reading the literature you furnished us we are more keenly interested than ever in having you pay our locality a visit in a month or two as indicated.

It was the writer's intention when we called to ask you to recommend one or two of the best mining magazines available, but I overlooked it. Will you please advise.

Again thanking you, we are,

Yours truly,

BUTTERCUP MINES, INC.,

By C. J. Glaspell
President.



September 12, 1938

Mr. C. F. Glaspell
Buttercup Mines, Inc.
Bridgeport, Oregon

Dear Mr. Glaspell:

I will be in eastern Oregon late this week and will try to call on you. At that time we can better discuss the matter about which you have written.

Very truly yours,

EKN:vm

Director

John C. E. D.

BUTTERCUP MINES, Inc.

North-East of
BRIDGEPORT, OREGON

September 10, 1938.

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SEP 12 1938

STATE DEPT OF GEOLOGY
& MINERAL INDS.

Mr. Earl K. Nixon, Director,
State Department of Geology
and Mineral Industries,
704 Lewis Building,
Portland, Oregon.

Dear Mr. Nixon:

Thanks for your letter of the 1st and the thoroughness with which you presented the subject for our benefit.

The particular case under consideration is one where we expect to lease our property on Burnt River together with all equipment, machinery, tools etc., and truck for Placer mining on ground that has not been thoroughly explored in the strict sense, but has been worked sufficiently for lessees to have a pretty good idea that they are on a paying channel that should run 50¢ a yard or better. Operating costs should run not to exceed 20¢. There are at least 100,000 yards to be worked.

Lessee^s appear to be honest reliable men, some of whom I have had the opportunity to know for a year. They are not financially responsible however and find it necessary to use our credit on a week to week basis providing we will grant it, under a supervisory control.

With this information can you give us a better opinion or a suggestion relating to an equitable ratio of the recoveries obtained?

Thanking you, and with kindest regards and best wishes,

Yours truly,

BUTTERCUP MINES, INC.,

By O. J. Glassell

In addition, we also furnish quarters for all concerned.