UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE

Terminated (or cancelled) without certification. DMEA No. 145

This is the official contract file containing all official records of the project. Duplicate material has been removed. The records contained in the files are checked and are arranged in this manner:

Left Side

- ✓ Certificate of Audit (Final).
- ✓ Interim Audit(s).
- Report of Review.
- ✓ Closing Letter
- Termination Notice or Agreement.
- Recision Notice.
- Assignment of Contract.
- ✓ Contract Amendments (latest on top).
- ✓ Contract with all exhibits and annexes.
- Owner's Consent to Lien.
- Subordination Agreement.
- Leases and assignments of leases.
- ✓ Application and attachments.
- Schedule of Collections.
- ✓ Operator's monthly reports and all attachments (latest on top).

Right Side

- ✓ Project summary.
- ✓ Work completed analysis.
- All other material is filed in chronological order with correspondence including the following reports as checked:
- ✓ Final Field Team Report. (Tab)
- ✓ Operator's Final Report.
- ✓ Interim Reports.
- ✓ On-site Exam Report(s). (Tab)
- Settlement Sheets.

If additional folders are required because of volume of records, show folder numbers and contents below:

Maps in folder number _____

Operator's Monthly Reports in folder number _____

AB
Reviewer's Initials

DEFENSE MINERALS EXPLORATION ADMINISTRATION

CONTRACT ADMINISTRATION AND AUDIT DIVISION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 6 1953

FINAL AUDIT CERTIFICATE

I have examined the records and transactions of:

Grand Deposit Mining Company
409 Ness Building
Salt Lake City, Utah

Pertaining to Exploration Project Contract No. Idm-E201, Docket No. DMA-145X, including Amendment No. 1 for the period November 2, 1951 to November 21, 1952; covering a project for the exploration of Lead, Zinc and Copper.

My examination was made in accordance with generally accepted standards applicable in the circumstances.

The audit disclosed the following facts in regard to the amount to be paid the contractor:

Total cost as billed by contractor	$26,400.00
Exceptions	None
Total accepted cost	$26,400.00

The contract calls for a 50 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Thirteen Thousand, Two Hundred and 0/100 Dollars

$13,200.00

is valid and proper.

This certificate is issued on the provision that the Regional Executive officer, the Administrator, or other competent official has accepted or will accept the project as having otherwise met the terms of the contract.

George Mavor
George Mavor
Auditor

March 3, 1953

I INTRODUCTION

On February 2, 1953, a final audit (covering the period November 2, 1951 to November 21, 1952) was made of the records and accounts of operations pertaining to Contract No. Idm-E9k, Docket No. DMA-145X, including Amendment No. 1 with the:

Grand Deposit Mining Company
409 Ness Building
Salt Lake City, Utah

Covering a project for the exploration of Lead, Zinc and Copper.

The accounting records under this contract are located in the company's office in Salt Lake City, Utah.

During the course of the audit, Mr. Paul C. Lyon, Jr., Engineer and Secretary, was present and consulted as required. His cooperation and assistance greatly facilitated the audit.

II GENERAL INFORMATION ON RECORDS

The accounting records were adequate to properly account for the expenditures made for the exploration project. There was no general ledger account maintained for the project costs; however, the check register, copies of invoices, payroll register and cancelled bank checks were sufficient to conduct a satisfactory audit. The MF-104's were prepared each month by Paul C. Lyon, Jr., Engineer and Secretary, and all the necessary documents were attached as required under the terms of the contract.

III SCOPE OF AUDIT AND FINDINGS

An interim audit was made for the period November 2, 1951 to July 31, 1952 and audit report issued September 22, 1952. The final audit covered the period August 1, 1952 to November 22, 1952 and the combined results are set forth in this final audit report.

The audit covered a complete analysis of all expenditures in order to ascertain the accuracy, propriety and validity of the costs as shown in the "Totals to Date" column of Form MF-104, Operator's Monthly Report and Voucher, for the month of November 1952. The extent of the audit and the findings under each of the "Items of Cost" follows:

(1) Independent Contracts $793.95

The costs under this category represented diamond drilling performed during the month of October 1952 by Nichols and Thompson Core Drilling Company as follows:

Hole No. 1 800 foot level 201' at $3.95 - $793.95

The diamond drilling was an allowable cost of the contract; however, there was no written agreement covering the work performed and, in view of the small amount of work involved, no exception was taken. During the course of the audit an examination was made of the vendor's invoice together with cancelled bank check.

(2) Labor and Supervision $13,991.60

The payrolls and supporting data for the period November 2, 1951 to November 21, 1952 were examined for accuracy. No time cards are maintained; however, the foreman maintains a memorandum of hours worked and progress made on a footage basis, which was verified by Paul C. Lyon, Jr., the Engineer who visited the mine each week. Semi-monthly time reports were prepared in the Salt Lake City office which showed the gross amount earned for the period less payroll deductions, net amount paid and check number. An examination of cancelled bank checks for payroll expenditures was made during the course of the audit.

The labor and supervision costs are made up as follows:

Labor	$10,275.77
Supervision	3,715.83
Total	$13,991.60

Miners were paid on a footage basis, however, the labor agreements were informal and not reduced to writing; as an example, the footage rate for drifting was $10.50 per foot plus $1.50 additional per foot for the foreman and the hoistman was paid $10.00 per day. Adjustments were made in these rates to fit varying conditions, and in some cases were paid by the job.

The labor and supervision charges did not exceed the amounts set forth in Exhibit A, item 4 of the contract. Paul C. Lyon, Jr., who is Engineer and Secretary of the Corporation, drew a salary of $350.00 per month which is the amount allowed the Supervising Engineer in accordance with contract. No other salaries were paid to officers of the Corporation.

(3) Operating Materials and Supplies $5,757.62

An examination was made of invoices charged to this category which included the verification of footings and extensions together with the examination of cancelled bank checks. The project did not maintain any stores account and all purchases were charged direct to the cost of Operating Materials and Supplies. When the contract was put into operation, the operator had certain supplies on hand and, when these supplies were issued and charged to the project costs, the prices used were traced to the original purchase invoices.

When the contract was completed November 21, 1952, the operator had materials and supplies on hand valued at $632.39 which was credited to the cost of the contract and can be identified in the following tabulation:

	Total Charge	Inventory Credit	Net Charge to Contract
Timber	$ 150.00		$ 150.00
Explosives	1,712.14	$281.20	1,430.94
Pipe	201.17	126.90	74.27
Track	358.46		358.46
Fuel & Lub.	2,574.73	224.29	2,350.44
Steel & Misc.	1,393.51		1,393.51
Totals	$6,390.01	$632.39	$5,757.62

The inventory credit was comprised of the following items:

	Inventory Credit
1 Reel Fuse - 3000 feet	$ 36.20
25 Boxes Powder	245.00
21 Lengths 1-1/2" Black Pipe	126.90
800 Gallons Diesel Fuel at .183	146.40
100 Gallons Gasoline....at .241	24.10
State Tax - Gasoline Refund	53.79
Total Inventory Credit	$632.39

The prices used to compute the above inventory were verified and found to be correct. The gasoline refund was based on claim filed with State of Nevada covering 978 gallons of gasoline, used in compressor and hoist, and claimed at 4 cents per gallon for State Tax and 1-1/2 cents per gallon for County Tax. This claim was made for gasoline consumed at mine site and not used on motor vehicles operating on highway.

After reviewing all charges and credits for materials and supplies used, the costs as reported by operator were accepted as being correct.

(4) Operating Equipment $5,298.63

All charges under this category represented depreciation on equipment and the monthly depreciation rates were verified to the contract. The estimated depreciation for use of this equipment as per Exhibit A of the contract is set forth below:

1 Jaeger Compressor	11 mos.	at	$167.00	$1,837.00
1 Gardner-Denver Compressor	11 "	"	100.00	1,100.00
1 Hoist	11 "	"	133.00	1,463.00
1 Witte Elec. Power Plant	11 "	"	17.00	187.00
1 Pneumatic Diamond Drill	1 "	"	50.00	50.00
1 Slusher Hoist	11 "	"	40.00	440.00
1 Jackhammer	7 "	"	8.00	56.00
2 Jackhammers	6 "	"	15.00	90.00
1 Stoper	7 "	"	10.00	70.00
1 Stoper	7 "	"	10.00	70.00

1 Air-Driven Blower	11 mos.	at	$15.00	$165.00
1 Elec. Drill & Tools	11 "	"	15.00	165.00
2 Mine Cars	11 "	"	15.00	165.00
1 Skip	11 "	"	20.00	220.00

Total Estimated Cost for use of equipment $6,078.00

The project was not in full operation during the months of November 1951, January, April and September 1952, and the operator only claimed depreciation for the time the equipment was in use during these months, and the allowable depreciation claimed amounted to $5,298.63.

Included in the above Exhibit A depreciation schedule of equipment are two compressors identified as follows:

	Allowable Depreciation
Jaeger Compressor	$1,837.00
Gardner-Denver Compressor	1,100.00

During the course of the audit the question arose as to the serviceable condition of the Gardner-Denver Compressor, which was on a stand-by basis. After obtaining additional information on this Compressor, no disallowance was made for depreciation claimed. This Compressor had been completely overhauled by the Western Machinery Company prior to operation of contract and was in serviceable condition at all times. As depreciation on both compressors were allowable in the contract, no exception was taken.

(5) Initial Rehabilitation and Repairs - 0 -

Contract allowed $1,000.00 under this category, which was not used by operator.

(6) New Buildings, Improvements, etc. - 0 -

Not applicable to this contract

(7) Miscellaneous $558.20

An examination of the miscellaneous charges included inspection of invoices and cancelled bank checks. These charges are classified as follows:

Payroll Taxes	$ 57.55
Liability Insurance	482.08
Assaying, etc.	18.57
Total	$558.20

All charges for payroll taxes and liability insurance were checked by computation at the rates shown by company's files to be in effect. These rates were:

Social Security Tax	1.5%	
Unemployment: Nevada	.1%	1.6%
Workmen's Compensation Insurance		11.0%

The operator charged payroll taxes for the quarters ending June 30, 1952 and September 30, 1952; however, prior payroll taxes for the quarters ending December 31, 1951 and March 31, 1952, were absorbed by the operator.

The monthly premiums on Workmen's Compensation Insurance covered employees for the months of November and December 1951 and, commencing with the month of January 1952 and monthly thereafter, only the Mine Foreman was covered. Due to employees being paid on a contract footage basis an informal agreement was arranged whereby the Mine Foreman paid the Workmen's Compensation premiums for other employees.

The remaining costs for assays, etc., amounting to $18.57, were examined and represented $16.50 for assays and $2.07 for blueprints required for monthly reports.

(8) Contingencies - 0 -

Not applicable to this contract

IV CONCLUSIONS AND RECOMMENDATIONS

This audit disclosed that all costs, as charged to this project, are reasonable and proper under the terms of the contract.

The adjustments between Items of Costs, as shown on the November 1952 MF-104, and approved amounts are summarized as follows:

	Totals Nov MF-104	Distribution Corrected	Disallowed by Audit	Allowed by Audit
(1) Independent Contracts				
Drilling	$ 793.95	$ 793.95		$ 793.95
Crosscutting	73.50			
Drifting	6,181.65			
Raising	1,993.75			
(2) Labor and Supervision				
Labor	2,026.87	10,275.77		10,275.77
Supervision	3,715.83	3,715.83		3,715.83
(3) Operating Mat'ls & Supplies				
Timber	150.00	150.00		150.00
Explosives	1,430.94	1,430.94		1,430.94
Pipe	74.27	74.27		74.27
Track	358.46	358.46		358.46
Fuel & Lubricants	2,350.44	2,350.44		2,350.44
Steel & Misc.	1,393.51	1,393.51		1,393.51
(4) Operating Equipment				
Depreciation	5,298.63	5,298.63		5,298.63
(5) Initial Rehabilitation & Repairs $1,000.00 allowed by contract, not used	- 0 -			
(6) New Bldgs., Improvements, etc. Not applicable	- 0 -			
(7) Miscellaneous				
Payroll Taxes	539.63	57.55		57.55
Liability Insurance		482.08		482.08
Assaying, etc.	18.57	18.57		18.57

Continued:	Totals Nov MF-104	Distribution Corrected	Disallowed by Audit	Allowed by Audit
(8) Contingencies Not applicable				
Totals	$26,400.00	$26,400.00	NONE	$26,400.00

There were no "allowable maximums" under this contract.

At the conclusion of audit, the findings were discussed with Paul C. Lyon, Jr., Engineer and Secretary of the Corporation.

George Mayer
George Mayer
Auditor

March 3, 1953

GMayer:fbk

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[illegible]
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DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

OCT 3 [illegible]

AUDIT CERTIFICATE

I have examined the records and transactions of:

Grand Deposit Mining Company

409 Ness Building

Salt Lake City, Utah

pertaining to Exploration Project Contract No. Idm-R201, Docket No. DMA 145X for the period of November 2, 1951 to July 31, 1952.

My examination was made in accordance with generally accepted standards applicable in the circumstances.

The audit disclosed the following facts in regard to amount to be paid the contractor:

Total Cost as Billed by Contractor	$19,855.42
Exceptions	None
Total Accepted Cost	$19,855.42

The contract calls for a 50 percent participation of exploration expenses by the United States Government. Therefore, payment to the Contractor by the Government in the amount of Nine Thousand Nine Hundred Twenty Seven and 71/100 Dollars

$9,927.71

is valid and proper.

This certificate is issued on the provision that the Regional Executive Officer, the Administrator, or other competent official has accepted or will accept the project as having otherwise met the terms of the contract.

September 22, 1952

"(Signature) [illegible]"

Auditor

Grand Deposit Mining Company
Exploration Project
Contract No. E-201

I INTRODUCTION

An audit was made on September 16, 1952 of Defense Minerals Exploration Contract No. E-201, Grand Deposit Mining Company. The records pertaining to this contract are in the office of Grand Deposit Mining Company at Salt Lake City, Utah. The audit covered the period of November 2, 1951 through July 31, 1952. Mr. Paul C. Lyon, Jr., who is Engineer and Treasurer of the Company, was present and consulted when necessary.

II EXTENT AND SCOPE OF AUDIT

1. Labor

The payrolls and supporting data for the period November 2, 1951 through July 31, 1952 were examined and computed for accuracy. No time cards are maintained, as there are only three employees, however, the foreman maintains a memorandum of hours worked and progress made on footage basis, which is verified by Paul C. Lyon, Jr., the Engineer who visits the mine each week. A semi-monthly time report is prepared in the Salt Lake office which shows the gross amount earned for the period less payroll deductions, net amount paid and check number.

The labor and supervision charges did not exceed the amounts set forth in Exhibit A, item 4 of the contract. Paul C. Lyon, Jr., who is Engineer and Secretary of the Corporation, drew a salary of $350.00 per month which is the amount allowed the supervising engineer in accordance with contract. No other salaries were paid to officers of the Corporation.

2. Supplies

The invoices covering the purchase of supplies were examined and the items contained thereon extended and the invoices footed, then compared with the amounts on the cancelled checks. The contractor charged certain supplies from stores, the cost of which was verified by tracing the prices to original purchase invoices.

3. Equipment Furnished

The charges for depreciation on equipment furnished by the operator were checked against the amounts allowable under the terms of the contract.

III FINDINGS

The records maintained by the Grand Deposit Mining Company were in good condition and adequate. A check register is maintained which shows all cash payments on a monthly basis for salaries, supplies and expenses charged to contract together with date of payment and voucher check number. The cancelled bank checks are reconciled with bank statement and filed away by months.

There were no exceptions taken by the DMEA Finance Officer and no exceptions were developed during course of audit.

IV RECOMMENDATIONS

The audit certificate preceeing this report reflects the amount of the costs properly chargeable to this project through July 31, 1952.

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FILE COPY
SURNAME:

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

Keating
Chamlin
Johnson

BL

MAR 23 1953

Mr. Paul C. Lyon, President
Grand Deposit Mining Company
409 Ness Building
Salt Lake City, Utah

Re: Docket No. DMA 145 (Lead-Zinc-Copper)
Grand Deposit Mine
White Pine County, Nevada
Contract No. Idm-E201

J. C. 3/23/53

Dear Mr. Lyon:

This refers to the subject exploration project contract between the Grand Deposit Mining Company and the Government.

The final audit of contract expenditures and the final reports of the Operator and the Field Team have been received and accepted by this Administration. The total amount of $26,400.00 approved by the contract has been expended and the Government's participating share of 50 per cent or $13,200.00 was disbursed.

There was unused material and supplies remaining to be disposed of valued at $542.92, which amount was credited to the cost of the project.

Although the results of the exploration project were unfavorable, the work was completed in a satisfactory manner. It is therefore not our intention to make a certification of discovery or development which would create a lien against the project property, and we are closing our books and records with respect to this project.

Your attention is called to Article 11 of the contract which requires the Operator to "keep and preserve his records and accounts for a period of three years after the completion or termination of this contract."

Your interest in the Exploration Program of the Defense Minerals Exploration Administration and your willingness to participate in this program is appreciated.

Sincerely yours,

C. O. Mittenderf (for)

Administrator

AGKeating/hmj (3-18-53)
CC to: Docket
Admin. R. File
Op. Committee
Base Metals Division
Region III (2)
Mr. Kinkel
Mr. Bishop
Mr. Keating
Chron.

GRAND DEPOSIT MINING COMPANY
CONTRACT Idm-E201
DOCKET NO. DMA-145X

AMENDMENT NO. 1

Contract Idm-E201, dated November 2, 1951, between the United States of America, acting through the Department of the Interior, DMEA, and Grand Deposit Mining Company, is amended as follows, effective October 1, 1952: In Article 3,

(1) Extend the time of completion to 13 months from the date of contract.

This amendment shall not be construed to increase the estimated total cost of the project, the amount of the Government's contribution, or any item of allowable cost which is expressly designated "allowable maximum."

Dated October 1, 1952.

UNITED STATES OF AMERICA

By _____
S. Ricker for H. C. Miller
Executive Officer, DMEA Field Team
Region III

GRAND DEPOSIT MINING COMPANY

By Paul C. Lyon
Secretary

By Paul C. Lyon
President

AMENDMENT NO. 1

Docket No. DMA-145X Mineral Lead-Zinc-Copper

Exploration Project Contract Idm-E 201

Date of Contract November 2, 1951

Date of Amendment Odtober 1, 1952

Operator Grand Deposit Mining Company

JUSTIFICATION

Due to extremely severe weather last winter and also because the proposed diamond drilling could not be done while other work was in progress, operations were delayed and it has been necessary to extend the completion time of the contract for two months, in order to give the operator sufficient time to complete the work. The operator encountered unexpected bad ground which required timbering and resulted in a delay in operations.

H. C. Miller, Executive Officer
DMEA Field Team, Region III

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 13 1952

MF-200
(June 1951)

GAO

Docket No. DMA 145X
Commodity Lead, Zinc, Copper

Idm-E201

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

DEPARTMENT OF INTERIOR
BUREAU OF MINES
REGION III
RECEIVED
NOV 16 AM 8:50
SAN FRANCISCO, CALIFORNIA

EXPLORATION PROJECT CONTRACT[1]

It is agreed this 2nd day of November, 1951, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the "Government," and[2] Grand Deposit Mining Company, a corporation organized and existing under the laws of the State of Nevada. 409 Ness Building, Salt Lake City 1, Utah.

hereinafter called the "Operator," as follows:

1. *Authority for contract.* This agreement is entered into under the authority of the Defense Production Act of 1950, pursuant to Mineral Order 5, entitled "Regulations Governing Government Aid in Defense Exploration Projects."

2. *Operator's property rights.* The exploration project shall be conducted on that certain property situated in the State of Nevada, County of White Pine, described as follows:[3] A contiguous group of lode mining claims known as the Grand Deposit Mine, situated in the Silver Mountain Mining District, White Pine County, Nevada in Section 9, Township 20 North, Range 66 East. The exploration shall be conducted from the 820-ft. inclined shaft situated on the Grand Deposit Lode Claim, U. S. Patent No. 4566.

with respect to which the Operator represents and undertakes:[4]

(*a*) That ~~he~~ it is the sole owner, in possession and entitled to possession, and that the property is ~~subject to the following~~ free of claims, liens, or encumbrances ~~as to each of which the subordination agreement of the holder is attached~~

(*b*) ~~That he is a lessee, in possession and entitled to possession and the subordination agreement of the lessor is attached~~

3. *Exploration project.* The Operator, within 30 days from the date of this contract shall commence work on a project of exploration for[5] Lead-Zinc-Copper; shall prosecute the work efficiently, expertly, in a workmanlike manner, in accordance with good mining standards, with suitable and adequate equipment, materials, and labor, all properly designed to bring the project to completion within a period of[6] 11 months from the date of this contract. The exploration project and the work to be performed are more fully described on Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, is made a part of this contract.

4. *Performance of the work.* The work shall be performed by the Operator, under his sole direction and control: *Provided,* That with the consent of the Government and its written approval of the contract or contracts, all or any part of the work may be performed by the Operator through contract or contracts with independent contractors. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

5. *Fixtures and improvements.* The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof. Any additional facilities, buildings, and fixtures, to be purchased, installed, or erected by the Operator, with the estimated cost of each, to which the Government will contribute currently its agreed pro rata share, are listed in Exhibit "A" attached hereto. The difference between the cost of such additional facilities, buildings, or fixtures, and the salvage value thereof at the conclusion of the work, shall be charged as a cost of the project to which the Government has contributed its pro rata share.

6. *Operating equipment.* Any operating equipment to be rented, purchased, or furnished by the Operator, with the allowable rental, purchase price, or depreciation, as the case may be, is listed under appropriate headings in Exhibit "A" attached hereto. As to equipment purchased for the project, the Government will contribute its agreed pro rata share of the cost thereof, and the difference between the cost and the salvage value at the conclusion of the work shall be charged as a cost of the project to which the Government has contributed its pro rata share.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] State name, address, and nature of organization if any.
[3] Give legal description or enough to identify the property.
[4] Strike out the provision not applicable.
[5] Name of mineral.
[6] Not in excess of 2 years.

7. *Title to and disposition of property.* All facilities, buildings, fixtures, equipment, or other items costing more than $50 each, paid for or purchased with funds contributed jointly by the Operator and the Government, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the termination of the contract, if they have any salvage value, shall be disposed of for their joint account unless the Government, in writing, waives its interest in any such items. The Government may require the dismantling, severance from land, and removal of any such items in order to realize its interest in the salvage value thereof, and the cost of any such removal and of the disposal of the items shall be for the joint account of the parties in proportion to their respective interests.

8. *Labor and supervision.* An itemized schedule of labor, by numbers and classes (miners, muckers, millmen, etc.), and of supervisors, by numbers and positions, with the maximum wages or salaries that may be paid to each as an allowable cost of the project is set forth in Exhibit "A" attached hereto.

9. *Rehabilitation and repairs.* A statement of the cost of any necessary rehabilitation or repairs to put existing facilities, buildings, installations, and fixtures into useful and operable condition and which are to be allowed as costs of the project is included in Exhibit "A."

10. *Allowable costs of the project.* The costs of the project in which the Government will participate are limited to the necessary, reasonable, direct costs of performing the exploration work, including the costs of materials, supplies, engineering, power, water, analytical work, accounting, and utilities, including items of equipment costing less than $50 each; and the costs referred to in Articles 5, 6, 8, and 9, and the exhibits annexed to and referred to in this contract. Although the Government may pay part of the cost of new or additional facilities, structures, buildings, and equipment, only the depreciation on such items, computed as indicated in Articles 5 and 6, will be charged as a cost of the project. No items of general overhead, corporate management, interest, taxes, or any other indirect costs not expressly allowed by these provisions, or work performed or costs incurred before the date of this contract, shall be allowed as costs of the project in which the Government will participate.

11. *Accounts and audits.* The Operator shall keep suitable records and accounts of operations, which the Government may inspect and audit at any time. The Government may at any time require an audit of the Operator's records and accounts by a certified public accountant, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract.

