DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code

March 8, 1958

Memorandum

To: Singfield Chamberlain, Statistics Branch
Division of Operation Contract and Statistics

From: Director, Division of Base Metals

Subject: Report of Semi-Annual Reports of Certified Projects for the Period July 1, 1957 thru December 31, 1957.

The following projects were inactive during the cited period.

Docket No.	Contract No.	Name
DM[illegible]-66	Idm-[illegible]04	Aly Valley Mines Company
DM[illegible]-110	Idm-[illegible]2	Callahan Zinc Lead Company, Inc.
DM[illegible]-270	Idm-[illegible]261	Montana Mining & Development Co.
DM[illegible]-371	Idm-[illegible]67	Peru Mining Company
DM[illegible]-[illegible]70	Idm-[illegible]10	Bristol Silver Mines Company
DM[illegible]-467	Idm-[illegible]26	Silver Bay Mines, Inc.
DM[illegible]-606	Idm-[illegible]79	U. S. Metals Corporation
DM[illegible]-1203	Idm-[illegible]4	Marquette Mining & Milling Company
DM[illegible]-1219	Idm-[illegible]67	The Glidden Company
DM[illegible]-1243	Idm-[illegible]86	Bachelor Development Company
DM[illegible]-1303	Idm-[illegible]371	Iron Metals, Inc.
DM[illegible]-1315	Idm-[illegible]178	J. [illegible] and Lulu Miller
DM[illegible]-1325	Idm-[illegible]237	[illegible] Smelting, Refining & Mining Co.
DM[illegible]-1525	Idm-[illegible]	Moreno Uranium Corporation
DM[illegible]-1560	Idm-[illegible]42	Lodgeville Mining Company
DM[illegible]-1561	Idm-[illegible]67	Lodgeville Mining Company
DM[illegible]-1601	Idm-[illegible]315	Reed and Reed
DM[illegible]-1670	Idm-[illegible]309	U. S. Metals Corporation
DM[illegible]-1948	Idm-[illegible]302	United Minerals Corporation
DM[illegible]-1949	Idm-[illegible]322	United Minerals Corporation

[illegible] R. Griswold

8623

DEFENSE MINERALS EXPLORATION ADMINISTRATION

For the Period July 1 - December 31, 1956

Base Metals Division Date May 1, 1957

Semi-Annual Report - Certified Project Date February 12, 1957

DMEA No. 487 Operator Silver Bay Mines Contract No. Idm-E 26

Ore Reserves

Ore Estimates	Tons	Analysis
Original (DMEA)		
Increase (Operator)		
Total		
Decrease (Production)		
Net Available		

Investment

Shafts			Winzes			Drifts & Crosscuts		
Size	Feet	Cost	Size	Feet	Cost	Size	Feet	Cost
						6X8	395	$12,000.00

Raises			Drilling			Rehabilitation	
Size	Feet	Cost	Type & Size	Feet	Cost	Description	Cost

Facilities

Mine Plant		Mill		Roads	
Description	Cost	Description	Cost	Description	Cost

Remarks

New application for additional DMEA work was denied.

W. R. Griswold/er

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

January 27, 1966

Mr. C. V. Liljenquist
Secretary
Silver Bay Mines, Inc.
1117 East 7th Place
Mesa, Arizona

Re: DMEA-487 (Lead-Zinc)
Silver Bay Mines, Inc.
Black Hawk Mine
San Juan County, Colorado
Amended Contract Idm-E26

OFFICIAL
COPY
O. M. E.
RECEIVED
FEB 8 1966

INITIALS	CODE
	120
	120

Dear Mr. Liljenquist:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

Frank E. Johnson

Frank E. Johnson
Chief, Office of
Minerals Exploration

MME Form 63
Revised 7-65

DMEA-487
Idm-E26

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

From August 1964, to June 27, 1965

1. ~~XXXXX~~ , has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes [ ] No [X]

   Does Silver Bay Mines, Inc. still own the property? If not, please give details. Yes [X] / No [ ] /

From August 1964, to June 27, 1965,

2. ~~XXXXX~~ , has there been any production from the land subject to the contract? Yes [ ] No [X]

   A. If so and it was shipped, give quantity, value, and name and address of purchaser.

	Quantity	Value

   B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other	**Approx 300 tons**	Tons		**in dump- No ore has been sold**

3. Since , has any production been transported through workings (see of contract)? Yes [ ] No [X]

   If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name C. V. Lilyenquist Title **Secretary**

Address **1117 East 7th Place** Date **Feb. 5, 1966**

Mesa, Arizona 85201

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
WASHINGTON 25, D. C.

July 27, 1964

Re: DMEA-487 (Lead-Zinc)
Silver Bay Mines, Inc.
Black Hawk Mine
San Juan County, Colorado
Amended Contract Idm-E26

Mr. C. V. Liljenquist
Secretary
Silver Bay Mines, Inc.
1117 East 7th Place
Mesa, Arizona

Dear Sir:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

George C. Selfridge

George C. Selfridge, Chief
Division of Exploration Operations

OFFICIAL FILE COPY
O. M. E.
RECEIVED AUG 17 1964

DATE	INITIALS	CODE
8/17		800
		~~100~~
8/17		~~110~~
8/18		120
	Onderm	120
		320

MME Form 63
Revised 3-62

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since September 1963 , has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☒

2. Since September 1963 , has there been any production from the land subject to the contract? Yes ☐ No ☒

   A. If so and it was shipped, give quantity, value, and name and address of purchaser.

	Quantity	Value

   B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

3. Since , has any production been transported through workings (see of contract)? Yes ☐ No ☐

   A. If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name G. V. Lilyenquist
Address 1117 E. 7th Place
Mesa Arizona

Title Secretary
Date Aug. 10, 1964

4511

Note - Only cy. that was rec'd

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
WASHINGTON 25, D. C.

August 21, 1963

Re: DMEA-487 (Lead, Zinc)
Silver Bay Mines, Inc.
Black Hawk Mine
San Juan County, Colorado
Contract Idm-826

Mr. C. V. Liljenquist
Secretary
Silver Bay Mines, Inc.
1117 East 7th Place
Mesa, Arizona

Dear Sir:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

W. R. Griswold

W. R. Griswold, Chief
Division of Minerals

OFFICIAL FILE COPY
O. M. E
RECEIVED OCT 2 1963

DATE	INITIALS	CODE
10/2		800
10-2		100
10/2	REP	~~110~~
	Griswold	500
		220

MME Form 63
Revised 3-62

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since November 2, 1962, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☒

2. Since November 2, 1962, has there been any production from the land subject to the contract? Yes ☐ No ☒

   A. If so and it was shipped, give quantity, value, and name and address of purchaser.

	Quantity	Value

   B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity	Estimated Grade	Location
Ore	Tons		
Concentrates	Tons		
Other	Tons		

3. Since , has any production been transported through workings (see of contract)? Yes ☐ No ☒

   A. If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name C. V. Lilyenquist Title Secretary

Address 1117 E. 7th Place Date Sept. 25th 1963

Mesa, Arizona

4511

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
WASHINGTON 25, D. C.

September 24, 1962

Re: DMEA-487 (Lead-Zinc)
Silver Bay Mines, Inc.
Black Hawk Mine
San Juan County, Colo.
Contract Idm-E26

CERTIFIED MAIL
~~RECEIPTED MAIL~~

Mr. C. V. Liljenquist, Secretary
Silver Bay Mines, Inc.
~~1370 South Second West~~ 1117 East 7th Place
~~Salt Lake City, Utah~~ Mesa, Arizona

Dear Mr. Liljenquist:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

We wrote you on April 4 but have heard nothing from you. We would greatly appreciate your courtesy in bringing us up to date regarding the referenced property.

Sincerely yours,

W. R. Griswold, Chief
Division of Minerals

Mr Selfridge

MME Form 63
Revised 3-62

DMEA-487
Idm-E26

OFFICIAL FILE COPY
O. M. E
RECEIVED NOV 16 1962

DATE	INITIALS	CODE
	OME	
DEPARTMENT OF THE INTERIOR		
11/16		800
		100
11/16		110
		120
		500
		220

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since January 1, 1960, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☒

2. Since January 1, 1960, has there been any production from the land subject to the contract? Yes ☐ No ☒

   A. If so and it was shipped, give quantity, value, and name and address of purchaser.

	Quantity	Value

   B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity		Estimated Grade	Location
Ore		Tons	None	
Concentrates		Tons		
Other		Tons		

3. Since , has any production been transported through workings (see of contract)? Yes ☐ No ☒

   A. If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name G. V. Lilyenquist Title Secretary

Address 1117 E. 7th Place
Mesa, Arizona

Date Nov. 2, 1962

4511

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
WASHINGTON 25, D. C.

APR 4 1962

Re: DMM-457 (Lead-Zinc)
Silver Ray Mines, Inc.
Black Rock Mine
San Juan County, Colorado
Contract Ma-[illegible]

Mr. C. V. Liljequist, Secretary
Silver Ray Mines, Inc.
1370 South Second West
Salt Lake City, Utah

Dear Mr. Liljequist:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

Willis R. Grieveld, Chief
Division of Minerals

MME Form 63
Revised 3-62

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since January 1, 1960, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☐

2. Since January 1, 1960, has there been any production from the land subject to the contract? Yes ☐ No ☐

   A. If so and it was shipped, give quantity, value, and name and address of purchaser.

	Quantity	Value
_____		
_____	_____	_____

   B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity		Estimated Grade	Location
Ore	_____	Tons	_____	_____
Concentrates	_____	Tons	_____	_____
Other	_____	Tons	_____	_____

3. Since _____, has any production been transported through _____ workings (see _____ of contract)? Yes ☐ No ☐

   A. If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value
_____	_____	_____

Submitted by:

Name _____ Title _____

Address _____ Date _____

4511

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

Building 20 - Federal Center
Denver 25, Colorado

May 11, 1960

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAY 13 1960

DATE	INITIALS	CODE
5-13	gad	2V0
5/13	[illegible]	110
5/13	[illegible]	800
5/16	gla	500
		225

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME

From: Acting Field Officer, OME, Region III

Subject: Report of Certified Project for the period 1/1/59 through 12/31/59

DMEA Docket No. 487 Contract No. Idm-E26 (Lead-Zinc)
(Black Hawk Mine)
Silver Bay Mines, Inc., San Juan County, Colorado

Enclosed are the original and one copy of the subject report.

Hugh M. Connors

Hugh M. Connors

Enclosure

OFFICIAL FILE COPY O. M. E. RECEIVED MAY 13 1960		
DATE	INITIALS	CODE
5-13	gad	210
		110
		800
		500

OFFICE OF MINERALS EXPLORATION

REGION III

Annual
Statement in Lieu of ~~Interim~~ Report of Certified Project

Reporting Period January 1, 1959, through December 31, 1959

Docket and Contract Number DMEA 487, E26 (Lead-Zinc) (Black Hawk Mine)

Operator Silver Bay Mines, Inc., San Juan County, Colorado

The project has been inactive during the reporting period [X]

Pertinent data relative to the subject contract has remained unchanged since the last report [X]

Remarks: C. V. Liljenquist, Secretary of Silver Bay Mines, Inc., reports as noted above.

Hugh M. Connors

Signed Hugh M. Connors
Actg. Field Officer, OME, Region III

Date May 11, 1960

OFFICIAL FILE COPY
O. M. E.
RECEIVED FEB 10 1960

DATE	INITIALS	CODE
2-10	gad	VVO
2/10	[illegible]	800
2/11	[illegible]	500
		225

Building 20 - Federal Center
Denver 25, Colorado
February 8, 1960

Silver Bay Mines, Inc.
1370 South 2nd West Street
Salt Lake City, Utah

Re: Docket No. DMEA 487 (Lead-Zinc)
Contract No. Idm-E26
(Black Hawk mine)
San Juan County, Colorado

Gentlemen:

In reference to Item 5(e) of Amendment No. 4 on the captioned project, please indicate your answer to the following questions and return one copy of the questionnaire immediately to this office.

Very truly yours,

Original signed by

J. W. Townsend
Executive Officer, OME
Field Team, Region III

1. Has the property been sub-leased or any change made in ownership other than this office has been notified? Yes___ No___. If yes, please furnish details of the transaction on separate sheet and include a true or signed copy of any instrument that was executed in conjunction with the matter.

2. Has there been production from the land subordinated under the referenced contract since January 1, 1959? Yes___ No___. If yes, and shipments made, who was the purchaser?_____

3. Is any of the following material stockpiled? Yes___ No___.

(a) Ore, Tons_____ Estimated grade_____
(b) Concentrates, lbs._____ Estimated grade_____
(c) Low grade ore, tons_____ Estimated grade_____
Place stockpiled_____

Signed_____

Title_____ Date_____

TMR:ltm cc: Chmn. Op. Comm. ✓ Roy. Corres. E26 Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration
224 New Customhouse
Denver 2, Colorado
March 13, 1959

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAR 16 1959

DATE	INITIALS	CODE
3/16	C	220
"		110
3/18		800
3/19		500
		225

Memorandum

To: Chairman, Operating Committee, OME

From: Executive Officer, OME Field Team, Region ~~III~~

Subject: Semiannual Report of Certified Project for the period July 1, 1958 through December 31, 1958

DMEA Docket 487 (Lead-Zinc)
Contract Idm-E 26 (Black Hawk Mine)
Silver Bay Mines, Inc.
San Juan County, Colorado

Enclosed are the original and three copies of the subject report prepared in conformance with instructions contained in memorandum of January 6, 1956 from this office, Memorandum 29, and Special Notice in Minutes of Operating Committee Meeting No. 692.

J. W. Townsend

Enclosures

J. W. Townsend

cc: Semiannual Report File Idm-E 26
Harshman
Buel
Chron.

OME
DEPARTMENT OF THE INTERIOR

MAR 13 1959
REGION III
DENVER, COLORADO

OME, REGION III

Statement in Lieu of Semiannual Report

Reporting Period	July 1 - December 31, 1958
Docket and Contract Number	Docket 487, Contract Idm-E26
Operator	Silver Bay Mines, Inc. (Black Hawk Mine) San Juan County, Colo.

The project has been inactive during the reporting period ☐

Pertinent data relative to the subject contract has remained unchanged since the last report ☒

Remarks:

The operator was conducting a small amount of exploratory drifting during September. The total amount of exploration, however, is not known for the reporting period as a return trip was not attempted because of snow at the high altitudes.

Signed Edward W. Buel

Edward W. Buel

Date 3-10-59

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration
224 New Customhouse
Denver 2, Colorado

February 26, 1958

ORIGINAL FILE COPY
DMEA
RECEIVED MAR 3 1958

DATE	INITIALS	CODE
3/3	C	220
3	Com	100
4	MG	110
	EEF	800
		225

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Semiannual Report of Certified Project for the period July 1 - December 31, 1957

DMEA Docket 487X
Contract Idm-E 26
Silver Bay Mines, Inc. (Blackhawk mine)
San Juan County, Colorado

Enclosed are the original and three copies of the subject report prepared in conformance with instructions contained in memorandum of January 6, 1956 from this office, Memorandum 29, and Special Notice in Minutes of Operating Committee Meeting No. 692.

W S King

Executive Officer, DMEA
Field Team, Region III

Enclosures
MHM:bh

cc: Semiannual Report File E 26
Harshman
DMEA/DFC (2)
Chron.

DMEA
DEPARTMENT OF THE INTERIOR

FEB 13 1958
REGION III
DENVER, COLORADO

DMEA, REGION III

Statement in Lieu of Semiannual Report

Reporting Period July 1, 1957, to December 31, 1957
Docket and Contract Number DMEA 487X IDM-E26
Operator Silver Bay Mines, Inc. (BLackhawk mine)
San Juan County, Colorado.

The project has been inactive during the reporting period [X]

Pertinent data relative to the subject contract has remained unchanged since the last report [ ]

Remarks:

Signed Edward W. Buel

Edward W. Buel

Date February 10, 1958

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration
224 New Customhouse
Denver 2, Colorado

OFFICIAL FILE COPY
DMEA
RECEIVED OCT 25 1957

DATE	INITIALS	CODE
10/25	gb	220

October 22, 1957

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Semiannual Report of Certified Project for the period January 1, 1957 through June 30, 1957

DMEA Docket 487X (Lead-Zinc)
Contract Idm-E 26, Silver Bay Mines, Inc. (Blackhawk Mine), San Juan County, Colorado

Enclosed are the original and three copies of the subject report prepared in conformance with instructions contained in memorandum of January 6, 1956 from this office, Memorandum 29, and Special Notice in Minutes of Operating Committee Meeting No. 692.

E. M. Harshman

Acting Executive Officer, DMEA
Field Team, Region III

Enclosures

MHM/vj

cc: Semiannual Report File E 26
DMEA/DFC (2)
Harshman
Chron.

DMEA
DEPARTMENT OF THE INTERIOR
OCT 18 1957
REGION III
DENVER, COLORADO

DMEA, REGION III

STATEMENT IN LIEU OF SEMIANNUAL REPORT

Reporting Period	January 1, 1957 to June 30, 1957
Docket and Contract Number	DMEA 487X, Idm-E26
Operator	Silver Bay Mines, Inc. (Blackhawk mine) San Juan County, Colorado

The project has been inactive during the reporting period [X]

Pertinent data relative to the subject contract has remained unchanged since the last report [ ]

Remarks:

Edward W. Buel

Signed Edward W. Buel

Date Oct. 14, 1957

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration
224 New Customhouse
Denver 2, Colorado

EXTRA COPY
D M E A
RECEIVED OCT 25 1957

DATE	INITIALS	CODE

October 22, 1957

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Semiannual Report of Certified Project for the period January 1, 1957 through June 30, 1957

DMEA Docket 487X (Lead-Zinc)
Contract Idm-E 26, Silver Bay Mines, Inc. (Blackhawk Mine), San Juan County, Colorado

Enclosed are the original and three copies of the subject report prepared in conformance with instructions contained in memorandum of January 6, 1956 from this office, Memorandum 29, and Special Notice in Minutes of Operating Committee Meeting No. 692.

Original signed by
E. N. HARSHMAN

Acting Executive Officer, DMEA
Field Team, Region III

Enclosures

MHM/vj
cc: Semiannual Report File E 26
DMEA/DFC (2)
Harshman
Chron.

EXTRA COPY
DMEA
RECEIVED OCT 25 1957

DATE	INITIALS	CODE

DMEA, REGION III

STATEMENT IN LIEU OF SEMIANNUAL REPORT

Reporting Period: January 1, 1957 to June 30, 1957
Docket and Contract Number: DMEA 487X, Idm-E26
Operator: Silver Bay Mines, Inc. (Blackhawk mine)
San Juan County, Colorado

The project has been inactive during the reporting period [X]

Pertinent data relative to the subject contract has remained unchanged since the last report [ ]

Remarks:

Edward W. Buel

Signed ~~Edward W. Buel~~

Date ~~Oct. 14, 1957~~

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration
Washington 25, D. C.

