

5.0 POTENTIALLY RESPONSIBLE PARTIES

Section 107 of CERCLA, 42 U.S.C. § 9607, makes certain categories of parties liable for natural resource damages resulting from a release of a hazardous substance. Parties liable under the statute include current owners and operators of a facility from which there is a release of hazardous substances and owners and operators of a facility at the time of disposal/release of hazardous substances.⁶ Because hazardous substances have been released in all years since the mine's development and operation, potentially responsible parties, absent a defense or exclusion from liability, include the current owners and operators of the site and all prior owners and operators. This subsection presents the chronological sequence of the owners and operators of the Blue Ledge Mine, starting from the past to the present. A summary of ownership is included as Table 2.

Sometime in the period 1896-1898, the Blue Ledge copper-zinc sulfide deposits were discovered by local miners, and limited development of the mine occurred over the next few years. Ownership reportedly fell to L.F. Cooper, William H. Hamilton, and others of Crescent City in 1902 (Aubury 1902) and in June 1904 the mine was purchased by John R. Allen and Associates of New York. (Kramer 1999) The mine was subsequently expanded and in 1905 it was sold to Robert Safford Towne, president of Compania Metalurgica Mexicana (CMM). Chartered in New Jersey in 1890, CMM was the centerpiece of an empire of several railroads, a timber company, a smelter, and mines all located largely in Mexico. At Towne's death in 1916, his estate was appraised at \$2,500,000. The value of all the property he controlled, but did not own, was even greater (Bernstein 1964).

Towne's vehicle for developing the Blue Ledge was the Blue Ledge Mining Company. He invested nearly \$2 million in the operation (O'Hara 1964). Ledgers from the period 1905-1909 written by F.W. Carnahan, Towne's chief engineer on the site, document expansion and exploration of the mine.

Although the Blue Ledge claims were patented in 1911, the mine was inactive between 1909 and 1916. In 1913, the mine was transferred to the Mexican Smelting and Refining Company, a subsidiary of CMM.

As early as 1913, the American Smelting and Refining Company (ASARCO) became financially involved with the Blue Ledge. ASARCO is today a world leader in the production of nonferrous metals and was founded in 1899 by financial baron Henry H. Rogers. By 1900, the Guggenheims gained control of ASARCO, and in 1905 they floated securities to purchase, among other properties, the smelter at Tacoma, WA (Jacobson 1991). A Blue Ledge Mine property report (1990) lists ASARCO as the mine owner in 1913 (Mattinen 1990), but other sources attribute ownership to the Mexican Smelting and Refining Company (Hundhausen 1947). In either case, CMM came under ASARCO control in 1923 when ASARCO was given a 60% interest in a number of Towne mines. Towne's heirs, however, still held title to the properties.

⁶ 42 U.S.C. § 9607(a)(1)-(4).

Table 6. History of Blue Ledge Mine Ownership and Operations

Year	Owner/Lessee/Operator	Operations Conducted
1902	L.F. Cooper, William H. Hamilton, and others of Crescent City (owner)	Limited development
1904	John R. Allen and Associates, New York (owner)	Limited development
1905	Blue Ledge Mining Company (owned by Robert Safford Towne, President of Compania Metalurgica Mexicana (CMM)) (owner)	Majority of mine development: diamond drill holes and over 2,500 feet of drifts, raises, winzes, and adits
1913	Mexican Smelting and Refining Company, a subsidiary of CMM (owned either by Towne or ASARCO) (owner)	8,576 tons of ore shipped from 1917-1920
1923	Towne Mines, Inc., a subsidiary of the American Smelting and Refining Company (ASARCO) (owner)	
1930	Dr. J.F. Reddy of Medford, OR and George Hughes of Spokane, WA (lessee)	2,575 tons of ore shipped in 1930 (obtained largely by sorting the ore dump)
1935	Towne Mines, Inc., a subsidiary of the American Smelting and Refining Company (ASARCO) (owner)	Exploration (1940-1942); Sampling, mapping, and drilling by U.S. Bureau of Mines (1947)
1956	Transcontinental Resources (owner)	
1974	Michelle E. Tracey Trust (owner)	
1981	Freeport Exploration (lessee)	Soil surveys, mapping, and 13,461 feet of rotary drilling
1984	Long Lac Mineral Exploration (joint venture)	9,588 feet of core drilling
1991	Sikaman Gold Resources (owner)	
1998	Blue Ledge Corporation (c/o Robert J. Custis, Esq.) (owner)	
2002	Michelle E. Tracey Trust (owner)	

CMM was integrated into a holding company, Towne Mines, Inc., which in turn was directed by ASARCO (Bernstein 1964). A 1925 mining report remarked that the Blue Ledge was reportedly sold to Guggenheim interests but was still assessed to the Mexican Smelting and Refining Company (Logan 1925).

The Blue Ledge re-opened in 1930 following its lease to a Dr. J.F. Reddy of Medford, Oregon and a George Hughes of Spokane, WA. Obtained largely by sorting the ore dump, 2,575 tons of good-grade ore were shipped (Hundhausen 1947). The mine's ownership history in the subsequent years remains murky. California mining reports credit ownership of the Blue Ledge to Towne Mines, Inc. in 1935 (Averill 1935), CMM in 1944 (Maxson 1948), and the Mexican Mining and Refining Company in 1947 (O'Brien 1947). During these years, limited exploration of the mine was conducted as well as a U.S. Bureau of Mines study that involved some sampling and drilling. The Bureau of Mines report cited D.C. Brown, of the Towne Securities Corporation, as the representative of the owners (Hundhausen 1947). In 1956, Transcontinental Resources purchased the mine and in 1974 Blue Ledge was sold to Michelle Tracey, a trustee for the Michelle E. Tracey Trust. Blue Ledge was leased in 1981 to Freeport Exploration, which

performed soil surveys and 13,461 feet of rotary drilling. The mine was joint-ventured to Long Lac Mineral Exploration in 1984 for 9,588 feet of core drilling (Mattinen 1990). A Forest Service memo cites Sikaman Gold Resources of Toronto as the mine owner in August 1991 (Hamner 1998). A Forest Service correspondence, lists the Blue Ledge Corporation c/o Robert J. Custis, Esq. as owner in 1998. (Gladen 1998). The most recent reports place ownership of the mine back with Michelle E. Tracey, who is currently seeking its sale (Wayne L. Johnson Group 2002).