12. *Progress reports.* The Operator shall provide the Government with monthly reports of work performed under the contract upon forms to be provided by the Government. Each monthly progress report shall bear the certification of the Operator and shall constitute the Operator's invoice of costs incurred on the project during the period covered by the report.

13. *Payment to the Operator.* The monthly progress report (invoice), to the extent approved by the Government, shall be processed for payment by the Government. Payment shall be made in the amount of 50 percent of the approved costs incurred; *Provided,* That the aggregate total of all sums paid by the Government under this agreement shall not exceed $13,200, which is 50 percent of the agreed estimated total cost of this project, $26,400.

14. *Final reports by Operator.* Upon completion of the project or termination of this contract, the Operator shall provide the Government with a comprehensive geologic and engineering report, including an estimate of ore reserves, to the best of his ability. Four copies of all reports shall be furnished to the Government.

15. *Repayment by Operator.* If, upon the completion of the exploration project or termination of the contract, the Government considers that a discovery or development has resulted from the work from which commercial production of ore may be made, the Government, within 6 months thereafter, shall so certify to the Operator, particularly describing and delimiting its estimate of the discovery or the development. Thereafter, if and as ore is produced as a result of such discovery or development, the Operator and his successor in interest shall be and become obligated to pay to the Government a percentage royalty on the net smelter returns or other net proceeds realized from such ore, concentrates, or metal produced within ten (10) years from the date of this contract, until the total amount contributed by the Government, without interest, is fully repaid or said 10 years have elapsed, whichever occurs first, as follows:

Of net smelter returns or other net proceeds not in excess of eight dollars ($8.00) per ton of ore: One and one-half (1½) percent.

Of net smelter returns or other net proceeds in excess of eight dollars ($8.00) per ton of ore: One and one-half (1½) percent, plus one-half (½) percent for each additional full fifty cents ($0.50) in excess of eight dollars ($8.00) per ton of ore, but not in excess of a maximum of five (5) percent.

This obligation to repay from net returns or proceeds shall be and remain a claim and lien upon the mineral deposit which is the subject of the exploration project and upon any production resulting from such discovery or development, in favor of the Government, until fully paid, or until said 10-year period has elapsed; and this claim and lien and the Government's right to repayment shall survive any termination of the contract, whether by completion of the exploration project or otherwise. This article is not to be construed as imposing any obligation on the Operator or his successor in interest to produce ore from any such discovery or development.

16. *No assignment of contract.* Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder.

17. *Termination and completion.* The Government may, at any time, by written notice to the Operator, terminate this contract: (*a*) If the Operator fails to provide his share of the money necessary to prosecute operations pursuant to the terms of the contract; (*b*) if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract; or (*c*) if in the opinion of the Government, operations up to the time of the notice have not indicated the probability of making any worthwhile discovery and in the opinion of the Government further operations are not justified. Upon the completion of the project or any termination of the contract the Operator shall render to the Government a full and final accounting of his operations under the contract and his expenditures of money; shall dispose of any unused materials, supplies, and equipment for the joint account of the Operator and the Government in the proportion of their respective interests; and shall pay to the Government its pro-rata share of any money remaining.

Executed in sextuplicate the day and year first above written.

GRAND DEPOSIT MINING COMPANY
(Operator)

By Paul C. Lyon, President

Paul C. Lyon Jr. Secretary

THE UNITED STATES OF AMERICA

By Frank P. Johnson
Acting Director
Production Expansion Division

U. S. GOVERNMENT PRINTING OFFICE 16—64066-2

EXHIBIT "A"

1. Exploration Project

The program consists of two projects, both on the 800 level of the mine:

(1) Exploration of mineralized fractures at the northeast end of the level, and

(2) explore the hanging wall side of the Grand Deposit Fault. (See map attached).

Project (1) Exploration northwesterly along the fractures on the 800 level by drifting a distance of 450 feet. In addition, 100 ft. of raising, sinking or cross-cutting may be made on any favorable exposures of ore encountered.

The total program will require about 11 months to complete and the estimated cost is as outlined in the following:

1) Reblock and relag 10 sets in the shaft.
10 sets at $100.....$ 1,000.

2) Enlarge and complete raise for air course from 800 level to 600 level-
180 feet at $10/ft.....$ 1,800.
20 feet at $30/ft.....$ 600.

3) Drift on 800 level northwest along vein for 450 ft. at $30/ft.....$13,500.

4) Raise on favorable showings 100 feet at $30/ft.....$ 3,000.

5) Diamond drill 200 ft. in hanging wall-
S40(+5°) at $5/ft.....$ 1,000.

6) Other and Miscellaneous costs.....$ 5,500.
Total estimated cost $26,400.

2. Fixtures and Improvements - None.

3. Operating Equipment

The following list of mining equipment, owned by the operator and now on the property, will be utilized in the exploration project. For such use of equipment an allowance for depreciated may be charged monthly to the cost of the operation.

The estimate charges to the exploration project for the use of equipment based on the estimated time of completion of 11 months is as follows:

1	Jaeger 315 cfm 2-stage compressor with International UD-18 Diesel Engine. 11 months at $167 per month	$ 1,837.
1	Gardner-Denver 240 cfm compressor with Binda gasoline engine. 11 months at $100 per month	$ 1,100.
1	Hendrie and Bothoff hoist, with 1200 ft. of cable. Powered by Minneapolis-Maline Engine. 11 months at $133. per month	$ 1,463.
1	Witte 10 KVA Diesel electric power plant, type LAEB. 11 months at $17 per month	$ 187.
1	Chicago-Pneumatic CPN05 diamond drill, with pump & 250 ft. of rods. 1 month at $50	$ 50.
1	Gardner-Denver slusher hoist, double drum, model HBD, with scrapers, cables. 11 months at $40. per month	$ 440.
1	Gardner-Denver, S-55 jackhammer and shell for 1 inch hex. steel. 7 months at $8. per month	$ 56.
2	Gardner-Denver, S-55 jackhammers and shells. 6 months at $15 per month	$ 90.
1	Ingersoll-Rand stoper. 7 months at $10 per month	$ 70.
1	Gardner-Denver M-11 stoper. 7 months at $10 per month	$ 70.
1	Air-driven blower. 11 months at $15 per month	$ 165.
1	Electric Drill & tools at $15 per month	$ 165.
2	Mine cars, 1 ton. 11 months at $15 per month	$ 165.
1	Skip. 11 months at $20 per month	$ 220.
	Total Estimatdd Cost for us of equipment	$ 6,078.

4. Labor and Supervision

Reblock and relag 10 sets in shaft	$ 500.
Enlarge and complete raise from 800 level to 600 level	$ 1,200.
Drifting 450 ft. on 800 level	$ 6,750.
Raise on favorable showing for 100 ft.	$ 1,500.
Diamond drilling	$ 600.
Estimate cost for labor	$10,550.
Supervising engineer. 11 months at $350 per month	$ 3,850.
Estimated total Supervision & Labor	$14,400.

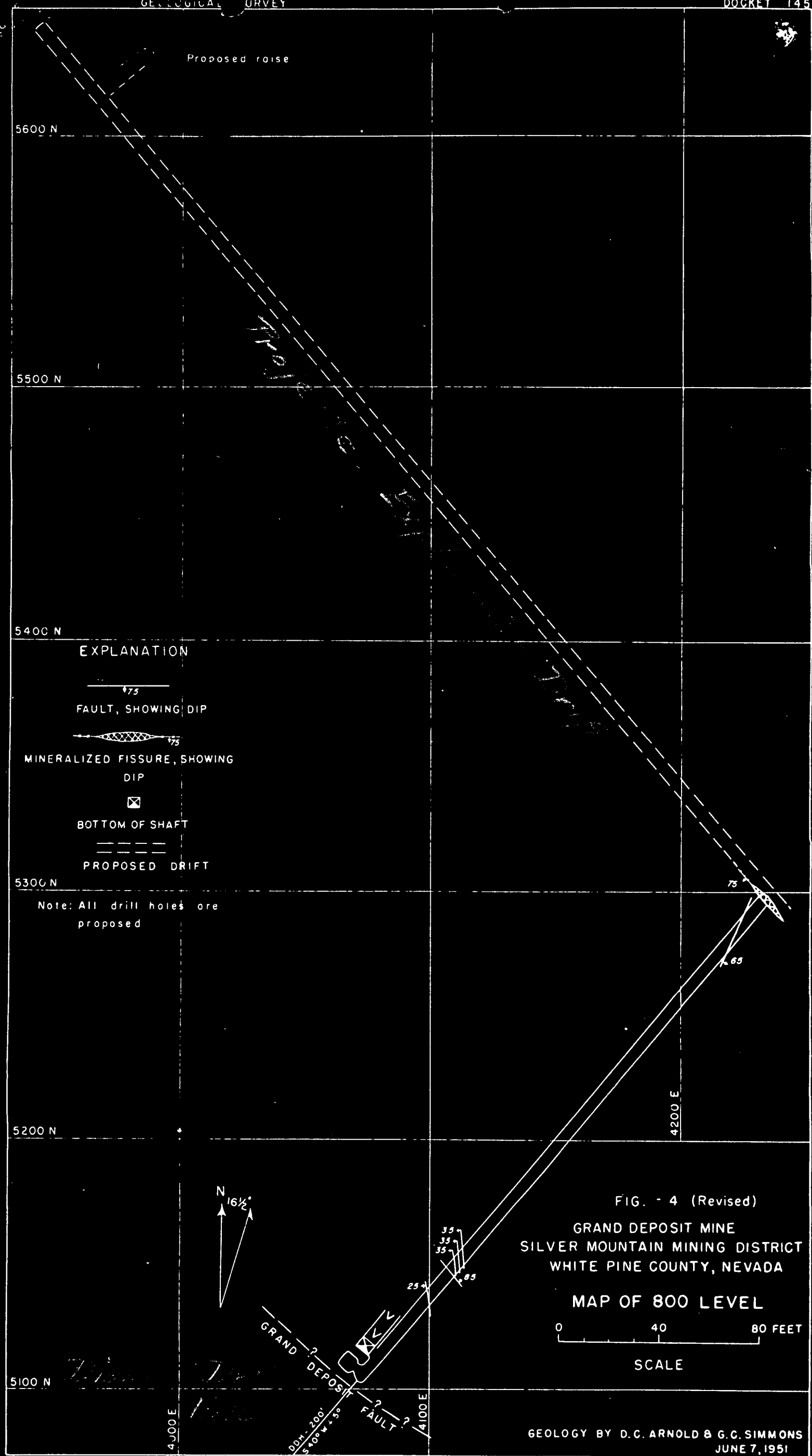
5. Rehabilitation and Repairs

Reblock and relag 10 sets in shaft at $100 per set..... $ 1,000.

Recapitulation

1.	Estimated total cost		$26,400.
2.	Estimated cost for use of equipment	$6,078	
3.	Fixtures & improvements - None	------	
4.	Estimated cost of Supv. & Labor	$14,400	
5.	Estimated cost of Rehabilitation & Repairs	1,000	
		$21,478	
	Balance explosives, supplies etc.	4,922	
	Total Cost of Project	$26,400	$26,400.

Government's share 50%
Operator's share 50%
Time required 11 months.


Proposed raise
5600 N
5500 N
5400 N
5300 N
5200 N
5100 N
EXPLANATION
75
FAULT, SHOWING DIP
75
MINERALIZED FISSURE, SHOWING DIP
BOTTOM OF SHAFT
PROPOSED DRIFT
Note: All drill holes are proposed
75
65
4200 E
N
16½°
35
35
35
65
25
GRAND DEPOSIT
FAULT
DDH-200'
S 40° W + 5°
4100 E
4000 E
FIG. - 4 (Revised)
GRAND DEPOSIT MINE
SILVER MOUNTAIN MINING DISTRICT
WHITE PINE COUNTY, NEVADA
MAP OF 800 LEVEL
0
40
80 FEET
SCALE
GEOLOGY BY D.C. ARNOLD & G.C. SIMMONS
JUNE 7, 1951

Form MF-103
(April 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.
Approval expires 6-30-51.

APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5, UNDER DEFENSE PRODUCTION ACT OF 1950

DO NOT FILL IN THIS BLOCK

Docket No. .....

Date received .....

Participation .....

Name and address of applicant

Date .....

FILL IN THIS BLOCK

Date of application .....

Estimated cost .....

Mineral or metal .....

Percentage of Government participation .....

Location of mine .....

.....

Date of filing MF-100 .....

DMA Docket Number, if available .....

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four signed copies of the application to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive officer thereof, with your name and address on each sheet of the application and all accompanying papers. If any question is inapplicable, or if you cannot answer it, so state on the form. Where the space provided for answer is insufficient, answer on a separate sheet, annex it to the application form, and refer to it in space for answer. If the application is approved, you will be presented with an exploration project contract on Form MF-200, for your signature.

LIST OF QUESTIONS

THE APPLICANT

*1. Is applicant an individual, partnership, or corporation?
*2. If a partnership, state names and addresses of partners.
*3. If a corporation, state names and addresses of officers, directors, and five largest stockholders.
*4. Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who will manage the project.
*5. Are you the owner or the lessee of the property?
6. If owner, state what claims, liens, or encumbrances, if any, are against the property.
7. If lessee, attach a copy of the lease and state if it is in good standing.

NOTE.—It will be necessary to procure and attach to the exploration project contract agreements of claimants, lienors, encumbrances and lessors subordinating their interests in the property to the interest of the Government under the contract.

8. Furnish current financial statement, showing assets and liabilities, and a profit and loss statement.
9. How much money is applicant prepared to invest in proposed project? Is it sufficient to pay your part of the cost of the project as detailed in question 23 of this application form, in accordance with the regulations on Government participation (Section 9 of Mineral Order 5)?

*If you have already answered these questions on MF-100, you are not required to answer the questions for this application.

THE PROPERTY

10. (*a*) Give a description of the real property that will be in any way involved in the exploration project, including any existing mine or operating property.
    (*b*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted.

    NOTE.—If both areas are the same, so state. The only obligation to repay the Government is from the net earnings from any commercial discovery made in the area specified in (*b*) above in which the exploration is to be conducted, and the expenditure of funds which may be charged as costs of the project must be limited to that area or to work necessary to perform the exploration in that area.

*11. State the present and former names of the property, if any.

*12. State, in detail, the location of the property with reference to towns, railroads, roads, shipping points, including distances and directions and kinds and conditions of roads.

*13. State source and quantity of water available for operations and its sufficiency at all seasons.
State amount of power to be used, rate per hour or other cost, and source.

*14. Describe any existing useable facilities, equipment, buildings, or structure now on the property that will be devoted to the exploration work.

15. State in detail how the ore could be shipped and how and where milled.

*16. History:
    (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for any past suspensions of operations.
    (*b*) State briefly the known history and production of adjoining and neighboring properties.
    (*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.

*17. Production:
    (*a*) If mine is in production, furnish the following information:

	Tons per day	*Grade or analysis*	*Cost per ton*	*Net value per ton*
(1) Mining				
(2) Milling				
(3) Shipped or sold				

*18. Ore or mineral reserves: (If property is or has been operating.)
    (*a*) Describe the ore or mineral deposits briefly.
    (*b*) Submit available maps and assay data.
    (*c*) Give estimated tonnage and grade of each class of ore reserves.

19. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

THE EXPLORATION

20. For what mineral or minerals and for what types of deposits and ores will the exploration be conducted?

21. Describe briefly, but concisely, the proposed work and the estimated time required to complete it.

    NOTE.—The Government will not participate in a project that will require more than 2 years to complete.

22. Furnish statement of the geological basis of the project with particular emphasis on factors leading the operator to expect the finding of commercial ore bodies. This statement should be accompanied by supporting maps such as geological maps, maps of the proposed openings and assay maps, sample lists, and other pertinent data.

THE REQUIREMENTS AND COSTS

23. Tabulate in the form of an itemized statement with a sum for each item the estimated requirements and costs of the project so that the total will give the estimated cost of the project in which the Government will participate, as follows:
    (*a*) Labor, by numbers and classes (miners, muckers, millmen, etc.), with wages of each.
    (*b*) Supervisors, by numbers and positions, with salaries of each.
    (*c*) Cost of necessary repairs to existing facilities, structures, and buildings.
    (*d*) Cost of necessary installation or construction of additional facilities, structures, and buildings.
    (*e*) Cost of items of equipment, not now owned by the applicant which must be purchased for operations at a cost of $50 or more each.
    (*f*) Cost of rental for equipment which the operator proposes to rent.
    (*g*) Rental value of items of equipment which the operator now owns and which will be devoted to the work.
    (*h*) Cost of materials and supplies, including items of equipment costing less than $50 each.
    (*i*) Cost of power, water, utilities, and any other items not provided for above.

24. Furnish a time schedule of the project, stated in terms of months after project is approved, showing progress expected to be accomplished and the money expected to be spent.

CERTIFICATION

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

---------- By ----------
(Name of company) (Signature of authorized official)

---------- ----------
(Date) (Title)

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.

*Same as footnote on page 1.

16—64067-1 U. S. GOVERNMENT PRINTING OFFICE

Exploration Application
Docket
DMA-145X

GRAND DEPOSIT MINING CO.
409 Ness Building
Salt Lake City 1, Utah

Docket DMA-145X
Lead-Zinc-Copper
Exploration Application

SUPPLEMENT---ANSWERS TO QUESTIONS ON Form MF-103 which were not included on Form NSRB-146 filed January 26, 1951.

Refer to DMA Docket Number DMA-145.

QUESTION NO.

1. Applicant is a corporation.

2. Not Applicable

3. See page 7, Item 14 on Form NSRB-146.

4. See Item 13 " "

5. Applicant is owner of the property.

6. No claims, liens or encumbrances against the property.

7. Not applicable.

8. See page 9 of Form NSRB-146.

9. Applicant is prepared to invest 50% of the cost of the project in cash, labor, and value of rental on equipment it owns.

10. Refer to composite map with Form NSRB-146 and to area referred to in our supplementary letter of May 3, 1951.

11. Grand Deposit Mine.

12. See description with Form NSRB-146.

13. Water is available at the property from a pipe line which transports the water 2 miles from a spring. It is sufficient at all times.

14. One Jaeger 315 diesel compressor, one gasoline 240 cfm standby compressor, one H. & B. hoist powered by Minneapolis Moline engine, one 10KVA electric plant, 3 mounted jackhammers, 2 stopers, 3 double-drum slushers & misc. equipment including forge, ventilation blower, etc.

15. Ore to be shipped to Selby, California plant of A. S. & R. Co. Freight charged to Salt Lake City, and base smelting rate of $5.15 per dry ton.

16. See information attached to form NSRB-146.

17. See form NSRB-146.

18. See form NSRB-146; ore reserves mostly indicated rather than proven. Detailed estimates not available.

19. None

20. Crude lead ores. Replacement deposits.

21. See our letter of May 3, 1951. (to modify NSRB-146)

22. See form NSRB-146.

23. See our letter of May 3, 1951.

24. Projects can be completed in less than two years.

GRAND DEPOSIT MINING CO
409 Ness Building
Salt Lake City 1, Utah

Unit cost of projects, per foot of drifting, raising of sinking will be: $15.00 for underground labor and hoisting; $10.00 for materials including powder, rail&pipe, ties & timber, fuel, steel, bits, etc.; $5.00 for supervision and engineering; $1.00 for equipment maintenance; $8.00 for rental & operation of equipment, insurance, etc. These values are only approximate, but are believed to be good estimates.

CERTIFICATION

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

GRAND DEPOSIT MINING COMPANY

July 23, 1951

By: Paul C. Lyon Jr.
Engineer & Secretary-Treasurer

F[illegible]F-104 (Rev.)
[illegible]il 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

(FINAL REPORT)

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of NOVEMBER, 1952 Docket No. DMEA 145 X Contract No. Idm-E201

Operator's Name GRAND DEPOSIT MINING COMPANY Minerals Lead-Zinc-Copper

Address 409 Ness Bldg., Salt Lake City 1, Utah

Contract Amount, $ 26,400 Government Participation: 50 % Amount, $ 13,200

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:						
Drilling		793.95	793.95			
Bulldozing						
Crosscutting		73.50	73.50			
Drifting		6181.65	6181.65			
Raising		1993.75	1993.75			
(2) Labor and Supervision:						
Labor	89.47	1937.40	2026.87			
Supervision		3715.83	XXXXXX			
Technical Services			3715.83			
(3) Operating Mat'ls. and Supplies:						
Timber		150.00	150.00			
Explosives	(281.80)	1712.14	1430.34			
Pipe	(126.90)	201.17	74.27			
Track		358.46	358.46			
Fuel & Lubricants	(224.29)	2574.73	2350.44			
Steel & Misc.		1393.51	1393.51			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation		5298.63	5298.63			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes		539.63	539.63			
Liability Insurance						
Assaying, etc.		18.57	18.57			
(8) Contingencies (specify):						
Credit to supplies on hand	542.92	(542.92)	----			
Totals	none	26,400.00	26,400.00			

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

Date Nov. 21, 1952 Payee GRAND DEPOSIT MINING COMPANY

Per Paul C. Lyons Jr. Title Eng-Supt-Sec-Treas.

*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:

$ None

Signature
(Authorized Certifying Officer)

Date Vou. No.
(See other side)

ACCOUNTS DEC 19 1952

(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-E201 in accordance with the terms of the contract.

Signature A. C. Johnson Title Chief, Mining Div., Date Dec. 11, 1952

A. C. Johnson

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Region III

Executive Officer

Signature H. C. Miller Title DMEA Field Team Date Dec. 15, 1952

H. C. Miller Region III

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.

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-104A
(1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

(FINAL REPORT) DEFENSE MINERALS EXPLORATION ADMINISTRATION

ACCOUNTS DEC 19 1952

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of NOVEMBER 1952 Docket No. DMEA 145X Contract No. Idm-E201

Operator's Name GRAND DEPOSIT MINING COMPANY Minerals Lead-Zinc-Copper

Address 409 Ness Bldg., Salt Lake City 1, 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	ft			15,935.32	449	35.49	450	
Crosscutting	ft			1,195.99	38	31.47		
Raising	ft			6,032.99	271	22.25	200	
Shafts								
Winzes								
Drilling: Core	ft			1,912.96	201	9.52	200	
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS				25,077.26				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs				1,322.74				1000
New Buildings, Improvements, etc.								
TOTAL COSTS		none		26,400.00				26,400

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 Nov. 21 1952 Operator GRAND DEPOSIT MINING CO.

Per Paul C. Lyons Jr. Title Eng-Supt-Sec-Treas

REMARKS: Actual costs to the project exceed the amount authorized. The excess is not included in this report. Supplies on hand are not charged to the project.

→ 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.

U. S. GOVERNMENT PRINTING OFFICE 205676

DEPARTMENT OF INTERIOR
BUREAU OF MINES
REGION III
RECEIVED
DEC 12 AM 8:
SAN FRANCISCO, CALIFORNIA

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.8.
Approval expires 6-30-53.

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of OCTOBER, 1952 Docket No. DMEA 145X Contract No. Idm-E201
Operator's Name GRAND DEPOSIT MINING COMPANY Minerals Lead-Zinc-Copper
Address 409 Ness Bldg., Salt Lake City 1, Utah
Contract Amount, $ 26,400 Government Participation: 50 % Amount, $ 13,200 (=50%)

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	793.95		793.95			
Bulldozing						
Crosscutting		73.50	73.50			
Drifting		6181.65	6181.65			
Raising		1993.75	1993.75			
(2) Labor and Supervision:						
Labor	1001.25	936.15	1937.40			
Supervision	350.00	3365.83	3715.83			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		150.00	150.00			
Explosives	36.20	1675.94	1712.14			
Pipe		201.17	201.17			
Track		358.46	358.46			
Fuel & Lubricants	435.19	2139.54	2574.73			
Steel & Misc.	246.04	1147.47	1393.51			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation	533.50	4765.13	5298.63			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes	59.75	479.88	539.63			
Liability Insurance						
Assaying, etc.		18.57	18.57			
(8) Contingencies (specify): XXXXXXXXXXX						
* Credit to supplies on hand:	(542.92)		(542.92)			
TOTALS	2912.96	23487.04	26,400.00			

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

Date November 14, 1952 Payee GRAND DEPOSIT MINING COMPANY

Per Paul C. Lyon Title Eng-Supt-Sec-Treas.