224 New Customhouse
Denver 2, Colorado

Date: February 12, 1957

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Semiannual Report of Certified Project for the period July 1, 1956 through December 31, 1956
DMEA Docket 487X (Lead-Zinc)
Contract Idm-E 26, Silver Bay Mines, Inc. (Blackhawk Mine), San Juan County, Colorado

Enclosed are the original and three copies of the subject report prepared in conformance with instructions contained in memorandum of January 6, 1956 from this office, ~~and~~ Memorandum 29, and Special Notice in Minutes of Operating Committee Meeting No. 692.

W. M. Traver
Executive Officer, DMEA
Field Team, Region III

Enclosures
MHM/vj
cc: Semiannual Report File E 26
J. F. Shaw (2)
Harshman
Chron.

OFFICIAL FILE COPY
DMEA
RECEIVED FEB 18 1957

DATE	INITIALS	CODE
2/27	C	220

DMEA
DEPARTMENT OF THE INTERIOR
FEB 8 1957
REGION III
DENVER, COLORADO

DMEA, REGION III

STATEMENT IN LIEU OF SEMIANNUAL REPORT

Reporting Period July 1, 1956 to December 31, 1956
Docket and Contract Number DMEA 487X, Idm-E26
Operator
Silver Bay Mines, Inc. (Blackhawk mine)

	"X" one
The project has been inactive during the reporting period	
Pertinent data relative to the subject contract has remained unchanged since the last report	X

Remarks:

During the reporting period, the operator performed 340 feet of drifting and 55 feet of crosscutting on the Blackhawk vein. The new work did not disclose any mineralization even approaching ore-grade.

The operator submitted a new DMEA application (4477) requesting additional Government assistance to explore the Blackhawk vein. The application was denied.

OFFICIAL FILE COPY
DMEA
RECEIVED FEB 18 1957

DATE	INITIALS	CODE
Date		

Signed Edward W. Buel
Edward W. Buel

January 31, 1957

RECEIVED
NOV 30 1956
D.M.E.A.

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration
Washington 25, D. C.

224 New Customhouse
Denver 2, Colorado

Date: November 28, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Semiannual Report of Certified Project for the period January 1, 1956 through June 30, 1956
DMEA Docket 487X (Lead-Zinc)
Contract Idm-E 26, Silver Bay Mines, Inc.
(Blackhawk Mine), San Juan County, Colorado

Enclosed are the original and three copies of the subject report prepared in conformance with instructions contained in memorandum of January 6, 1956 from this office and Memorandum 29.

NOTE: 1. Effective date of Pseudo Certification is May 1, 1952, as inserted herein.
2. The total amount of Government participation at 50% is $12,531.00, as herein corrected. Re: our memo 6/18/56 to T. A. Christensen attached to final MF-104 for September and November.

W. M. Traver
Executive Officer, DMEA
Field Team, Region III

W. M. Traver

Enclosures

MHM/vj
cc: Semiannual Report File E 26
J. F. Shaw (2)
E. N. Harshman
Chron.

Semiannual Report of Certified Projects

DMEA
DEPARTMENT OF THE INTERIOR
NOV 27 1956
REGION II
DENVER, COLORADO

RECEIVED
NOV 30 1956
D.M.E.A.

Reporting Period January 1, 1956 to June 30, 1956 (First)

Docket and Contract Number DMEA 487X, Contract Idm-E26

Operator Silver Bay Mines, Inc.

Commodity Lead-zinc

Mine Name Blackhawk mine

County and State San Juan County, Colorado

Date of Contract June 27, 1951 eff 5/1/52

Date of Certification Pseudo certification in amendment no. 4 (8/11/54)

Expiration Date of Royalty Payments June 27, 1965

Date of Examination for this Report October 30, 1956

Total Amount of Contract $29,593.29

Total Expenditures under Contract $25,634.79

Amount of Government Participation at 50 % ~~$12,817.40~~ $12,531.00

Royalty Payments this Period None

Previous Royalty Payments None

Total Royalty Payments to Date None

% Loan Repayment Completed None

Amount of Royalty Due None

Royalty Remarks There has been no production from the property.

Original Estimate of Reserves (from Final Engr.-Geol. Report): 900 tons indicated ore averaging 3.1 percent lead, 4.5 percent zinc, and 0.2 percent copper with 0.023 oz. gold and 2.3 oz. silver a ton.

Increase of Reserves by work performed subsequent to expiration or termination of contract: None

Revised Estimate of Reserves: Same as above.

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Production this Period (Ore or Concentrates) None

Amount of Previous Production (since date of contract) None

Total DMEA Production to date None

% of Revised Reserves Mined None

Production Remarks: There has been no production from the property during and since the DMEA contract.

Note: On Uranium projects check with AEC to assure that our records are in agreement with theirs.

Other Remarks:

Signed C. M. Harrer (Engineer)

C. M. Harrer

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

FINAL DISTRIBUTION

MADE JUN 25 1956

224 New Customhouse
Denver 2, Colorado

June 18, 1956

RECEIVED
JUN 27 1956

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-487X (Zinc-Lead) Contract I-DMA-E26, Silver Bay Mines, Inc. (Black Hawk Mine) San Juan County, Colorado-Operator's Monthly Progress Reports for the months of September, 1953 and November, 1953 - FINAL PAYMENT

Enclosed are the original and four copies of Form MF-104 and Form MF-104A, Narrative Report, and Engineer's Report for the above periods which have been combined to form a single report to facilitate final payment to the Operator. The combined report constitutes the Operator's final claim under the terms of the contract. Also attached to each copy of the combined report are data relative to liquidation of property acquired under the contract.

It is deemed that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. Payment has been deferred pending resumption of work, or resolution of all matters relative to closing the account. The contract was terminated under the provisions of Amendment No. 4, as amended by Amendments 5 and 6.

All matters relative to closing the account have now been resolved, therefore, final payment is recommended as follows, which is in conformance with the Report of Review of contract expenditures by the Contract Administration and Audit Division, DMEA, dated June 7, 1956, which was released to this office June 14, 1956.

Basis for Final Payment

Total accepted cost	$25,062.00
Government participation at 50 percent	12,531.00
Total prior payments	11,955.69
Balance due the Operator	$ 575.31

Reconciliation with attached forms MF-104 for months of September and November, 1953

Amount reported by Operator on Form MF-104 for Sept., 1953	$2,366.00
Amount reported by Operator on Form MF-104 for Nov., 1953	273.00
Total	$2,639.00
Adjustment by Operator on Form MF-104 for Nov., 1953 in "Totals Previously Reported," to correct overcharge for 5 feet of drilling reported on Form MF-104 for September, 1953 at agreed unit cost of $45.50 per foot----------	227.50
Adjusted total	$2,411.50

Disallowances and Deductions

Disallowance, per audit dated Nov. 4, 1953------	$688.09	
Deduction, amount of property settlement, per Report of Review dated June 7, 1956*------	572.79	
Total disallowance and deductions		1,260.88
Balance		$1,150.62
Government participation at 50 percent		$ 575.31

* In addition to the property settlement, the Report of Review takes into account a discrepancy of $100.00 in the amount reported by the Operator in the "Totals to Date" column of Form MF-104 for November, 1953. The discrepancy is due to an error in addition of the "Totals to Date" column, and has no bearing on the above analysis relative to the final payment.

W. M. TRAVER

W. M. Traver

Enclosures
JDC:jy
cc: Corresp. E26
MF-104 File E26
Sec. Op. Comm. (2)
Shaw (2)
Townsend
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
November 12, 1953

Memorandum

To: Executive Officer, Field Team, Region IV

From: Chief, Mineral Resources Branch, Mining Division, Region IV

Subject: DMEA 487, Contract Idm-E26 (Lead-zinc), Silver Bay Mines, Inc. (Blackhawk mine), San Juan County, Colorado -- Progress report for September 1953

Enclosed are the original and four copies of the above progress report--forms MF-104 and MF-104A, with a narrative by the subcontractor--and the original and six copies of W. L. Dare's memorandum covering inspection of the underground progress and reporting forms. Project operations are under a unit-cost amendment, allowing drifting at $45.50 a foot.

Dare disallows 5 feet of drifting at the unit cost of $45.50, or a total of $227.50, and approves 47 feet at $45.50, or $2,138.50. This disallowance is fully explained in his memorandum and has my approval. The subcontractor is aware of the difference and agreed to notify the contractor. Entries and extensions on the reporting forms are correct.

The $227.50 disallowance subtracted from $2,366.00 claimed leaves $2,138.50. Of this sum 50 percent, or $1,069.25, is recommended for payment and certified on the MF-104 form.

for Scott W Hazen
W. M. Traver

WMT/kp

enclosure

cc 4
E26
Chrom

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
November 10, 1953

Memorandum

To: Chief, Mineral Resources Branch, Mining Division, Region IV

From: W. L. Dare

Subject: DMEA 487, Contract Idm-E26 (Lead-zinc), Silver Bay Mines, Inc. (Blackhawk mine), San Juan County, Colorado -- Progress report for September 1953

The Blackhawk mine was visited on October 8, 1953. Henry P. Ehrlinger, subcontractor, was not at the property at the time of the inspection. Total footage for 1953, through September 30, was measured as 112 feet with one of Ehrlinger's contract miners holding one end of the tape. This meant that the September advance was 52 feet. When Ehrlinger was contacted that evening at his home in Silverton, he stated that this figure corresponded with his measurement, and he later reported such to Silver Bay Mines, Inc.

When the property was visited on November 3, 1953, (no advance in October) another check of the total advance was made with Ehrlinger holding one end of the tape, and the total advance was found to be 107 feet. This distance was rechecked, and Ehrlinger agreed with its correctness. This means that as 52 feet is claimed for September, and approval can be given to only 47 feet, a disallowance of 5 feet at the agreed unit cost is necessary.

As noted in the inspector's memorandum accompanying the August report, on September 2, 1953, it was recommended to the subcontractor to turn the drift as tight as possible to get back on the vein. In October, Ehrlinger turned the drift with an easy curve and consequently did not intersect the vein. He hit the water course he describes in the narrative and thought that this possibly was the vein. He was definitely instructed on October 8, 1953, to stop work in this face, return to the point in the drift where the vein turned north, and drift along it, keeping it in the breast at all times.

Although it is believed the subcontractor used poor judgement when he lost the vein, it was his honest belief that he would

pick up the vein seen after he lost it. Consequently, the footage as reported, minus 5 feet, is approved.

Payment to the operator is recommended as $1,069.25, which is 50 percent of the $2,366.00 claimed minus $227.50 disallowed.

W. L. Dare

WLD/kp

cc 6
R26
Chron

Form MF-101 (Rev.)
(April 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

RECEIVED
JUN 27 1956

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of September, 1953 Docket No. DMEA _____ Contract No. IDM E26
Operator's Name Silver Bay Mines, Inc Minerals Lead - Zinc
Address P. O. Box ~~12~~ 1498 Salt Lake City, Utah
Contract Amount, $ 30,600.00 Government Participation: 50 % Amount, $ 15,300.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting		9,337.50	9,337.50			
Drifting		3,980.55	3,980.55			
Drifting (short Form)	2,366.	2,730.00	5,096.00			
(2) Labor and Supervision Stage II						
Labor						
Supervision		750.00	750.00			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		13.44	13.44			
Explosives		925.82	925.82			
Pipe		246.41	246.41			
Track		427.43	427.43			
Compressor Fuel		834.63	834.63			
Other Supplies		1,157.35	1,157.35			
(4) Operating Equipment:						
Rental		1,800.00	1,800.00			
Purchase		724.00	724.00			
Depreciation		186.30	186.30			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Transportation		199.44	199.44			
Vent Tubing		917.13	917.13			
(8) Contingencies (specify):						
TOTALS	2,366.00	24,230.00	26,596.00	1150.62	24,230.00	25,380.62
				1 -	318.62	318.62

I certify that the above bill is correct and just and that payment therefor has not been received.

Date 11-5-53 *Payee _____

Per Ray Lebrquist Title Pres.

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this ~~account is correct~~ and ~~proper for payment~~ in the amount of:

23,911.38 25,062.00

$ 575.31

Signature _____
(Authorized Certifying Officer)

Date 6/19/56 Vou. No. 56-121

(See other side)

1 Previous Disallowance

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. DMe-E26 in accordance with the terms of the contract.

Signature [illegible] $1,069.25 Title [illegible] Date 11-10-53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title Executive Officer Date JUN 18 1956

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 83-38476

W. O. Copy

RECEIVED
JUN 27 1956

Form MF-104A, Map, Operator's and Engineer's narrative Reports forwarded to W.O. by Memo of 5/23/55

Note — Please keep this attached on top of all material.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
April 6, 1954

Memorandum

To: Chief, Mineral Resources Branch, Mining Division, Region IV

From: W. L. Dare

Subject: DMEA 487, Contract IDM-E26 Amended (Lead-zinc), Silver Bay Mines, Inc. (Blackhawk mine), San Juan County, Colorado--Progress report for November 1953

The Blackhawk mine was last visited on December 2, 1953. On the date of the inspection the subcontractor had advanced the spur drift following the Big Indian vein a total of 6 feet. Another round was broken to a total of 12 feet but was not mucked out. Subsequent to the visit, the subcontractor mucked out the second round, but as reported by W. W. Bentley, advisor representative for the operator, and later by the subcontractor in a letter to the Region IV Executive Officer, dated January 16, 1954, about 2 feet of bottom did not pull (fig. 1). Bentley was informed that this last 6 feet could not be approved; consequently, the operator did not make claim for it.

Results of 22 samples taken along 205 feet of vein exposure is as shown on the attached figure 1. Sample WLD-23 is noted as questionable. Samples, wherever possible, were taken at 10-foot intervals, and these samples are composites of the vein between both walls of the drift.

Sample results have shown a major portion of the vein material exposed to be substantially below marginal grade, except for approximately 60 feet, samples WLD-31 to WLD-35, inclusive (fig. 1). Along this 60-foot interval, the vein averages 2.93 feet wide with an average assay value of 0.023 ounce gold, 2.3 ounces silver per ton, 3.1 percent lead, 4.5 percent zinc, and 0.2 percent copper. Ore reserves are calculated laterally over a distance of 60 feet, using a dip distance of 30 feet above and below the drift. Indicated reserves, based on the average assay width of the vein, are estimated as 900 tons with the above average assay as reported in the recent memorandum recommending Certification of Discovery or Development.

Stage II drifting is correctly reported on form MF-104A. Payment to the operator, based on the estimated, agreed unit cost of $45.50 per foot of advance, is recommended as $136.50, which is 50 percent of the allowable $273.00 claimed. Due to the uncertainty of project resumption, it is recommended that the Executive Officer, Region IV, be notified of possible deferment of this payment until the project work is continued.

F. W. Everett, for
W. L. Dare
Mining Engineer

WLD/kp

cc 6
E26 Amend.
Chron

Form MF-10[illegible] (Rev.)
(April 195[illegible])

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

RECEIVED
JUN 27 1956

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of November, 1953 Docket No. DMEA _____ Contract No. IDM E26
Operator's Name Silver Bay Mines, Inc. Minerals Lead-Zinc
Address P. O. Box 1498, Salt Lake City, Utah
Contract Amount, $30,600.00 Government Participation: 50 % Amount, $ 15,300.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting		9,337.50	9,337.50			
Drifting		3,980.55	3,980.55			
Drifting (Short Form)	273.00	4,868.50	5,141.50			
(2) Labor and Supervision:						
Labor						
Supervision		750.00	750.00			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		13.44	13.44			
Explosives		925.82	925.82			
Pipe		246.41	246.41			
Track		427.43	427.43			
Compressor Fuel		834.63	834.63			
Other Supplies		1,157.35	1,157.35			
(4) Operating Equipment:						
Rental		1,800.00	1,800.00			
Purchase		724.00	724.00			
Depreciation		186.30	186.30			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Transportation		199.40	199.44			
Vent Tubing		917.13	917.13			
(8) Contingencies (specify):						
TOTALS	273.00	26,368.50	26,741.50	273.00	26,368.50	26,641.50
				4	318.62	318.62

I certify that the above bill is correct and just and that payment therefor has not been received.

Date 3-24-54 *Payee _____

Per Ray Lilengquist Title Pres.

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

26,049.88 26,322.88
Less Sept. 1953
2 Previous Disallowance

Signature _____ (Authorized Certifying Officer)

Date 6/19/56 Vou. No. _____

(See other side)

2 Previous Disallowance

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Um-E-26 in accordance with the terms of the contract.

Signature [illegible] $136 50 WMT Title [illegible] Date 4-5-54

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title Executive Officer Date JUN 18 1956

MONTHLY REPORT OF OPERATOR

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(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

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Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

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Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 83-38476

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

RECEIVED
JUN 8 1956

224 New Customhouse
Denver 2, Colorado

May 25, 1956

Mr. C. V. Liljenquist, Secretary
Silver Bay Mines, Inc.
1787 Blaine Avenue
Salt Lake City, Utah

Re: Docket DMEA 487 (Lead-Zinc)
Contract I-DMA-E26
Silver Bay Mines, Inc.
San Juan County, Colorado

Dear Mr. Liljenquist:

Consistent with the authority delegated to this office under Order No. 2808 from the Office of the Secretary, Department of the Interior, the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, does hereby accept your bid and proposal, dated May 18, 1956, in the amount of $572.79 in the liquidation of the jointly owned property and unexpended portion of materials and supplies acquired under Contract I-DMA-E26.

The sum of $572.79, reflecting both your and the Government's interests in the property liquidation, will be deducted from the gross amount of claims by you held pending in this office for reimbursement under the terms of the Contract, thereby automatically making a deduction from monies due you of the amount of $286.40 due the Government in the transaction; provided the gross amount of claims by you held pending in this office is sufficient to permit that manner of reimbursing the Government for its interest in the jointly owned property settlement.

In the event monies held pending in this office are insufficient to cover the amount due the Government, you will be advised of the additional amount due when the final audit of contract expenditures has been completed by the Contract Administration and Audit Division.

Very truly yours,

JW Townsend

J. W. Townsend
Acting Executive Officer
DMEA Field Team, Region III

JWT:prl
cc: MF-104 File (5)
DMEA Auditor
Townsend
Corres. file
Chron.

