

WOODMARKS AND PARTNERS CORNER SUNSTONE MARKET!

By RICK BEASLEY
Of The Beacon

DEPOE BAY — A lucrative gravel mining operation that looks like scenes from the hit HBO TV show *Deadwood* has struck pay dirt for the Woodmark family and their partners!

John and his wife Talley Woodmark are longtime business operators and downtown property developers. Their far-flung enterprises include the Blue Heron and Silver Heron galleries in Depoe Bay, Superfast Cash in Lincoln City, a jewelry store in Portland, a pizza parlor in Bandon and a winery in California.

Two years ago John partnered with Talley, big-game hunting partner Bruce Moore and a handful of other investors to form Desert Sun Mining & Gems. The company's purpose was to acquire and exploit a Southeastern Oregon mining claim deep in the Ochoco Natl. Forest known as The Ponderosa Mine, the world's largest producer of the premier gem-quality labradorite.

Oregonians may recognize the multi-colored gem as Oregon Sunstone, the state's official gemstone since 1987. Formed and crystallized in ancient volcanic flows, Oregon Sunstone is unique among gem feldspars due to the "Schiller Phenomenon" caused by millions of microscopic copper platelets found in each stone.

"The Schiller makes the stone appear to glow with its own internal light source," said Talley, the mining company's vice-president of marketing. "Oregon Sunstones retain this glow when viewed from a great distance or even by starlight."

Sunstones are encountered in India, Russia, Finland and Norway, but only in Oregon is the stone found of gemstone quality. Native Americans

used the transparent, glittering gems as trading stones and to enhance their medicine wheels, sacred bundles and burial sites. In 1992, major jewelers H. Stern and Tiffany & Co. added the Oregon gem to their lines, calling it American Sunstone. Now, John and his partners are digging the stone from the earth and cutting it for sale to the domestic and international jewelry markets.

"We're getting ready to go mining again," said John, who operates the claim out of a Gold Rush-style camp with canvas tents and Dutch ovens. "We have 20 retail outlets now including casinos, and 5,000 strands of beads. We're selling wholesale, retail and in bulk. At our Portland store we have hired a fulltime jeweler to mount stones and produce custom mounts. The market for Oregon Sunstone is exploding."

Open mining in the lava flows is hard work, but John, his sons Clay and Wade, Talley, Burce and company toil with grins on their faces. The muted grinding of their shovels and the swish of gravel hitting the sorting screens is punctuated by the victorious yell announcing another rich discovery. It is exciting, invigorating work in beautiful country, John said.

Aside from its stunning beauty, market forces are driving the popularity and price of Oregon Sunstone and other gemstones. Many custom jewelers favor colored stones because the margins in diamonds are so thin. But reserves of many popular stones are diminishing.

"Tanzanite will be completely depleted by the year 2020," said John. "The Red Barrel of Colorado is closed out. Emeralds, sapphires and rubies are the same way — the ancient mines are being depleted. All colored stones have a finite supply."



PARTNERS and family provide most of the elbow grease at The Ponderosa Mine, located deep in the Ochoco Natl. forest 40 miles from the nearest town. The open mining is done by hand, shovel and pic axe. Gravel is then sifted through mesh screens. Oregon is the only place in the world that produces gem-quality sunstones, and The Ponderosa sits atop the largest known vein of Oregon Sunstone in the world.

The Ponderosa deposit was discovered in the summer of 1980 when a logging operation cut roads through the area and cowboys running range cattle discovered clear crystals on the surface. Gem brokers Larry Gray and Chris Johnston first worked the claim, the third known deposit of Sunstone in Oregon. As mining activities continued it became obvious that the Ponderosa produced the widest range of colors in labradorite feldspar ever discovered. Oregon Sunstone comes in all shades of the rainbow except blue, although colors of red and green are the most sought after and command the highest prices.

"At its best, the red faceted material from the Ponderosa Mine is as fine a color as the finest ruby or red spinel from Burma," wrote author Chris Johnston in a leading gem industry periodical. "The blue greens are like emeralds, the gray greens like green diamonds, and the peaches and orange roses can

double for imperial topaz."

In 1985, miners unearthed a faceted deep red stone weighing 10.78 carats. It was named



OREGON SUNSTONES are brisk sellers at the Blue Heron Gallery in Depoe Bay. Above, gift store owner and mining magnate John Wookmark displays some dazzling stones that will be set into custom-made jewelry.

the Ponderosa Queen and caused such a sensation that the Oregon legislature adopted the rare labradorite as the official state gemstone.