*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:

$ 1456.47

Lloyd W. Sciander
Authorized Certifying Office.

Signature (Authorized Certifying Officer)

Date FEB 24 1953 Vou. No. SF-DMEA 134

(See other side)

ACCOUNTS DEC 19 1952

(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-E201 in accordance with the terms of the contract.

Signature A. C. Johnson Title Chief, Mining Div., Region III Date Dec. 11, 1952

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature H. C. Miller Title ~~DMEA Field Team~~ Executive Officer Region III Date ~~Dec. 15, 1952~~

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.

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MP-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 ~~NOVEMBER~~ October 195"2 Docket No. DMEA 146X Contract No. Idm-E201

Operator's Name GRAND DEPOSIT MINING COMPANY Minerals Lead-Zinc-Copper

Address 409 Ness Bldg., Salt Lake City 1, 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	ft			15,935.32	449	35.49	450	
Crosscutting **	ft	620.00	16	1,195.99	38	31.47		
Raising	ft	380.00	7	6,032.99	261	23.11		
Shafts								
Winzes								
Drilling: Core	ft	1912.96	201	1,912.96	201	9.52	200	
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		2912.96		25,077.26				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
~~Plant~~ Rehabilitation and Repairs				1,322.74				1000
New Buildings, Improvements, etc.								
TOTAL COSTS		2912.96		26,400.00				26,400

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 November 14, 1952 Operator GRAND DEPOSIT MINING CO.

Per Paul C. Lyon Jr. Title Eng-Supt-Sec-Treas.

REMARKS: * Adjustment of cost distribution on Form MP104 will be made in final report in a few days.

** Crosscutting consists of making diamond drilling station. Station was essential before drilling could be done.

→ 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.

U. S. GOVERNMENT PRINTING OFFICE 205676

DEPARTMENT OF INTERIOR
BUREAU OF MINES
REGION III
RECEIVED
DEC 12 AM 8 :
SAN FRANCISCO, CALIFORNIA

GRAND DEPOSIT MINING COMPANY
409 Ness Building
Salt Lake City 1, Utah

November 14, 1952

Refer: DMA 145X

PROGRESS REPORT FOR THE MONTH OF OCTOBER, 1952:

During the month of October, the following work was done:

The raise at the end of the 800 drift was driven an additional seven feet, after which it was discontinued due to extremely toxic air. It was our intention to complete this raise, if possible, without having to provide special ventilation, however it became impossible to work there. We have purchased additional ventilation tubing to provide fresh air from the air raise to the new raise.

A station was cut at the shaft pocket to provide a place to set up the diamond drill.

The diamond drill hole was driven S 40° W approximately level for 201 feet. This drilling was done because the government said that it should be done and that other work should not be done at the expense of the drilling. We would have preferred to spend the money in extending the 800 drift.

The diamond drill hole was done by a specialist, with over 90% recovery of the core. The hole started in a calcareous breccia; this breccia contained some igneous material (andesite containing hornblende). The hole continued in breccia for 100 feet, the last few feet being mostly andesite breccia, but the rest being mostly limestone breccia. The other 100 feet of hole was in andesite; there were a few feet of light-colored (greenish) andesite ~~XXXXXXXXXXXXXXXXXX~~ porphyry and then a dark gray andesite persisted to the end of the hole without change. There was a fault at 137-139 feet. there was no indication of any mineralization.

The raise is being driven now.

DEPARTMENT OF INTERIOR
BUREAU OF MINES
REGION III
RECEIVED

1[illegible] DEC 12 AM 8: [illegible]

SAN FRANCISCO, CALIFORNIA

145

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 5 1952

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

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Bldg.
870 Market St.
San Francisco 2, Calif.

Keating
Betty
NK

October 31, 1952

Memorandum

To: Operating Committee, DMEA, Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Operators' Monthly Progress Reports - Forms MF-104 & 104A

Enclosed herewith are two copies of each of the subject reports received from the following operators as listed below. These reports have been audited and passed to the Treasury for payment.

Contract No.	Operator	Report dated	Period covered
Idm-E201 DMEA-145	Grand Deposit Mining Co.	Oct. 14, '52	Sept. 1952
Idm-E248 DMEA-2082	Mt. Wheeler Mines, Inc.	Sept. 15, '52	August 1952
Idm-E336 DMEA-2353	Sweeney Tungsten Co.,Ltd.	Sept. 12, '52	August 1952
Idm-E366 DMEA-2381	Irene S. Sykes	Oct. 6, '52	August 1952
"	" "	Oct. 6, '52	Sept. 1952

H. C. MILLER

H. C. Miller
Executive Officer, DMEA Field Team
Region III

Attachments

Copy to: E. H. Bailey, USGS

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 6 1952

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of SEPTEMBER, 1952 Docket No. DMEA 145X Contract No. Idm-E201
Operator's Name GRAND DEPOSIT MINING COMPANY Minerals LEAD-ZINC-COPPER
Address 409 Ness Bldg., Salt Lake City, Utah
Contract Amount, $ 26,400 Government Participation: 50 % Amount, $ 13,200 (50%)

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		73.50	73.50			
Drifting		6181.65	6181.65			
Raising	413.75	1580.00	1993.75			
(2) Labor and Supervision:						
Labor		936.15	936.15			
Supervision	140.00	3225.83	3365.83			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		150.00	150.00			
Explosives		1675.94	1675.94			
Pipe		201.17	201.17			
Track		358.46	358.46			
Fuel & Lubricants	138.32	2001.22	2139.54			
Steel & Misc.	43.52	1103.95	1147.47			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation	216.20	4548.93	4765.13			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes	33.00	446.88	479.88			
Liability Insurance						
Assaying, etc.		18.57	18.57			
(8) Contingencies (specify):						
TOTALS	984.79	22502.25	23487.04			

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

Date Oct. 14, 1952 Payee GRAND DEPOSIT MINING COMPANY

Per Paul C. Lyon Jr. Title Eng-Supt-Secy-Treas

*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:

$ 492.40

Signature [illegible] Mining Officer
(Authorized Certifying Officer)

Date OCT 29 1952 Vou. No. SF-DMEA-24

(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. Idaho 201, in accordance with the terms of the contract.

Signature R. C. Johnson H. C. Johnson Title Chief, Mining Div. Region III Date October 24, 1952.

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature H. C. Miller Title Executive Officer DMEA Field Team Region III Date Oct. 28, 1952

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.

U. S. GOVERNMENT PRINTING OFFICE 205675

Form ME-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 5 1952

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of SEPTEMBER 195 2 Docket No. DMEA 145X Contract No. Idm-E201
Operator's Name GRAND DEPOSIT MINING COMPANY Minerals LEAD-ZINC-COPPER
Address 409 Hess Bldg., Salt Lake City 1, 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	ft.			15,935.32	449	35.49	450	
Crosscutting	ft.			575.99	22	26.18		
Raising	ft.	984.79	25	5,652.09	354	22.26		
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		984.79		22,164.30				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Rehabilitation and Repairs				1,322.74				1000
New Buildings, Improvements, etc								
TOTAL COSTS		984.79		23,487.04				26,400

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.

REMARKS:

Date Oct. 14, 1952 Operator GRAND DEPOSIT MINING CO.

Per Paul C. Lyon Title Eng-Supt-Sec-Treas

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.

U. S. GOVERNMENT PRINTING OFFICE 205676

GRAND DEPOSIT MINING COMPANY
409 Hess Building
Salt Lake City 1, Utah

October 14, 1952

Refer:DMA 145X

PROGRESS REPORT FOR THE MONTH OF SEPTEMBER, 1952:

During the first part of the month of September, the work in the mine was suspended, waiting for government approval of work now under way.

The raise at the end of the 800 level drift was driven 25 feet at about 50°. This is approximately perpendicular to the plane of the limestone beddings. The work had to be stopped a few days later because of very toxic atmosphere there. We have purchased sufficient ventilation tubing to provide fresh air from the ventilation raise to the face, and will have it installed shortly.

The diamond drilling will be completed in October by a reliable core drilling contractor.

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1030.3
Approval expires 6-30-53

OPERATOR'S MONTHLY REPORT AND VOUCHER

Date: OCT 17 1952

Month of AUGUST, 1952 Docket No. DMEA 145X Contract No. 14m-1001
Operator's Name GRAND DEPOSIT MINING COMPANY Minerals Lead-Zinc-Copper
Address 409 Hess Building, Salt Lake City 1, Utah
Contract Amount, $26,400 Government Participation: 50 % Amount, $13,200 (=50%)

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:						
Drilling						
Bulldozing						
Crosscutting		73.50	73.50			
Drifting	591.50	5590.15	6181.65			
Raising		1580.00	1580.00			
(2) Labor and Supervision:						
Labor	470.00	486.15	956.15			
Supervision	550.00	2375.83	2925.83			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber (total to date)	150.00		150.00			
Explosives	392.00	1283.94	1675.94			
Pipe		201.17	201.17			
Track		358.46	358.46			
Fuel & Lubricants		2001.22	2001.22			
Steel & Misc.	145.53	959.62	1105.15			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation	518.00	4033.95	4548.95			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes	33.00	413.00	446.00			
Liability Insurance						
Assaying, etc.		10.57	10.57			
(8) Contingencies (specify):						
TOTALS	2349.03	19553.42	22502.95			

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

Date September 9, 1952 *Payee GRAND DEPOSIT MINING COMPANY

Per Paul C. Lyons Title Mng-Supt-Secy-Treas.

*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:

$ 1323.42

Signature
(Authorized Certifying Officer)

Date 10/10/52 Vou. No. SF-DMEA-18

(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. Idn-E201 in accordance with the terms of the contract.

Signature A. C. Johnson Title Chief, Mining Div. Date September 16, 1952.
A. C. Johnson Region III

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature H. C. Miller Title Executive Officer DMEA Field Team Date Sept. 18, 1952
H. C. Miller Region III

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.

U. S. GOVERNMENT PRINTING OFFICE 205675

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
OCT 17 1952

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of AUGUST 1952 Docket No. DMEA 145X Contract No. Idm-E201
Operator's Name GRAND DEPOSIT MINING COMPANY Minerals Lead-Zinc-Copper
Address 409 Ness Building, Salt Lake City 1, 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	ft.	1671.50	38	15,935.32	449	35.49	450	
Crosscutting	ft.			575.00	22	26.13		
Raising*	ft.	300.00	*	4060.00	229	20.39		
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		1971.50		21,179.51				Total Costs Authorized by Contract
Operating Equipment Purchased								
XXX Initial Rehabilitation and Repairs		675.35*		1,528.74				1000
New Buildings, Improvements, etc.								
Total Costs								26,400

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. 9, 1952 Operator GRAND DEPOSIT MINING CO.

Per Paul C. Lyons Title Eng-Supt-Sec-Treas.

Remarks: *Consisted of enlarging by removal of caved material that had accumulated to restrict air circulation. (*) Repairs necessary in shaft to continue work on 300 level.

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.

U. S. GOVERNMENT PRINTING OFFICE 205676

GRAND DEPOSIT MINING COMPANY
409 Hess Building
Salt Lake City 1, Utah

September 9, 1952

Refer: DMA 145X

PROGRESS REPORT FOR 3RD MONTH OF AUGUST, 1952:

During the month of August, it was found to be necessary to clean out an accumulation of caved material from the air course raise about 50 feet above the 800 level; the air circulation had been poor, and this work improved it sufficiently to permit work to continue on the 800 level.

It was necessary also to do some work in the main shaft; this consisted principally of replacing rotten ties so that the track was solid. We had been having difficulty with the skip jumping the track in several places due to the rails working loose. It was also necessary to repair the skip.

The 800 drift was driven an additional 38 feet, to complete 449 of the 450 authorized feet of drift. The sought-for beddings have not been encountered yet because of faulting, as explained in last month's report. No additional strong structure was intersected, however a small amount of sheelite was found in one calcite seam.

The U. S. G. S. geologist visited the property, and made a careful examination of the drift. He concurred with our findings that the sought-for beddings have been moved ahead by faulting.

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration
Budget Bureau No. 42-R1036.3.
Approval expires 12-31-53.

RECEIVED
OCT 17 1952
Keating
Betty

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

Month of JULY, 1952 Docket No. DMEA 145X Contract No. Idm-R201
Operator's Name Grand Deposit Mining Company Minerals Lead-Zinc-Copper
Address 409 Ness Building, Salt Lake City 1, Utah
Contract Amount, $ 26,400 Government Participation: 50% Amount, $ 13,200 (=50%)

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: Labor Only						
Drilling						
Bulldozing						
Crosscutting		73.50	73.50			
Drifting	1222.00	4368.15	5590.15			
Raising		1580.00	1580.00			
(2) Labor and Supervision:						
Labor	36.15	430.00	466.15			
Supervision	350.00	2525.83	2875.83			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber None Charged						
Explosives		1283.94	1283.94			
Pipe	95.54	105.63	201.17			
Track	62.20	296.26	358.46			
Fuel & Lubricants	215.03	1786.19	2001.22			
Steel & Misc.	105.59	853.03	958.62			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation	515.00	3518.93	4033.93			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes	33.00	380.88	413.88			
Liability Insurance						
Assaying, etc.	1.31	17.26	18.57			
(8) Contingencies (specify):						
TOTALS	2635.82	17219.60	19855.42			

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

Date August 15, 1952 *Payee Grand Deposit Mining Company

Per Paul C. Lynch, Title Engr.-Supt.-Sec-Treas.

*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:

$ 1317.91

Signature
(Authorized Certifying Officer)

Date 10/10/52 Vou. No. SF-DMEA-18
(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. Idr-E201 in accordance with the terms of the contract.

Signature George H. Holmes, Jr. Title Acting Chief, Mining Div., Reg. III Date August 20, 1952.

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature H. L. Miller Title Executive Officer, Field Team, Region III Date August 20, 1952

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.

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-104A
(April 1952)

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 17 1952

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of JULY 195 2 Docket No. DMEA 145X Contract No. Idm-E201
Operator's Name Grand Deposit Mining Company Minerals Lead-Zinc-Copper
Address 409 Ness Building, Salt Lake City 1, 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	ft.	2635.82	81	14263.82	411	34.70	450	
Crosscutting	ft.			575.99	22	26.18		
Raising	ft.			4368.20	229	19.07		
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs				19208.01				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs				647.41				1000
New Buildings, Improvements, etc.								
Total Costs				19855.42				28400

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 August 15, 1952 Operator Grand Deposit Mining Co.

Per Paul C. Lyons Title Engr-Supt-Sec-Treas.

Remarks: Additional mine rail, splice bars & bolts were purchased during the month, however they will be charged only as used, since part will remain on hand at the completion of the contract. No timber or ties have been claimed because of the lack of invoices for same.

→ 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)

AUG 21

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.

U. S. GOVERNMENT PRINTING OFFICE 205676

GRAND DEPOSIT MINING COMPANY
409 Ness Building
Salt Lake City 1, Utah

August 15, 1952

Refer: DMA 145X

PROGRESS REPORT FOR THE MONTH OF JULY, 1952:

During the month of July, 1952 the 800 exploration drift was extended an additional 81 feet. It is felt that the progress has been good, considering the ground.

The drift has encountered several faults, and these have had, without exception, a movement which has placed the sought-for limestone beddings farther away from the point of beginning of the project. The first fault, which severed the fissure about 55 feet below the 600 level, moved the beddings approximately 60 feet to the northwest on the 800 level(relative to the 600 level). The faults encountered subsequently in the 800 drift have moved the beddings northwesterly an estimated additional 100 feet or thereabouts. Surface indications are that the sought-for beddings should not extend appreciably below the 800 level, but should fold into a syncline, the bottom of which would be near the 800 level. The limestone beddings have shown no indication of flattening as yet, and it may be that there is an extensive shear zone. The beddings near the face of the drift dip 35° to the Southeast.

At the end of the month, a larger fault was encountered; it is partly a narrow open fissure and contains some mineralization, principally ferrous iron oxide. The movement of the fault is NW, i.e. the lower part has moved NW relative to to the upper part. the strike is N 50°E and the dip approximately 25° SE. A shear zone of strike N35°E and dip 50° SE is a little NW of the large fault; movement on individual slips is of the order of a foot. Movement of the larger fault may be 50 feet or more.

A USGS geologist is expected to visit the property in a few days, and we will determine then what to do. It may be advisable to raise, preferably on a mineralized formation.

Form DMF-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 JUNE 1952 Docket No. DMEA 145X Contract No. Idm-5201
Operator's Name Grand Deposit Mining Company Minerals Lead-Zinc
Address 409 Ness Building, Salt Lake City 1, Utah
Contract Amount, $ 26,400 Government Participation: 50% Amount, $ 13,200 (50%)

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:						
Drilling						
Bulldozing						
Crosscutting		73.50	73.50			
Drifting	905.00	3463.15	4368.15			
		1580.00	1580.00			
(2) Labor and Supervision:						
Labor		430.00	430.00			
Supervision	350.00	2175.83	2525.83			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber None charged						
Explosives	449.90	834.04	1283.94			
Pipe		105.63	105.63			
Track	94.24	202.02	296.26			
Fuel & Lubricants	228.05	1558.14	1786.19			
Steel & misc.	114.53	738.50	853.03			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation	615.00	3003.93	3618.93			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes	63.80	317.08	380.88			
Liability Insurance						
Assaying, etc.		17.26	17.26			
(8) Contingencies (specify):						
TOTALS	2720.52	14,499.08	17,219.60			

I certify that the above bill is correct and just and that payment therefor has not been received.
Date July 12 1952 Payee Grand Deposit Mining Company
Per Paul C. Lyon Jr. Title Engr.-Supt.-Secy-Treas

*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:
$1360 26
Lloyd L. Norvell
Authorized Certifying Officer
Signature
(Authorized Certifying Officer)
Date AUG 13 1952 Vou. No. SF-DMEA-6
(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. [illegible] in accordance with the terms of the contract.

Signature R. C. Johnson Title [illegible] Date July 27, 1952

R. C. Johnson

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature H. C. Miller Title Executive Officer DMEA Field Team Region III Date August 13, 1952

H. C. Miller

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.

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1161
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of JUNE 1952 Docket No. DMEA 145X Contract No. Icm-E201
Operator's Name Grand Deposit Mining Company Minerals Lead-Zinc
Address 409 Ness Building, Salt Lake City 1, 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	ft.	2720.52	55	11,628.00	330	35.24	450	30 ✓
Crosscutting	ft.			575.99	22	26.18		
Raising	ft.			4,368.20	229	19.07	?	var.
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs				16,572.19				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs				647.41				1,000.00
New Buildings, Improvements, etc.								
Total Costs				17,219.60				26,400.00

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 July 12, 1952 Operator Grand Deposit Mining Co.

Per Paul C. Lyon Jr. Title Engr-Supt-Secy-Treas

Remarks: High drifting cost this month due to difficulty in breaking ground. Explosives charged not all used this month, but all will be used on this project.

→ 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)

...218 ...2

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.

U. S. GOVERNMENT PRINTING OFFICE 205676

Grand Deposit Mining Company
409 Ness Building
Salt Lake City 1, Utah

July 12, 1952

Refer: DMA 145X

PROGRESS REPORT FOR THE MONTH OF JUNE, 1952:

During the month of June, 1952, the 800 drift was extended N 50° west an additional 55 feet. Considerable difficulty was experienced by the miners in breaking the ground; this was because of air pockets in the limestone and changing orientation of the cleavage planes and resiliency of the rock.

It appears that the drift may be entering a different type of limestone, light in color, however more work will be necessary to determine whether the change is persistant.

A map of the work performed is attached.

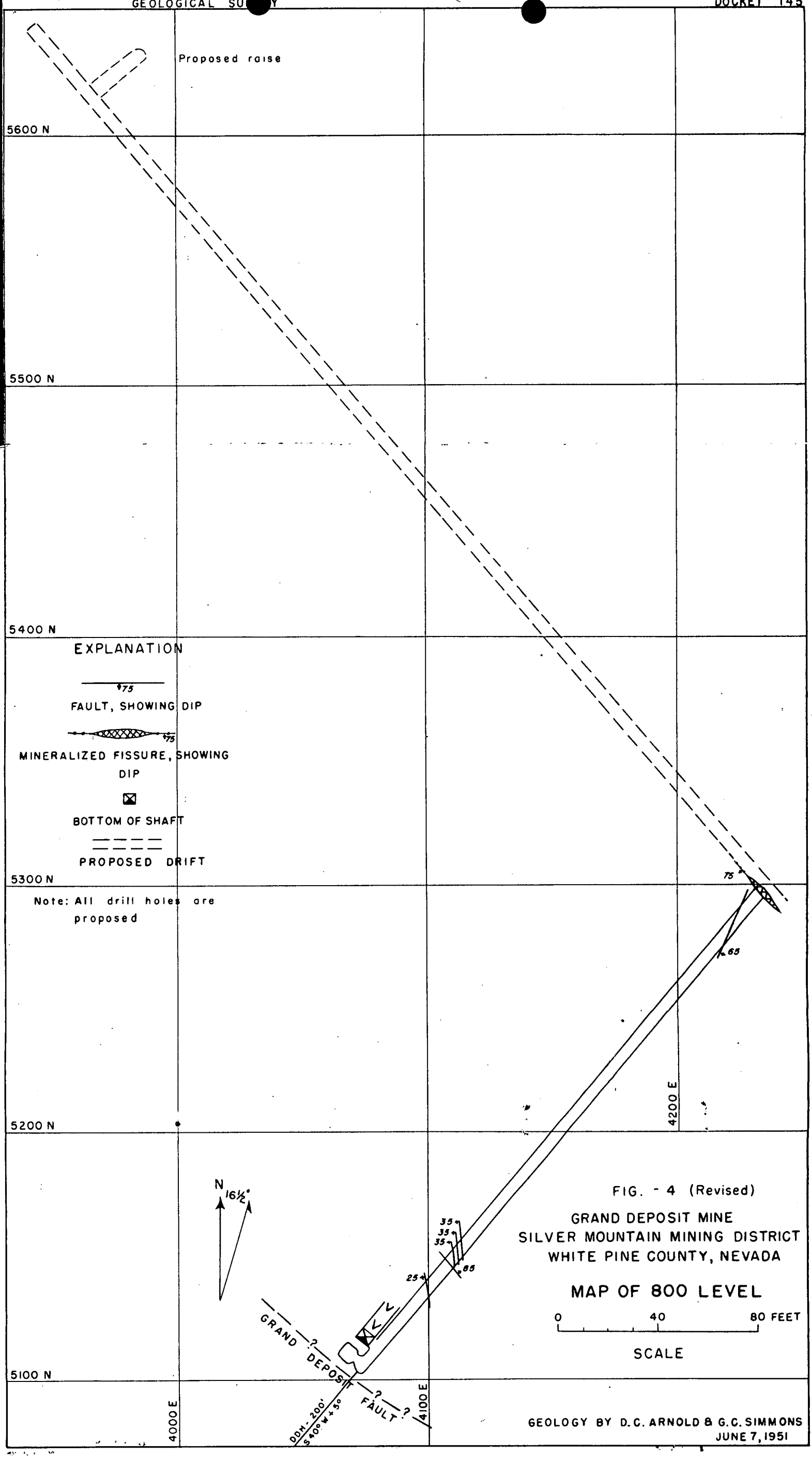


FIG. - 4 (Revised)

GRAND DEPOSIT MINE
SILVER MOUNTAIN MINING DISTRICT
WHITE PINE COUNTY, NEVADA

MAP OF 800 LEVEL

LARGE FORMAT DOCUMENTS AT END OF FILE

A. C. Johnson, Chief, Mining Div., Reg. III July 14, 1952

Russell R. Trengove, Mining Engineer, Bureau of Mines, Reg. III

Grand Deposit Mining Co. (lead,zinc,copper) Contract Idm-2201

This property was visited on July 8, 1952.