RECEIVED
JUN 2 1956

Region III

Building 20
Denver Federal Center
Denver 2, Colorado
May 24, 1956

DMEA
Date Rec'd.
MAY 24 1956
BUREAU OF MINES
Denver, Colorado

Memorandum

To: Executive Officer, DMEA Field Team, Region III
Through: John F. Shaw JFS
Supervising Mining Engineer

From: C. M. Harrer

Subject: DMA 437, Contract Idm-E26 (Lead-Zinc), Silver Bay Mines, Inc., San Juan County, Colorado — Settlement of the Government's interest in jointly owned property.

C. V. Liljenquist, secretary of Silver Bay Mines, Inc., has submitted the highest of three bids on property owned jointly with the Government; letter of May 18, 1956. Pertinent data on this highest bid is tabulated as follows:

Salvageable items	Cost	Highest Bid	Percent of Cost
220 ft. of 2" and 1" pipe	$114.79 - new	$34.80	30.3
640 ft. of 20 lb. rail	184.71 - used	92.36	50.0
875 ft. of 12" flexipipe and 1-90° ell	917.13	183.43	20.0
6 mine cars, 3 new and 3 old	724.00	262.20	36.2

The mine is very wet and the above items have received severe usage for 4 to 5 years. It is therefore recommended that the bid by Silver Bay Mines, Inc. be accepted.

C. M. Harrer

C. M. Harrer
Mining Engineer

cc 7
Idm-E26
Chron.

CMH/ch

DMEA
Date Rec'd.

MAY 21 1956

BUREAU OF MINES
Denver, Colorado

May 18, 1956

Mr. W. M. Traver
Executive Officer, DMEA
Field Team, Region III
New Customhouse
Denver 2, Colorado

RE: Docket DMEA 487 (Lead-Zinc)
Contract I-DMA-E26
Silver Bay Mines, Inc.

Dear Mr. Traver:

This constitutes our proposal covering the settlement of the Government's interest in the jointly owned property acquired under the above captioned contract.

The following is an abstract of bids received from Tech-Ser Mining Company, Argyle Mining & Milling Corporation and a bid from our Company, Silver Bay Mines, Inc.

Tech-Ser Mining Company's BID

Pipe	$ 30.00	
Mine Track & Accessories	85.00	
Cars (3Mine)	250.00	
Ventilating tube	150.00	
Total.	$ 515.00	

Argyle Mining & Milling Corporation BID

Pipe	$ 29.00	
Track	73.88	
Mine Cars & Miscl. Equip.	205.00	
Vent tubing	00.00	No Value
Total.	$ 307.88	

Silver Bay Mines, Inc. BID

Pipe	$ 34.80
Track	92.36
Mine Cars, etc.	262.20
Vent tubing	183.43
Total.	$ 572.79

In as much as we are the high bidder, and if our bid is accepted, we authorize the Government to deduct Two Hundred Eighty-six Dollars and forty cents ($286.40) from funds now witheld by them, pending final audit, and in the event the funds witheld is not sufficient to meet this obligation we will pay the difference upon receiving notice from your office.

Respectfully submitted,

Silver Bay Mines, Inc.

C. V. Lilyenquist, Sec'y

May 7, 1956

RECEIVED
JUN 2 1956

Mr. W. M. Traver
Executive Officer, DMEA
Field Team, Region 111
New Customhouse
Denver 2, Colorado

Re: Docket DMEA 487 (Lead-Zinc)
Contract I-DMA-E26
Silver Bay Mines, Inc.

Dear Mr. Traver:

In reply to your letter of January 5th and March 5th, 1956 we enclose herewith two bids from independent sources on the jointly owned property purchased under the above captioned contract.

We also wish to submit our bid on the following items:

Item	Cost to the Project
Pipe	$ 114.79
Track	184.71
Mine Cars, etc.	724.00
Vent Tubing	917.13
	$ 1,940.63

Our Bid is as follows	Total Value	Our Cost
Pipe	$ 34.80	$ 17.40
Track	92.36	46.18
Mine Cars, etc.	262.20	131.10
Vent Tube	183.43	91.72
	$ 572.79	$ 286.40

Their are no other unexpended items, which originally cost in excess of $50.00, on hand.

Very truly yours,

Silver Bay Mines, Inc.

C. V. Lilienquist

C. V. Lilienquist, Secretary

May 5, 1956

JUN 2 7 1956

C. V. Liljenquist
Silver Bay Mines, Inc.
1370 South Second West
Salt Lake City, Utah

Dear Mr. Liljenquist:

We wish to submit a bid on the property owned jointly by your Company and the Government under your contract I-DMA-E26 , as outlined to us in your recent letter.

Items	Value	
Pipe	$ 29.00	
Track	73.88	
Mine cars & Misc. Equip.	205.00	
Vent Tubing	00.00	No Value
Total Bid	$ 307.88	

Please advise if our bid is accepted.

Very truly yours,

Argyle Mining and Milling Corp.

Alfred O. Brehmer

Alfred O. Brehmer, Secretary

TELEPHONE 3632

MAIL ADDRESS
P. O. BOX 1949

TECHNICAL SERVICES, Incorporated

206 URANIUM CENTER
GRAND JUNCTION, COLORADO

May 9, 1956

MAY 1 1 1 6

BUREAU OF MINES
Denver, Colorado

To: Silver Bay Mines
1787 Blaine Avenue
Salt Lake City, Utah

Attention: Mr. C. V. Lilenquist

To: Bureau of Mines
Denver Federal Center
Denver, Colorado

Gentlemen:

Tech-Ser Mining Company has been informed that property held jointly by the addressees has been posted for bids to purchase.

Tech-Ser Mining Company wishes to submit the following bid on equipment as tabulated below:

Pipe - - - - - - - - - - - - - - - - -	$ 30.00
Mine track and accessories - - - -	85.00
Cars (3 mine) - - - - - - - - - - -	250.00
Ventilation tubing - - - - - - - - -	150.00
	$ 515.00

The equipment, as specified, is installed in the Black Hawk mine owned by the Silver Bay Mines located in San Juan County, Colorado.

Very truly yours,

TECH-SER MINING COMPANY

R. T. Brown

R. T. Brown

RTB:gw

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
April 6, 1954

Memorandum

To: Executive Officer, DMEA Field Team, Region IV

From: Chief, Mineral Resources Branch, Mining Division, Region IV

Subject: DMEA 487, Contract IDM-E26 Amended (Lead-zinc), Silver Bay Mines, Inc. (Blackhawk mine), San Juan County, Colorado--Progress report for November 1953

Enclosed are the original and four copies of the above progress report--forms MF-104 and MF-104A, with narrative, engineer's progress map--and the original and six copies of W. L. Dare's memorandum, covering inspection of the underground progress and checking of the accounting forms. The amended contract has been prepared on the unit-cost basis, allowing 200 feet of drifting at $45.50 a foot. Documentation is not required.

Dare approved the 6 feet of drifting claimed after verification by measurements made underground December 2, 1953. The progress is properly recorded in the operator's narrative and on the MF-104A forms and all entries and extensions on the reporting forms are correct. Results of sampling and reserve estimates are adequately covered in the engineer's memorandum.

Payment is recommended and certified on the MF-104 forms of $136.50 or 50 percent of the total $273.00 claimed by the contractor.

Suggestion is made that payment of this voucher be deferred until operations are resumed after recess.

W. M. Traver

W. M. Traver

enclosure

WMT/kp

cc 4
E26 Amend.
Chron

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
April 6, 1954

Memorandum

To: Chief, Mineral Resources Branch, Mining Division, Region IV

From: W. L. Bare

Subject: DMRA 487, Contract IDM-296 Amended (Lead-zinc), Silver Bay Mines, Inc. (Blackhawk mine), San Juan County, Colorado--Progress report for November 1953

The Blackhawk mine was last visited on December 2, 1953. On the date of the inspection the subcontractor had advanced the spur drift following the Big Indian vein a total of 6 feet. Another round was broken to a total of 12 feet but was not mucked out. Subsequent to the visit, the subcontractor mucked out the second round, but as reported by W. W. Bentley, advisor representative for the operator, and later by the subcontractor in a letter to the Region IV Executive Officer, dated January 16, 1954, about 2 feet of bottom did not pull (fig. 1). Bentley was informed that this last 6 feet could not be approved; consequently, the operator did not make claim for it.

Results of 22 samples taken along 205 feet of vein exposure is as shown on the attached figure 1. Sample WLD-23 is noted as questionable. Samples, wherever possible, were taken at 10-foot intervals, and these samples are composites of the vein between both walls of the drift.

Sample results have shown a major portion of the vein material exposed to be substantially below marginal grade, except for approximately 60 feet, samples WLD-31 to WLD-35, inclusive (fig. 1). Along this 60-foot interval, the vein averages 2.93 feet wide with an average assay value of 0.023 ounce gold, 2.3 ounces silver per ton, 3.1 percent lead, 4.5 percent zinc, and 0.2 percent copper. Ore reserves are calculated laterally over a distance of 60 feet, using a dip distance of 30 feet above and below the drift. Indicated reserves, based on the average assay width of the vein, are estimated as 900 tons with the above average assay as reported in the recent memorandum recommending Certification of Discovery or Development.

Stage II drifting is correctly reported on form MF-104A. Payment to the operator, based on the estimated, agreed unit cost of $45.50 per foot of advance, is recommended as $136.50, which is 50 percent of the allowable $273.00 claimed. Due to the uncertainty of project resumption, it is recommended that the Executive Officer, Region IV, be notified of possible deferment of this payment until the project work is continued.

F. W. Everett, for
W. L. Bare
Mining Engineer

WLD/kp

cc 6
E26 Amend.
Chron

LARGE FORMAT DOCUMENTS AT END OF FILE

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 26 1955

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of November 1953 Docket No. DMEA 487X Contract No. IDM E26
Operator's Name Silver Bay Mines, Inc. Minerals Lead-Zinc
Address P. O. 1498, Salt Lake City, Utah

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting Stage I	Ft.			4,299.17	86.5	49.70	86.5	
Crosscutting Stage I	Ft.			16,476.83	329.5	50.01	329.5	
Raising Drifting Stage II	Ft.	273.00	6	5,141.50	113.0	45.50	200.0	45.50
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		273.00	6	25,917.50				Total Costs Authorized by Contract
Operating Equipment Purchased				724.00				
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		~~273.00~~		~~26,661.50~~				~~30,600.00~~

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date 3-24-54 Operator Silver Bay Mines

Per Ray Silenquist Title Pres.

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

Remarks:

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

RECEIVED

SILVER BAY MINES, INC.
P. O. Box 1498
Salt Lake City, Utah

March 26, 1954

Re: IDM E 26

Department of Interior
Defense Minerals Exploration Administration
224 New Customhouse
Denver 2, Colorado

Gentlemen:

During the month of November, 1953, the progress at the Blackhawk tunnel consisted of six feet advanced on the Big Indian Vein. The contractor abandoned an effort to swing the tunnel back on to the structure when a heavy flow of water was encountered in a wide open fissure at 107 feet from the measure point. He returned to the point where the vein turned sharply to the left, between 70 and 77 feet from the measure point, and advanced the six feet on the vein as reported above, and work in the future will be confined to the vein structure in this face. The total advance to date is 113 feet.

A recess for the winter months has been requested, and work is expected to resume in May.

Respectfully submitted

SILVER BAY MINES, INC.

Ray Lilenquist
President

RVL:F

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
November 10, 1953

Memorandum

To: Chief, Mineral Resources Branch, Mining Division, Region IV

Grunwald
~~Kleinschmidt~~
Betty

From: W. L. Dare

Subject: DMEA 487, Contract Idm-826 (Lead-zinc), Silver Bay Mines, Inc. (Blackhawk mine), San Juan County, Colorado -- Progress report for September 1953

The Blackhawk mine was visited on October 8, 1953. Henry P. Ehrlinger, subcontractor, was not at the property at the time of the inspection. Total footage for 1953, through September 30, was measured as 112 feet with one of Ehrlinger's contract miners holding one end of the tape. This meant that the September advance was 52 feet. When Ehrlinger was contacted that evening at his home in Silverton, he stated that this figure corresponded with his measurement, and he later reported such to Silver Bay Mines, Inc.

When the property was visited on November 3, 1953, (no advance in October) another check of the total advance was made with Ehrlinger holding one end of the tape, and the total advance was found to be 107 feet. This distance was rechecked, and Ehrlinger agreed with its correctness. This means that as 52 feet is claimed for September, and approval can be given to only 47 feet, a disallowance of 5 feet at the agreed unit cost is necessary.

As noted in the inspector's memorandum accompanying the August report, on September 2, 1953, it was recommended to the subcontractor to turn the drift as tight as possible to get back on the vein. In October, Ehrlinger turned the drift with an easy curve and consequently did not intersect the vein. He hit the water course he describes in the narrative and thought that this possibly was the vein. He was definitely instructed on October 8, 1953, to stop work in this face, return to the point in the drift where the vein turned north, and drift along it, keeping it in the breast at all times.

Although it is believed the subcontractor used poor judgement when he lost the vein, it was his honest belief that he would

pick up the vein soon after he lost it. Consequently, the footage as reported, minus 5 feet, is approved.

Payment to the operator is recommended as $1,069.25, which is 50 percent of the $2,366.00 claimed minus $227.50 disallowed.

W. L. Dare

W. L. Dare

WLD/kp

cc 6
E26
Chron

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

Department of the Interior
Defense Minerals Administration
RECEIVED
MAY 26 1955

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of September 1953 Docket No. DMEA 487 X Contract No. IDM E26
Operator's Name Silver Bay Mines, Inc. Minerals Lead - Zinc
Address P. O. 1498 Salt Lake City, Utah

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting Stage 1	Ft			4,299.17	86.5	49.70	86.5	
Crosscutting Stage 1	Ft			16,476.83	329.5	50.01	329.5	
~~Raising~~ Drifting Stage II	Ft	2,366.00	52	5,096.00	112.00	45.50	200.0	45.50
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		2,366.00	52	25,872.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased				724.00				
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		2,366.00		26,596.00				30,600.00

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date 11-5-53 Operator

Per Ray Lebanquist Title Pres.

REMARKS:

→ NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

Bureau of Mines
Minerals Administration
RECEIVED

NARRATIVE REPORT

DOCKET-DMA-487
CONTRACT-IDM-E-20

Silver Bay Mines,
September, 1953

The starting point for this month was MP-222 and at the end of the month it was MP-274, a distance of 52'.

During the month we made two turns in the drift to the Northeast of approximately 22° and 25° and at the point MP-274 the left lower lifter hit a strong water course and it was impossible to drill any further on this hole or to load it with powder. It was our opinion that this water would recede in a day's time as it was squirting out about 30' but at the end of the third day when it still had not abated we drilled a hole alongside of that and it was loaded and blasted.

Luckily this hole was balsted with ordinary fuse in lieu of the electric primers and the miners were out of the mine when it went off for a wall of water approximately three feet in depth flowed out of the tunnel for several hours and washed all of the accumulated waste rock along the sides of the tunnel out of the mine, or onto the tracks, for the entire length of the tunnel.

On going back into the tunnel we found that there was a vug of about three by four feet in width and about six feet in depth that had held this water for a long time and we also found that with the draining of this water the several water courses which had been encountered in previous work had been completely dried up and the forward part of the tunnel was dry except for the water that was still coming up from this vug.

It was on the advise of the Bureau of Mines Engineer that we drop back and continue the drift along the quartz seam that cut across the vein and this was to be started on the first part of October.

HENRY P. EHRLINGER
Mining Engineer

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

224 New Customhouse
Denver 2, Colorado

October 7, 1953

Memorandum

To: Secretary to the Operating Committee
Defense Minerals Exploration Administration

From: Executive Officer, DMEA Field Team, Region IV

Subject: Form MF-104, DMA Docket 487, Contract Idm-E26 (Lead-Zinc), Silver Bay Mines, Incorporated (Blackhawk Mine), San Juan County, Colorado.

Enclosed are two copies of the Operator's Monthly Progress Report Form MF-104, and MF-104A, Operator's Narrative Report, Inspecting Engineer's Narrative Report, and other supporting data for the period of August 1953, pertaining to DMA Docket 487, Contract Idm-E26, Silver Bay Mines, Incorporated, San Juan County, Colorado.

W. H. King

W. H. King

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

224 New Customhouse
Denver 2, Colorado

September 30, 1953.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMA Docket 487, Contract Idm-E26 (Lead-Zinc), Silver Bay Mines, Incorporated (Blackhawk Mine), San Juan County, Colorado. Operator's Monthly Progress Report for the period August 1953.

Enclosed are the original and four copies of Form MF-104 and MF-104A, Narrative Report, and Engineer's Report for the above period.

Work has been completed as authorized by the contract. No documentation is required for work performed under contracts prepared on Form MF-200A, therefore we recommend that payment be made for 50 percent of the amount reported by the Operator on Form MF-104, contingent on your verification of arithmetical accuracy within the report.

Remarks:

Date of Report	September 25, 1953.
Date Received in Field Office	September 28, 1953.
Date Received in Region Office	September 29, 1953.

W. H. King
W. H. King

Enclosures

RDB:cwm

cc: Contract
Secretary to the Oper. Comm. (2)
WMTraver
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
September 29, 1953

Memorandum

To: Executive Officer, Field Team, Region IV

From: Chief, Mineral Resources Branch, Mining Division, Region IV

Subject: DMA 487, Amended Contract Idm-E26 (Lead-zinc), Silver Bay Mines, Incorporated (Blackhawk mine), San Juan County, Colorado - Progress report for August 1953

Transmitted herewith are the original and four copies of the above progress report--forms MF-104 and MF-104A, with subcontractor's narrative--and the original and six copies of W. L. Dare's memorandum covering inspection of the underground progress and reporting forms. The project is being operated under a unit-cost amendment to the original contract, allowing drifting at $45.50 a foot.

Dare verifies the 11 feet of advance on the Big Indian vein reported in the subcontractor's narrative and entered on the MF-104A form. Entries and extensions on the reporting forms are correct.

Payment is recommended and certified on the MF-104 form of $250.25, or 50 percent of the total $500.50 claimed by the contractor.

W. M. Traver

W. M. Traver

enclosures

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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
September 28, 1953

Memorandum

To: Chief, Mineral Resources Branch, Mining Division, Region IV

From: W. L. Dare

Subject: DMA 487, Amended Contract Idm-826 (Lead-zinc), Silver Bay Mines, Incorporated (Blackhawk mine), San Juan County, Colorado - Progress report for August 1953

The Blackhawk mine was visited on September 2, 1953. Henry P. Ehrlinger, subcontractor, was contacted at the property and underground progress checked. Total exploration advance was 60 feet.