In Sept., 1998 Janus International announced its intention to buy the mine for \$8.5 million. Based on geological surveys, the company estimated the claim would produce \$100 million worth of Sunstone gems. But the deal fell through, and the untimely death of Larry Gray soon thereafter brought operations to a standstill.

A former accountant and IRS auditor who bought the Depoe Bay Aquarium in 1978, John is an astute entrepreneur with a knack for identifying and developing business opportunities. Attuned to the gem markets through his gallery, John and his partners bought five Sunstone mining claims near Plush, Ore., a place too small for a map.

“Word got out that we were interested in Oregon Sunstone and we were contacted by Karen Gray, Larry Gray’s widow,” John told the *Beacon*. “We went over and met her, inspected the mine and learned that she was very interested in either selling outright or teaming-up with somebody who could market

the Oregon Sunstone. She realized it takes a lot of money. A lot have tried and not many have been very successful.”

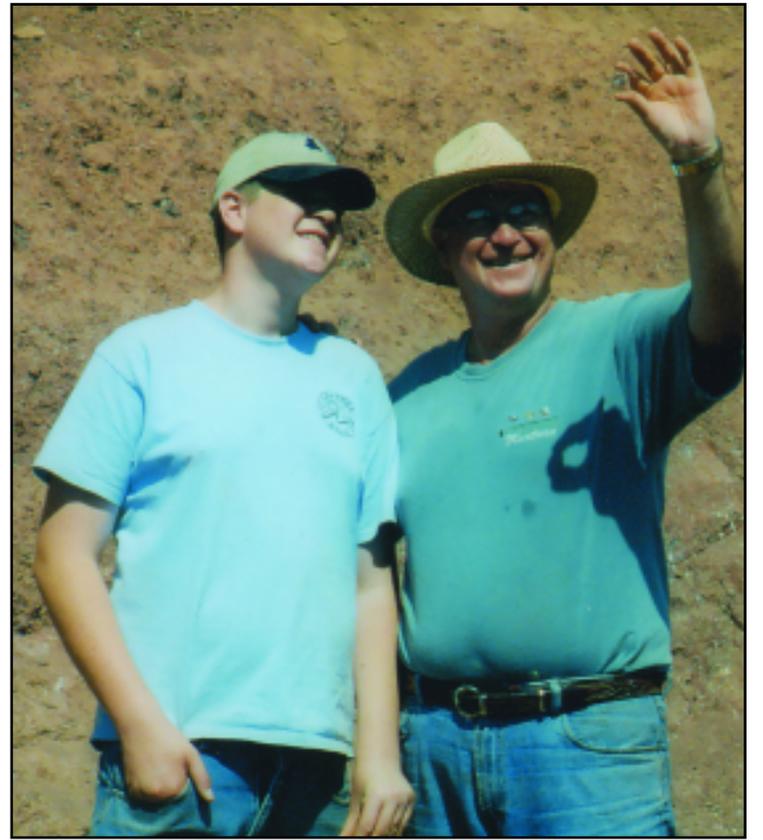
Locally, Oregon Sunstones can be found at the Blue Heron in Depoe Bay. Scribbles, a gift and card store at the upscale Salishan Mall, features Lori Green Originals with Ponderosa Mine sunstones.

Woodmoore & Gray Jewelers, 609 S.W. Washington in Portland, is a wholly owned subsidiary of Desert Sun Mining managed by retail V.P. Burce Moore. Burce explained how prices are set:

“Prices are determined by the three C’s — cut, clarity

and carat size. Prices range from \$20 to \$2,500 per carat for loose stones. Prices for finished jewelry depends on the quality of the stone and the setting. The best designers in the country are using our sunstone to produce jewelry selling in the tens of thousands of dollars per piece. Paula Crevoshay, who has designed pieces for the Queen of England, Carly Simon, Oprah, and Elton John, is one of our premier designers. Her pieces begin at \$3,500 and exceed \$200,00.

The Portland Oregonian newspaper dispatched a reporter to the swank Portland store for a full page story with dazzling color photos of Oregon Sunstones. The



SOME OF THE LARGER stones, left, found at The Ponderosa will be shipped to the international jewelry market, where they are cut in China and sold for up to \$2,500 per carat. A nice discovery, above, catches the eye of John Wodmark and his son, Clay.

article flooded the store with new-found sunstone fans.

“Oregon Sunstone is an all-natural gemstone,” said Talley. “Desert Sun Mining & Gem does not enhance its gem-

stones in any way with chemicals, irrigation, heat or oiling. Created by nature — pure, radiant, and simply beautiful. Oregonians should be very proud of their state gem.”