Work continued advancing the drift on the 800-level. The ground is harder which is slowing the progress. The advance for June was 55 feet and for July, up to July 8, the advance was 16 feet, making a total to date of 348 feet. The contract is for 450 feet, which leaves 104 feet for completion.

No ore has been encountered to date. The only mineralization is some small limonite stringers.

During the month, the following items were purchased:

120 ft. of 16 lb. rail
Some 1½ inch pipe
600 feet of 3/8 and 5/16 inch tugger cable
Drill steel, bits, track bolts, splice bars,
chuck for drilling machine, and knuckoff block
Fuel and lubricants

Two men are employed underground and only one on surface, (the heistman).

Russell R. Trengove

Russell R. Trengove

SF- DMC 9-6

MF-104
(April 1951)

Budget Bureau No. 42-R1036.
Approval expires 6-30-51.

E 201

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration

AUG 18 1952

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.

JUN 30 1954

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.

GRAND DEPOSIT MINING CO.
(Name of Company)

JUN 14 1952
(Date)

By Paul E. Lyon Jr.
(Signature of Authorized Official)

Engr - Supt - Sec'y - Treas
(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—64068-1

MONTHLY SUMMARY COST STATEMENT

Name of operator GRAND DEPOSIT MINING COMPANY
Project No. DMA 145 X
Total contract amount 26,400
Government participation percent 50

Distribution of Expenditures for Month of May, 1952

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	350.00	2255.83	2605.83			
Equipment purchase [1]						
Equipment rental [2]	515.00	2488.93	3003.93			
Buildings						
Explosives	201.68	632.36	834.04			
Repair parts		181.53	181.53			
Other supplies	519.77	1902.99	2422.76			
Power						
Transportation						
Withholding taxes						
Compensation insurance	33.00	284.08	317.08			
Other insurance						
Contract work	1187.15	3989.50	5116.65			
Other (specify) Assaying		16.50	16.50			
Prints		.76	.76			
Total	2806.60					
Totals previously reported		11,692.48				
Totals to date			14,499.08			

FOR GOVERNMENT USE ONLY

Checked by fh
Entered by
Approved by A. C. Johnson
Amount approved for payment $1403.30
Remarks

AUG 13 1952

Lloyd L. Norvell
Authorized Certifying Officer

[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

GRAND DEPOSIT MINING COMPANY
409 Ness Building
Salt Lake City 1, Utah

June 14, 1952

Refer: DMA 145X

PROGRESS REPORT FOR THE MONTH OF MAY, 1952:

During the month of May, 1952, the 800 drift was extended an additional 73 feet. The miners claimed that the ground was hard to drill and break.

The drift was extended North 50° West, which bearing appears to be approximately at right angles with the strike of the limestone beddings. The formation is mostly massive limestone; there is some iron mineralization in bedding planes and joints or faults, the latter striking approximately east-west and dipping southerly.

A map is in preparation and will be included in the next report.

DISTRIBUTION OF WAGES AND SALARIES FOR MONTH OF MAY, 1952

Name of operator GRAND DEPOSIT MINING COMPANY
Project No. DMA 145 X
Total contract amount 25,400
Government participation percent 50

Type	Number	Man-Shifts	Rate	Total
Miners (contract)	2	Drifting, 73 feet @ $16.25/ft.	$	$ 1187.15
Muckers				
Trammers				
Timbermen				
Pumpmen	1			
Hoistmen				
Surface				
Samplers				
Assayers				
Shift bosses				
Mechanics				
Electricians				
Blacksmiths				
Carpenters				
Drill runners				
Drill helpers				
Teamsters				
Manager				
Superintendent	1		350.00/mo	350.00
Engineers				
Geologists				
Bookkeeper				
Foreman				
Clerks				
Stenographers				
Other				
Total incl. contract work				1,537.15

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 A. C. Johnson
Remarks

16—64068-1

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF MAY, 1952

Name of operator Grand Deposit Mining Co
Project No. DMA 145 X
Total contract amount 26,400
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	1537.15	515.00	721.45	33.00	2806.60	ft.	73	202	275	450
Crosscutting								22	22	
Raising								229	229	
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	1537.15	515.00	721.45	33.00	2806.60					

[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 A. C. Johnson
Remarks

A. C. Johnson, Chief, Mining Div., Reg. III June 6, 1952

Russell R. Trengove, Mining Engineer, Bureau of Mines, Reg. III

Grand Deposit Mining Co. (lead,zinc,copper) - Contract Idm-E201

Accompanied by Paul C. Lyon, Jr., superintendent, engineer, etc., this property was visited June 3, 1952. An attempt was made by the Bureau engineer to verify the raise footages furnished by Don Miller the contractor. This raise varies from 45 to 50 some odd feet of vertical raise and connects the 600-foot level with the 800-foot level and is used for an air course. All dirt has been removed and the sprags were knocked out by the huge boulders which came down from the 600-level when the raise holed through. The total length of raise may be about 250 feet. The contractor used drill steel to measure his advance. Lyon's and the Bureau engineer managed to measure down 104 feet to a point near the top of the vertical portion of the raise but slipping conditions became too hazardous and impossible without the use of a long rope or replacement of the sprags so the attempt to measure the raise was held in abeyance.

Total advance in the drift on the 800-level is 285 feet or an advance of 85 feet during the month of May.

Two men are employed underground and only one on surface (the hoistman).

Mr. Lyon's informed me that the standby compressor was last used in 1947. It cannot be used at present because of the lack of necessary ignition wiring. The reason it was not used when the main compressor was down for repairs is that they had no fuel for it.

Russell R. Trengove

Russell R. Trengove.

5F-DMEA-28

MF-104
(April 1951)

Budget Bureau No. 42-R1036.
Approval expires 6-30-51.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
(RECEIVED)
JUN 23 1952

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.

GRAND DEPOSIT MINING COMPANY (Name of Company) By Paul E. Lyon Jr. (Signature of Authorized Official)

May 15, 1952 (Date) Engr. Supt. Sec'y-Treas. (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—64068-1

MONTHLY SUMMARY COST STATEMENT

Name of operator GRAND DEPOSIT MINING COMPANY
Project No. DMA 145 X
Total contract amount $25,400
Government participation percent 50

Distribution of Expenditures for Month of April, 1952

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	262.50	1993.33	2255.83			
Equipment purchase [1]						
Equipment rental [2]	384.37	2104.56	2488.93			
Buildings						
Explosives	106.90	525.46	632.36			
Repair parts		181.53	181.53			
Other supplies	531.17	1371.82	1902.99			
Power						
Transportation						
Withholding taxes						
Compensation insurance	24.75	259.33	284.08			
Other insurance						
Contract work	788.00	3171.50	3929.50			
Other (specify) Assaying		16.50	16.50			
Prints		.76	.76			
Total	2067.69					
Totals previously reported		9624.79				
Totals to date			11,692.48			

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by A. C. Johnson
Amount approved for payment $ 1033.84
Remarks

Lloyd L. Norvell
Authorized Certifying Officer

JUN 13 1952

[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

28

GRAND DEPOSIT MINING COMPANY
409 Ness Building
Salt Lake City 1, Utah

May 15, 1952

Refer: DMA 145X

PROGRESS REPORT FOR THE MONTH OF APRIL, 1952:

During the month, the air-raise was completed to the 600 level from the 800 level. This required ten feet of rock work.

The main 800 drift was extended an additional 46 feet approximately N 50°W. A fault was encountered near the face of the drift at the end of the month, it has a strike approximately at right angles with the drift and dips 30° to the southeast.

During the month, considerable timbering was required in the drift where several tons of loose rock had been caving every few days. This work was not included in this report, since we felt that there might be some question as to whether it could be claimed under the contract.

DISTRIBUTION OF WAGES AND SALARIES FOR MONTH OF April 1952

Name of operator: GRAND DEPOSIT MINING COMPANY
Project No. DMA: 145 X
Total contract amount: $26,400
Government participation percent: 50

Type	Number	Man-Shifts	Rate	Total
Miners (contract)	X 3	Air raise, 10 feet @ $12.00/ft.		$ 120.00
Muckers				
Trammers		Drifting, 46 feet @ $13.87/ft.		638.00
Timbermen				
Pumpmen	1			
Hoistmen				
Surface				
Samplers				
Assayers				
Shift bosses				
Mechanics				
Electricians				
Blacksmiths				
Carpenters				
Drill runners				
Drill helpers				
Teamsters				
Manager	1		350.00/mo.	262.50
Superintendent				
Engineers				
Geologists				
Bookkeeper				
Foreman				
Clerks				
Stenographers				
Other				
Total incl. contract work				1,020.50

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 A. C. Johnson
Remarks

16—64068-1

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF April, 1952

Name of operator: GRAND DEPOSIT MINING COMPANY
Project No. DMA: 145 X
Total contract amount: $26,400
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	800.00	264.37	[illegible]	4.75	1507.19	ft.	46	156	202	450
Crosscutting								22	22	
Raising	220.50	120.00	200.00	20.00	560.50		10	219	229	200*
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	1020.50	384.37	638.07	24.75	2067.69					

[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 R. C. Johnson
Remarks

A. C. Johnson, Chief, Mining Div., Reg. III May 5, 1952

Russell R. Trengove, Mining Engineer, Bureau of Mines, Reg. III

Grand Deposit Mining Co. (lead, zinc, copper); Contract Idm-8201

This property was visited on April 25, 1952.

There was no one working on the project; the mine crew works on Saturdays and Sundays then take a few days off.

The contractor, Don. Miller, was contacted and he furnished information on the progress made since my last visit, Feb. 15, 1952.

The air-course raise was completed to the 600-level. Work planned to complete the air course comprised enlarging 180 feet of raise and winze at $10 per foot and holing through the 20-feet of material between the bottom of the 60-foot winze from the 600-level and the top of the 120-foot raise from the 800-level at $30 per foot. Total units authorized by contract is 200 feet amounting to $2,400.

Because of an inaccurate survey, if a survey was made, the raise failed to connect with the bottom of winze and was continued to the 600-level. It broke through the 600-level drift several feet northwest from the collar of the winze.

The completed raise contract consists of the following items:

139 linear feet enlarge (20 linear feet), steepen and straighten air raise	$500
60 linear feet raising @ $12 (due to inaccurate survey).	720
20 linear feet raising @ $12 (in original contract)	240

Work was resumed advancing the main drift on the 800 level northwest along the vein. Airconditions on the 800-level has been improved since the air raise to the 600-level was completed. An advance of 30 feet was made in the drift, making a total of 200 linear feet. No ore was encountered in the drift and raise.

Russell R. Trengove

Russell R. Trengove

SF- DMCA- 25

MF-104
(April 1951)

Budget Bureau No. 42-R1036.
Approval expires 6-30-51.

E-201

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

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

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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.

GRAND DEPOSIT MINING CO.
(Name of Company)

By Paul C. Lyon Jr.
(Signature of Authorized Official)

APR 14 1952
(Date)

Engr-Supt, Sec'y-Treas.
(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—64068-1

MONTHLY SUMMARY COST STATEMENT

Name of operator GRAND DEPOSIT MINING CO.
Project No. DMA 145X
Total contract amount $26,400
Government participation percent 50

Distribution of Expenditures for Month of March, 1952

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	350.00	1643.33	1993.33			
Equipment purchase [1]						
Equipment rental [2]	469.50	1635.06	2104.56			
Buildings						
Explosives	181.57	343.89	525.46			
Repair parts		181.53	181.53			
Other supplies	15.47	1356.35	1371.82			
Power						
Transportation						
Withholding taxes						
Compensation insurance	33.00	226.33	259.33			
Other insurance						
Contract work	720.00	2451.50	3171.50			
Other (specify) Assaying		16.50	16.50			
Prints		.76	.76			
Total	1769.54					
Totals previously reported		7855.25				
Totals to date			9624.79			

FOR GOVERNMENT USE ONLY

Checked by PL
Entered by
Approved by A. C. Gibson
Amount approved for payment $ 884.77
Remarks

MAY 6 1952

Lloyd L. Norvell
Authorized Certifying Officer

[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

GRAND DEPOSIT MINING COMPANY
409 Ness Building
Salt Lake City 1, Utah

April 14, 1952

Refer to DMA 145X.

PROGRESS REPORT FOR THE MONTH OF MARCH (1-31 inclusive), 1952.

During the month of March, 1952, the air-course raise between the 800 and 600 levels was extended 60 linear feet S 70°E upward at a 40° vertical angle. It was nearly completed.

The work in the raise was retarded by the difficult access and by bad air. Near the end of the month, a miner was overcome in the raise by the poisonous atmosphere, but, fortunately, he was rescued shortly afterward; the experience could have been prevented by blowing a larger volume of compressed air at the face before entering the raise.

After completing the air course, we expect the drifting on the 800 level to go ahead speedily.

DISTRIBUTION OF WAGES AND SALARIES FOR MONTH OF March, 1952

Name of operator GRAND DEPOSIT MINING CO.
Project No. DMA 145X
Total contract amount $26,400
Government participation percent 50

Type	Number	Man-Shifts	Rate	Total
Miners (Contract)	2	Air raise, 60 linear feet @ $12.00/ft.		$ 720.00
Muckers				
Trammers				
Timbermen				
Pumpmen				
Hoistmen	1			
Surface				
Samplers				
Assayers				
Shift bosses				
Mechanics				
Electricians				
Blacksmiths				
Carpenters				
Drill runners				
Drill helpers				
Teamsters				
Manager				
Superintendent	1		350.00/mo	350.00
Engineers				
Geologists				
Bookkeeper				
Foreman				
Clerks				
Stenographers				
Other				
Total incl. contract work				1070.00

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 A. C. Johnson
Remarks

16—64068-1

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF March, 1952

Name of operator GRAND DEPOSIT MINING CO.
Project No. DMA 145X
Total contract amount $26,400
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						ft.		156	156	450
Crosscutting						ft.		22	22	--
Raising	1070.00	469.50	197.04	33.00	1769.54	ft.	60	159	219	200
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	1070.00	469.50	197.04	33.00	1769.54					

[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 A. C. Johnson
Remarks

MF-1C4
(April 1951)

Af Omla 24

Budget Bureau No. 42-R1036.
Approval expires 6-30-51.

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.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 6 1952

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.

GRAND DEPOSIT MINING CO.
(Name of Company)

By Paul E. Lyon Jr.
(Signature of Authorized Official)

MAR 14 1952
(Date)

Engr. - Supt. - Sec'y - Treas.
(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—64068-1

MONTHLY SUMMARY COST STATEMENT

Name of operator: Grand Deposit Mining Co.
Project No. DMA: 145 X
Total contract amount: $26,400
Government participation percent: 50

Distribution of Expenditures for Month of February, 1952

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	350.00	1293.33	1643.33			
Equipment purchase [1]						
Equipment rental [2]	477.00	1158.06	1635.06			
Buildings						
Explosives	136.78	207.11	343.89			
Repair parts		181.53	181.53			
Other supplies	419.38	936.97	1356.35			
Power						
Transportation						
Withholding taxes						
Compensation insurance	33.00	193.33	226.33			
Other insurance						
Contract work	813.50	1638.00	2451.50			
Other (specify) Assaying		16.50	16.50			
Prints		.76	.76			
Total	2229.66	5625.59				
Totals previously reported		5625.59				
Totals to date			7855.25			

FOR GOVERNMENT USE ONLY

Checked by LCM
Entered by
Approved by A. C. Johnson
Amount approved for payment $ 1,114.63
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

GRAND DEPOSIT MINING COMPANY
409 Ness Building
Salt Lake City 1, Utah

March 14, 1952

Refer: Dma 145X

PROGRESS REPORT FOR February 1-29 inclusive, 1952

During the month of February, 139 feet of the air course (linear distance) were rehabilitated; this included steepening, enlarging, and straightening to allow the broken rock to run down to the 800 level by gravity. In addition, 20 feet of raise were driven to extend the air course upward.

In driving the air-raise, the fault (which cut off the fissure about 60 feet below the 600 level) was encountered, and its movement was found to be S 50°E approximately 60 feet. The raise is being driven S.70° E at a 45° vertical angle; the raise must be that steep to allow the rock to fall through it. Progress will be retarded by the difficult access.

The crosscut from the main drift was extended 7 feet to explore the fault extension, as recommended by the U.S.G.S. engineer.

DISTRIBUTION OF WAGES AND SALARIES FOR MONTH OF February, 1952

Name of operator Grand Deposit Mining Co.
Project No. DMA 145 X
Total contract amount $26,400
Government participation percent 50

Type	Number	Man-Shifts	Rate	Total
Miners (Contract)	2	X-cut	10.50/ft.	73.50
Muckers		Non-AirRaise	$12.00/ft.	$ 240.00
Trammers		Enlarge, steepen & straighten		
Timbermen			139 feet	
Pumpmen		air-raise, ~~[illegible]~~	Dist.	500.00
Hoistmen	1			
Surface				
Samplers				
Assayers				
Shift bosses				
Mechanics				
Electricians				
Blacksmiths				
Carpenters				
Drill runners				
Drill helpers				
Teamsters				
Manager				
Superintendent	1		350.00/mo.	350.00
Engineers				
Geologists				
Bookkeeper				
Foreman				
Clerks				
Stenographers				
Other				
Total incl. contract work)				1163.50

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 A. C. Johnson
Remarks

16—64068-1

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF FEB 1952

Name of operator GRAND DEPOSIT MINING CO.
Project No. DMA 145 X
Total contract amount 26,400
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	72.50	40.00	50.00	[illegible]	191.50	ft.	0	156	156	450
Crosscutting	1065.00	437.00	506.16	30.00	2038.16	ft.	7	15	22	[illegible]
Raising							159	0	159	200
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	1137.50	477.00	556.16	30.00	2229.66					

[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 A. C. Johnson
Remarks

Idm-E201

MF-104
(April 1951)

Budget Bureau No. 42-R1036.
Approval expires 6-30-51.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Defense
MAR 17 1952

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.

GRAND DEPOSIT MINING CO.
(Name of Company)

By Paul E. Lyon Jr.
(Signature of Authorized Official)

FEB 21 1952
(Date)

Engineer - Supt - Sec'y - Treas.
(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—64068-1

MONTHLY SUMMARY COST STATEMENT

Name of operator GRAND DEPOSIT MINING COMPANY
Project No. DMA L-145X
Total contract amount $26,400
Government participation percent 50

Distribution of Expenditures for Month of January 1952

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	445.00	848.33	1293.33			
Equipment purchase [1]						
Equipment rental [2]	144.48	1013.58	1158.06			
Buildings						
Explosives	12.94	194.17	207.11			
Repair parts		181.53	181.53			
Other supplies	96.05	840.92	936.97			
Power						
Transportation						
Withholding taxes						
Compensation insurance	30.07	163.26	193.33			
Other insurance						
Contract work		1638.00	1638.00			
Other (specify) Assaying		16.50	16.50			
Prints for Dec. Report	.76		.76			
Total	$729.30					
Totals previously reported		$4896.29	$XXXXXX			
Totals to date			$5625.59			

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by A. C. Johnson
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

A. C. Johnson, Chief, Mining Div., Reg. III Feb. 15, 1952

Russell R. Trengove, Mining Engineer, Bureau of Mines, Reg. III

Docket DMA-145X (Lead, zinc, copper) - Exploration Project Contract Idm-R201, Grand Deposit Mining Company

This property was visited February 15, 1952 by L. F. Muller and Russell R. Trengove, engineers of the U. S. Bureau of Mines of Region III.

The Jaeger 315 cfm, 2-stage compressor with International UD-18 Diesel engine, which broke down January 5, 1952, was finally repaired and work was resumed on the contract drifting on the 800-level. The Gardner-Denver, 240 cfm compressor, (stand-by only and not actually used), for which a rental of $100 is being paid monthly, is said to be able to operate if equipped with ignition wires.

The personnel of the organization remains the same as previously reported - two miners and one hoistman, working one shift daily and Paul G. Lyon, Jr., superintendent at $350 per month.

The exploration drift on the 800-level has a total advance of 170 feet. The heat and poor air in this drift is almost unbearable. However, this may be remedied in a short time after a winze, 60 feet deep and an inclined raise up 120 feet are connected. Drifting was discontinued and the miners are on contract completing the raise. They expect to hole through in about 20 feet and about 40 cars will have to be mucked from the inclined winze. The bottleneck is in getting rid of the muck. Tramming the muck to the shaft is slow, and hoisting the muck to surface is also slow because of an insufficiently powered hoist engine. This makes for poor progress.

A small crosscut is being driven on days-wages basis to probe for a possible fault zone on the 800-level.

A total of five sets of timber have been replaced in the shaft. Twelve working days were lost during the period because of heavy snowfall, making the mine inaccessible for the delivery of Diesel oil for the hoist engine.

Russell R. Trengove

Russell R. Trengove

GRAND DEPOSIT MINING COMPANY
409 Ness Building
Salt Lake City 1, Utah

February 8, 1952

Refer: DMA 145X

PROGRESS REPORT FOR JANUARY 1 to 31 inclusive, 1952:

During the month of January, 1952 our operations were limited by an unusually severe winter; the mine road was blocked by deep snow during the entire month and the camp was snowed-in most of the month also, so that we could not get needed fuel for our compressors and hoist delivered. We had the road re-opened on January 31 by a rancher who had a tractor; the county had plowed the road as far as camp twice, but it had drifted in again the next day; they could not plow the mine road.

Our Jaeger compressor failed the first part of the month and it was repaired during the fuel shortage. The hoist engine also required some repair.

We built a bulkhead in the shaft below the 600 level and removed some loose rock from the hanging wall and put in three sets of timber to make it safe.

At the end of December, we encountered another fault, strongly mineralized with zinc and iron and striking a little east of north, in the 800 drift. Since following that fault would turn the drift too far from the desired course, we are attempting to find the extension N45°W fault (which we followed at first) by crosscutting about S 45°W from a point 35 feet ahead of the turn in the drift (where drift turned to N 16°W). The U.S.G.S. geologist has recommended this crosscut.

DISTRIBUTION OF WAGES AND SALARIES FOR MONTH OF January, 1952

Name of operator GRAND DEPOSIT MINING COMPANY
Project No. DMA 145X
Total contract amount $26,400
Government participation percent 50

Type	Number	Man-Shifts	Rate	Total
Miners	2	18	$ 10.00	$ 180.00
Muckers				
Trammers				
Timbermen				
Pumpmen				
Hoistmen	1	9	10.00	90.00
Surface				
Samplers				
Assayers				
Shift bosses				
Mechanics				
Electricians				
Blacksmiths				
Carpenters				
Drill runners				
Drill helpers				
Teamsters				
Manager				
Superintendent	1	½ month	$350/mo.	175.00
Engineers				
Geologists				
Bookkeeper				
Foreman				
Clerks				
Stenographers				
Other				
Total				445.00

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 A. C. Johnson
Remarks

16—64068-1

ACCOUNTS MAR 5 1952

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF January 1952

Name of operator Grand Deposit Mining Co.
Project No. DMA
Total contract amount
Government participation, percent

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						ft.	0	156	156	450
Crosscutting	195.00	109.30	64.94	15.00	384.49	ft.	15	0	15	Under misc.
Raising										
Shafts (Repair, Timbering)	250.00	34.98	44.00	15.83	344.81					
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	445.00	144.48	108.94	30.83	729.30					

[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 A. C. Johnson
Remarks

SF-DMA-16

MP-104
(April 1951)

Budget Bureau No. 42-R1036.
Approval expires 6-30-51.

E-201

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

ACCOUNTS JAN 25 1952

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.