In the inspector's memorandum accompanying the July progress report, it was noted that the vein appeared to be curving northward. At the time of the July inspection, August 19, 1953, the hanging wall of the vein, at the face, was about 12 feet from the floor of the drift. The vein is very flat, dipping about 35° to the northeast, and where it began to curve, Ehrlinger left the vein and drove straight ahead into the footwall. As a result, the material sloughed from the hanging wall, causing the cave reported in the July narrative. A few stringers were noted in the face that split from the vein into the footwall. It was recommended that the drift be turned northward to get back on the vein.

When progress was inspected on September 2, 1953, Ehrlinger had driven another 11 feet on the same bearing and the face of the drift was in the solid footwall. In his August narrative, the subcontractor goes into detail, reporting "movement" of the vein in conjunction with the shattered material and stringers in the footwall, which resulted in his decision to drive into solid ground. It is not believed that there has been any faulting, but rather just a case of failing to stay on the vein. It was again recommended that the drift be turned as sharp as possible to get back on the vein. Because of the flatness of the vein Ehrlinger will continue to have trouble unless he keeps the vein in the breast.

W. N. Bentley, U. S. Metals Corporation, has been assigned by the contractor to supervise the work.

The advance of 11 feet is approved. Payment to the operator, based on the agreed unit cost of $45.50 per foot of advance, is recommended as $250.25, which is 50 percent of the $500.50 claimed.

W. L. Dare
Mining Engineer

WLD/le
cc 6
E26
Chron

Form MF-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of August, 1953 Docket No. DMEA 487X Contract No. IDM E 26
Operator's Name Silver Bay Mines, Inc. Minerals Lead, Zinc
Address PO 1498, Salt Lake City, Utah
Contract Amount, $30,600.00 Government Participation: 50 % Amount, $15,300.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting		9,337.50	9,337.50			
Drifting		3,980.55	3,980.55			
Drifting (Short Form) Stage II	500.50	2,229.50	2,730.00			
(2) Labor and Supervision:						
Labor						
Supervision		750.00	750.00			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		13.44	13.44			
Explosives		925.82	925.82			
Pipe		246.41	246.41			
Track		427.43	427.43			
Compressor Fuel		834.63	834.63			
Other Supplies		1,157.35	1,157.35			
(4) Operating Equipment:						
Rental		1,800.00	1,800.00			
Purchase		724.00	724.00			
Depreciation		186.30	186.30			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Transportation		199.44	199.44			
Vent. Tubing		917.13	917.13			
(8) Contingencies (specify):						
				500.50	23,729.50	24,230.00
					*-318.62	*-318.62
TOTALS	500.50	23,729.50	24,230.00	500.50	23,410.88	23,911.38

I certify that the above bill is correct and just and that payment therefor has not been received.

Date 9-25-53 *Payee Silver Bay Mines, Inc

Per Ray Lilenquist Title President

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$250.25

Signature
(Authorized Certifying Officer)

Date 10/15/53 Vou. No. 2002 54.35
(See other side)

* Previous Disallowances

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. IDM-E26 in accordance with the terms of the contract.

Signature [illegible] $250.25 Title [illegible] Date 9-28-53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: R.D.B.

Signature [illegible] Title Executive Officer Date SEP 30 1953

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of August 1953 Docket No. DMEA 487X Contract No. IDM E 26

Operator's Name Silver Bay Mines Inc Minerals Lead, Zinc

Address PO Box 1498, Salt Lake City, Utah

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting Stage 1	Ft			4,299.17	86.5	49.70	86.5	
Crosscutting Stage 1	Ft			16,476.83	329.5	50.01	329.5	
~~Raising~~ Drifting Stage II	Ft	500.50	11	2,730.00	60.0	45.50	200.0	45.50
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		500.50	11	23,506.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased				724.00				
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		500.50		24,230.00				30,600.00

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date September 25, 1953 Operator Silver Bay Mines, Inc.

Per Roy Lelenquist Title President

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

REMARKS:

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

NARRATIVE REPORT

August 1953
Silver Bay Mines, Inc.

Docket Dem-487
Contract I-Dem-420

Reference is made to the July Narrative Report wherein the marking point was taken as 127' from the start. Measurements by both the Bureau of Mines Engineer and the undersigned showed it to be 132 and hence this correction in the measure of 5' will be taken into careful consideration in this month's work so that all of the measurements will agree in the future.

Starting point for this months work, as corrected, will be MP-211' and the measurement point for the last round in the month was MP-222' or a distance of 11' for the account for this month. This is now in agreement by all concerned.

During this month 76' of the tunnel were timbered with the conventional square sets of timber allowing for a clearance of 6½' in width and 5½' in height to meet the specifications. We were required to slab out the additional footage on the sides to make this tunnel meet also these specifications after timbering.

At a point approximately 71-72' we ran into a second crush structure that came in the face from the footwall side of the vein and forced the vein into the hanging wall. This was also followed by a large number of white quartz filled fissures which were noted for about 25' as the tunnel ran all coming in from the footwall side. We assumed that the strong fracture was responsible for the movement of the vein but felt that this was a local condition and that the vein would get back to it's normal strike in a short distance so we started to advance 25' thru the caved and unaltered material to hard ground and then make a curve to get cogged with the vein. We advanced to do this and then made a 25° turn to the northeast.

It is too early to state what happened to the vein at the point of the structure coming into it but at that place only a small amount of mineralization was noted.

Amy Olney
Amy P. Olney
Mining Engineer

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

224 New Customhouse
Denver 2, Colorado

September 24, 1953

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Form MF-104, DMEA Docket 487, Contract Idm-E26 (Lead-Zinc), Silver Bay Mines (Blackhawk Mine), San Juan County, Colorado.

Enclosed are two copies of the Operator's Monthly Progress Report Form MF-104, and MF-104A, Operator's Narrative Report, Inspecting Engineer's Narrative Report, and other supporting data for the period of July, 1953, pertaining to DMEA Docket 487, Contract Idm-E26, Silver Bay Mines (Blackhawk Mine), San Juan County, Colorado.

W. H. King

W. H. King

Enclosures

es

cc: Contract
Chron.
Sec. to the Oper. Comm. (2)
Traver

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

224 New Customhouse
Denver 2, Colorado

September 9, 1953.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 487, Contract Idm-E26 (Lead-Zinc), Silver Bay Mines (Blackhawk Mine), San Juan County, Colorado. Operator's Monthly Progress Report for the period July 1953.

Enclosed are the original and four copies of Form MF-104 and MF-104A, Narrative Report, and Engineer's Report for the above period.

Work has been completed as authorized by the contract. No documentation is required for work performed under contracts prepared on Form MF-200A, therefore we recommend that payment be made for 50 percent of the amount reported by the Operator on Form MF-104, contingent on your verification of arithmetical accuracy within the report.

Remarks:

Date of Report	August 24, 1953.
Date Received in Field Office	August 26, 1953.
Date Received in Region Office	September 8, 1953.

Delay of four days due to waiting for inspecting engineer to return from field to certify the reports.

W. H. King

W. H. King

Enclosures

RDB:cwm

cc: Contract
Secretary to the Oper. Comm. (2)
WMTraver
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
September 4, 1953

Memorandum

To: Executive Officer, Field Team, Region IV

From: Chief, Mineral Resources Branch, Mining Division, Region IV

Subject: DMEA 487, Amended Contract IDM-E26 (Lead-zinc), (Blackhawk Mine), Silver Bay Mines, Inc., San Juan County, Colorado - Progress report for July 1953

Enclosed are the original and four copies of the above progress report, the initial one since amendment--forms MF-104 and MF-104A, with a narrative by the subcontractor--and the original and six copies of W. L. Dare's memorandum covering inspection of the underground progress and reporting form entries. The amendment is on short form MF-200(A) at an over-all unit cost of $45.50 per foot and requires no documentation.

Dare confirms the drift advance of 49.0 feet reported by the subcontractor in the narrative and entered by the operator on the MF-104A form. Dare finds the entries and extensions on the reporting forms correct.

Payment is recommended and certified on the MF-104 form of $1,114.75, or 50 percent of the total $2,229.50 claimed by the contractor.

Wm. Traver

W. M. Traver

enclosures

WMT/kp

cc 4
E26
DMEA Chron

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
September 4, 1953

Memorandum

To: Chief, Mineral Resources Branch, Mining Division, Region IV

From: W. L. Dare

Subject: DMEA 487, Amended Contract IDM-826 (Lead-zinc), (Blackhawk mine), Silver Bay Mines, Inc., San Juan County, Colorado - Progress report for July 1953

Henry F. Ehrlinger, subcontractor, was contacted at the Blackhawk mine on August 19, 1953. In his narrative the subcontractor reported that the exploration drift was advanced a total of 49 feet, but that a cave occurred near the face where they lost some 15 feet of the advance. At the time of the visit all but 8 feet of the cave was cleaned up and the face could be seen. The 49 feet was verified as correct.

The ground is very heavy, and to insure safety, about the last 30 feet of the 1952 work had to be retimbered, as well as about 40 feet of the new advance. The subcontractor is doing a very satisfactory job of timbering, using 12-inch round posts and caps.

The vein in the face has flattened, dipping about 35° northeast, and appears to be turning northward. The caved material broke from the hanging wall, which now stands some 12 feet above the drift floor.

Based on the agreed unit cost of $45.50 per foot of advance, payment to the operator is recommended as $1,114.75, which is 50 percent of the $2,229.50 claimed.

W. L. Dare
Mining Engineer

WLD/kp

cc 6
826
DMEA Chron

NARRATIVE REPORT

July, 1953

Docket DMA-487
Contract I-DMA-326

Reference is made to the Map of the Blacknawk Mine, San Juan County, Colorado, Brunton Compass Survey, WMB, 1952, Scale 1"-20' which will be used hereinafter for reference on the progress of the project and the various findings therein.

Work on this project was started on June 25th, 1953 by the present contractor and a report to this effect was sent to the U. S. Bureau of Mines under date of June 27th, 1953.

There were several days of rehabilitation work to be completed before actual work on the tunnel driving could be started. At the close of the last year all of the ventube was withdrawn from the mine and this all had to be replaced and installed and as the air was of such low oxygen content in the tunnel at the start of this work we could only make advances of about 100' per half shift and then allow the blower to push out the bad air.

When we finally arrived at the breast of the drift we found that about 15-20 tons of material had either caved, or had been washed down, from the Big Indian Vein and this materal had to be mucked up before work could commence. At that time we had some doubts as to whether, or not, we could drive the tunnel under a vein of the width of the Big Indiana which varied from 2.5' to 6.0' and had a talc seam on both the hanging wall and the footwall but we thought that we would tryo to do this and see if we could hold it by arching the top.

After receipt of the Map referred to above we located MP-127' as a pin in the cap of the last timber placed by the previous contractor and this was recorded as the base point but we did make a measurement to the breast of the tunnel at the nearest point which was at the bottom of the tunnel and we found this to be MP-154 and as the MP-127' was to be used as the base point for all future measurements we have used that thruout all of the work reported herein.

As stated above we drove the tunnel according to the specifications from MP-154' to MP-188' as of the 15th of July, 1953 but the round, although drilled, and blasted had not been mucked out at the time of measurement but it was assumed that it would be at MP-190' on the 16th after mucking and we found that it was at this point the following day. The contractors were reimbursed for the full footage that they had drilled and balsted but were only given Company time for cleaning up the caveins which were encountered upon entry.

On July 31st, 1953 the measurement was taken as best was possible due to the cavein that was encountered and we determined it to be at MP-203' which would make a total of 49' for the month of

July and this will be confirmed when the cavein reported later on in this report has been cleared away and all of the ground has been timbered so that this can be accomplished.

On July 17th, 1953, when our contractors were coming out of the tunnel with a load of waste the timbers in the main portal at a point approximately 50-60' from the adit gave way and dropped some 10-20 tons of oxidized material on the train causing a wreck and by a miracle did not kill the man that we operating the train. We had to clean this mess up and get the train out and then an attempt was made to shore this up so that the tunnel operations could continue but we found that all of the posts for about 30' were rotten and had a great deal of weight on them and we felt that the only thing to do was to retimber this section as rapidly as possible with new timber so as to protect the work. This work was approved by both Mr. William Lilenquist and Mr. Rowland Carnack and was completed on a two shift basis for six days with the removal of about 50-60 tons of material that caved in when the old timbers were removed and also to widen the drift at this point so that a man could get between the timbers when the train was passing.

On July 23-24-25th work was again resumed in the main heading with caution since during the period of inoperation when the portal was being retimbered approximately 20 tons of vein material had worked loose and was on the drift. The contractors had a great deal of concern about the safety of the back and it was determined that at the end of the drifting in this period that something had to be done to protect the project in the way of timbering. At a point approximately 200' from MP-0' we ran into a very string cross vein that was full of talc and soft and before we could stop this material from running we had drawn out about 50 tons of it and it had caved up and back about 15' from our heading. There was nothing else for us to do but to back timber the ground that had been drilled by the previous contractor and timber all that we had done and so for the rest of the month this work wen on at a two shift basis with the posts being placed at 02" in the clear between them to accomodate a man and the mucking machine and the caps were raised from the 6'4" to 6'-10" and better so that mucking could be accomplished.

At the close of this month we are not able to report on the geological features encounted for we have not mucked out all of the caved ground but we have noticed that there was mineralization in the caved section of about two feet thickness and this seems to be increasing with the strike of the vein.

HENRY P. SHEARING
Mining Engineer

Form MF-104 (Rev.) (April 1952)

Budget Bureau No. 42-R1036.3. Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of July, 1953 Docket No. DMEA 487X Contract No. I-DMA-E26

Operator's Name Silver Bay Mines, Inc. Minerals Lead, Zinc

Address P.O. Box 1498, Salt Lake City, Utah

Contract Amount, $ 30,600.00 Government Participation: 50 % Amount, $ 15,300.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:				10-2 WPG		
Drilling						
Bulldozing						
Crosscutting		9,337.50	9,337.50			
Drifting		3,980.55	3,980.55			
Drifting Short Form (Stage II)	2229.50		2,229.50			
(2) Labor and Supervision:						
Labor						
Supervision		750.00	750.00			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		13.44	13.44			
Explosives		925.82	925.82			
Pipe		246.41	246.41			
Track		427.43	427.43			
Compressor Fuel		834.63	834.63			
Other Supplies		1,157.35	1,157.35			
(4) Operating Equipment:						
Rental		1,800.00	1,800.00			
Purchase		724.00	724.00			
Depreciation		186.30	186.30			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Transportation		199.44	199.44			
Vent Tubing		917.13	917.13			
(8) Contingencies (specify):						
TOTALS	2229.50	21,500.00	23,729.50	2229.50	21500.00	23729.50
				*	- 318.62	- 318.62

I certify that the above bill is correct and just and that payment therefor has not been received.

Date 8-24-53 *Payee Silver Bay Mines, Inc.

Per Ray Lilinquist Title Pres.

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

→ NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse) *Previous Disallowance

*Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

2229.50 21181.38 23410.88

$1114.75

Signature RRR (Authorized Certifying Officer)

Date 9/15/53 Vou. No. DMA 54-27 (See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. DM-E26 in accordance with the terms of the contract.

Signature W. Dare $1,114.75 WMT Title Mining Engineer Date 9-8-53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: L.A.B.

Signature W. L. King Title Executive Officer Date SEP 9 1953

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 83-38476

Form M[illegible]04A

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July 195 3 Docket No. DMEA 487X Contract No. I-DMA-E26
Operator's Name Silver Bay Mines, Inc. Minerals Lead, Zinc
Address P.O. Box 1498, Salt Lake City, Utah

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting Stage I	Ft.			4,299.17	86.5	49.70	86.5	
Crosscutting Stage I	Ft.			16,476.83	329.5	50.01	239.5	
~~[illegible]~~ Drifting Stage II	Ft.	2,229.50	49.0	2,229.50	49.0	45.50	200	45.50
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		2,229.50		23,005.50				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased				724.00				
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		2,229.50		23,729.50				

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date 8-24-53 Operator Silver Bay Mines, Inc.

Per Ray Lilenquist Title Pres.

REMARKS:

→ NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

224 New Customhouse
Denver 2, Colorado

August 13, 1953.

Memorandum

To: Secretary to the Operating Committee

From: Executive Officer, DMEA Field Team, Region IV

Subject: Form MF-104, DMA Docket 487X, Contract I-DMA-E26 (Lead-Zinc), Silver Bay Mines, Inc. (Blackhawk Mine), San Juan County, Colorado.

Enclosed are two copies of the Operator's Monthly Progress Report, Form MF-104 and MF-104A, Operator's Narrative Report, Inspecting Engineer's Narrative Report, and other supporting data for the period October 1952, pertaining to DMA Docket 487X, Contract I-DMA-E26 (Lead-Zinc), Silver Bay Mines, Inc. (Blackhawk Mine), San Juan County, Colorado

W. H. King
W. H. King

Enclosures

U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION IV

[illegible] 1953

Administrative Audit Difference Statement

Date: August 10, 1953
Payee's
Reference: Progress Report - October, 1952

Silver Cap Mines, Inc.
1370 South 2nd West St.
Salt Lake City, Utah
I-[illegible]-2-26

Upon examination of the above Payee's Reference a difference was found which made it necessary to suspend your account accordingly:

Amount Claimed $ 3,534.17

Difference $ 318.62

Amount Approved $ 3,215.55

The reason for the difference was due to:

Amount listed for pipe	$131.62
Amount listed for track	187.00
	$318.62

Lacks documentation and may be reclaimed when supported by proper billing.

Any reclaim for deductions made above must be supported by the ORIGINAL of this form.

Very sincerely yours,

N. E. Stokes
Audit Section

R-IV-B & F Form No. 4
4-15-52 D

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

224 New Customhouse
Denver 2, Colorado

July 22, 1953.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMA Docket 487X, Contract I-DMA-E26 (Lead-Zinc), Silver Bay Mines, Inc. (Blackhawk Mine), San Juan County, Colorado. Operator's Monthly Progress Report for the period October 1952.

Enclosed are the original and four copies of Form MF-104 and Form MF-104A, Narrative Report, and Engineer's Report for the above period.

Work has been accomplished as authorized in the contract and payment is recommended for 50 percent of the amount as reported on Form MF-104, contingent on your verification of the correctness of applicable rates and arithmetical accuracy of computations, except for the following deductions.

Pipe - $131.62 Track - $187.00 Lack of proper documentation.

Remarks:

Date of Report	March 19, 1953.
Date Received in Field Office	March 23, 1953.
Date Received in Region Office	April 15, 1953.
Date Processed for Payment	July 22, 1953.

Held up for settlement of Government equities. Additional funds were approved by Amended Contract, therefore settlement of equities in jointly-owned property will be deferred until the end of the project.