GRAND DEPOSIT MINING CO.
(Name of Company)

By Paul E. Lyon Jr.
(Signature of Authorized Official)

JAN 8 1952
(Date)

Engineer - Des'g - Treas.
(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—64068-1

MONTHLY SUMMARY COST STATEMENT

Name of operator GRAND DEPOSIT MINING CO.
Project No. DMA 145 X
Total contract amount $26,400
Government participation percent 50%

Distribution of Expenditures for Month of DEC 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	510.00	338.33	848.33			
Equipment purchase [1]						
Equipment rental [2]	520.00	493.58	1013.58			
Buildings						
Explosives	30.11	164.06	194.17			
Repair parts		181.53	181.53			
Other supplies	183.97	656.95	840.92			
Power						
Transportation						
Withholding taxes						
Compensation insurance Nev. Ind.	73.04	90.22	163.26			
Other insurance						
Contract work (Dependent)	504.00	1134.00	1638.00			
Other (specify) Assaying	7.50	9.00	16.50			
Total	1,828.62					
Totals previously reported		3,067.67				
Totals to date			4,896.29			

FOR GOVERNMENT USE ONLY

Checked by fh
Entered by
Approved by A. C. Johnson
Amount approved for payment $914.31
Remarks

JAN 31 1952

Lloyd L. Norvell
Authorized Certifying Officer

[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

DISTRIBUTION OF WAGES AND SALARIES FOR MONTH OF DEC 1951

Name of operator GRAND DEPOSIT MINING CO.
Project No. DMA 145 X
Total contract amount $26,400
Government participation percent 50%

Type	Number	Man-Shifts	Rate	Total
Miners	2		$ 10.50/ft.	$ 504.00
Muckers				
Trammers			$10/shift.	160.00
Timbermen				
Pumpmen				
Hoistmen	1			
Surface				
Samplers				
Assayers				
Shift bosses				
Mechanics				
Electricians				
Blacksmiths				
Carpenters				
Drill runners				
Drill helpers				
Teamsters				
Manager				
Superintendent	1		350.00/mo	350.00
Engineers				
Geologists				
Bookkeeper				
Foreman				
Clerks				
Stenographers				
Other				
Total				1,014.00

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

FOR GOVERNMENT USE ONLY

Checked by fh
Entered by
Approved by A. C. Johnson
Remarks

16—64068-1

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF DEC 1951

Name of operator GRAND DEPOSIT MINING CO.
Project No. DMA 145 X
Total contract amount $26,400
Government participation, percent 50%

Item	Costs					Progress				
	Wages [1] and salaries & Contracted Labor	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract
Drifting	764.00	495.00	204.08	62.94	1526.02	FOOT	48	108	156	450
Crosscutting										
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify) Shaft Repair	250.00	25.00	10.00	17.60	302.60					
Totals	1,014.00	520.00	214.08	80.54	1,828.62					

[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 fh
Entered by
Approved by A. C. Johnson
Remarks

GRAND DEPOSIT MINING COMPANY
409 Ness Building
Salt Lake City 1, Utah

Refer DMA 145 X

January 8, 1952

PROGRESS REPORT FOR DECEMBER 1 to 31 inclusive, 1951:

Please refer to the enclosed map.

Forty-eight feet of progress was made in the 800 level drift. The ground was highly mineralized for the whole distance, and contained zinc, copper and lead, however not in commercial amount.

The ground was too much altered to determine the structure with any degree of accuracy, and progress was slow due to fill material continually falling from caves above, so that more rock had to be trammed and hoisted.

The narrow solution cave (near the face) dips steeply (80°) to the west and is accessible at present to 45 feet above the drift level. It is coated with cerrusite sands and some galena, but not sufficient to mine. An assay of the cerrusite was made as follows: Lead 63.4%, Gold 0.19 oz., Silver 3.4 oz., Copper 0.12% and Insoluble 0.8%.

Waste?

An assay of about 35 tons of waste showed: Silver 0.9 oz, Lead 4.0%, Copper 0.70% and Zinc 9.8%. This material came from the drift.

A showing of copper on the bottom of the drift at about 250 ft. assayed .005 oz Gold, 1.8 oz. silver. 19.75% copper, 1.2% lead and 3.4% zinc. This was a dark cherty material.

There was also considerable oxidized zinc material in the drift; it would assay 15% to 25% zinc.

Heavy snows have closed the mine road, and we are attempting to get the county to open the road so that we can have a load of fuel delivered for the compressor, as we are out of fuel.

Some work was done in the shaft, and is continuing into January. This consists of replacing ties and timber and some removal of dangerous overhanging rock prior to timbering.

COPY

A. C. Johnson, Chief, Mining Div., Reg. III Jan. 15, 1952

Russell R. Trengove, Mining Engineer, Bureau of Mines, Reg. III

Docket DMA-145X (Lead,Zinc, Copper) Exploration Project Contract Idm-E201 Grand Depesit Mining Co.

Equipment Being Used	Rental rate per month
1 - Jaeger, 315 c.f.m, 2-stage compressor	$167
1 - Hendric and Bothoff hoist, with 1200 feet of cable	133
1 - Witte, 10 KVA Diesel, electric power plant	17
1 - Gardner-Denver slusher hoist, scraper and cable	40
2 - " " S-55 jackhammers & shells	15
2 - 1-ton mine cars	15
1 - Skip	20
	$407

Used Occasionally

1 - Gardner-Denver, M-11 stoper	10
1 - Electric drill and tools	15

1 - Gardner-Denver, 240 c.f.m. compressor with Binda gasoline engine is listed at $100 per month. However, in spite of the fact of the breakdown of the Jaeger compressor, this Gardner-Denver compressor is not being used.

In checking over the progress report for December 1951, I cannot verify the $495 for rental of equipment plus $25 for rental of equipment for shaft repair.

/s/ Russell R. Trengove
Russell R. Trengove

January 23, 1952

To clarify the equipment rental figure of $520 submitted by Paul Lyon, Jr. in his Monthly Progress Report for December 1951, you wrote to Mr. Lyon requesting a detailed account of the various mine equipment used in computing the $520 rental figure.

He submitted the following in his letter of January 21, 1952:

COPY

GRAND DEPOSIT MINING COMPANY

409 Ness Building * Phone 3-2623 * Salt Lake City 1, Utah

January 21, 1952

Mr. A. C. Johnson, Chief
Mining Division, Region III
Bureau of Mines
Box 1551, Reno, Nevada

Dear Mr. Johnson: Re: DMA 145X Cont. Idm-E201

In reply to your letter of January 15, 1952 in which you request a detailed account of the various mine equipment used in computing the $520 rental for December, 1951, we submit the following:

Jaeger 315 compressor	1 month	$167.00
Gardner-Denver Compressor	(Standby only, and not actually used during the month)	100.00
H & D Hoist with Engine	1 month	133.00
Electric Plant (Witte)	1 month	17.00
Double drum hoist & scaper (two were in regular use, one underground and one on the dump, but only one is claimed)		40.00
One Gardner-Denver Jackhammer & Shell using 1" hex. steel	1 month	8.00
One M-11 Gardner Denver Stoper	½ month	5.00
Misc. hand tools		15.00
One mine car		15.00
One skip		20.00
		$520.00

If there is any other information you may require, it will be furnished promptly upon request.

Very truly yours,

GRAND DEPOSIT MINING COMPANY

/s/ Paul C. Lyon, Jr.
Paul C. Lyon, Jr.

COPY

A. C. Johnson, Chief, Mining Div., Reg. III January 15, 1952

Russell R. Trengove, Mining Engineer, Bureau of Mines, Reg. III

Docket DMA-145X (Lead,Zinc, Copper) * Exploration Project Contract Idm-E201 Grand Deposit Mining Company

This property was visited January 10, 1952 by Roscoe M. Smith and John Powers, U.S.G.S., Salt Lake City, Utah and Fred Muller and Russell R. Trengove, U. S. Bureau of Mines, Reno, Nev.

The Jaeger 315 c.f.m., 2-stage compressor with International UD-18 Diesel engine broke down January 3, 1952, and was still idle January 10, waiting for new parts.

The two miners constructed a bulkhead about 60 feet below the 600-level to repair timber sets in the shaft. Fourteen days or 28 man-shifts on days pay basis were spent repairing three timber sets. Because of the bulkhead, the 800-level could not be reached so the following information was obtained from the contractor-miner, Donald T. Miller, who is also President of the National Copper Mines:.

On the 800 foot level, the contract exploration 5' x 7' drift advanced about 190 feet (156 feet on monthly reports) since the start of the project November 2, 1951. Quoting from Paul C. Lyon, Jr. report dated December 10, 1951:

"From 81 to 98 feet, the drift encountered a pocket of altered limestone containing strong ferric and ferrous iron mineralization, also seams of oxidized zinc ore (24% zinc), and cerrusite with traces of malachite and copper zinc carbonate mineral. The entire pocket had to be mined, leaving a cavity 8 feet wide, 15 feet high, and 10 feet below the drift level (which was filled)."

According to Mr. D. T. Miller, this was not ore and was dumped as waste material. However, Mr. Miller stated that there is about 8 to 10 tons of ore in the shaft pocket which was mined during the drifting beyond the pocket previously encountered.

There are three men employed; 2 miners and 1 hoist engineer. They are all on contract when drifting and on days pay when on other work. Paul Lyon, Jr., engineer, Secretary, Treasurer, visits the property once per week, arriving in afternoon and leaving the following morning. His salary is $350 per month. For November, $338.33 was charged to the project, and for December the full amount of $350 was charged.

Drifting progress is slow because of an inadequately powered hoist engine. Under the best of conditions, only 10 skips are hoisted per hour. Mr. Miller stated that very often the skip stops three or four times between the 800 and 600 foot levels enroute to surface. This could probably be remedied by over-hauling the hoist engine.

Only one shift is worked daily. When two shifts daily was suggested, I was informed that poor ventilation would make two shifts daily impossible. However, if Item 2 in the revised exploration program "Enlarge and complete raise for air course from 800 level to 600 level" was completed and a blower installed, two shifts could be worked daily.

/s/ Russell R. Trengove
Russell R. Trengove

SF-Dma-12

MF-104
(April 1951)

Budget Bureau No. 42-R1036.
Approval expires 6-30-51.

DEFENSE MINERALS ADMINISTRATION WASHINGTON, D. C.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

FEB 26 3 51 AM '52

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.

GRAND DEPOSIT MINING CO.
(Name of Company)

By Paul C. Lyon Jr.
(Signature of Authorized Official)

DEC 10 1951
(Date)

Engineer - Sec'y - Treas.
(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—64068-1

MONTHLY SUMMARY COST STATEMENT

Name of operator: Grand Deposit Mining Company
Project No. DMA: 145 X
Total contract amount: $26,400
Government participation percent: 50%

Distribution of Expenditures for Month of November, 1951 (2-30 inclusive)

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	338.33		338.33			
Equipment purchase [1]						
Equipment rental [2]	493.58		493.58			
Buildings						
Explosives	164.06		164.06			
Repair parts & repairs	181.53		181.53			
Other supplies	656.95		656.95			
Power						
Transportation						
Withholding taxes						
Compensation insurance						
Other insurance Nevada Industrial I.	90.22		90.22			
Contract work	1134.00		1134.00			
Other (specify) Assaying	9.00		9.00			
Total	3067.67		3067.67			
Totals previously reported						
Totals to date	3067.67		3067.67			

FOR GOVERNMENT USE ONLY

Checked by: fh
Entered by:
Approved by: A. C. Johnson
Amount approved for payment: 1533.84
Remarks:

DEC 14 1951

Lloyd L. Norvell
Authorized Certifying Officer

[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

DISTRIBUTION OF WAGES AND SALARIES FOR MONTH OF November, 1951 (2-30, incl.)

Name of operator Grand Deposit Mining Company
Project No. DMA 145 X
Total contract amount $26,400
Government participation percent 50%

Type	Number	Man-Shifts	Rate	Total
Miners	2		$	$
Muckers				
Trammers			10.52/ft	1134.00
Timbermen				
Pumpmen				
Hoistmen	1			
Surface				
Samplers				
Assayers				
Shift bosses				
Mechanics				
Electricians				
Blacksmiths				
Carpenters				
Drill runners				
Drill helpers				
Teamsters				
Manager				
Superintendent	1		350.00/mo	338.33
Engineers				
Geologists				
Bookkeeper				
Foreman				
Clerks				
Stenographers				
Other				
Total				1472.33

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 C. C. Johnson
Remarks

16—64068-1

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF November, 1951 (2-30 incl.)

Name of operator GRAND DEPOSIT MINING CO.
Project No. DMA 145 X
Total contract amount $28,400
Government participation, percent 50%

Item	Costs					Progress				
	Wages [1] and salaries Contracted Labor	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract
Drifting	1472.33	493.58	821.01	280.75	3067.67	FOOT	108	0	108	450
Crosscutting										
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	1472.33	493.58	821.01	280.75	3067.67	FOOT	108	0	108	450

[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 A. C. Johnson
Remarks

GRAND DEPOSIT MINING COMPANY

409 NESS BUILDING • PHONE 3-2623 • SALT LAKE CITY 1, UTAH

Refer DMA 145 X

December 10, 1951

PROGRESS REPORT FOR NOVEMBER 2 to 30 inclusive, 1951:

Please refer to proposed exploration drift as illustrated in the contract. A map is being prepared, and prints showing the progress and geology features will be furnished with all subsequent reports.

Rock work commenced November 2, 1951 at a point 25 feet from the intersection of the 800 level crosscut with the mineralized open fissure, in a northwesterly direction.

Designating the above intersection as zero, and the face as the distance (northwesterly) from zero, work began at 25 feet N 35°W (from zero).

The open fissure extended to 34 feet where it pinched in to a tight barren fault in the limestone.

From 34 to 57 feet, the drift followed the fault N 37°W, the fault being on the left (SW) side of the drift. The beds of limestone dipped 26° N 26o E.

From 57 to 68 feet, the drift followed the fault in the same direction, however the fault had opened to a narrow fissure containing some limonite.

From 68 to 81 feet, the drift followed the fault N 45°W. The fault was tight, but contained some limonite.

From 81 to 98 feet, the drift encountered a pocket of altered limestone containing strong ferric and ferrous iron mineralization, also seams of oxidized zinc ore (24% zinc), and cerrusite with traces of malachite and a copper-zinc ~~carbonate~~ carbonate mineral. The entire pocket had to be mined, leaving a cavity 8 feet wide, 15 feet high, and 10 feet below the drift level (which was filled).

Note

From 98 to 193 feet, the drift followed a loose limestone with about 2 feet of mineralization on the left side containing zinc, lead and copper minerals. The direction of the drift is changing a little more to the north. The limestone beds are thinner and of about the same dip.

The indications are very encouraging to us and may very well lead into some ore soon.

LARGE FORMAT DOCUMENTS AT END OF FILE

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code

PROJECT SUMMARY REPORT

By: J. W. Alt July 21, 1958

1. Docket No. DMEA-145X (Lead-Zinc-Copper)
Contract No. Idm-E201
Property: Grand Deposit Mine
White Pine County, Nevada

Operator: Grand Deposit Mining Company
409 Ness Building
Salt Lake City 1, Utah

Operator's Property Rights: Owner

2. Contract dated November 1, 1951. To complete - 11 months.

Work Authorized

(1)	Reblock and relag 10 sets in the shaft, 10 sets @ $100/each	$ 1,000.00
(2)	Enlarge and complete raise for air course from 800 level to 600 level,	
	180 feet @ $10/ft.	1,800.00
	20 feet @ $30/ft.	600.00
(3)	Drift on 800 level northwest along vein for 450 feet @ $30/ft.	13,500.00
(4)	Raise on favorable showings, 100 feet @ $30/ft.	3,000.00
(5)	Diamond drill 200 feet in hanging wall @ $5/ft.	1,000.00
(6)	Other and miscellaneous costs	5,500.00
	Total Estimated Cost	$26,400.00
	Government Participation @ 50%	$13,200.00

8623

Amendments

No. 1 Effective October 1, 1952.

Extends completion time from 11 months to 13 months.

Work Completed

Drifting and crosscutting, 487 feet	$17,131.31
Raising and enlarging raise, 271 feet	6,032.99
Diamond drilling, 200 feet	1,912.96
Underground timbering	1,322.74
Total Cost of the Project	$26,400.00

Work on the project was started in November, 1951 and was completed in November, 1952.

3. Report of Review dated November 3, 1953.

Total cost as billed by Contractor	$26,400.00
Exceptions	0.00
Total Accepted Cost	$26,400.00
Government Participation @ 50%	$13,200.00

Operator's final report dated November 21, 1952.
Field Team final report dated January 6, 1953.

4. Certification date: No certification was made as the exploration was unsuccessful in discovering ore bodies of significant size or grade.

5. Comments

Supervision of the project was inadequate. Weekly visits by the superintendent were not sufficient to maintain a uniform work schedule.

Project work comprised the repair and partial replacement of several timber sets and lagging near the 600-foot level of the inclined shaft; replacing ties under the shaft guides and barring down loose rocks along the length of the shaft. A 139-foot raise from the 800-foot level was enlarged, straightened and steepened, and an additional 80 feet were driven to connect with the 600-foot level of the mine. This latter raise was intended to hole into a 60-foot winze

from the 600-foot level, but due to an inaccurate survey, the raise missed the winze by about 60 feet and holed through to the level.

A drift and crosscut were extended northwesterly for 450 feet from the extension of the 800-foot level drift. A partially mineralized fissure was followed for 155 feet before turning and crosscutting the limestone formation. No mineralized fissures were encountered by the crosscut. An inclined raise was driven 40 feet from the end of the drift. No mineralization was encountered in the raise.

One diamond drill hole was drilled into the hanging wall of the Grand Deposit fault. No mineralized areas or favorable horizons were encountered.

At the Operator's expense a small crosscut was extended 22 feet into the hanging wall of the mineralized zone at a point from the beginning of the 450-fpot drift.

Work done under the terms of the contract adequately tested the blocks of ground as outlined in the contract.

Any additional exploration work with Government assistance is not recommended.

J. W. Alt

J. W. Alt

JWAlt/ss 7/16/58
Copy to: Docket
Chron.

☒ Audited

☐ Certified

WORK ANALYSIS SHEET - DMEA PROJECT

Analysis as of 12/8/54.
Incl. Voucher for November 1952.

☒ Actual Cost

☐ Agreed Unit Costs

Name Grand Deposit Mining Co.

Docket No. DMEA-145X

State Nevada

Commodity Lead-Zinc-Copper

Form-E No. 201

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting	450'	$13,500.00	487'	$17,131.31	$17,131.31
Raising & Enlarging Enlarge	180'	1,800.00	271'	$6,032.99	6,032.99
Drive	120'	3,600.00			
Shafts					
Winzes					
Drilling (Specify) Diamond (Core)	200'	1,000.00	201'	1,912.96	1,912.96
Surface Excavation					
Underground Excavation					
Roads and Trails					
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation Timbering		1,000.00		1,322.74	1,322.74
New Building, Improvements, etc.					
Other (Specify) Contingencies		5,500.00			
Totals		$26,400.00		$26,400.00	$26,400.00

Prepared by A. P. Klugescheid

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 30 1953

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

January 26, 1953

Memorandum

To: George C. Selfridge, Chairman, Operating Committee, DMEA, Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMA-145X(Lead-Zinc), Contract Idm-E201, Grand Deposit Mine, White Pine County, Nevada

In my memorandum to Frank E. Johnson, dated December 17, concerning the subject property, I informed him that a final report was in preparation. This report has now been completed and four copies of it entitled Final Report, Contract Idm-E201, DMA-145X, Grand Deposit Mine, White Pine County, Nevada,(Lead,Zinc,Copper), dated January 15, 1953, are attached. The report consists of one section prepared by Henry W. Jones, Mining Engineer, Bureau of Mines, dated January 6, 1953, and another section by D. C. Arnold and D. C. Laub, Geologists, Geological Survey, dated January 15, 1953. Attached to each copy of the cited report is a copy of the Final Engineering Report prepared by a representative of the Grand Deposit Mining Company.

The exploration was not successful in finding ore. The report recommends: (1) No further request for exploration should be approved, (2) DMEA should certify no discovery, as no orebodies of significant size or grade were discovered.

The report of the Bureau engineer calls attention to some unexpended operating supplies that should be sold by the operator for the joint account of the Government and the operator, and on January 6 the company was notified of its obligations in this connection.

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Attachment

Copy to: E. H. Bailey, USGS

Reviewed by
DMEA OPERATING COMMITTEE
2-4-53
(date)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 30 1953

UNITED STATES
DEPARTMENT OF THE INTERIOR
OSCAR L. CHAPMAN, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION III

FINAL REPORT

CONTRACT: Idm-E-201

DMA-145X, Grand Deposit Mine
White Pine County, Nevada

(lead, zinc, copper)

January 15, 1953

Reviewed by
DMEA OPERATING COMMITTEE

2-4-53
(date)

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1. U. S. Bureau of Mines Report, by Henry W. Jones, Mining Engineer

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2. U. S. Geological Survey Report, by D. C. Arnold and D. C. Laub, Geologists

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3. Grand Deposit Mining Company's Report

	Page
Final Engineering Report	1-3

Illustrations

Figure 1. Geologic Map of the 800 Level, Grand Deposit Mining Company, White Pine County, Nevada.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OSCAR L. CHAPMAN, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION III

FINAL REPORT

CONTRACT: Idm-E-201

DMA-145X, Grand Deposit Mine
White Pine County, Nev.

(lead, zinc, copper)

Henry W. Jones, Mining Engineer
U. S. Bureau of Mines

January 6, 1953

Reviewed by
DMEA OPERATING COMMITTEE
(Date)

Docket No.: DMA-145X (lead, zinc, copper)

Name and address of operator: Grand Deposit Mining Co.
409 Ness Bldg.
Salt Lake City 1, Utah

Name and location of property: Grand Deposit Mine in the Silver Mountain Mining District, 67 miles by road northeast of Ely, Nevada

Contract No.: Idm-E201

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

The Grand Deposit mine was explored under DMEA contract Idm-E201 between the periods of Nov. 2, 1951 and Nov. 1, 1952. Work comprised the repair and partial replacement of some timber sets in the inclined shaft; enlarging, straightening and continuing an air raise from the 800-foot level to the 600-foot level; drifting and crosscutting northwesterly from an extension on the 800-foot level a distance of 450 feet; raising from the end of the 450-foot drift a distance of 40 feet in an attempt to intersect favorable limestone beds; crosscutting 14 feet from the 800-foot level shaft pocket to establish a drill station; and the drilling of a 201-foot, approximately flat dip hole bearing S. 43° W., into the hanging wall of the Grand Deposit fault. Total cost of the project was $26,400; the Government's share was $13,200, or a 50 percent participation.

The exploration project was not successful in locating ore bodies of commercial grade. The oxidized lead-zinc ore encountered was too low grade to warrant mining and shipping to a smelter. Further exploration by drifting and crosscutting on the 800-foot level is not justified.

It is recommended that:

1. No further requests for exploration be approved.

2. DMEA certify no discovery by the exploration as no ore bodies of significance were discovered, either in the 450-feet of drifting and crosscutting on the 800-foot level, or in the diamond drill hole into the fault zone.

Production from new mine workings might be economically feasible if done by leasers following the higher grade leads within the fault fissures. Production would be small, intermittent and with no guarantee of continuous ore zones.

DESCRIPTION OF THE WORK COMPLETED

The DMEA exploration project contract was signed on Nov. 2, 1951 with work to be completed within 11 months. An amendment to the contract gave a two months extension, but funds were exhausted by Nov. 1, 1952 and the contract was terminated on this date.

Project work comprised the repair and partial replacement of several timber sets and lagging near the 600-foot level of the inclined shaft; replacing ties under the shaft guides and barring down loose rocks along the length of the shaft. A 139-foot raise from the 800-foot level was enlarged, straightened and steepened, and an additional 80 feet was driven to connect with the 600-foot level of the mine. This latter raise was intended to hole into a 60-foot winze from the 600-foot level, but due to an inaccurate survey, the raise missed the winze by about 60 feet and holed through to the level.

A drift and crosscut was extended northwesterly for 450 feet from the extension of the 800-foot level drift as required by the contract. A partially mineralized fissure was followed for 155 feet before turning and crosscutting the limestone formation. No mineralized fissures were encountered by the crosscut. To expedite the crosscutting to more favorable limestone beds, a 54° inclined raise was driven 40 feet from the end of the drift. This raise was discontinued due to the lack of funds. No mineralization was encountered.

A crosscut was driven 14.3 feet southwesterly from the 800-foot level shaft pocket to provide room for the diamond drilling.

Diamond drilling was contracted to the Nickols & Thompson Drilling Company of Boise, Idaho and comprised drilling a 201-foot flat hole on a S. 43° W. bearing into the hanging wall of the Grand Deposit fault. No mineralized areas or favorable horizons were encountered.

A small crosscut was extended 22 feet into the hanging wall of the mineralized zone at a point 91 feet from the beginning of the 450-foot drift. Neither this work nor the 14.3-foot crosscut at the 800-foot level shaft pocket were to be included in the Government contract work.

EXPENDITURES

Total approved	$26,400.00
Total cost of project	26,400.00
Government share of cost	13,200.00
Government's share unexpended	none

Value of production during operations and Government's royalty

No production during or subsequent to the DMEA exploration.

No royalty payments due the Government.

EFFICIENCY OF OPERATIONS - COMPETENCY OF OPERATOR

Supervision of the project was inadequate. Weekly visits by the superintendent, Paul E. Lyon, Jr., from his Salt Lake City, Utah office, were not sufficient to maintain a uniform work schedule. Although competent miners were employed, the following instances reflect the lack of adequate trained supervision which was reflected in the costs and accomplishment of the exploration project:

1. An inaccurate survey by the operator caused the raise from the 800-foot level to miss the bottom of the winze from the 600-foot level. An additional 60 feet of raise were required to hole through to the 600-foot level.

2. Poor ventilation in the 800-foot level drift made for hot and gassy conditions which caused repeated shutdowns.

3. The standby compressor was not put in condition to operate during a month's period in which the main compressor broke down. Rental was charged on both compressors during that period.

EQUIPMENT PURCHASED FOR PROJECT

59 pieces of 12-pound rail, 15 foot lengths	885 feet	New
10 pieces of 16-pound rail, 15-foot lengths	150 feet	New
25 pieces of 1-1/2--inch pipe, 20-foot lengths	500 feet	New
6 pieces of 3/4-inch pipe, 20-foot lengths	120 feet	New
4 pieces, 12-inch diameter ventilation tubing, 100-foot lengths	400 feet	New
1 piece, 12-inch to 8-inch diameter ventilation tubing, 10-foot length	10 feet	New
1 piece, 8-inch ventilation tubing, 50-foot length .	50 feet	New
7 12-inch tubing connectors		New

The above equipment was stored on the surface and in the shaft. It does not include equipment put into use.

600 feet of 3/8-inch and 5/16-inch wire rope tugger hoist cable (used)
Drill steel, bits, track bolts, splice bars, drifter repair parts, snatch blocks.

As the project was placed on a sight audit basis, no record is available of the supplies and equipment purchased during the last three months of operation. The above listed material was catalogued as supplies on hand.

The project's final MF-104 report contained an entry "credit to supplies on hand of $542.92" which made up the remainder of the full amount of the loan.

As noted from the report there are some remaining unexpended operating supplies (rail, pipe, venilation tubing and connectors) that should be sold by the operators for the joint account of the Government and operator.

DEPARTMENT OF INTERIOR
BUREAU OF MINES
REGION III
RECEIVED

JAN 1983 AM

SAN FRANCISCO, CALIFORNIA

UNITED STATES
DEPARTMENT OF THE INTERIOR
OSCAR L. CHAPMAN, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION III

FINAL REPORT

CONTRACT: Idm-E-201

DMA-145X, Grand Deposit Mine
White Pine County, Nevada

(lead, zinc, copper)

by

D. C. Arnold and D. C. Laub, Geologists
U. S. Geological Survey

January 15, 1953

GEOLOGIC REPORT

DOCKET DMA-145X, GRAND DEPOSIT MINE

WHITE PINE COUNTY, NEVADA

Introduction

The Grand Deposit Mining Company has expended all of the funds allotted under contract Idm-E-201 for exploration at the Grand Deposit Mine, White Pine County, Nevada. December 16, 1952, D. C. Arnold and D. C. Laub of the U. S. Geological Survey examined the property to determine whether any discoveries had been made, and if the exploratory program had adequately explored the ground outlined in Docket DMA-145.

The workings of the Grand Deposit mine are in the footwall of the Grand Deposit fault in limestone of Cambrian age. Most of the ore bodies discovered on the 500 and 600 levels were residual bodies of lead carbonate and iron oxides coating the walls and partly filling open fissures, and as oxidized lead-zinc replacement deposits near large fissures in a thin-bedded limestone unit that strikes northeast and dips northwest in the mine area.

Results of Exploration

The Grand Deposit project was outlined to explore the thin-bedded limestone unit on the 800 level and to test the possibilities of ore bodies being present in the hanging wall of the Grand Deposit fault.

The exploratory program consisted of two projects, both on the 800 level: Project No. 1—explore the thin-bedded limestone unit crosscutting northwestward along the mineralized fissure at the end of the 800 level drift; Project No. 2—a 200-foot diamond drill hole to explore the hanging-wall block of the Grand Deposit fault (fig. 1).

Project No. 1: Exploratory work consisting of 450 feet of crosscutting and 40 feet of raising was completed under Project No. 1. The first 155

feet of crosscut was driven northwest along the mineralized fissure at the end of the 800 level drift. Initially it was planned to follow the fissure northwestward, into the favorable thin-bedded limestone unit, but when the strike of the fissure changed towards the northeast, it was decided that the crosscut should continue northwestward to explore the favorable limestone rather than follow the fissure. The additional 295 feet of crosscut that were driven after leaving the fissure encountered only one lead-zinc showing. This showing, a small fissure striking N. 40° E. and dipping 20°SE., was cut at 245 feet. After continuing the crosscut 50 feet beyond the small fissure, without making any new discoveries, the remaining funds were used to put up a 40-foot raise to explore the fissure above the level. The fissure was not cut in the raise; presumably it was too weak to continue up dip for more than a few feet. This work completed Project No. 1, the results of which are summarized below:

> The fissure that was explored with the first 155 feet of crosscut contained about 10 tons of residual lead carbonate ore. The lead carbonate occurred with iron oxide on ledges and floors of small caves along the fissure. Exploration along the strike and up the dip of the fissure would probably yield a few hundred tons of ore.

<u>Project No. 2:</u> The 201-foot diamond drill hole in the hanging wall of the Grand Deposit fault did not encounter any lead or zinc minerals.

DDH (logged by Paul Lyon, Jr.) Bearing S. 40° W. Inclination ↓2° (fig. 1)

From	To	Feet Drilled	Feet of Core Recovered	Rock Type
0	2	2	2	limestone
2	21	19	17	limestone
21	55	34	34	limestone
55	92.5	37.5	36	limestone
92.5	100	7.5	5.6	limestone
100	130	30	25.5	limestone & andesite
130	150	20	17	andesite
150	178.5	28.5	27.5	andesite
178.5	201	22.5	20	andesite

Total depth 201 feet — 91% core recovery.

Ore Reserves

About ten tons of lead carbonate ore averaging 9 percent lead was mined from the fissure. This ore was in the ore bin at the mine at the time of our visit. Twenty tons of indicated ore of about the same grade still remains in the fissure. A few hundred tons of ore of the same grade may be inferred along the fissure to the northeast and above the 800 level in the thin-bedded limestone unit.

		Grade
Proved Ore	10 tons	9% Pb
Indicated Ore	20 tons	9% Pb
Inferred Ore	300 tons	9% Pb
TOTAL	330 tons	

It is doubtful that ore of this grade can be shipped profitably at the present price of lead ore. If the ore bodies are mined by lessees familiar with oxide ores, however, they may be able to selectively mine ore of substantially higher grade that can be shipped profitably.

Conclusions

Work done under contract Idm-E-201 adequately tested the blocks of ground outlined in DMA Docket 145. The crosscut and raise explored the most favorable part of the thin-bedded limestone and the hanging wall of the Grand Deposit fault was explored by a drill hole.

The fissure explored by the first 155 feet of crosscut contains low grade lead ore. The measured and indicated reserves total about 30 tons, but an additional 300 tons may be inferred along the strike and up dip from the showings discovered on the 800 level. The outlook for the production of a significant tonnage from these showings is not promising, but the operators or lessees may eventually ship a small tonnage.

DEPARTMENT OF INTERIOR
BUREAU OF MINES
REGION III
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SAN FRANCISCO, CALIFORNIA

C O P Y

GRAND DEPOSIT MINING COMPANY
409 Ness Building
Salt Lake City 1, Utah

November 21, 1952

Refer: DMA 145X
Idm-E201

FINAL ENGINEERING REPORT

This is a report of work done at the Grand Deposit Mine under the DMA contract, and geological information pertaining to the project. The attached map is part of the report.

Timbering and repair in the shaft was held to the minimum necessary to maintain a safe condition of the hanging wall and to enable skip to hold to the track while being hoisted. The work consisted in replacing ties and in removing loose rock and installing sets of timber.

The completion of the return air course between the 800 and 600 levels provided adequate ventilation to the 800 drift. The air course was completed at low cost, considering the foul air and difficult conditions under which the work was done; one man was overcome by poisonous fumes, but, fortunately, he was rescued promptly. The work consisted of rehabilitating and enlarging 139 feet of inclined raise that leasers had driven on a mineralized shoot (form which they shipped ore), and driving 90 feet of new raise from there to the 600 level. Twenty feet above the original 139-foot raise, a fault was encountered; this fault was nearly flat and had a throw of 60 feet, the top part having moved S. 50° E. relative to the lower part, so that the bottom of the 600 winze was 60 feet SE. The raise was completed, 70 feet of inclined raise to the 600 level, making a total of new and rehabilitated raise of 229 linear feet. Work was slow because of difficulty of access.

The 800 level drift was commenced by driving N. 35° W. along the mineralized fissure. This fissure had been explored previously 75 feet southeasterly and approximately 40 feet below the 800 level, however that was and is no longer accessible due to filling. The fissure contains much iron oxide and some cerrusite. The open fissure pinched quickly to a tight fault (or joint) in the limestone for 23 feet, then the fault opened slightly to include limonite for 11 feet, following which it became tight again, but still containing some limonite for 13 feet, and now bearing N. 45° W. The drift then encountered a "filled cavity" for 17 feet; it contained strong ferric and ferrous iron mineralization, cerrusite, malachite, auricalcite, and oxidized zinc mineral (24 % zinc); the pocket was mined 15 feet above the drift level, 10 feet below, after which it was filled to grade.

OPERATOR'S FINAL REPORT

The pocket (end of which was 56 feet from beginning of drifting) was a turning point in the drift. The original fault faded and the drift proceeded N. 16° W. through loose altered limestone along a mineralized zone for 85 feet. There was at least two feet of strongly mineralized rock in the drift for the entire distance, and sometimes more. This mineralized material contained much lead, zinc and copper, but little of it could be saved because of lack of storage facilities on the level. An assay of 35 tons of waste from the drift was: Lead 4.0%, Zinc 9.8%, Copper 0.70%, and approximately 35% iron.

A narrow solution cave was encountered on the west side of the drift in this area; the cave was accessible to approximately 50 feet above the drift; it contains considerable cerrusite and some galena, but is too small to mine. The cave material was dangerously loose and it had to be timbered to keep it from clogging the drift (with ore). A sample of cerrusite from the cave assayed: Lead 63.4%, Gold 0.19 oz., Silver 3.4 oz., Copper 0.12% and insoluble 0.8%. A showing of copper ore in the bottom of the drift in the same area assayed: .005 oz. gold, 1.8 oz. silver, 19.75% copper, 1.2% lead and 3.4% zinc. There was considerable oxidized zinc material in the drift, assaying from 10% to 25% zinc.

At the end of this part of the drift, a fault was encountered. This fault was N. 20° E., dipping 85° SE.; it was mineralized, but since its strike was near the strike of the limestone beddings, it was not felt that it would be wise to drift along it. A 22-foot crosscut was driven to intersect the fault originally followed, however the fault was not seen, or at least it was not significant enough to drift along.

It was decided that the drift should be turned to a bearing of N. 50° W. to crosscut the limestone beddings and to reach the thin-bedded limestones at the nearest point. The drift was continued in this direction until the 450 feet of drift authorized by the contract were completed. A number of faults were encountered in this part of the drift, some of which were slightly mineralized (see map). The fault 60 feet below the 600 level (encountered in the air raise) and the other faults in the drift moved the sought-for favorable thin-bedded limestones farther away, so that they were not found in the drift (they would have been encountered at about the present face if there had been no faults). We felt that it would have been wise to continue the drift ahead until funds were exhausted, but this was not possible under the contract.

A raise was driven from the end of the drift N. 50° W. at a 50° incline to crosscut the beddings and intersect the last fault encountered in the drift. The raise was stopped at 42 feet because all funds provided for the contract had been exhausted. The face of the raise was in dense light-grey limestone containing traces of limonite.

Except as already stated, no favorable showings were encountered. Traces of sheelite were found near the last fault in the drift.

The diamond drill hole was driven 201 feet into the hanging wall of the shaft as provided in the contract. The hole was drilled on the advice of the government whose idea it was originally. It was drilled S. 40° W. approximately level, with over 90% recovery of the core. The first 100 feet of hole were in calcareous breccia containing some igneous fragments. The next 101 feet were in andesite, except the first few feet of it were in andesite porphyry. There was a fault indicated at 137-139 feet. There was no mineralization indicated in the hole.

Except as stated above that it would have been better to extend the drift to a favorable showing instead od driving the raise where it is and doing the diamond drilling, we feel that the work has been done according to good mining and exploration practice.

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[illegible] 29 AM [illegible]

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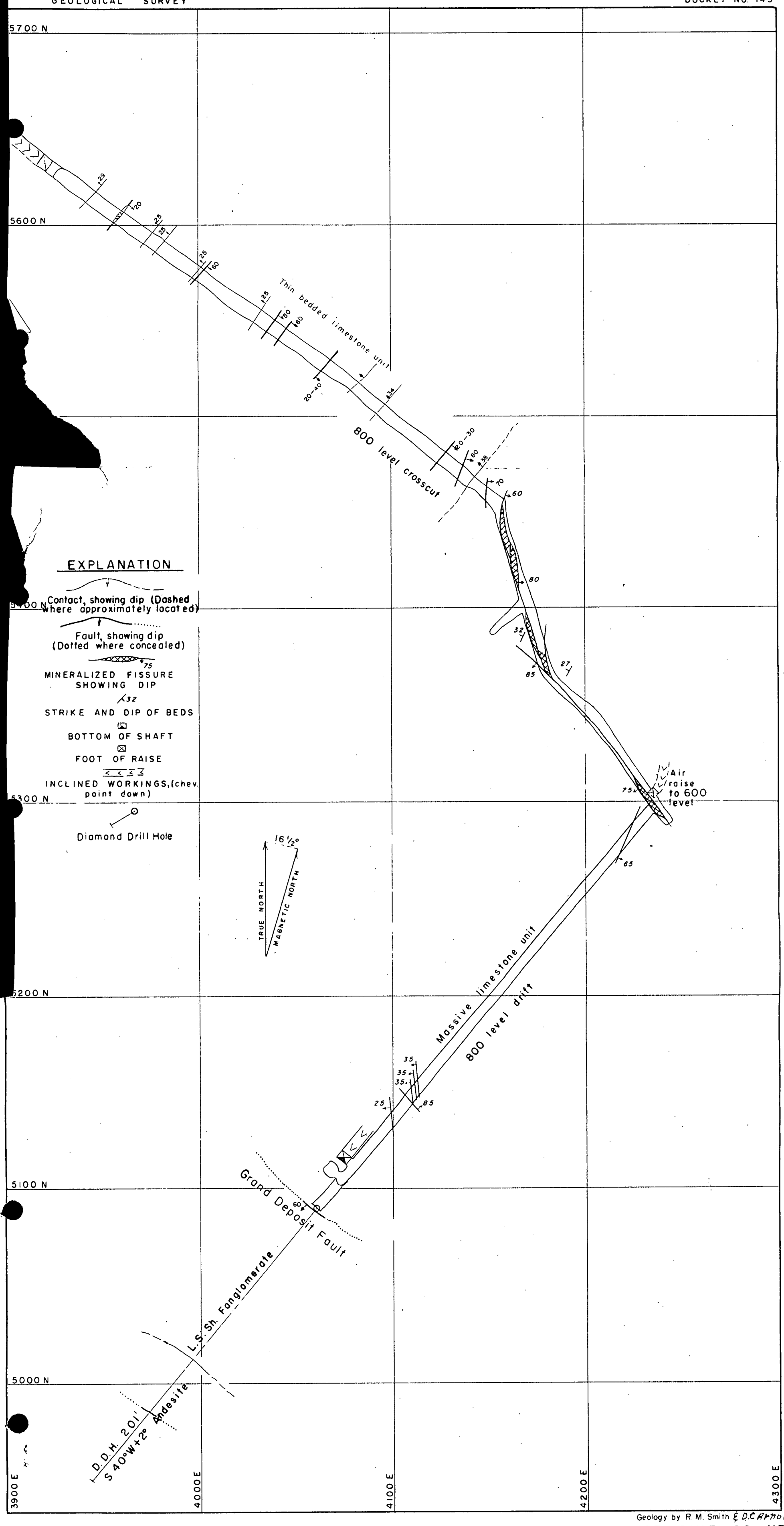

Geology by R. M. Smith & D.C. Arnold

FIG. 1 GEOLOGIC MAP OF THE 800 LEVEL, GRAND DEPOSIT MINE, WHITE PINE CO., NEV.

0 40 80 FEET
Scale

MF-500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE 12/23/52

REFERRED TO:

1. Mr. Chambers, Rm. 2612
2.
3.
4.

FOR:

..... Action	..... Recommendation
..... Approval	..... Record of .....
..... Comment	..... Referring to .....
..... Conference	..... Reply for signature of .....
..... Consideration	..... Rewriting
..... Filing	..... Signature
..... Instructions	..... Suggestions
..... Investigation	..... Your information
..... Initials	
..... Mailing	
..... Previous correspondence	

REMARKS: We have rec'd no notice of Termination of contract. Original of letter sent to Mr. Keating. HB

Check (X) before the items needing attention.

Frank E. Johnson
(FEJ) *Initials of sender.*

GPO 16—63815-1

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

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Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

December 17, 1952

Memorandum

To: Frank E. Johnson, Chairman, Operating Committee, DMEA, Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMA-145 (Lead-Zinc), Contract Idm-E201, Grand Deposit Mine, White Pine County, Nevada

Your subject letter, dated November 19, was referred to A. C. Johnson, Chief, Mining Division, Region III for comment and recommendations.

I now have a reply from Mr. Johnson, dated December 9, in which he states:

"Work on this DMEA project was terminated on November 19 with the expenditure of the allotted $26,400.00. No significant discovery was made by the exploration and no further consideration of the project is warranted. It is recommended that the contract be terminated with the exhaustion of the funds.

"The final report on this project is in the process of preparation, but following is a brief summary of work completed between Nov. 2, 1951 and Nov. 19, 1952:

1. Repair and partial replacement of some timber sets in the shaft.

2. Enlarging, straightening, and continuing an air raise from the 800- to the 600-foot level.

3. Drifting 450 feet northwesterly on the 800-foot level.

4. Raising 40 feet from the end of this drift.

5. Crosscutting 14 feet from the 800-level shaft pocket to establish a diamond drill station.

6. Drilling a 201-foot, flat hole, S. 43° W., into the hanging wall of the Grand Deposit fault."

We trust that the above answers your questions satisfactorily.

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Copy to: E. H. Bailey, USGS

11/17/57. Jasper Robinson has examined this property.

K.

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Keating
Betty

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

Date: Dec. 12, 1952

Memorandum

To: Operating Committee, DMEA, Interior Bldg., Washington 25, D.C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Interim Inspection Report

Attached are four copies of Interim Report on -

Docket DMEA 145X

Contract Idm-E 201

Commodity Lead-Zinc

Operator - Grand Deposit Mining Co.

Property - Grand Deposit Mine
White Pine County, Nevada

By Henry W. Jones, Mining Engr.

Dated Nov. 21, 1952

H. C. Miller
H. C. Miller
Executive Officer
DMEA Field Team, Region III

Attachment

Copy to: Finance Officer, Region III (With one copy of report)

E. H. Bailey, USGS (With one copy of report)

Department of the Interior
Bureau of Mines

INTERIM REPORT

Docket No.: DMA-145X (lead-zinc) Nov. 21, 1952

Name and address of operator: Grand Deposit Mining Co.,
409 Hess Bldg.,
Salt Lake City, Utah

Name and location of property: Grand Deposit Mine, White Pine Co., Nev., 67 miles by road northeast of Ely, Nev.

Contract No.: Idm-E201

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

The Grand Deposit mine was inspected by an engineer of the Bureau of Mines on Nov. 5, 1952 to check the work progress under the DMEA exploration project.

Progress during the period comprised the establishing of a 14.3 foot crosscut beyond the shaft pocket on the 800-foot level. 201feet of diamond drill hole was driven from the back of this crosscut on a S43°W heading and an approximate flat dip. The core was logged and the log is included in this report. No mineralization was encountered and no samples were taken.

A ventilating system and blower was installed to the end of the 450-foot drift.

The project was terminated at the end of the month of October because of lack of funds. The operator's report is to be submitted within the month.

STATEMENT OF WORK COMPLETED

The Grand Deposit mine was inspected by an engineer of the Bureau of Mines on Nov. 5, 1952 to check the work progress under DMA Contract

Idm-E201. The mine was temporarily shut down but Don Miller, contractor, accompanied the engineer and ran the hoist while an inspection was made of the 800-level.

Work comprised the establishing of a 14.3 foot crosscut beyond the 800 level shaft pocket or an advance of 10.3 feet since the last inspection of Oct. 8. (No recommendation was requested or granted for this work).

Diamond drilling was contracted by Nickels & Thompson Drilling Co. of Boise, Idaho. The drilling started on Oct. 19 and was completed on Nov. 1, 1952. The hole was driven 201 feet on a S43°W heading with a plus 1° grade raise from the back of the stub drift. The core was logged by the Government engineer and is included with this report. Sludges were saved and supplemented the core whenever recovery was poor. No mineralization was encountered.

A 12-inch pipe, and blower system was installed to the end of the 450-foot drift from the air raise. No other work was completed on the raise since the last visit.

COMMENTS ON PROGRESS

Very little work was completed during the first part of the month. Repairs on the equipment, and the installation of the ventilating system in the workings comprised the work until the diamond drilling program went into effect.

No mineralization was evidenced and no samples were taken.

DISCUSSION

The project was terminated at the end of the October period because of lack of funds. The 200-feet of diamond drilling was completed but no further work was done on the raise at the end of the 450-foot drift.

It was noted on the report submitted by the operator that diamond drilling costs as reported on Form MF-104A amounted to $1,912.96. The contract permitted a cost of $5.00 a foot for a 200-foot drill hole, thus an over charge of $912.96. The same charge was entered on the (MF-104 Rev.) form at $793.95. There was no explanation of the discrepancy. (Reported to Recorder)

There was no allowance on the contract form to cover the cost of the 16-foot (reported) crosscut for a drill station. Measurements determine the distance to be 14.3 feet. If the drilling and drifting on the 450-foot drift were carried on simaltaneously, it would have been necessary to establish the crosscut and costs should have been allowed for this purpose. The drifting on the 450-foot level was terminated, however, and no further work was done on that heading.

The final report is to be submitted by the operator within the month.

Henry W. Jones

Henry W. Jones
Mining Engineer

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BUREAU OF MINES
REGION III
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SAN FRANCISCO, CALIFORNIA

Diamond Drill Hole Log

Diamond drill hole at 800 level shaft pocket. Grand Deposit Mining Co., contract Idm-E201, strike S43°W dip plus 1 degree.