W. H. King
W. H. King

Enclosures

RDB:cwm

cc: Contract
Secretary to the Oper. Comm. (2)
WMTraver
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
April 14, 1953

Memorandum

To: Executive Officer, Field Team, Region IV

From: Chief, Mineral Resources Branch, Mining Division, Region IV

Subject: DMA 487X, Contract I-DMA-E26 (Lead-zinc), Silver Bay Mines, Inc. (Blackhawk mine), San Juan County, Colorado - Progress report for October 1952

Please find enclosed the original and four copies of the subject progress report--forms MF-104 and MF-104A, with narrative, progress map, and required documentation--and the original and six copies of W. L. Dare's memorandum covering inspection of the underground progress and accounts.

The underground progress, while not confirmed by the narrative, is explained in the inspector's memorandum. The accounts had prior approval from your staff and the claim of $3,534.17 is accordingly approved.

Fifty percent of the amount approved is $1,767.08 and from this sum the Government's equity in equipment of $843.27 should be held and $923.81 paid to the contractor.

You have been advised that U. S. Metals cancelled their subcontract with Silver Bay Mines, Inc., for continuation of the drifting and we understand Lilenquist has negotiated with Henry P. Ehrlinger to take over the subcontract. This will be confirmed on our next San Juan inspection trip.

W. M. Traver

W. M. Traver

enclosures
WMT/amh
cc: 4
E26
DMRA Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
April 14, 1953

Memorandum

To: Chief, Mineral Resources Branch, Mining Division, Region IV

From: W. L. Dare

Subject: DMA 487X, Contract I-DMA-E26 (Lead-zinc), Silver Bay Mines, Inc. (Blackhawk mine), San Juan County, Colorado - Progress report for October 1952

The Blackhawk mine was visited on November 19, 1952, by R. R. McLellan and W. L. Dare. Underground progress was checked with Walter Bentley, engineer for U. S. Metals Corporation, the independent contractor driving the drift.

As shown on the attached progress map, drift footage is differentiated from crosscut footage at a point where the crosscut first intersects spurs of the vein. On the map this survey point is designated as MP-0' and Bentley has a spad in the back of the drift at this point. The subcontractor had advanced the drift 162 feet when operations were suspended due to heavy snows. At the time of the visit, the drift was advanced a total of 154 feet.

The total estimated cost of the project as set forth in the contract is $21,500.00. Total approved costs through September 1952 amount to $17,965.83. The unexpended balance as of October 1, 1952, is therefore $3,534.17 and is the amount claimed in the October progress report. From the amount of $3,534.17, the operator subtracted his pipe and track costs ($318.62) shown under item (3) and the remainder, $3,215.55, he charges against item (1), Drifting. This contract drifting charge is allowable as the submitted invoices for October show a total of 101 feet of advance at a billed cost of $4,285.00. The operator has shown October's drift footage on form MP-104A as 69.5 feet, with total footage to date as 86.5. Computing October's DMA footage applicable to the charge of $3,215.55, and based on the invoices, the figure of 74.3 feet is obtained. In order to justify the drifting charge on the basis of the maximum cost per foot in the approved subcontract, we will have to accept the 74.3 feet instead of 69.5 feet.

According to the footage charged by the subcontractor, the total to date is 118 feet; 17 feet in September and 101 feet in October. It is known that 5 feet of September's footage was for equivalent slabbing at the point where the crosscut first cut the stringers and, consequently, actual linear advance was 12 feet. Adding the 74.3 feet in October and 12 feet in September, the total linear footage amounts to 86.3, and the units to date of 86.5 on form MF-104A are approved.

In the narrative, the operator mentions 74.3 feet charged to DMEA in October but takes into account the total 17 feet of September when he states that total DMEA footage is 91.3. The approved total of 86.5 is shown on the attached progress map.

Although the request for additional funds is pending approval in Washington, it is recommended that sufficient funds be withheld to cover Government equity in equipment and supplies purchased.

The following equipment and supplies were purchased on a participation basis:

Item	Description	Purchase value, less tax and freight
Mine cars	3 new	$ 604.00
Mine cars	3 used	120.00
Pipe	422.5 feet of 1- and 2-inch	246.41
Rail	842.5 feet of 20-pound	400.31
Vent tube	800 feet of flexipipe, 12-inch, with accessories	899.15
		$2,269.87

Allowing 20 percent depreciation on the six mine cars, 20 percent loss on the original value of vent pipe, and 40 percent nonrecoverable value of the pipe and rail, Government equity will amount to 50 percent of $1,686.55, or $843.27.

Government participation is based on 50 percent of the $3,534.17 claimed minus approximate Government equity in equipment and supplies. Payment is recommended as $923.81.

W. L. Dare
W. L. Dare
Mining Engineer

attachment
WLD/amh
cc: 6
E26
DMEA Chron.

Form MF-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of October 195 3 Docket No. DMEA Contract No. DMA-E-26
Operator's Name Silver Bay Mines, Inc. Minerals Lead & Zinc, Copper & Silver
Address P.O. Box 1688, Salt Lake City, Utah
Contract Amount, $ 21,500.00 Government Participation: 50 % Amount, $

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:				UPY 8-19		
Drilling						
Bulldozing		9,337.50	9,337.50			
Crosscutting	3,215.55	705.00	3,920.55			
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision		750.00	750.00			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		13.44	13.44			
Explosives		925.82	925.82			
Pipe	131.62	114.79	246.41	00	114.79	114.79
Track	107.00	240.43	347.43	00	240.43	240.43
Compressor Fuel		834.63	834.63			
Other Supplies		1,157.35	1,157.35			
(4) Operating Equipment:						
Rental		1,000.00	1,000.00			
Purchase		724.00	724.00			
Depreciation		106.30	106.30			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Transportation		199.44	199.44			
Vent Tubing		917.13	917.13			
(8) Contingencies (specify):						
TOTALS	3,454.17	17,965.83	21,500.00	3215.55	17,965.83	21,181.38

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 3-19-53 *Payee Silver Bay Mines, Inc.

Per Ray Lelenguist Title Pres

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$1607.77

Signature
(Authorized Certifying Officer)

Date 8/10/53 Vou. No. DMA 54-15
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. T-DMA-E26 in accordance with the terms of the contract.

Signature M. Dare #923.8, MMT Title Mining Engineer Date 4-9-53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: R.A.B.

Signature W. L. King Title Executive Officer Date JUL 22 1953

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of October 1952 Docket No. DMEA Contract No. 1-DMA-E26

Operator's Name Silver Bay Mines, Inc. Minerals Lead, Zinc, Copper and Silver

Address P.O. Box 1488, Salt Lake City, Utah

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting		3534.17	69.5	4,299.17	86.5		650	
Crosscutting				16,476.83	329.5		150	
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs				20,776.00				Total Costs Authorized by Contract
Operating Equipment Purchased				724.00				
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs				21,500.00				21,500.00

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date 3-19-53 Operator Silver Bay Mines, Inc.

Per Ray Lulenquist Title Pres.

Remarks: Ties rail and pipes are included for both Sept. and Oct. inasmuch as charges for these items were not included in our September vouchers.

→ NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

Invoice to:

Oliver Ray Mines, Inc.
1757 Blaine Ave.
Palo Alto Park, Calif.

Payroll period ending October 16, 1958

Black Hawk Tunnel

Labor	$ 48.60
44 feet of timbered tunnel advance at $45.00 per foot	1980.00
8 feet of timbering in advance paid for at $5.00 per foot	40.00
	$2068.60

U. S. EXPLO CONTRACTOR

By Robert C. Brown

TOTAL FOOTAGE MADE FOR OCT.

44'
5'
52'
101'

November 5, 1952

INVOICE TO:

SILVER BAY MINES, INC.
1787 Blaine Avenue
Salt Lake City, Utah

PAYROLL PERIOD ENDING OCTOBER 31, 1952

Black Hawk Tunnel

Assaya	$ 22.50
5' timbered tunnel advance	225.00
52' regular tunnel advance	2080.00
	$2327.50

U.S. METALS CORPORATION

By Robert C Brown
Pres.

LARGE FORMAT DOCUMENTS AT END OF FILE

March 19, 1953

Mr. W. H. King, Chief Engineer
U.S. Bureau of Mines
214 Custom House Bldg.
Denver 2, Colorado

Dear Mr. King:

During the month of October, 1952, an advance of 74.3 ft. was made in the drift on the vein in the Black Hawk Mine under the contract at which time October 28, 1952, a total of 91.3 ft. was reached, the loan funds were exhausted. A total of 51 ft. was timbered, a part of which is in the crosscut through the vein. A further advance of 21.7 ft. to a total of 113 ft. was made at the owner's expense.

An additional advance of 49 ft. was made during November and the fore part of December, to a total of 162 ft. at which point the work was recessed for the winter. During the latter period, an additional 5 ft. was timbered at the owner's expense.

Respectfully submitted,

Walter W. Bentley

Walter W. Bentley
Engineer

DMA 487, Contract I-DMA-E26
Silver Bay Mines, Inc.
San Juan County, Colorado

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 21 1952

224 New Customhouse
Denver 2, Colorado

November 18, 1952

Memorandum

To: Secretary to the Operating Committee

From: Executive Officer, Field Team, Region IV

Subject: Form MF-104, DMA Docket 487X, Contract I-DMA-E26 (Lead-Zinc), Silver Bay Mines, Inc., San Juan County, Colorado

Enclosed are two copies of the Operator's Monthly Progress Report Form MF-104 and MF-104A, Operator's Narrative Report, Inspecting Engineer's Narrative Report, and other supporting data for the month of September 1952 pertaining to DMA Docket 487X, Contract I-DMA-E26, Silver Bay Mines, Inc.

W. H. King
W. H. King

Enclosures

Operating map
of workings

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

224 New Customhouse
Denver 2, Colorado

November 7, 1952

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMA Docket 487X, Contract I-DM-E26 (Lead-Zinc), Silver Bay Mines Inc., San Juan County, Colorado - Operator's Monthly Progress Report, for the period of September, 1952

Enclosed are the original and four copies of Form MF-104 and Form MF-104A, Narrative Report, and Engineer's Report for the above period.

Work has been accomplished as authorized in the contract and payment is recommended for 50 percent of the amount as reported on Form MF-104, contingent on your verification of the correctness of applicable rates and arithmetical accuracy of computations.

J. F. Shaw

J. F. Shaw

for W. H. King

Enclosures
JFS:es

cc: Secretary to the Oper. Comm. (2)✓
Contract
Traver
Chron.
Koschmann (2)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
October 31, 1952

Memorandum

To: Executive Officer, Field Team, Region IV

From: Chief, Colorado Branch, Mining Division, Region IV

Subject: DMA Docket 487X, Contract I-DMA-E26 (Lead-zinc), Silver Bay Mines, Inc. (Blackhawk mine), San Juan County, Colorado - Progress report for September 1952

Please find enclosed five copies of the above progress report--forms MF-104 and MF-104A, with required documentation--and seven copies of Russell R. McLellan's memorandum covering inspection of underground progress and accounts.

Progress underground, incorrectly reported in the contractor's narrative but correct on the MF 104A form, is adequately explained in McLellan's memorandum. The accounts are apparently in order according to our interpretation of the contract, amendment, and the subcontract.

Payment is recommended of $2,140.00, or 50 percent of the total $4,280.00 claimed by the contractor, subject to approval of your staff and the audit and accounts section.

W. M. Traver, Jr.

W. M. Traver, Jr.

enclosures

WMT/cb

cc 4
AHKoschmann
E26
DMEA Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
October 30, 1952

Memorandum

To: Chief, Colorado Branch, Mining Division, Region IV.

From: R. R. McLellan

Subject: DMA Docket 487X, Contract I-DMA-E26 (Lead-zinc), Silver Bay Mines, Inc. (Blackhawk mine), San Juan County, Colorado - Progress report for September 1952

Underground progress was checked at the Blackhawk mine on September 22, 1952, by R. R. McLellan and W. L. Dare. All work was accomplished as reported on the operator's 104-A form - 17 feet of drifting and 84.5 feet of crosscutting. The narrative report is not clear in explaining the distribution of the footage. In the first paragraph, Lilenquist intended to say that 84.5 feet of crosscutting had been driven during the month for a total of 130.5 feet of crosscutting. In the second paragraph, he intended to say that a total of 5 feet of drifting, 2.5 feet each direction along the vein, is charged to the "enlarging round" drilled to allow drifting in both directions. The additional advance of 12 feet to the northeast along the vein, plus the 5 feet previously described, comprises the total drift footage of 17 feet, The total advance for the month is 84.5 feet plus 17 feet, or 101.5 feet of crosscutting and drifting.

On the day previous to the monthly inspection in September, the operator had exposed a vein in the crosscut. It was not certain at the time if this vein was the Big Indian, for the strike and dip were considerably different than expected. Verbal permission was given the operator to drift on the vein for it appeared that the vein was a spur of the Big Indian and would intersect the Big Indian within 100 feet. At the date of inspection in October, the operator had drifted northwest along the vein 73 feet, but had not encountered a junction. A small amount of lead-zinc ore was noted in the vein near the initial exposure.

The operator appears to be of the opinion that the vein now being followed is the Big Indian although the strike is N. 37° E. instead of almost due west as expected for the Big Indian vein.

The U. S. Metals Corporation, subcontractors, has billed Silver Bay Mines, Inc., $116.00 for labor and $3.95 for lumber, but it has not been charged against the project.

Payment of $2,140.00 is recommended, or 50 percent of the $4,280.00 claimed.

R. R. McLellan
R. R. McLellan
Mining Engineer

RRM/cb

cc 6
AHKoschmann
E26
DMEA Chron.

P. O. Box 1498
Salt Lake City, Utah

October 24, 1952

Mr. M. M. Traver, Jr., Chief
Colorado Branch
Mining Division, Region IV
Building 20, Room 137
Denver Federal Center
Denver 14, Colorado

Dear Mr. Traver:

The work performed at the Blackhawk tunnel project in September, 1952, consisted of driving a crosscut to and through a vein structure. The advance for this phase for the month was 84½ feet for a total distance of 180½ feet from the point where work commenced this season. Forty-four feet of this section was timbered.

When the hanging wall of the vein was encountered, an enlarging round was drilled to allow a turn in either direction on the vein, and an additional advance of 12 feet made in the northeast drift. You will note that the equivalent of a half round, or 2½ feet, has been allowed for the enlarging for twins, and is not included in the other advance figures, so that in the future the totals reported will be accurate and not include any extra footage for allowances.

Respectfully submitted

SILVER BAY MINES, INC.

By Ray Lilienquist
President

RVL:F

[illegible]
[illegible] Monroe Bldg.
Denver, Colorado

Measurement of footage driven in Black Hawk Mineral [illegible]
for [illegible] half of September 1948

10 feet of timbered tunnel at [illegible] per foot [illegible]
60 feet regular tunnel at [illegible] per foot [illegible]

~~[illegible]~~

Previous total 20 feet, present total 150 feet
Timbered previous total [illegible] feet, present total 30 feet.

Total advance since last report in Lumberjack Mine, 60 feet, 30 feet of which was timbered and 30 feet was regular or untimbered.

U.S. [illegible] Corporation
By [illegible]

[illegible]
[illegible]
[illegible]

[illegible]
[illegible]

[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
	[illegible]

[illegible]

[illegible]

Form MF-104 (Rev.)
(April 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

Defense Minerals Administration
RECEIVED
NOV 21 1952

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of September, 1952 Docket No. DMEA 487X Contract No. I-DMA-E26
Operator's Name Silver Bay Mines, Inc. Minerals: Lead, Zinc
Address P. O. Box 1493, Salt Lake City, Utah
Contract Amount, $ 21,500.00 Government Participation: 50 % Amount, $ 10,750.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting	3515.00	5822.50	9337.50			
Drifting	765.00	—	765.00			
(2) Labor and Supervision:						
Labor						
Supervision		750.00	750.00			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		13.44	13.44			
Explosives		925.82	925.82			
Pipe		114.79	114.79			
Track		240.43	240.43			
Compressor & Fuel		834.63	834.63			
Other Supplies		1157.35	1157.35			
(4) Operating Equipment:						
Rental		1800.00	1800.00			
Purchase		724.00	724.00			
Equipment Repairs		186.30	186.30			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Transportation		199.44	199.44			
Vent. Tubing		917.13	917.13			
(8) Contingencies (specify):						
TOTALS	4280.00	13,685.83	17,965.83	4,280.00	13,685.83	17,965.83

I certify that the above bill is correct and just and that payment therefor has not been received.

Date Oct 24-52 *Payee SILVER BAY MINES, INC.

Per Ray Lilenquist Title Pres.

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$2140.00

Signature [illegible]
(Authorized Certifying Officer)

Date 11/13/52 Vou. No. DMA 53-60
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. I-DMA-E26 in accordance with the terms of the contract.

Signature R. R. McLellan 2,140.00 Title Mining Engineer Date 10/29/52

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature J. F. Shaw for W. H. Ring Title Executive Officer Date 11-7-52

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
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NOV 21 1952

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of September 1952 Docket No. DMEA 487X Contract No. I-DMA-226
Operator's Name SILVER BAY MINES, INC., Minerals Lead, Zinc
Address P. O. Box 1498, Salt Lake City, Utah Copper, Silver

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting @ 45.00	feet	765.00	17	765.00	17	45.00	650	
Crosscutting	feet	3515.00	84½	16,476.83	329½	50.00	150	
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		4280.00	101½	17,241.83				Total Costs Authorized by Contract
Operating Equipment Purchased				724.00				
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs				17,965.83				21,500.00

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date Oct. 24, 1952 Operator SILVER BAY MINES, INC.

Per Ray Lilenquist Title Pres.

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

Remarks: Estimated footage per contract for crosscutting to contact Big Indian Vein was 150 ft. It actually took 329½ feet of crosscutting to hit this vein.

We are now drifting on the vein.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 3 1952

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

224 New Customhouse
Denver 2, Colorado

Betty

October 31, 1952

Memorandum

To: Secretary to the Operating Committee

From: Executive Officer, Field Team, Region IV

Subject: Form MF-104, DMA Docket 487X, Contract I-DMA-E26 (Zinc-Lead)
Silver Bay Mines, Inc., San Juan County, Colorado

Enclosed are the two copies of the Operator's Monthly Progress Report Form MF-104 and MF-104A, Operator's Narrative Report, Inspecting Engineer's Narrative Report, and other supporting data for the period of July and August, 1952, pertaining to DMA Docket 487X, Contract I-DMA-E26, Silver Bay Mines, Inc.