Feet From	To	Size	Description
0	2	BX	Brecciated, recemented limestone, containing inclusions of igneous rocks.
2	6	AX	Do
6	10		Do
10	15.5		Brecciated, recemented limestone, white inclusions of bleached igneous rocks, some green talc.
15.5	21		More solid limestone, less brecciation noticed.
21	24		Do
24	29.5		24-25.5 feet dark limestone; 25.5 - on lighter brecciated limestone smaller white bleached inclusions.
29.5	34.5		Lighter brecciated limestone, smaller white bleached inclusions.
34.5	39		Do
39	45		Do
45	50		Do
50	55		Do
55	60		Do
60	65		Do
65	70		Do
70	75		Do; slightly harder, better recovery.
75	80.5		Do
80.5	85.5		Progressively lighter brecciated limestone, light greenish streaks, and bleached areas.
85.5	86.5		Do
86.5	92.5		Very light limestone matrix, light green spots and streaks intermingled within the bleached areas.
92.5	95		Do
95	100		Badly broken core, poor recovery, water course intersected within this zone.
100		EX	Started EX core. Cased with AX to this point.
100	101.5		Very fine grained limestone matrix, highly silicified.
101.5	103.5		Do; small bleached inclusions, hairlike seams cutting formations.
103.5	109		Do
109	114		109-112 Do 112-114 almost black, highly silicious porphyritic material. Andesine crystals throughout a type of basalt; partial assimilation of limestone inclusions.
114	119.5		Do

Feet From	To	Size	Description
119.5	124.5	EX	Dark siliceous porphyry, slightly broken with many parallel hairlike seams. Occasional white inclusions.
124.5	130		Do
130	139		Dark siliceous porphyry, occasional white inclusions. 138-139 Gouge or very soft material; no core recovery.
139			10-foot core barrel used.
139	150		Dark siliceous porphyry, occasional white inclusions; calcite faces on seams.
150	156		Do
156	167.5		Do
167.5	178.5		Dark siliceous porphyry; 176-177 light green stains in bleached zone.
178.5	185		Do; green ribbon effect in bleached areas; occasional calcite seams.
185	190		Do
190	201		Nearly black siliceous porphyry; little to no inclusions; occasional calcite seam.

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REGION III
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SAN FRANCISCO, CALIFORNIA

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SURNAME:

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UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C. NOV 19 1952

Keating
Miller

AGKeating/bjl (written 11/18/52)
Copy to: Docket
Admr. R. File
Op. Committee
H. F. Keller (2)
A. G. Keating
Mr. Bishop
Mr. McKnight
Chron.

Mr. H. C. Miller, Executive Officer
DMEA Field Team, Region III
1012 Flood Building
870 Market Street
San Francisco 2, California

Re: Docket No. DMA-145 (Lead-Zinc)
Contract No. Idm-2201
Grand Deposit Mine, Nevada

Dear Mr. Miller:

This will acknowledge receipt of an interim report on the above-named project dated October 23, 1952. We note that it will not be possible to complete the work outlined by the terms of the contract with the remaining balance of funds available, $2,913.00. The report indicates that ventilation will have to be provided if further work is to be continued in the raise at the face of the drift, and if the diamond drilling program is to be accomplished with the present available funds, then work on the raise will have to be terminated.

If the project warrants further consideration, we suggest that immediate attention be given to an amendment to provide additional funds necessary to carry out the required work with a corresponding extension of time. If the project does not warrant these considerations, then the contract should be terminated upon exhaustion of the funds.

We will appreciate your recommendations regarding this matter.

Sincerely yours,

(signed) FRANK E. JOHNSON

Chairman, Operating Committee

F.E.J. 11-19-52

APPROVED:

J. H. Hedges
Member, Bureau of Mines

A. R. Tinkel, Jr.
Member, Geological Survey

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Defense Minerals Administration
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UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

Date: October 28, 1952

Memorandum

To: Operating Committee, DMEA, Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Interim Inspection Report

Attached are four copies of Interim Report on -

Docket DMEA 145X

Contract Idm-E 201

Commodity Lead-Zinc

Operator - Grand Deposit Mining Co.

Property - Grand Deposit Mine, White Pine County, Nev.

By Henry W. Jones

Dated October 23, 1952

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Attachment

Copy to: Finance Officer, Region III (with one copy of report)
E. H. Bailey, USGS (with one copy of report)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
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INTERIM REPORT

Docket No.: DMA-145X (lead-zinc) October 23, 1952

Name and address of operator: Grand Deposit Mining Co.,
409 Hess Bldg.
Salt Lake City, Utah

Name and location of property: Grand Deposit Mine, White Pine County, Nevada, 67 miles by road northeast of Ely, Nev.

Contract No.: Idm-E201

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

The Grand Deposit mine was visited by a representative of the Bureau of Mines on Oct. 8, 1952 to check the work progress under the DMA exploration contract.

Progress during the period comprised the extension of the crosscut the required 450 feet, an advance of 22 feet. A 57 degree raise was also driven from the end of the crosscut, a distance of 28.5 feet, to intersect the favorable limestone beds. Preliminary steps were taken toward the establishing of a diamond drill station beyond the shaft pocket on the 800-foot level.

No ore or mineralization was encountered in any of the latter workings. No samples were taken.

1. If further work is to be completed on the raise at the end of the drift, the company should install a ventilation system at their expense to safeguard the employees health and speed up operations. Gas in the raise and at the end of the drift makes working conditions intolerable for a period of 24 to 36 hours after each round.

2. The company should submit a request for a contract amendment to cover the cost of driving a small stub drift beyond the shaft pocket for a diamond drill station. Present conditions prohibit the simultaneous work on the raise and a drilling program without the establishing of a drill station off the mine tracks.

STATEMENT OF WORK COMPLETED

The Grand Deposit mine was visited by an engineer of the Bureau of Mines on Oct. 8, 1952 to check the work progress under DMA contract Idm-E201. The engineer was accompanied by Don Miller, contractor. Work since the last inspection on Aug. 5, 1952 comprised the extension of the crosscut the full 450 feet required distance, an advance of 22 feet. A steep raise was also driven in accordance with Bureau of Mines and U. S. Geological Survey recommendations from the end of the crosscut at an angle of 57 degrees, a distance of 28.5 feet in order to intersect favorable middle limestone beds.

A 4-foot round was placed to the southwest of the 800-foot shaft pocket as a preliminary step in the establishing of a diamond drill station at the end of a 20-foot stub drift. The waste water from drilling operations is to be piped beyond the pocket and allowed to run down the shaft.

COMMENTS ON PROGRESS

Work was suspended on the mining operations of the mine during the first part of September awaiting the Government's approval of extending the raise at the end of the 450-foot crosscut to cut the bedding planes.

The extremely gaseous condition and the poor ventilation at the end of the crosscut and raise discourages and slows work.

No ore or mineralization was observed in any of the latter workings.

SAMPLING AND ASSAYING

The analysis of a sample, taken by R. R. Trengove, engineer of the Bureau of Mines during his visit on Aug. 5, 1952, gave the following results: 0.8% Pb, 0.7% Zn, and 0.01% Cu. This sample was taken across a 12-inch width of a slightly mineralized zone at the 405-foot mark in the crosscut.

DISCUSSION

The operator's monthly report for September indicates the raise had been driven a distance of 25 feet. Measurements show the distance to be 28.5 feet, an error of 3.5 feet in their measurement. (This was not charged to the contract). Total expenditure for the month of September is $984.79 for a total advance of 25 feet in the raise. This would cost $39.39/foot, an excess of $9.39 per foot above the stipulated contract rate. An additional 75 feet of raise at this rate would cost $2954.25. Total estimated cost of the program is $26,400. Total expenses now amount to $23,487 or a balance of $2,913 available. This additional raise would run over the total cost of the contract by $41.25, not taking into consideration the cost of the diamond drill program.

It is therefore evident in order to stay within the contract price, the raising should be held in abeyance until the diamond drill

program is completed or the raising terminated at a footage which would allow for the additional cost of the diamond drilling.

Henry W. Jones

Henry W. Jones

DMA 145 - Grand Deposit Mining Company

Mr. Robertson of Production Expansion Division was down to briefly discuss with me DMA 145. Place this note in our file docket on this subject. He pointed out several confusing references in the docket that he wanted to refer back to the Lead-Zinc Branch. It was agreed that he would return the docket to the Lead-Zinc Branch with a memorandum outlining his questions. We will rewiew the docket and give whatever reply is appropriate.

When this docket appears please let me know.

FILE COPY
SURNAME:

ECC

Talbert
Chambers

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

Mr. George Mayer
DMEA Auditor
c/o Mr. H. C. Miller
1012 Flood Building
870 Market Street
San Francisco 2, California

OCT 8 1952

Re: Docket No. [illegible]-1454
Contract No. [illegible]-1201
Grand Deposit Mining Company

Dear Mr. Mayer:

Reference is made to your letter of October 2, 1952, relative to the refund of state and county gasoline taxes involved in the audit of the referenced project.

The Government, as a general rule, has a pro-rata interest in any refund applicable to the approved costs of an exploration project to which it has contributed. Accordingly, if the Nevada and California laws provide for the refund of taxes on gasoline used for non-highway purposes, the project Operators should be held accountable therefor.

In the enforcement of this accountability, a certain amount of judgment must necessarily be exercised. In the referenced example the gasoline consumption represents a considerable volume and the refund, therefor, very definitely is for consideration. However, in many cases only a relatively small amount of gasoline is used, as for example in the operation of a single compressor, and therefor application for a refund may not be worth the trouble and expense involved. We may, in such cases, very well concur with the Operator's findings.

Sincerely yours,

(Signed) J. L. Chambers

cc 10-8-52

Jay L. Chambers, Chief
Contract Administration and
Audit Division

WWalbert/wb
October 7, 1952

Copy to: Mails & Files
Admr. Reading File
Mr. Hull
Mr. Brading
Mr. Finch
Mr. Chambers

145

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See

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Washington 25, D. C.

Keating
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Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

October 7, 1952

Mr. Paul C. Lyon, Jr.
Grand Deposit Mining Company
409 Hesp Building
Salt Lake City, Utah

Re: Docket DMEA-145X (Lead-Zinc)
Contract Id-7201
Grand Deposit Mining Company
Grand Deposit Mine
White Pine County, Nevada

Dear Mr. Lyon:

An examination of your contract indicates the impracticability of requiring complete documentation of the costs incurred as reported on Form MF-104 (Rev.) and 104A, Monthly Progress Reports. Therefore, consistent with authority delegated the Executive Officer, DMEA Field Team, Region III, we hereby waive the requirement for you to provide documentary support of the monthly report, except for support of equipment purchases.

In lieu of documentary support of the monthly report, G. Mavor, Auditor, Contract Administration and Audit Division, DMEA, will make interim audits of your records, and will make a final audit on completion or termination of the contract before the final report is processed for payment.

Sincerely yours,

H. C. MILLER

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Copy to: DMEA, Interior Bldg., Washington 25, D. C. (2)
Jay V. Chambers, DMEA, Interior Bldg., Washington 25, D. C.
B. H. Pelley, USGS
G. Mavor, DMEA, San Francisco, Cal.
A. C. Johnson, Reno, Nevada

DOCKET COPY

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 13 1952

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Bldg.
870 Market St.
San Francisco 2, Calif.

Oct. 7, 1952

Memorandum

To: Operating Committee, DMEA, Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-145 (Lead-Zinc-Copper), Contract Idm-E201 Amendment No. 1 Grand Deposit Mining Company

Attached are the original and two copies of Amendment No. 1, dated October 1, 1952, made in connection with subject contract.

A justification sheet is attached to each copy of the amendment.

Proper distribution has been made of the remaining copies of the amendment.

H. C. Miller
Executive Officer, DMEA Field Team
Region III

Attachments

Copy to: E. H. Bailey, USGS
A. C. Johnson, Reno (With Field Engr.'s copy of Amendment)
Finance Office (With Finance Officer's copy of Amendment

cae 10-13

OCT 3 52

1012 Flood Building
San Francisco 2, California

October 2, 1952

Mr. Jay L. Chambers, Chief
Contract Administration & Audit
Division
Defense Minerals Exploration Adm.
Interior Building
Washington 25, D. C.

Re: Docket No.DMA-145X
Contract No. Idm-E201
Grand Deposit Mining Company
Salt Lake City, Utah

Dear Mr. Chambers:

An audit has been made of subject contractor's records for the period November 2, 1951 through July 31, 1952 and you will find attached hereto two (2) copies of Audit Report and three (3) copies of Audit Certificate for further distribution by your office.

There were no irregularities disclosed during the audit other than payroll taxes not claimed by contractor amounting to $61.00. The omission of this cost will be absorbed by contractor.

The contractor made application for Motor Vehicle Tax Refund with the State of Nevada, based on following usage and rates:

Date Filed	Vendor	Usage	Gals	Rate	Refund
July 1952	Richfield Oil Co.	Mine Hoist & Compressor	1200	.04	$48.00
"	"	"	1200	.015	18.00
		Total claim			$66.00

The Nevada State Tax on gasoline is 4 cents per gallon and the County Gasoline Tax is 1-1/2 cents per gallon. When refund is received a credit will be passed on to contract supply account. This is the first instance I have found where the contractor has filed such a claim against the State of Nevada. I would like to obtain your opinion as to whether this type of refund is within the terms of the contract and, if so, should other contractors operating in Nevada and California be held accountable for such tax refunds. The refund is based on gasoline consumed in stationary mine equipment and not consumed in motor vehicles.

Sincerely yours,

"(SIGNED) CHARLES MATSON"

Auditor

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

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

Keating
Betty

September 22, 1952

Mr. Paul C. Lyon, Jr., Engineer
Grand Deposit Mining Company
409 Ness Building
Salt Lake City 1, Utah

Re: Docket DMA-145X (Lead-Zinc)
Contract Idm-E201
Grand Deposit Mining Company
Grand Deposit Mine
White Pine County, Nevada

Dear Mr. Lyon:

Your letter, dated September 16, 1952, requesting a two-months' extension of time under the captioned contract is acknowledged. In view of my letter to Mr. Paul C. Lyon, President, Grand Deposit Mining Company, dated September 11, we see no reason for the proposed extension of time. We note in our engineer's Interim Report, dated August 11, that when he visited your property on August 5, the drift on the 800-foot level had been advanced to a distance of 428 feet. As your contract is for driving the drift a distance of 450 feet, the drift by this time must have reached the objective, as you have had more than a month to drive the remaining 22 feet.

There had been no favorable mineralized showings in the drift at the time the property was inspected on August 5, and unless ore has been discovered in the 22 feet remaining to be advanced at that time, there is no need for the 100-foot raise.

Is it still your intention to diamond drill 200 feet in the hanging wall near the shaft as is set out in Item 5 of the contract? If the need for this small amount of drilling still exists, why hasn't it already been done?

In view of the above, we will need more convincing evidence of the need for extending the time of the contract than we now have before we can give further consideration to your request.

Copy to DMEA, Interior Bldg, Wash.,D.C.
E. H. Bailey, USGS
A. C. Johnson, Reno, Nevada

Sincerely yours,

H. C. MILLER

H. C. Miller
Executive Officer
DMEA Field Team, Region III

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

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

September 11, 1952

Mr. Paul C. Lyon, President
Grand Deposit Mining Company
409 Ness Building
Salt Lake City 1, Utah

Re: Docket DMEA 145X (Lead-Zinc)
Contract Idm-E201, Grand Deposit
Mining Company, Grand Deposit
Mine, White Pine County, Nevada

Dear Mr. Lyon:

We acknowledge your letter, dated August 20, requesting us to revise the above-captioned exploration project contract to permit an additional 200 feet of drifting in a northwesterly direction on the 800 foot level.

A review of the reports on work done under your contract, indicates that there are not sufficient mineralized showings to warrant the additional drifting. Also it does not appear that there are sufficient funds left in your account to pay for 200 feet of additional drifting and for raising from the 800-foot level to intersect the favorable "middle" limestone beds. We cannot amend the contract to increase the total cost of the project, the aggregate total amount which the Government may pay, or the percentage of the cost which the Government may pay under the provisions of Article 13 of the contract form.

It is imperative, therefore, that your request for amending your contract to permit additional drifting be denied.

Sincerely yours,

H. C. MILLER

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Copy to DMEA, Interior Building, Washington, D. C.
E. H. Bailey, USGS
A. C. Johnson, Reno, Nevada

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

Date: August 21, 1952

Memorandum

To: Operating Committee, DMEA, Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Interim Inspection Report

Attached are four copies of Interim Report on -

Docket DMEA 145X

Contract Idm-E 201

Commodity Lead-Zinc

Operator - Grand Deposit Mining Company

Property - Grand Deposit Mine
White Pine County, Nevada

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 25 1952

By Russell R. Trengove

Dated August 11, 1952

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Attachment

Copy to: Finance Officer, Region III (with one copy of report)
E. H. Bailey, USGS (with one copy of report)

INTERIM REPORT

Docket DMA-145X - (lead-zinc) August 11, 1952

Name and address of operator: Grand Deposit Mining Company,
409 Ness Bldg.,
Salt Lake City 1, Utah

Name and location of property: Grand Deposit Mine, White Pine County, Nevada, 67 miles by road northeast of Ely, Nev.

Contract No. Idm-E201

SUMMARY AND CONCLUSIONS

This property was visited on August 5, 1952. The advance of the 800 level drift since the previous inspection on July 8, 1952 is 82 feet, making a total footage of 428 feet. The contract is for 450 feet which leaves 22 feet to complete the drifting. There has been no favorable mineralized showings to date. Unless ore is discovered in the next 22 feet of advance, there should be no necessity for a 100-foot raise, as outlined in the contract.

A slightly mineralized fault zone was encountered 23 feet back from the face of the drift which bears N. 56° W. It was 15 inches wide when first encountered at the floor of the drift and pinches down to about 6 inches where it disappears near the back. It is about 3 feet above the back at the face. A sample was taken of the mineralization - 12 inches in width - but analyses will not be available until a week or more. The drifting is still at right angles to the formation.

The proposed diamond drilling near the shaft on the 800 level could be done while the drifting is in progress provided a crosscut is

DEPARTMENT OF INTERIOR
BUREAU OF MINES
REGION III
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SAN FRANCISCO, CALIFORNIA

driven a few rounds near the shaft so as to eliminate the discharge water running into the dirt pocket. The company intends to do this drilling with a company-owned diamond drill. However, unless the contract is amended to continue the drifting beyond the 450 feet, crosscutting for the diamond drill location will not be necessary.

RECOMMENDATIONS

a. If contract is amended to continue drifting on the 800-level beyond the 450 feet in the original contract, a short crosscut could be driven near the shaft on the 800 level and the proposed 200 feet of diamond drilling in the contract could be carried on while the drifting is in progress. The discharge water from drilling operations would run directly in the shaft pocket, under present conditions, and would increase the cost of hoisting the waste material to surface.

b. No changes have been proposed in target to date.

c. Indirectly, it was learned that the operator is requesting the U.S.G.S. to examine the slightly mineralized fault encountered in the 800 level drift with the idea of requesting permission to extend the drift beyond the 450 feet in the contract.

d. Diamond drilling should start immediately upon completion of the present drifting contract so that the entire contract can be terminated as soon as possible.

WORK COMPLETED

Several timber sets in the shaft have been replaced.

Drifting on 800-foot level - 428 feet.

Crosscutting on 800-foot level - 22 feet.

Continuing raise from 800 to 600 level - 229 feet.

No ore has been discovered to date. A slightly mineralized fault zone was encountered in the floor of the drift 23 feet back from the face of the 800-level drift. This disappears in the back and is estimated to be about 3 feet above the back at the face. The mineralized zone ranges in width from 15 inches at the floor of the drift to about 6 inches where it disappears into the back of the drift. A sample was taken of the mineralization - 12 inches in width - but analyses will not be available until a week or more.

Russell R. Trengove

Russell R. Trengove
Mining Engineer

OFFICE OF THE ADMINISTRATOR

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

DEPARTMENT OF THE INTERIOR
RECEIVED
NOV 2 3 1951
Defense Minerals Administration,
Production Expansion Division.

Office of
Executive Officer
DMA Field Team
Region III

1012 Flood Bldg.
870 Market St.
San Francisco 2, Calif.

Air Mail

November 21, 1951

Memorandum

To: Frank E. Johnson, Acting Director, Production Expansion Div., Defense Minerals Administration, Washington 25, D. C.

From: Executive Officer, DMA Field Team, Region III

Subject: Docket No. DMA-145X, Lead-Zinc
Exploration Project Contract Idm-E201
Grand Deposit Mining Company

Reference is to your subject letter to me dated November 14.

Attached are the original and three copies of the above-mentioned Exploration Contract, which have been signed by Paul C. Lyon and Paul C. Lyon, Jr., president and secretary respectively of the Grand Deposit Mining Company.

One copy of the executed contract has been retained by the Operator, and the field engineer's copy has been kept in this office. We shall expect the finance officer's copy from you shortly.

S. Ricker, Acting for
H. C. Miller, Executive Officer
DMA Field Team, Region III

Nov 23 9 30 AM '51
DEFENSE MINERALS ADMINISTRATION WASHINGTON, D.C.

Attachment

Copy to: E. H. Bailey, U.S.G.S.

FILE COPY
SURNAME:

Robertson
Mittendorf (fw)

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

C. O. Mittendorf, Director
Production Expansion Division X5371
Defense Minerals Administration

1420137 Salaries and Expenses,
Defense Production Activities, Interior
1952 "100.0000 (400)"

November ~~19~~ 20, 1951

MR.PAUL C. LYON, JR.
GRAND DEPOSIT MINING COMPANY
409 NESS BUILDING
SALT LAKE CITY 1, UTAH

YOUR EXPLORATION CONTRACT DMA-145 WAS MAILED NOV. 14, 1951 TO H. C. MILLER EXECUTIVE OFFICER SAN FRANCISCO. HE WILL CONTACT YOU FOR SIGNATURE.

C. O. Mittendorf (fw)

C. O. MITTENDORF, DIRECTOR
PRODUCTION EXPANSION DIVISION
JCA

JTRobertson/jem
cc to: Reports & Records
Messrs. Mittendorf,Olund
Mr. Robertson
Docket

BL

DEPARTMENT OF THE INTERIOR
RECEIVED
NOV 26 1951
Defense Minerals Administration,
Production Expansion Division.

Admin D
Young

GRAND DEPOSIT MINING COMPANY

409 NESS BUILDING ● PHONE 3-2623 ● SALT LAKE CITY 1, UTAH

November 15, 1951

Mr. Jess Larson, Director DMA Procurement Agency
Mr. Frank E. Johnson, Acting Director, Production-Expansion Div.
Defense Minerals Administration
Washington 25, D. C.

Re: Docket No. DMA-145

Gentlemen:

It has been three weeks since we received your letter of October 24, 1951 (from Mr. Johnson) in which we were told that within two weeks, unless something unforseen were to develop, our exploration contract should be ready for signature.

We have received no reply to our air-mail letter of November 8, 1951, addressed to Mr. Frank E. Johnson. We will appreciate a prompt reply.

Very truly yours,

GRAND DEPOSIT MINING COMPANY

Paul C. Lyon, Jr.

Paul C. Lyon, Jr.

DEFENSE MINERALS ADMINISTRATION WASHINGTON, D.C.
NOV 26 9 05 AM '51

Substance of this letter and air-mail letter of Nov. 8, 1951 fully answered by our telegram Nov. 19, 1951. No further reply needed. Production Expansion Division By J. F. Johnson

McKnight

10-10-51 6/5/51 Billings Bishop

Defense Minerals Administration

Review of Application for Exploration Assistance

To: Production Expansion Division

From: Director, Supply Division

Docket No. 145X

Commodity Lead-Zinc

Total Amount $110,000 requested ~~26,400~~ recommended 27,400

Govt. Participation 50% , ~~$13,200~~ 13,700

1. Name and Address of Applicant Paul C. Lyon, President, Grand Deposit Mining Company, 409 Ness Building, Salt Lake City 1, Utah

2. Location of Property Grand Deposit Mine. Silver Mountain District, White Pine County, Nevada.

3. Mineral or metal Lead-zinc Is it listed in Section 9 of MO-5?

If not, application will be rejected.