W. H. King
W. H. King

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

New Customhouse
Denver 2, Colorado

October 23, 1952

Memorandum

To: T. A. Christensen

From: Executive Officer, Field Team, Region IV

Subject: DMA Docket 487X, Contract I-DMA-E26, (Zinc-Lead) Silver Bay Mines, Inc., San Juan County, Colorado - Operator's Monthly Progress Report for the period of July and August, 1952

Enclosed are the original and four copies of Form MF-104 and Form MF-104A, Narrative Report, and Engineer's Report for the above period.

Work has been accomplished as authorized in the contract and payment is recommended for 50 percent of the amount as reported on Form MF-104, contingent on your verification of the correctness of applicable rates and arithmetical accuracy of computations.

Remarks: Errors in Totals previously reported and extensions of totals to date will be corrected on the next report.

W. H. King
W. H. King

Enclosures

JWT:oc
cc: Contract
Secretary to the Operating Committee (2)
WMTraver
Chron.
AHKoschmann (2)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

~~WESTERN REGION~~

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
October 21, 1952

Memorandum

To: Executive Officer, Field Team, Region IV

From: Chief, Colorado Branch, Mining Division, Region IV

Subject: DMA 487X, Contract I-DMA-E26 (Lead-zinc), Silver Bay Mines, Inc. (Blackhawk mine), San Juan County, Colorado - July-August 1952 progress report

Please find enclosed five copies of the above progress report--forms MF-104 and MF-104A, with required documentation--and seven copies of Russell R. McLellan's memorandum covering inspection of underground progress and accounts.

The progress report is fully explained in the inspecting engineer's memorandum. Subsequent forms MF-104 (revised) and MF-104A will require adjustments in the cumulative figures.

A letter, copy attached, has been written to Silver Bay Mines, Inc., pointing out necessary corrections which we hope will be made on the September report.

Payment of $2,506.88, or 50 percent of the total $5,013.77 claimed by the contractor, is approved.

W. M. Traver, Jr.

W. M. Traver, Jr.

enclosures

WMT/ash

cc: 4
AHKoesbmann
E26
DMEA Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
October 20, 1952

Memorandum

To: Chief, Colorado Branch, Mining Division, Region IV

From: Russell R. McLellan

Subject: DMA 487X, Contract I-DMA-E26 (Lead-zinc), Silver Bay Mines, Inc. (Blackhawk mine), San Juan County, Colorado - July-August 1952 progress report

The July-August progress report was received originally on September 16, 1952, but was returned for revision. A revised report was received October 14.

Progress was checked in the field on September 20, 1952. At that time, the U. S. Metals Corporation, as subcontractors, had driven a total of 137.5 feet. They had timbered 36 feet of the crosscut which was required because of a water course area encountered. The water course was discharging a heavy flow of water under high pressure. It blew in behind the miners at the crosscut face and partially caved the workings. It required rail spiling along the east side of the crosscut. It was also necessary to drill holes in the crosscut bottom, insert old drill steel, and place rails between the protruding drill steel and the bottom of the posts to keep the posts from kicking out.

The round blasted on September 19 had exposed a very flat northwesterly dipping vein. The footwall was exposed but the hanging wall was not cut. This vein was striking northeasterly. It is not known if this is the Big Indian vein as that vein has an easterly strike. Except for one narrow streak, there was very little lead-zinc mineralization showing in the vein. Verbal permission was given to install a back switch to the southwest and to drive northeasterly on this vein. If this is not the Big Indian vein, it should intersect that vein in about 100 feet.

The Silver Bay Mines, Inc., has claimed 12 feet of crosscut advance in July and 84 feet in August for a total of 96 feet. Of this total, 24 feet is claimed as timbered. The field inspection confirmed the amounts claimed.

Since the subcontract for driving the crosscut and drifting allows a flat fee per foot of advance plus track, ties, and pipe, several items claimed by the operator on his first MF-104 forms submitted have been deleted from the corrected MF-104 forms. These items still show on the distribution sheet. They amount to $1,142.07 which is nearly $11.00 per foot of advance.

The operator mentions in his transmittal letter that he has not been paid for 50 percent of the October account. However, he was paid this amount along with the September account under date of December 18, 1951.

The Silver Bay Mines, Inc., home offices are in Salt Lake City, Utah; their accounts and invoices are now kept there. Previous to the subcontract work, the operator's books and accounts were inspected at Silverton, Colorado, after they were returned from Salt Lake City where the forms MF-104 were made out.

July-August claims for expenditures are supported by typewritten copies of invoices or billings. There was no actual invoice from the subcontractor, only a typewritten summary signed by Silver Bay Mines, Inc. This has been corrected by obtaining invoices directly from the subcontractor's office in Denver.

Warehouse withdrawals for the project from Silver Bay Mines, Inc., stock are supported by typewritten summary. These items are all chargeable to the project according to terms of the subcontract. An objection was raised to the $0.84 cost for mine ties. The operator has reduced his charge by 50 percent which is more in line with other operators' charges for mine ties.

An invoice copy of stock withdrawal from the subcontractor's warehouse is submitted by the operator. The subcontractor is to furnish all supplies except pipe, track, and ties; therefore, only the pipe used, $32.00, is allowable and can be charged by Silver Bay Mines, Inc.

The invoice copy, certified by the subcontractor's clerk and signed by Silver Bay Mines, Inc., for ventilation tubing is considered to be allowable as pipe, although the subcontract does not specifically itemize ventilation pipe or tubing. Ventilation is necessary in the project work.

Payrolls attached to the MF-104's are for day's pay rehabilitation and preparation prior to drifting and surface plant replacement. These are not allowable under the subcontract.

The MF-104 totals do not include the October 1951 charges which should have been included. Deductions by DMEA audits section are not reflected in the totals. Timber, track, and pipe totals previously reported include past charges to supplies--other, transportation, and equipment repair.

Silver Bay Mines, Inc., has in the past included a monthly listing of vendors and partially detailed breakdown of charges for each month's operation. These can be used to distribute the proper MF-104 charges to the following extent:

Month	Timber	Explosives	Pipe	Track	Compressor Fuel	Other	Transportation
July	-	$155.56	$50.79	$ 44.88	$170.00	$ 205.18	-
August	-	177.39	-	28.60	184.40*	239.48	$150.00
					123.22	280.87	
						56.50	
						15.00	
September	-	369.70	-	80.63	3.73	196.34	49.44
		215.42			198.10	166.98	
						15.00	
October	-	7.75	-	-	141.18	209.42	-
Totals	-	$925.82	$50.79	$154.11	$820.63	$1,384.77	$199.44

*$170.00 deducted as duplicate charge.

The other group includes equipment repair, some pipe, and probably timber (ties) as well as the usual miscellaneous grouping of supplies--other. Proper detailed distribution cannot be made without access to the invoices for each month.

Previous totals should be reduced by the following deductions:

Technical services	-$450.00
Compressor fuel	-$170.00
Equipment purchase	-$80.00

The previous totals should be increased by the October 1951 charges which were not included by the operator in the July-August 1952 report.

This is the first report by the Silver Bay Mines, Inc., using the revised MF-104 and MF-104A forms. The current monthly report for July-August 1952 is in accord with instructions and the totals have been corrected with deletions of nonallowable items.

Payment is approved for $2,506.88, which is 50 percent of the total claimed.

Scott W Hagen
for Russell R. McLellan
Mining Engineer

SWH/amh

cc: 6
AHKoschmann
E26
DMEA Chron.

[illegible]
P.O. Box [illegible]
Salt Lake City, Utah.

[illegible]
[illegible]
[illegible]
[illegible]

[illegible]
[illegible]

Dear Mr. [illegible]:

[illegible] Blackhawk [illegible] the [illegible].

[illegible] the tunnel [illegible] the tunnel, [illegible] the tunnel.

[illegible] the tunnel. It was also necessary for us to install a switch near the face of the tunnel so as to be able to [illegible] the tunnel. [illegible] to complete the survey of the tunnel.

On July 20th we started driving the tunnel and [illegible] feet [illegible] 104 [illegible] feet.

All [illegible] have been [illegible] by the U.S. [illegible] the tunnel this year.

Very truly yours,

[illegible]

Ray Lilenquist

Form MF-104 (Rev.)
(April 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 149-R1036.3.
Approval expires 6-30-53.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 3 1952

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of July and August, 1952 Docket No. DMEA 487X Contract No. I-DMA-226
Operator's Name Silver Bay Mines Inc.,
Minerals Lead & Zinc
Address P. O. Box 1498, Salt Lake City, Utah
Contract Amount, $21,500.00 Government Participation: 50 % Amount, $10,750.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting	3960.00	1862.50	5822.50			
Drifting						
(2) Labor and Supervision:						
Labor	-					
Supervision	-	750.00	750.00			
Technical Services	-	450.00	450.00			
(3) Operating Mat'ls. and Supplies:						
Timber	13.44	231.11	244.55			
Explosives	-	972.44	972.44			
Pipe	64.00	423.00	487.00			
Track	59.20	880.21	939.41			
Vent tubing	917.13	- -	917.13			
Compressor fuel		849.45	849.45			
(4) Operating Equipment:						
Rental		1800.00	1800.00			
Purchase	- -	804.00	804.00			
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
				5013.77	*9,381.06	14,394.83
					**- 700.00	700.00
TOTALS	5013.77	9,022.71	14,036.48	5013.77	8,681.06	13,694.83

I certify that the above bill is correct and just and that payment therefor has not been received.
Date Sept. 15, 1952 *Payee SILVER BAY MINES INC.,
Per Ray Lilienquist Title Pres.

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$2506.89

Signature [illegible]
(Authorized Certifying Officer)

Date 10/30/52 Vou. No. DMA 53-55
(See other side)

* Erroneous previous totals carried forward
** Previous deductions

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. IDMA E 26 in accordance with the terms of the contract.

Signature R. P. McLeelan 2506.88 Title Mining Engineer Date 10/20/52

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature ..... Title ..... Date .....

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(*a*) *Form MF–104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(*b*) *Form MF–104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(*c*) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF–104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF–104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF–200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF–200; and delete word "Independent" if the contract reported is on Form MF–200 (A). Also, report work paid for on a unit basis under contract Form MF–200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF–104 when submitted for reimbursable expenses incurred under contract Form MF–200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF–200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF–104 is required to be documented. The four copies of Form MF–104 are not to be thus supported.

Form MF–104 submitted for reimbursement under fixed price contracts on Form MF–200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF–104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 3 1952

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July & Aug. 1952 Docket No. DMEA 487X Contract No. I-DMA-E26
Operator's Name SILVER BAY MINES, INC. Minerals Lead, Zinc, Silver, Copper
Address P.O.Box 1498, Salt Lake City, Utah

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting							650	
Crosscutting	feet	5013.77	96	13,232.48	245	54.01	150	
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		5013.77	96	13,232.48				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased		—		804.00				
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		5013.77		14,036.48				21,500.00

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date Sept. 15, 1952 Operator SILVER BAY MINES, INC.

Per Ray Lilenquist Title Pres.

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

REMARKS:

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

MF-104
(April 1951)

Budget Bureau No. 42-R1036.1.
Approval expires 8-31-51.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts will be made from time to time.

CERTIFICATION

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Silver Bay Mines, Inc.
(Name of Company)

By Ray Lilenquist
(Signature of Authorized Official)

November 21, 1951
(Date)

President
(Title)

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

16—64068-2

MONTHLY SUMMARY COST STATEMENT

Name of operator Silver Bay Mines Inc. ~~Silverton, Colorado~~
Project No. DMA ~~487 X Contract I-DMA E26~~
Total contract amount ~~$21,500.00~~
Government participation percent ~~50~~

Distribution of Expenditures for Month of Ending October 27, 1951

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals to Date
Wages and salaries	0	1,200.00	1,200.00	0	1,200.00	1,200.00
Equipment purchase [1]	0	804.00	804.00	0	804.00	804.00
Equipment rental [2]	0	1,800.00	1,800.00		1,800.00	1,800.00
Buildings	0	0		0	0	-
Explosives	7.75	972.44	979.19	7.75	972.44	979.19
Repair parts	0	0		0	0	0
Other supplies	209.42	1,534.32	1,743.74	209.42	1,534.32	1,743.74
Power Fuel	141.18	849.45	990.63	141.18	849.45	990.63
Transportation	0			0		
Withholding taxes	0			0		
Compensation insurance	0			0		
Other insurance	0			0		
Contract work	0	1,862.50	1,862.50	0	1,862.50	1,862.50
Other (specify)						
Total	358.35	9,022.71	9,381.06	358.35	9,022.71	9,381.06
Totals previously reported						
Totals to date						

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by Scott A. Hajen, Jr.
Amount approved for payment
Remarks

[1] Enter total purchase price in month purchase is made.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.

o 16—64068-1

U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION IV

Administrative Audit Difference Statement

Date: December 18, 1951

Payee's Reference: Progress Report September and October 1951

Silver Bay Mines, Inc.
1370 South 2nd West Street
Salt Lake City, Utah

Upon examination of the above Payee's Reference a difference was found which made it necessary to suspend your account accordingly:

Amount claimed $ 3803.69

Difference $ - 150.00

Amount Approved $ 3653.69

The reason for the difference was due to:

Geologist's salary of $150.00 has been disallowed. Reimbursement made for geologists salary for the months of July and August in the amount of $150.00 has also been deducted inasmuch as no services in this field have been rendered to date.

Any reclaim for deductions made above must be supported by the ORIGINAL of this form.

Very sincerely yours,

Naomi E. Stokes
Authorized Certifying Officer

R-IV - B&F Form No. 4
5-1-51 - 1M

SWH/dd

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20
Denver Federal Center
Denver 14, Colorado
December 10, 1951

Memorandum

To: Chief, Colorado Branch, Mining Division

From: Scott W. Hazen, Jr.

Subject: DMA 487X, Contract I-DMA-E26, Silver Bay Mines, Inc., San Juan County, Colorado - October Progress Report

The October progress was actually checked in the field on October 3 and, later, on October 17. Company operations ceased on October 5 for the winter because the miners quit. There were five feet of advance in the crosscut for October and some slabbing on the side to enlarge the crosscut to provide a switch. However, these five feet of advance and the slabbing have not been mucked out and will not be charged by the company as completed work. This work will be completed on company time--not charged to the contract--in the spring of 1952 so that actually there will be a five-foot advance for October without charge against the contract as the company does not intend to claim this advance. The accounts for October include only three invoices for supplies and were verified.

It is recommended that one half of the amount claimed by the company for October--one half of $358.35, or $179.18--be paid.

There is no narrative report attached to the October MF-104 forms but the five days of work are actually covered in the narrative report for September. Both of these sets of forms, September and October, were forwarded to the Colorado Branch office in the latter part of November and this accounts for the delay.

Scott W Hazen Jr

Scott W. Hazen, Jr.

cc 5
AHKoschmann
E26
DMA Chron.

Silver Bay Mines, Inc. Exploration Project.

San Juan County Colorado.

DMA 487-X Contract I DMA - E26.

List of expenditures applicable to Exploration project for month ending October 27, 1951.

Invoice Stephens Pneumatic Tool Co., Silverton, ... repair steel, bits, sharpen picks, compressor repairs.	$209.42
Invoice Circle Route Garage, Silverton, ... fuel and oil	141.18
Invoice Carl D. Curtis Co., Silverton, ... blasting wire.	7.75
Total.	$ 358.35

Invoices are in company possession at Salt Lake.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20
Denver Federal Center
Denver 14, Colorado
December 10, 1951

Memorandum

To: Chief, Colorado Branch, Mining Division

From: Scott W. Hazen, Jr.

Subject: DMA 487X, Contract I-DMA-E26, Silver Bay Mines, Inc., San Juan County, Colorado - September Progress Report

The September progress for the Silver Bay Mines, Inc., was checked in the field on October 3, 1951. Measurement of advance at that time showed 57 feet, with some of the work being done in the first few days of October. Mr. C. V. Lilenquist, operator, was not at the mine and had left for Salt Lake City. We had discussed the amount of advance the previous night and he said he had reported a little over 50 feet for the month. Mr. Lilenquist forwards all data to the company's Salt Lake City office where the MF-104 forms are made out. They had not been received from Salt Lake City at that time. Since this reported advance checked my measurements, I did not recheck my first measurements. When the MF-104 forms were received in Denver, the forms showed more than 100 feet advance. On a later trip to Silverton, I check-measured and found my figures correct; the operation had closed on October 5 so no more progress was made after my first measurement. Lilenquist was notified and I verified his 52 feet advance reported to Salt Lake. The MF-104 forms were returned and were revised by the company. The invoices were checked and found to be correct as reported. Mr. Lilenquist has attached a certification that the September accounts have been paid.

The small amount of advance--150 feet for the three months--was discussed with Lilenquist. This was attributable to poor management and poor miners. Lilenquist is not a miner. The company recognizes the need of a competent supervisor on the job and better miners. The company was also notified that we will insist on a complete survey of the workings and surface to determine accurately the position of the vein and remaining footage to reach the vein. This is to be done by the company at no extra charge to the contract as the contract provides for $150.00 engineering fee per month. Up to this time the only engineering actually received for this expenditure each month has been the narrative report and making out the MF-104 forms. Mr. Lilenquist agreed that the supervision situation

must be rectified and that they will see that the engineer provides the necessary maps and survey immediately as soon as the weather will permit in the spring of 1952. Approximately $9,500.00 of the $21,500 loan have already been spent and only 150 feet of the total 750 feet of work proposed by the contract have been accomplished.

There is some doubt in my mind that we should continue paying the engineering fee and that possibly we should even go back and withhold the amount already paid until the engineering is brought up to date. This may serve as a leverage over the company to insure proper performance. However, this, I believe, is a decision that should be made by the Region IV personnel. Accordingly, I will recommend that one half of the amount claimed for September be paid to the Silver Bay Mines, Inc. This will amount to one half of $2,945.34, or $1,472.67.

Scott W. Hazen

Scott W. Hazen, Jr.

SWH/dd

cc 5
AHKoschmann
E26
DMA Chron.

DISTRIBUTION OF WAGES AND SALARIES FOR MONTH OF Ending October 27, 1951

Silver Bay Mines, Inc.
Name of operator Silverton, Colorado
Project No. DMA 487 X - Contract I-DMA-E-26
Total contract amount $21,500.00
Government participation percent 50

Type	Number	Man-Shifts	Rate	Total
Miners 0			$	$
Muckers 0				
Trammers 0				
Timbermen				
Pumpmen				
Hoistmen				
Surface				
Samplers				
Assayers				
Shift bosses 0				
Mechanics				
Electricians				
Blacksmiths				
Carpenters				
Drill runners				
Drill helpers				
Teamsters				
Manager				
Superintendent 0				
Engineers 0				
Geologists 0				
Bookkeeper				
Foreman				
Clerks				
Stenographers				
Other				
Total	0	0	0	0

Note.—Show only that portion of supervisory, office, and engineering salaries that is chargeable to this project.

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by Scott W. Hajen, Jr.
Remarks

16—64068-1

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF Ending October 27, 1951

Name of operator Silver Bay Mines, Inc.
Silverton, Colorado
Project No. DMA 487 X - Contract I-DMA-E-26
Total contract amount $21,500.00
Government participation, percent 50

Item	Costs					Progress				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract
Drifting										
Crosscutting	0	0	358.35	0	358.35	foot	0	149	149	750
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	0	0	358.35	0	358.35	foot	0	149	149	750.

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.

16—64068-1 U. S. GOVERNMENT PRINTING OFFICE

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by Scott W. Hajen, Jr.
Remarks

MF-104
(April 1951)

Budget Bureau No. 42-R1036.1.
Approval expires 8-31-51.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts will be made from time to time.

CERTIFICATION

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Silver Bay Mines, Inc.
(Name of Company)

By Ray Lilenquist
(Signature of Authorized Official)

November 19, 1951
(Date)

Ray Lilenquist
President
(Title)

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

16—64068-2

MONTHLY SUMMARY COST STATEMENT

Name of operator Silver Bay Mines, Inc. Silverton, Colorado
Project No. DMA 487 X Contract I-DMA-E26
Total contract amount $21,500.00
Government participation percent 50

Distribution of Expenditures for Month of Ending September 27, 1951

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals to Date
Wages and salaries	400.00	800.00	1,200.00	250.00	800.00	1050.00
Equipment purchase [1]	0	804.00	804.00	0	804.00	804.00
Equipment rental [2]	600.00	1200.00	1,800.00	600.00	1200.00	1800.00
Buildings	0			0	0	0
Explosives	585.12	387.32	972.44	585.12	387.32	972.44
Repair parts	0			0		
Other supplies	508.39	1025.93	1,534.32	508.39	1025.93	1532.32
Power Fuel	201.83	647.62	849.45	201.83	647.62	849.45
Transportation		1212.50 ?				
Withholding taxes						
Compensation insurance						
Other insurance						
Contract work (52 ft. @	650.00	1212.50	1,862.50	650.00	1212.50	1862.50
Other (specify) 12.50/ft)						
Total	2945.34	6077.37	9,022.71	2795.34	6077.37	8872.71
Totals previously reported						
Totals to date						

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by Scott W. Hajen, Jr.
Amount approved for payment
Remarks

[1] Enter total purchase price in month purchase is made.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.

16—64068-1

Silver Bay Mines, Inc. Exploration Project

San Juan County Colorado.

DMA 487-X Contract I-DMA*E26

NARRATIVE REPORT

During the month ending September 27, 1951, the Blackhawk tunnel of the Silver Bay Mines company was advanced for a total of 52 feet, net advance.

The advance was considered to be fair because of the unusually hard ground encountered. This ground was slow to drill, required a high consumption of bits and a heavy use of powder to get proper breakage.

During the month compressor trouble was again experienced and it was necessary to take the compressor from the mine and bring up a new one. This caused some delay and considerable inconvenience.

At the end of the contract period the ground was beginning to soften slightly and a few gouge seams were noticed.

At one time it was believed that the Big Indian vein was reached because the amount of rhodonite showing in the cross cut. The zone was pentrated, however, without any significant ore showings and the zone of hard rock was reached. It is believed, therefore, that the vein still lies ahead.

A satisfactory rate of advance is now being made since the rock has softened somewhat.

Yours very truly,

Ray Lilenquist

Ray Lilenquist, Pres.

Silver Bay Mines, Inc. Exploration Project.

San Juan County Colorado.

DMA 487-X Contract I-DMA-E26

Maps.

No opportunity was had during the month to prepare a sketch of the workings. However, the advance was comparatively small and no significant structures were cut. Most of the advance was through a hard, silicified latite that was comparatively barren. Before this section was penetrated, some mineralization was encountered and for a while it was believed that the Big Indian structure may have been cut because of the amount of rhodonite in the cross cut. After passing the rhodonite, the rock tightened and remained that way during most of the month. Towards the end of the month a few gouge and talc seams, trending about S. 60 E., were visible and the rock softened somewhat.

Mr. Burbank of the U.S.G.S. was also of the opinion that the cross cut is still in the footwall of the Big Indian vein, although the projected position of the vein has been passed. Because of the length of the projection, however, it would take only a very little flattening of the vein to throw it an additional 70 or 80 feet into the hillside.

At the end of the measuring period the distance was:

Frog point to face -------	279 feet	(9/28/51)
less, distance on 8/28/51 --------	227	
Net advance	52 feet.	

John Kasteler

John Kasteler, Engineer.

Silver Bay Mines, Inc.

San Juan County Colorado.

List of Expenditures Applicable to DMA-487, Contract I DMA-E26

For Month beginning August 28, and ending September 27, 1951.

Contract Footage: Frog point to face--------- 279 feet, on 9/28/51
less---------- 227 " 8/28/51

Net advance 52 feet.

52 feet of advance at $12.50 per foot.....	$ 650.00
Invoice Bullion King Mine, explosives.....	369.70
Invoice Carl D. Curtis Co., Silverton, explosives.....	215.42
" " " ", spikes, fittings, carbide bits	166.98
Invoice William Gianetto, Silverton, charging lamps.....	15.00
Invoice Triaggle Service, Silverton, oil, ...	3.73
Invoice Circle Route Garage, Silverton, compressor fuel,.....	198.10
Invoice Stephens Pneumatic Tool Shop, Silverton, drill steel and repairs, sharpen picks and bits.....	196.34
Invoice William Smith, Silverton, moving compressor and hauling supplies to mine, charge: mine supplies.....	49.44
Rails: used 220 feet, 20# rail, 1466 lb, .733 ton at 110.00/ton used from Roger Pierce invoice.....	80.63
Supervision, Foreman, 1 month at 250.00, as per contract...	250.00
Geological and engineering, " " 150.00 " " "	150.00
Rentals, as per contract, compressor 200.00, locomotive 150.00 drill machine 100.00, mucking machine 150.00.....	600.00
Total	$2,945.34

Invoices are in company possession at Silverton.

I hereby certify that all expenses listed in MF-104 for the period ending September 28th, 1951 under Contract 1-DMA-E-26 (DMA-487X) have been paid.

SILVER BAY MINES, INC.

By C. V. Lilenquist
manager

Dated:

November 21, 1951.

DISTRIBUTION OF WAGES AND SALARIES FOR MONTH OF Ending September 27, 1951

Name of operator: Silver Bay Mines, Inc.
Project No. DMA: 487 X Contract I-DMA-E26
Total contract amount: $21,500.00
Government participation percent: 50

Type	Number	Man-Shifts	Rate	Total
Miners 1	1	24	$ Contract	$
Muckers 1	1	24	"	650.00
Trammers				
Timbermen				
Pumpmen				
Hoistmen				
Surface				
Samplers				
Assayers				
Shift bosses	1	30	sal	250.00
Mechanics				
Electricians				
Blacksmiths				
Carpenters				
Drill runners				
Drill helpers				
Teamsters				
Manager				
Superintendent				
Engineers				
Geologists	1	5	sal	150.00
Bookkeeper				
Foreman				
Clerks				
Stenographers				
Other				
Total	4	83		1050.00

Note.—Show only that portion of supervisory, office, and engineering salaries that is chargeable to this project.

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by Scott W. Hajen, Jr.
Remarks
Exception is taken to Charge for engineering 10%

16—64068-1

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF Ending September 27, 1951

Name of operator Silver Bay Mines, Inc.
Silverton, Colorado
Project No. DMA 487 X Contract I-DMA-E26
Total contract amount $21,500.00
Government participation, percent 50

Item	Costs					Progress				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract
Drifting										
Crosscutting	1,050.0	0	1295.34	rental 600.00	2845.34	foot	52	97	149	750
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	1,050.0	0	1295.34	600.00	2845.34	foot	52	97	149	750

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.

16—64068-1 U. S. GOVERNMENT PRINTING OFFICE

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by Scott W. Hajen, Jr.
Remarks

ME-104
(April 1951)

Budget Bureau No. 42-R1036.1.
Approval expires 8-31-51.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts will be made from time to time.

CERTIFICATION

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Silver Bay Mines, Inc.
(Name of Company)

By Ray Lilenquist
(Signature of Authorized Official)

September 6, 1951
(Date)

President
(Title)

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

MONTHLY SUMMARY COST STATEMENT

Name of operator Silver Bay Mines, Inc. Silverton, Colorado

Project No. DMA 487 X Contract I-DMA-E-26

Total contract amount $21,500.00

Government participation percent 50

Distribution of Expenditures for Month of Ending August 27, 1951

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals to Date
Wages and salaries	400.00	400.00	800.00	400.00	400.00	800.00
Equipment purchase [1]	204.00	600.00	804.00	524.00	200.00	724.00
Equipment rental [2]	600.00	600.00	1200.00	600.00	600.00	1200.00
Buildings	0					
Explosives	177.39	209.93	387.32	177.39	200.93	378.32
Repair parts						
Other supplies	770.45	255.48	1025.93	770.45	255.48	1025.93
Power Fuel	477.62	170.00	647.62	307.62	170.00	477.62
Transportation						
Withholding taxes						
Compensation insurance						
Other insurance						
Contract work	512.50	700.00	1212.50	512.50	700.00	1212.50
Other (specify)						
Total	3141.96	2926.41	6068.37	3291.96	2526.41	5818.37
Totals previously reported	-170-					
Totals to date	2971.98					

FOR GOVERNMENT USE ONLY

Checked by

Entered by

Approved by Scott W. Hajen, Jr.

Amount approved for payment

Remarks

[1] Enter total purchase price in month purchase is made.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.

16—64068-1

U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION IV

Administrative Audit Difference Statement

Date: 9/26/51
Payee's
Reference: Period ending 8/27/51

Silver Bay Mines, Inc.
1370 South 2nd West Street
Salt Lake City, Utah

Upon examination of the above Payee's Reference a difference was found which made it necessary to suspend your account accordingly:

Amount claimed	$ 3,141.96
Difference	$ 250.00
	2,891.96
Amount Approved	$ 400.00
	$3,291.96

The reason for the difference was due to:

Duplicate charge for fuel (reimbursed on July progress report)	$170.00
In order to stay within the limit of mine cars provided for in contract, the purchase price of 2 old cars has been disallowed.	80.00
	$250.00
Cost of 2 new cars disallowed from July report reinstated	+ $400.00

Any reclaim for deductions made above must be supported by the ORIGINAL of this form.

Very sincerely yours,

W. E. Stokes
Audit Section

R-IV - B&F Form No. 4
5-1-51 - 1M

WMT/dd

Building 20, Denver Federal Center

Chief, Mining Division, Region IV

September 21, 1951

W. M. Traver, Jr.

DMA-487X, Contract I-DMA-E26, Silver Bay Mines, Inc., Progress Report.

Please find enclosed four copies of the progress report, form MF-104, with narrative, for the period ending August 27, 1951, and six copies of Scott Hazen's memorandum report on the subject contract recommending payment as explained.

If the $400.00 disallowed from the total for the previous period is paid and $80.00 deducted from this month's total for payment on account of the used car cost, the amount due Silver Bay Mines, Inc., at this time should be $1,645.98.

Scott W. Hazen, Jr.
Scott W. Hazen, Jr.,
For W. M. Traver, Jr.

Mining Division
Date Rec'd.
SEP 24 1951
BUREAU OF MINES
Denver, Colorado

enclosures

cc 5
E26
DMA Chron.

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

Building 20, Denver Federal Center

TO : W. M. Traver, Jr. DATE: September 20, 1951

FROM : Scott W. Hazen, Jr.

SUBJECT: DMA-487X, Contract I-DMA-E26, Silver Bay Mines, Inc.

On September 8, Russell McLellan and myself contacted Mr. Lilenquist, at Silverton, Colorado, to check the August progress report for the Silver Bay Mines, Inc. At that time we checked the invoices for expenditures by the company for the month of August and went to the mine and measured the progress. The company reports 41 feet of progress on their crosscut toward the Big Indian vein.

All of the invoices appear to be in order with the exception of an item of fuel for the compressor from the Circle Route Garage. It was evident from examination of this invoice that, in making up the charges for the month in Salt Lake City, Mr. John Kasteler, engineer for the company, had used the total bill from the garage and failed to deduct the $170.00 fuel account charged to the project during July and still carried on the books by the Circle Route Garage as an account payable. Accordingly, the amount of supplies charged to the project and the total amount of expenditure for the month should be reduced by $170.00. The total amount of money is thus reduced to $2,971.96.

Mr. Lilenquist commented at the time of the inspection to the effect that they had received the Government's check for their participation for the month of July 1951, and that this check was $200.00 less than one-half of the total expenditures made by the company for the month of July. There was no letter of explanation for this reduction of the amount of the July expenditure. The reduction was the 50 percent participation of the Government toward the purchase of two new mine cars from the Telluride Iron Works, of Durango, Colorado, which had been ordered by the company and invoiced, but not delivered to the project, during July; therefore, payment for these cars was withheld pending delivery. The cars cost $200.00 each, so the Government's share would have been $200.00, or the amount in question on the July check issued by the Government. During the month of August, the Silver Bay Mines, Inc., purchased one additional new car from the same source at a cost of $204.00. This mine car and two previously ordered were delivered to the project and were in use. The terms of the contract for the project allowed the purchase of six mine cars at an estimated $150.00 each for a total of $900.00. The Silver Bay Mines, Inc., has now purchased five old, used mine cars at $40.00 each, for a total of $200.00, and three new cars at $200.00 each for two plus $204.00 for the third, for a total of $604.00, as charged on the project. This makes a total for July and August of $804.00 charged to the project. The old cars were purchased at the beginning of the project in order to start operations immediately and not have to wait for the six weeks' delivery period on the new cars. At the present time the three new cars are servicing the operations. In order to stay within the allowed number

of cars for the project, it is advisable to now disallow the purchase of two of the old cars which are no longer in service and thus reduce the total cars purchased from eight to six. This would necessitate withholding $40.00 from this month's payment as the Government's portion of the cost of these two old mine cars at $40.00 each. At the same time, the Silver Bay Mines, Inc., should be allowed the $200.00 withheld during July as the Government's share of the participation in the purchase of the two mine cars ordered during that month.

A breakdown of these deductions and additions is given below:

$3,141.96	Total expenditure for August
- 170.00	Invoice - overcharge
$2,971.96	
+ 400.00	Withheld in July
$3,371.96	
- 80.00	Old mine cars
$3,291.96	Adjusted total

$3,291.96 ÷ 1/2 = $1,645.98

Amount due Silver Bay Mines, Inc. - $1,645.98

At the time of the inspection in September it was noted that the Silver Bay Mines, Inc., had not paid some of the bills incurred for the project during the month of July. Mr. Lilenquist, superintendent for the company at Silverton, was advised that it would be best for them to pay up all current bills including the monthly bills for which they were applying for reimbursement. This would mean that they should have their September bills paid when we check the accounts during the first part of October and this was agreed to by Mr. Lilenquist, even though it will require, as he stated, a special assessment against the stockholders in order to pay their accounts up to date.

Scott W Hazen Jr

Scott W. Hazen, Jr.,
Mining Engineer

Silver Bay Mines, Inc., Exploration Project.

San Juan County Colorado.

DMA 487-X Contract I-DMA-E26

NARRATIVE REPORT.

During the month ending August 27, 1951, the Blackhawk tunnel of the Silver Bay mines company was advanced 41 feet roughly at right angles to the Big Indian vein. Although only a small advance was made, the results were encouraging. Numerous quartz veinlets were cut, some carrying small amounts of rhodonite and specks of sulfides. It is believed that the hangwall of the Big Indian vein is being approached and that a more massive vein structure will be encountered at this point.

Considerable delays were experienced during the month, even though only part of the month was worked. Several days were lost when the only Leyner at the property broke down. Some compressor trouble was also experienced.

It is believed that with repairs having been made to the equipment and now that an added mine car was purchased, that better progress will be made hereafter.

Yours very truly,

Ray Lilenquist

Ray Lilenquist, President.

Silver Bay Mines, Inc., Exploration Project.

San Juan County Colorado.

DMA 487-X Contract I-DMA- E26

Maps.

Because of the small amount of advance made thus far, a sketch will be submitted later. During the month the tunnel-crosscut penetrated an altered latite rock that showed numerous quartz seams and veinlets trending roughly parallel to the Big Indian vein.

Specks of rhodonite and sulfides of iron zinc and lead indicate that the the footwall of the Big Indian vein is being approached.

The distance from the frog point to the face was 227 feet, making a net advance of 41 feet.

John Kasteler

John Kasteler, Engineer.

Silver Bay Mines, Inc.

San Juan County Colorado.

List of Expenditures Applicable to DMA-487X, Contract I-DMA-E26.

For Month beginning July 28, 1951, and ending August 27, 1951.

Contract Footage; Frog point to face ---- 227 feet
less ---- 186 " on 7/27/51
advance 41 feet.

41 feet of advance at $12.50 per foot .....$ 512.50

Invoice Stephens Pnew. Tool Shop, Silverton, Colo.
drill steel, bits, picks 280.87

" Circle Route Garage, Silverton, Colorado.
compressor fuel..... 354.40
— 170.00 July pd

Invoice Silverton Blacksmith shop, Silverton, Colo.
sharpen picks, make scaling bars..... 56.50

Invoice William Gianetto, Silverton, Colorado.
Rent and charge battery lamps..... 15.00

Trucking charge, hauling supplies from Silverton to mine..... 150.00

Invoice Carmack Equipment Co., Bayfield, Colorado.
oil for compressor, prestone..... 123.22

Invoice Telluride Iron Works, Durango, Colorado.
one mine car..... 204.00

Invoice Carl D. Curtis Hardware, Silverton, Colorado.
explosives..... 177.39
pipe fittings, machine drill repairs, track ties... 239.48
Rails, 26 yards, 520 lbs., at 110.00 per ton 28.60

Rentals, as per contract, compressor 200.00, locomotive 150.00
drill machine 100.00, mucking machine 150.00..... 600.00

Supervision, Foreman, 1 month at 250.00, as per contract..... 250.00

Geolgical and engineering, " 150.00 " " 150.00

Total 3141.96
— 170.00
2971.96

Invoices are in company possession at Silverton.

Sw Hagen Jr

DISTRIBUTION OF WAGES AND SALARIES FOR MONTH OF Ending August 27, 1951

Name of operator Silver Bay Mines, Inc. Silverton, Colorado
Project No. DMA 487-X I-DMA-E26
Total contract amount 21,500.00
Government participation percent 50

Type	Number	Man-Shifts	Rate	Total
Miners 1	1	13	$ Contract	$
Muckers	1	13	12.50 Ft.	512.50
Trammers				
Timbermen				
Pumpmen				
Hoistmen				
Surface				
Samplers				
Assayers				
Shift bosses	1	30	sal.	250.00
Mechanics				
Electricians				
Blacksmiths				
Carpenters				
Drill runners				
Drill helpers				
Teamsters				
Manager				
Superintendent				
Engineers	1	10	sal.	150.00
Geologists				
Bookkeeper				
Foreman				
Clerks				
Stenographers				
Other				
Total	4	66		912.50

Note.—Show only that portion of supervisory, office, and engineering salaries that is chargeable to this project.

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by Scott W. Hajen, Jr.
Remarks

16—64068-1

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF Ending August 27, 1951

Name of operator Silver Bay Mines, Inc., Silverton, Colorado.
Project No. DMA 487-X Contract I-DMA-E26
Total contract amount 21,500.00
Government participation, percent 50

Item	Costs					Progress				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3] Rental	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract
Drifting										
Crosscutting	912.50	204.00	1425.46	600.00	3141.96	Foot	41	56	97	750
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	912.50	204.00	1425.46	600.00	3141.96	Foot	41	56	97	750

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.

16—64068-1 U. S. GOVERNMENT PRINTING OFFICE

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by Scott W. Hajen, Jr.
Remarks

MF-104
(April 1951)

Budget Bureau No. 42-R1036.1.
Approval expires 8-31-51.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Copy

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts will be made from time to time.

CERTIFICATION

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Silver Bay Mines
(Name of Company)

By Ray Lilenquist
(Signature of Authorized Official)

July 30, 1951
(Date)

Pres.
(Title)

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

16—64068-2

MONTHLY SUMMARY COST STATEMENT

Name of operator Silver Bay Mines Incorporated
Silverton, Colorado
Project No. DMA 487 X, Contract I-DMA-E26
Total contract amount $ 21,500.00
Government participation percent 50

Distribution of Expenditures for Month of Ending July 27, 1951

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals to Date
Wages and salaries	400.00	0	400.00	400.00	-	400.00
Equipment purchase [1]	600.00	0	600.00	200.00	-	200.00
Equipment rental [2]	600.00	0	600.00	600.00		600.00
Buildings	0					
Explosives	200.93	0	200.93	200.93		200.93
Repair parts						
Other supplies	255.48	0	255.48	255.48		255.48
Power Fuel	170.00	0	170.00	170.00		170.00
Transportation						
Withholding taxes						
Compensation insurance						
Other insurance						
Contract work	700.00	0	700.00	700.00		700.00
Other (specify)						
Total	2926.41	0	2926.41	2526.41		2526.41
Totals previously reported	0					
Totals to date						

FOR GOVERNMENT USE ONLY

Checked by Scott W. Hazen, Jr.
Entered by
Approved by Scott W. Hazen, Jr.
Amount approved for payment 2926.41 less 400.00
Remarks equal $2,526.41 /2= 1263.21
$400.00 deducted for 2 mine cars not delivered 7-27-51

[1] Enter total purchase price in month purchase is made.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.

16—64068-1

NARRATIVE REPORT

Silver Bay Mines, Incorporated, Exploration Project.

San Juan County Colorado.

DMA 487x - I-DMA-E26

June 29 to July 29, 1952

Operations at the Blackhawk mine of the Silver Bay Mines company commenced in a preliminary way on June 25, 1951. At that time the compressor was moved to the mine and a small amount of cleanup work was done.

Because of compressor trouble, no drilling was done until July 2, 1951. After a few shifts, the company's 210-cubic foot compressor broke down and was sent to Silverton for repairs. A portable 315-cubic foot compressor was rented and work was again resumed.

No cost of preparatory work, or cost of compressor repairs, or added cost of rental of 315-cubic foot compressor was charged to the government exploration project.

After drilling approximately 30 feet, a large zone of white, vuggy quartz carrying some lead and zinc sulfide and flourspar was penetrated. This zone, before drained, carried excessive water under much pressure. For several rounds it was difficlt to load the holes because of this pressure. As a result, progress was very slow through this quartz zone, at one time a halt of several days was called to allow the water to drain and the pressure to subside.

Upon resumption of work, another delay was encountered when the fan from the compressor motor broke and punctured the radiator. A 500-cubic foot compressor was then rented and brought to the mine. After one week's work, this compressor developed a knock and it was found that all the high pressure compressor valves were either stuck or broken. A trip was made to Salt Lake for these parts and at the end of the work month this machine was being repaired.

As a result, only 14 contract shfts were executed for a net advance of 56 feet. The last 20 feet of advance, including a 6-foot-wide zone of white quartz, is very encouraging, however, and indicates that a major structure is being crossed. This zone is roughly parallel to the Big Indian structure and may be a part of it. Although the amount of leadand zinc sulfides is small it may be that a more barren part of the zone is being crossed. As soon as the hanging wall is penetrated more information will be available.

John Kasteler

John Kasteler, Engineer.

MAPS

Silver Bay Mines, Incorporated, Exploration Project.

San Juan County Colorado.

DMA 487 X - I-DMA-E 26.

Because of compressor trouble there remains in the face of the Blackhawk tunnel a 7-foot round that is piled up over a distance of 25 feet, thus obscuring most of the geologic and mineralogic features of the last part of the total advance.

It is considered advisable to wait until this cleaned up before a sketch is made of the drift.

On the map submitted to the DMA, the face was 130 feet from the frog point (which was the measuring station and is located at the junction of the Blackhawk tunnel with the Intermediate southeast drift).

On July 27, the distance from the frog point to the face was 186 feet.

John Kasteler

John Kasteler, Engineer.

Silver Bay Mines, Inc.
San Juan County Colorado.

List of Expenditures Applidable to DMA - 487 X, Contract I-DMA-E 26.

For Month beginning June 27, 1951, and ending July 27, 1951.

Contract Footage. Frog Point to Face----186 feet.
less 130

advance 56 feet.

56 feet at $12.50 per foot.....	$700.00
Invoice Circle Route Garage, Silverton, Colorado, diesel fuel for compressor.....	170.00
Invoice Carl D. Curtis Hardware, Silverton, Colorado, for Electric blasting caps, 178 timpken bits, track ties, spikes, bolts and splices.....	205.18
Supervision, Foreman, 1 month at 250.00, as per contract...	250.00
Geological and Engineering, " " 1.50.00 " "	150.00
Rentals, as per contract, compressor, 200.00,locomotive, 150.00, drill machine 100.00, mucking machine 150.00....	600.00
Purchase 6 mine cars, actual cost was 720.00 but contract provides for	600.00
Powder, 14 boxes at. 10.75/box.....	155.56
Rails, 120 feet, 20-lb, at 110.00/ton.....	44.88
60 feet 2 inch and 1 inch galv. pipe.....	50.79
Total:	2926.41

Invoices are in company possession at Silverton.

DISTRIBUTION OF WAGES AND SALARIES FOR MONTH OF Ending July 27, 1951

Name of operator Silver Bay Mines, Incorporated
Silverton, Colorado
Project No. DMA 487 X - I-DMA-E26
Total contract amount 21,500.00
Government participation percent 50

Type	Number	Man-Shifts	Rate	Total
Miners	1	14	$ Contract	$
Muckers	1	14	"	700.00
Trammers				
Timbermen				
Pumpmen				
Hoistmen				
Surface				
Samplers				
Assayers				
Shift bosses				
Mechanics	1	30	Sal.	250.00
Electricians				
Blacksmiths				
Carpenters				
Drill runners				
Drill helpers				
Teamsters				
Manager				
Superintendent				
Engineers				
Geologists	1	10	sal	150
Bookkeeper				
Foreman				
Clerks				
Stenographers				
Other				
Total	4	68		1100.00

Note.—Show only that portion of supervisory, office, and engineering salaries that is chargeable to this project.

FOR GOVERNMENT USE ONLY

Checked by Scott W. Hajen, Jr.
Entered by
Approved by Scott W. Hajen Jr.
Remarks

16—64068-1

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF Ending July 27, 1951

Name of operator Silver Bay Mines, Incorp. ~~Silverton, Colorado~~
Project No. DMA ~~487 X, Contract I-DMA-E26~~
Total contract amount ~~$21,500.0~~
Government participation, percent 50

Item	Costs					Progress				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3] Rental	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract
Drifting										
Crosscutting	1100.	600.00	626.41	600.00	2926.41	foot	56	0	56	750
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	1100.00	600.00	626.41	600.00	2926.41	foot	56	0	56	750

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.

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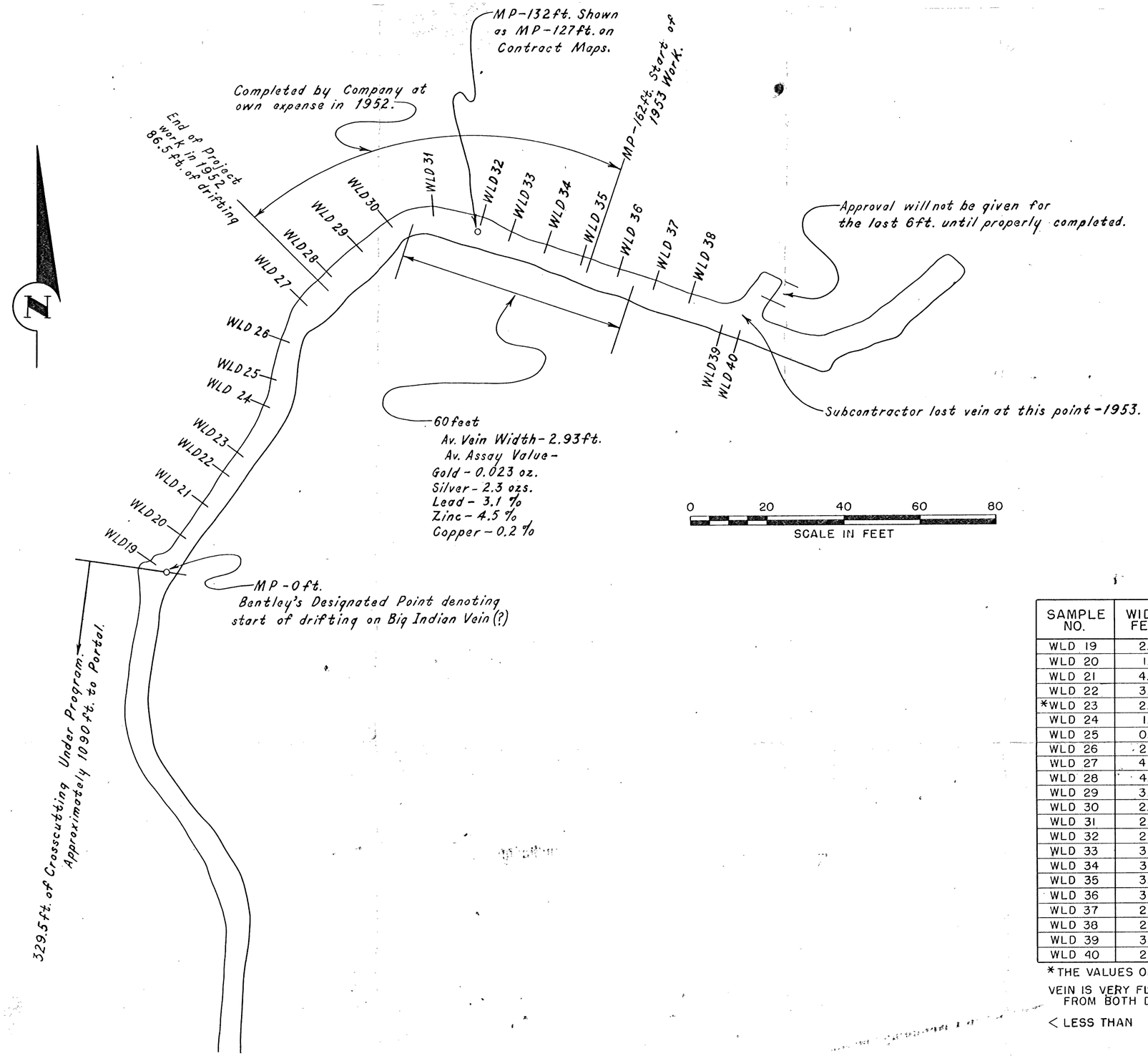
Checked by Scott W. Hajen, Jr.
Entered by
Approved by Scott W. Hajen, Jr.
Remarks $400.00 deducted from equipment for 2 mine cars not delivered 7-27-51



SAMPLE DATA

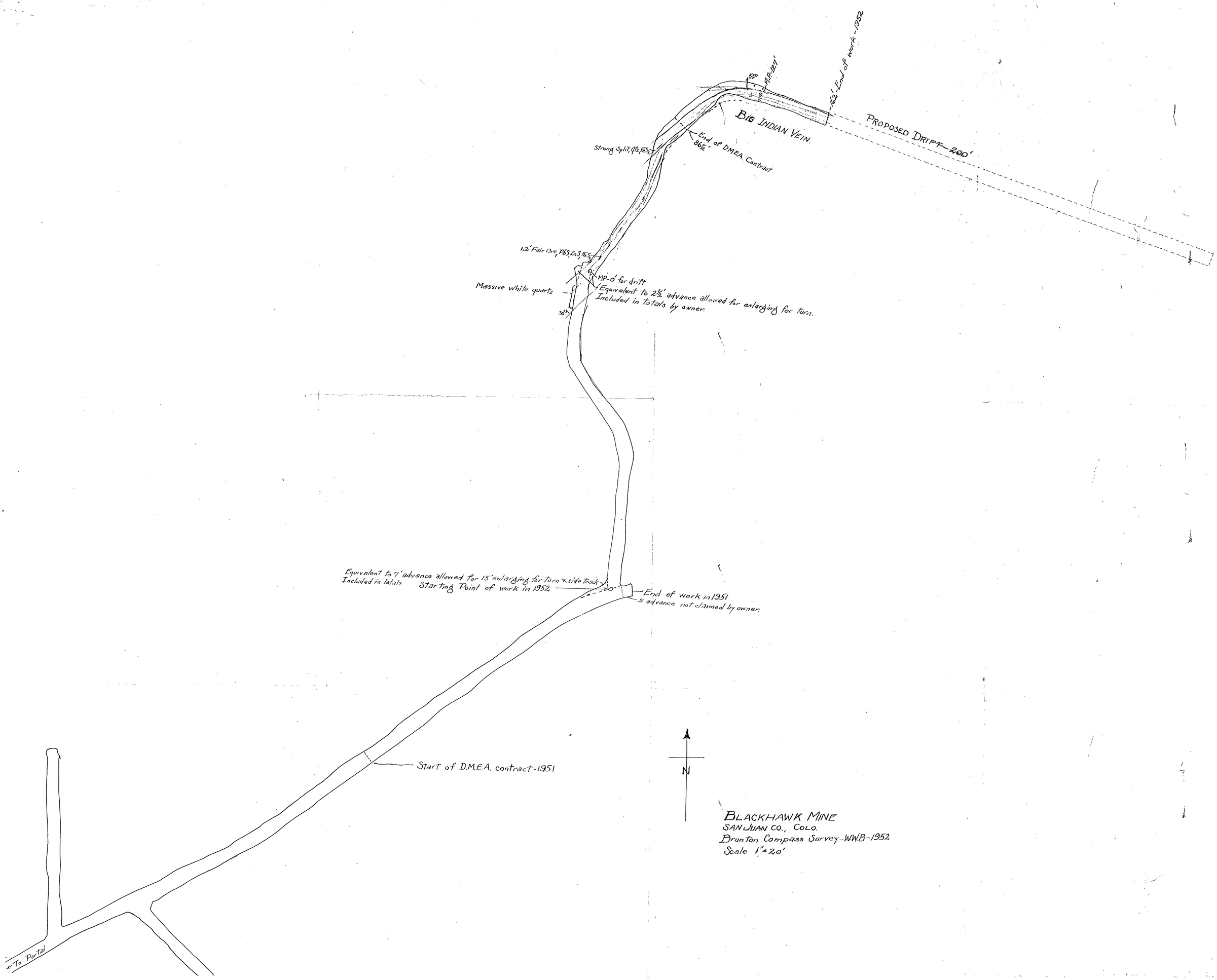
SAMPLE NO.	WIDTH FEET	OUNCES		PERCENT		
		GOLD	SILVER	LEAD	ZINC	COPPER
WLD 19	2.0	0.005	1.0	1.0	1.55	0.20
WLD 20	1.9	0.01	0.7	0.6	1.4	0.15
WLD 21	4.0	0.005	0.7	0.25	0.3	< 0.05
WLD 22	3.8	0.005	1.6	2.2	6.0	0.47
*WLD 23	2.4	0.05	5.8	4.85	4.5	0.29
WLD 24	1.1	0.005	0.4	<0.1	0.1	< 0.05
WLD 25	0.8	0.02	0.5	0.1	0.1	< 0.05
WLD 26	2.4	0.005	0.2	0.1	0.1	< 0.05
WLD 27	4.0	0.005	0.7	0.6	2.4	< 0.05
WLD 28	4.2	0.005	0.9	0.6	0.7	0.10
WLD 29	3.4	0.005	0.8	0.7	0.8	0.10
WLD 30	2.6	0.005	1.2	1.25	1.9	0.26
WLD 31	2.0	0.005	2.1	2.6	3.5	0.36
WLD 32	2.2	0.03	3.5	3.6	5.5	0.49
WLD 33	3.5	0.03	2.6	4.5	5.2	0.36
WLD 34	3.4	0.03	2.6	4.2	8.8	< 0.05
WLD 35	3.4	0.01	1.2	0.7	1.25	< 0.05
WLD 36	3.2	0.03	2.3	2.95	2.85	< 0.05
WLD 37	2.8	0.005	0.2	< 0.1	<0.05	< 0.05
WLD 38	2.2	0.05	0.2	< 0.1	<0.05	< 0.05
WLD 39	3.6	0.01	0.2	0.1	0.35	< 0.05
WLD 40	2.8	0.01	0.4	0.4	0.55	< 0.05

*THE VALUES OF THIS SAMPLE ARE QUESTIONABLE

VEIN IS VERY FLAT AND WHERE POSSIBLE, SAMPLES ARE COMPOSITES FROM BOTH DRIFT WALLS.

< LESS THAN

FIGURE 1 - SAMPLE LOCATIONS ON BIG INDIAN VEIN, BLACKHAWK MINE, SILVER BAY MINES, INC., SAN JUAN COUNTY, COLO. (DMEA 487X, CONTR. Idm E26)



BLACKHAWK MINE
SAN JUAN CO., COLO.
Brunton Compass Survey - WWB - 1952
Scale 1" = 20'