4. Geologic probability of discovery—based on data in application (question #16, 17, 18, 20 and 22)*

Mines or Survey reports, etc., do you rate chances:

a) Good Yes, see memo with revised exploration program, submitted ~~8-1-51~~

b) Poor

c) None

d) Don't know—needs field examination

e) Is there an alternative and favorable project? (If so, attach an explanation)

5. Is the applicant's right to the property clearly stated? Yes (question 5, 6, 7)*

6. If applicant is a lessee, is a copy of the lease attached? Yes (owner)

Does the lease have sufficient time to run to cover a future productive period?

*question numbers are those of MF-103

7. Are subordination agreements necessary? No

a) MF-201? _____

b) MF-202 _____

8. From the data presented, does the proposed project appear feasible from the point of view of:

a) Available manpower Yes

b) Equipment and supplies Yes
(Question 14 plus general knowledge of availability)*

c) Accessibility (question 12)* Yes

d) Water (question 13)* Yes

e) Power (question 13)* Yes

Is a field check needed on any of these points? No

9. Does the experience of the applicant appear to be adequate to assure that he can properly conduct the proposed project? (question 4)* Yes

_____

Is a field check needed on this point? No

10. Exhibit A. (questions 21 and 22)*

a) Is the project adequately described? Yes, see Exhibit A

If not, are there sufficient data given so that you can describe the project? _____ If so, attach a draft.

b) Is there an adequate map or sketch of the proposed work? Yes

See Fig. 4 (revised) field team report

c) Is the proposed work "exploration" under the definition of Section 8, MO-5? Yes

If not, what part of it is? _____

_____

_____

_____

Is this part a worthwhile exploration project?_____

d) Are the cost estimates detailed? Yes, see exhibit A

Can they be summarized, as on page 2 of Procedural Instruction 5-A, from the available data?_____ If so, attach a draft.

e) Are the cost estimates reasonable? Yes

f) Should more information be requested from applicant? No

g) Is a field examination necessary to complete Exhibit A? No

11. Exhibit B (question 23-d)*

a) Is it applicable? No

b) If so, are sufficient data furnished?_____ If so, attach a draft.

c) Is a field check needed? No

12. Exhibit C (question 23-e, f and g)*

a) Is it applicable? Yes

b) Sufficient data?_____ If so, attach a draft. See Exhibit A

c) Are rents and charges reasonable? Yes, but all equipment listed will not be needed, full time.

d) Is a field check needed? No

13. Exhibit D (question 23-a, b)*

a) Are there sufficient data? ~~No.~~ Yes

b) Is the schedule adequate for the work proposed? Yes

c) Is the schedule excessive for the work proposed? No

d) Are the proposed wages and salaries reasonable? Yes

e) Is a field check needed? No

14. Exhibit E (question 23-c)*

a) Is it applicable? Yes

b) Sufficient data? Yes

c) Reasonable? Yes

d) Field check needed? No

15. In your judgment, can the proposed work be done in the proposed time? Yes

(All exploration must be completed within two years)

16. If field examination is not needed, attach your recommendation.
Recommended for approval. ELN GS

17. If field examination is needed, do you have any special instructions for the field team not indicated by your answers to the foregoing question?

Reviewed by: E. L. Newcomb GS

Returned herewith are:

2 Revised Exploration Prog. Memos
3 NSRB - 146
3 F. T. Reports
1 MF-103 answers

Date 10-10-51

approved
Tom Lyon

INT.-DUP. SEC., WASH., D.C. 99009

EXHIBIT "A"

1. Exploration project

The program consists of two projects, both on the 800 level: (1) exploration of mineralized fractures at the northeast end of the level, and (2) explore the hangingwall of the Grand Deposit Fault. (See Fig. 4 - revised).

Project No. 1 - Exploration northwestward along the fractures from the northeast end of the 800 level by drifting. This work will explore the ground where thin-bedded limestone and mineralized fractures intersect. In addition, 100 ft. of raising, sinking, or drifting has been allowed to explore any mineralized structures that may be encountered while driving the proposed drift.

Project No. 2 - Exploration of the hanging wall by a 200 foot diamond drill hole on the 800 level.

The total program will require about 11 months to complete as outlined in the following:

1)	Reblock and relag 10 sets in shaft, 10 sets at $100	$ 1000
2)	Enlarge and complete raise for air course from 800 level to 600 level -	
	180 feet at $10/ft.	$ 1800
	20 feet at $30/ft.	$ 600
3)	Drift on 800 level NW along vein for 450 ft. at $30/ft.	13500
4)	Raise on favorable sh~~a~~owings 100 ft at $30/ft.	3000
5)	Diamond drill 200 ft. in hangingwall - S 40° (+5°) at $5/ft.	1000
6)	Miscellaneous costs and overhead	5500
	Total estimated costs	$26,400

2. Fixtures and improvements - None

3. Operating equipment

10,000 × 11/60 = 1837	1.	Jaeger 315 cfm 2-stage air-cooled compressor with International UD-18 Diesel Enginee at $462/mo. for 11 months	$ 5,082	1837
6000 × 11/60 = 1100	1	Gardner-Denver 240 cfm compressor with Binda gasoline engine at $288/mo. for 11 months	3,168	1100
2937	1	Hendrie and Bothoff hoist, with 1200 ft of cable. Drum diameter 36 inches. Powered by		
		Carried forward	$ 8250	$ 2937

P.E.D. Corrected figures

11 Mo. Basis

PED Corrected figures

Carried fwd $2937		Brot fwd —	$ 8250.00	$ 2937
8000 × 11/60 = 1463		Minneapolis-Maline engine Mod. 206-4A. Also skip at $140/mo. for 11 months.....	$ 1,540.00	1463
$1000 × 11/60 = 187	1	Witte 10 KVA Diesel electric power plant, type LAEB at $60/mo for 11 months.....	660.00	187
$3000 × 1/60 = 50	1	Chicago-Pneumatic CP No. 5 diamond drill with pump, 250 ft. EX rods at $200/mo. for 1 month.....	200.00	50
2400 × 11/60 = 440	1	Gardner-Denver slusher hoists, double drum model HBD, with scrapers, cables, etc. at $20/mo. for 11 months.....	220.00	440
480 × 7/60 = 56	1	Gardner-Denver, S-55 jackhammer and shell, for 1 inch hex. steel at $66.50/mo. for 7 months.....	465.50	56
900 × 7/60 = 90	2	Gardner-Denver, S-55 jackhammer and shell, for 7/8 inch hex. steel at $66.50/mo. for 6 months.....	399.00	90
600 × 7/60 = 70	1	Ingersoll-Rand stoper at $66.50/mo. for 7 months.....	465.50	70
600 × 7/60 = 70	1	Gardner-Denver, M-11 stoper at $66.50/mo. for 7 months.....	465.50	70
1900 × 11/60 = 165	1	Air-driven blower and 100 ft. galvanized vent at $30/mo. for 11 months.....	330.00	165
900 × 11/60 = 165		Electric drill and miscellaneous tools at $50/mo. for 11 months.....	550.00	165
900 × 11/60 = 165	2	Mine cars, 1 ton at $26/mo. for 11 months.	286.00	165
1700 × 11/60 = 220	1	Skip, 3/4 ton at $26/mo. for 11 months....	286.00	220
Total $ 6078			$ 14 1750	$ 6078

Total rental cost for equipment owned by operator..... $ ~~15,248.00~~ incorrect addition → Work in Contract Exh. A

4. Labor and Supervision

Reblock and relag 10 sets in shaft.....	$ 500.00
Enlarge and complete raise from 800 level to 600 level.....	1,200.00
Drifting 450 ft. on 800 level.....	6,750.00
Raise on favorable showings for 100 ft.....	1,500.00
Diamond drill 200 ft.....	600.00
Total estimated labor costs	incorrect addition ~~9,550.00~~ 10,550.00
Supervising engineer at $350/mo. for 11 months	3,850.00
Total estimated cost of labor and Supervision.	$ ~~13,400.00~~ $ 14400.00

Work in Contract Exh. A

5. Rehabilitation and repairs

Reblock and relag 10 sets in shaft at $100/set	$ 1,000.00	1,000

Work in Contract Exh. A

Purchase of Equipment PED

350

FILE COPY
SURNAME:

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

Billings
Bishop
McKnight

DMA-145
White Pine County
Nevada

A. E. C.

Mr. Paul C. Lyon, President
Grand Deposit Mining Company
409 Ness Building
Salt Lake City 1, Utah

Dear Mr. Lyon:

As previously advised in my recent letter to you with reference to additional information, we have reviewed your revised exploration program and it develops that we need the following information from you:

The number and class of labor that will be required in the different stages of the project and the wages of each; also, the number and classification of supervisors and their salaries.

In the matter of enlarging and completing the raise from 800 to 600 level for ventilation, I presume you feel this will be necessary in order to carry out more efficiently the work proposed on this 800 level.

Your prompt attention in providing us this information will aid in expediting your application for final action. However, this is to assure you that we will continue further processing of your application and in the meantime will await the above information from you.

Very truly yours,

9-28

T. P. Billings, Chief
Lead-Zinc Branch

TPBILLINGS:ks

cc: Administrator
Deputy Administrator
Docket File DMA-145
Moon
2 copies to Mr. H. C. Miller Region III
Mote
McKnight
Billings

350
FILE COPY
SURNAME:

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

SEP 27 1951

Billings
McKnight
Bedford

DMA-145
White Pine County
Nevada

a.E.e.

Mr. Paul C. Lyon, President
Grand Deposit Mining Company
409 Ness Building
Salt Lake City 1, Utah

Dear Mr. Lyon:

Your letter of September 19, 1951 to Mr. Barra C. Jones, Defense Minerals Procurement Administration, has been referred to me.

Upon investigating the status of your application I find that certain additional information will be needed for further processing so we are preparing a letter to you requesting the specific information needed. Your prompt attention to supplying us the required information will expedite final action.

Very truly yours,

BJ 9-27

T. P. Billings, Chief
Lead-Zinc Branch

TPBILLINGS:ks 9/26/51

cc: Administrator
Deputy Administrator
Moon
2 copies to Mr. H. C. Miller Reg. III
Mote
McKnight
Billings
Docket File DMA-145

GRAND DEPOSIT MINING COMPANY

DEFENSE MINERALS ADMINISTRATION WASHINGTON, D. C.

SEP 21 9 20 AM '51

409 NESS BUILDING ● PHONE 3-2623 ● SALT LAKE CITY 1, UTAH

OFFICIAL FILE COPY

Sept. 19, 1951.

To	Init.	Date
350	a Ec	9-21
210		

Mr. Barra C. Jones
c/o Defence Minerals
Procurement Administration.
Washington, D.C.

DMA 1 4v

Dear Sir:

Our company filed for an exploration and ~~development loan~~ with the D.M.A. some months back.

Sp far all we have been able to get is a lot of alibis. The nation is short of copper lead and zinc, and we can soon be producing them if we can get some little help. Apparently someone is blocking our loan there.

If you will look over our application you will see that we secured an R.F.C. loan in 1942, and we were the first company to pay off its loan from production. We have a good mine and we know we can produce a lot of ore. We had a hard time to get our R.F.C. loan. The geologists and engineers were afraid our mine would not produce enough to pay off. It so happens that they were wrong 100 per cent. We have operated the mine so long that we know how the ore makes and we have never missed yet.

It is almost criminal to keep mines such as ours closed down without just cause, when the nation is having to ration metals. The college kids who examine the mines dont know what makes a mine tick. They are defeating the very purpose of the loan law as passed. It is for exploration and development, and our past record shows what we can do if given a chance.

So far the local office here says it doesnt have any information about our loan, although it has been months now. They tell us here that they recommended the loan and that our mine is the very type of mine the program is to help, but yesterday they said maybe we had better write to San Francisco to see if we can get some information about it. This seems ridiculous. Either we are entitled to a loan or to be given a good reason why we are not. We hear nothing at all. It is disgusting to us.

Mr. C.S.Woodward said you know the problems of the small mine and could possibly help bring it out to our benefit. We will be up against it for miners unless we can get started soon, as they are taking other work and leaving the mining camps.

We will be grateful for anything you can do for us.

Very truly yours

GRAND DEPOSIT MINING COMPANY

Paul C. Boyer

President

SEP 21 1951

Room 307, 320 South Main
Salt Lake City 1, Utah
7 August 1951

Mr. Erwin J. Lyons
U. S. Geological Survey
Washington 25, D. C.

Dear Erwin:

In accordance with your request by telephone on July 18, we called a conference with officials of the Grand Deposit mining company to discuss a revised exploration program. A memorandum concerning the revised program is enclosed.

In addition a list of equipment available at the mine, and a list of answers to questions on form MF-103 not answered on the form 146 previously transmitted are enclosed. If any other information is needed, we will atempt to obtain it for you.

Sincerely yours,

Roscoe M. Smith
Geologist

Room 307, 320 South Main
Salt Lake City 1, Utah
7 August 1951

Memorandum

To: Erwin J. Lyons

From: Roscoe M. Smith

Subject: Revised exploration program, Grand Deposit Mine, White Pine County, Nevada (Docket DMA-145).

In response to your request for a revised exploration program at the Grand Deposit mine, we have conferred with company officials and have worked out a new program acceptable to the company and to the examining geologists.

The revised program consists of two projects, both on the 800 level: (1) exploration of mineralized fracture at the northeast end of the level, and (2) explore the hangingwall of the Grand Deposit fault (fig. 4 - revised).

Project No. 1. Exploration northwestward along the fractures from the northeast end of the 800 level is suggested for the following reasons:

The lead-zinc ore bodies mined on the 500 and 600 levels were in the thin-bedded limestone overlying a more massive limestone encountered on the 800 level. The limestone in the mine strikes northeastward and dips from 20° to 35° northwestward. A projection of the thin-bedded limestone from the 600 level to the 800 level and the projection of the mineralized fractures encountered on the 800 level, intersect approximately 350 feet northwest from the northeastern end of the 800 level drift.

It is proposed that a drift be driven northwestward along the fractures to explore the ground at the intersection. In addition, one hundred feet of raising, sinking, or drifting has been allowed to explore any mineralized structures that may be encountered while driving the proposed drift.

Project No. 2. Exploration of the hangingwall of the Grand Deposit fault.

The hangingwall of the fault is unexplored except for one diamond drill hole on the 600 level. The main reason for confining past exploration

to the footwall block was the assumption that the hangingwall was composed almost entirely of igneous rock. As mentioned in the main report (page 3), examination of the andesite on the surface shows it to be an extrusive rather than an intrusive rock. Mr. Paul Lyon, Sr. reports that the diamond drill hole into the hangingwall on the 600 level passed through 40 or 60 feet of igneous rock, then entered limestone; this indicates that the andesite may bottom near the 800 level. Mr. Lyon also stated that considerable pyrite was found in the limestone. This may well indicate that ore minerals occur at other places in the hangingwall block.

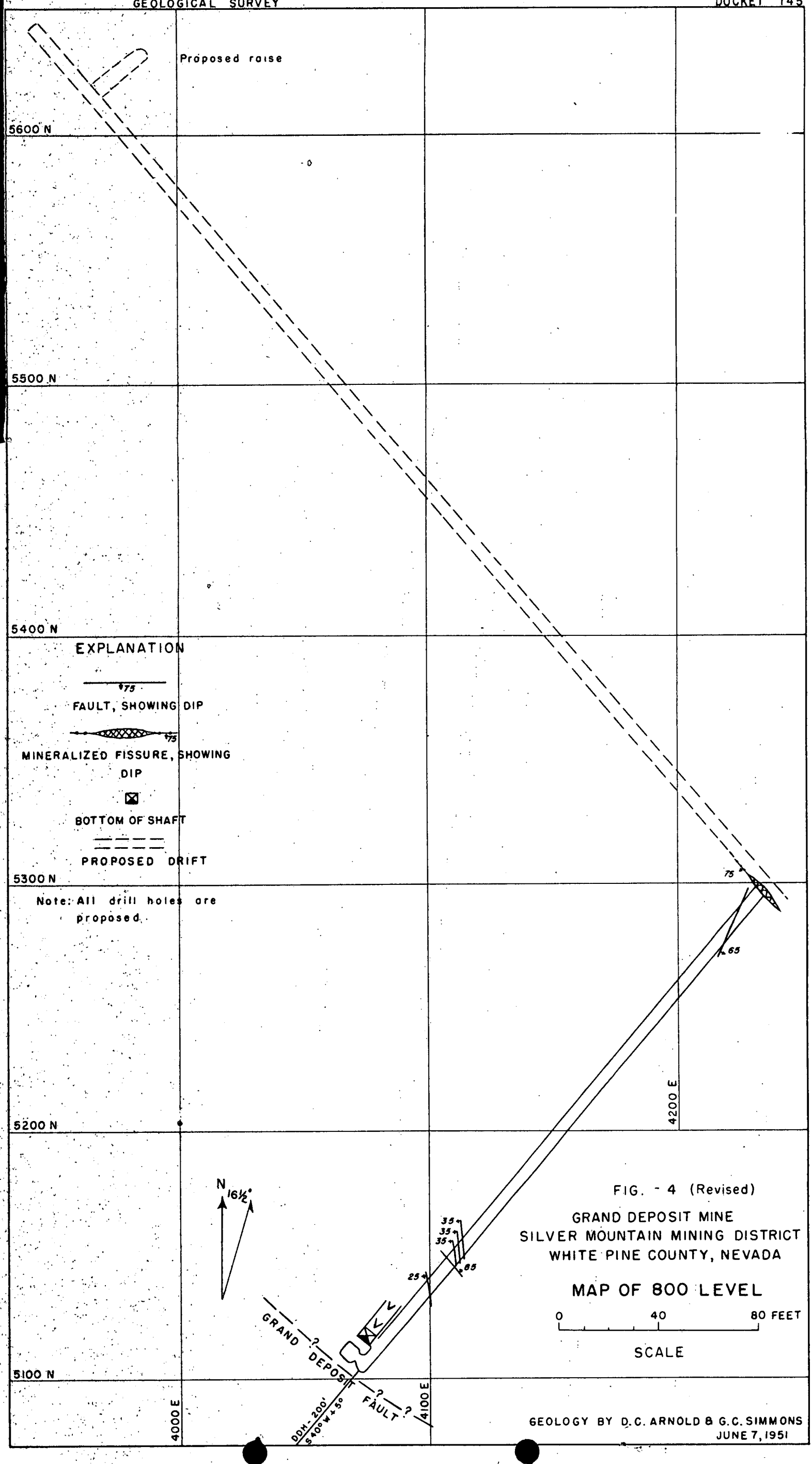
It is therefore recommended that the hangingwall be explored by a 200-foot diamond drill hole on the 800 level. It is recognized that a drilling program into the hangingwall is highly speculative and that a poor core recovery is likely. It is felt, however, that information gained from study of the sludge should indicate whether ore is present in this block.

If Projects No. 1 and No. 2 should not disclose ore of commercial grade, it is recommended that no further exploration work be considered at the Grand Deposit mine.

The revised exploration program which will require about 11 months to complete is outlined as follows:

1. Reblock and relag 10 sets in shaft - 10 sets @ $100	$1,000
2. Enlarge and complete raise for air course from 800 level to 600 level	
180 ft. @ $10.00 per foot	1,800
20 ft. @ $30.00 per foot	600
3. Drift on 800 level NW along vein for 450 feet @ $30.00 per foot	13,500
4. Raise on favorable showings 100 feet @ $30.00 per foot	3,000
5. Diamond drill 200 feet in hangingwall - S. 40° W. + 5° @ $5.00 per foot	1,000
Miscellaneous costs and overhead	5,500
	$26,400

The estimated cost figures have been discussed with Mr. A. C. Johnson, Bureau of Mines, Reno, Nevada, who agrees that the figures are in line with present day costs.


Proposed raise
5600 N
5500 N
5400 N
EXPLANATION
75
FAULT, SHOWING DIP
75
MINERALIZED FISSURE, SHOWING DIP
BOTTOM OF SHAFT
PROPOSED DRIFT
5300 N
Note: All drill holes are proposed.
75
65
4200 E
5200 N
N
16½°
35
35
35
85
25
GRAND DEPOSIT
FAULT
DDH - 200'
S 40° W + 5°
5100 N
4000 E
4100 E
FIG. - 4 (Revised)
GRAND DEPOSIT MINE
SILVER MOUNTAIN MINING DISTRICT
WHITE PINE COUNTY, NEVADA
MAP OF 800 LEVEL
0
40
80 FEET
SCALE
GEOLOGY BY D.C. ARNOLD & G.C. SIMMONS
JUNE 7, 1951

FILE COPY
SURNAME:

Herres
Wallace
O'LEARY
(FOR MOTE)
McKnight

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

July 16, 1951

DMA-145

Mr. Paul C. Lyon, President
Grand Deposit Mining Company
409 Ness Building
Salt Lake City 1, Utah

Dear Mr. Lyon:

The report on your property was received from the field office only a few days ago.

I appreciate that the summer season is going fast and that you are anxious to get your work started before winter sets in. Under the circumstances I shall be glad to do what I can to see that your project receives consideration here as soon as possible and I am hopeful that action can be taken promptly.

Yours very truly,

Otto Herres

Otto Herres, Chief
Lead-Zinc Branch

OHERRES:ks

cc: Reports & Records
Mote
McKnight
Herres
Files

Dm 2 1/45

856

Mr. Paul C. Lyon, President
Grand Deposit Mining Company
409 Ness Building
Salt Lake City 1, Utah

Dear Mr. Lyon:

In reply to your letter of December 6 to the U. S. Bureau of Mines, concerning a loan to get your mines in operation again:

I am enclosing 5 copies of NSRB Form 146, 4 copies of which should be filled out and returned to me. Your application (which is DMA-No. 145) will be referred to the field for examination when these forms are returned to us.

The Defense Minerals Administration is able to help the mine operator by recommending that the Reconstruction Finance Corporation make the loans that we have approved, and by recommending that the General Services Administration enter into purchase contracts. At the present time, all purchase contracts for zinc, copper, and lead are being made at the market price for these metals.

Very truly yours,

Otto Herres, Chairman
Lead-Zinc Committee
Defense Minerals Administration

Enclosures 5

ETMcKnight:fsg
Copies to: Mr. O. Herres (2)
Mr. McKnight
Mr. Mote (Bureau of Mines)

GRAND DEPOSIT MINING COMPANY

Air Mail

409 NESS BUILDING ● PHONE 3-2623 ● SALT LAKE CITY 1, UTAH

July 13, 1951.

Mr. Otto Herres, Chairman
Lead-Zinc Committee
Defense Minerals Administration
Wshington, 25. D.C.

Re: Docket DMA-No.145

Dear Mr. Herres:

The local office of the D.M.A. has advised us that they have recommended a loan for our mine and that the papers have been sent on to Washington ten days or so ago.

The summer season is going fast and we are very anxious to get going in opening up some new ore bodies we know to be not far from our workings. The pattern of our previous work has always brought ore and we do not think there is even a chance that we will be dissapointed. We know our mine.

If you can expidite our loan, I will be very grateful. We have arranged for funds to match the loan funds, so that work can be under way in a very few days. The first ore we expect to encounter is a good grade of direct shipping lead ore. This ore was mined above and is going down on the beds and should be picked up very soon.

Thanking you for any assistance you can render in helping to get our loan through without further delays. I am

Very truly yours

President.

PCL/11

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 16 1951
LANDON F. STROBEL
Executive Secretary

Geologist's Report June 26, 1951
Engineer's Report . . .
List of equipment
Letter of July 5, 1951

Field Team's Recommendations contained in above reports is superseded by a revised program per Memorandum Roscoe M. Smith (geologist) to Erwin J. Lyons Dated August 7, 1951

DMA-145X

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
~~XXXXXXXXXXXXXXXXXX~~

Office of
Executive Officer
DMA Field Team
Region III

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

July 5, 1951

Memorandum

To: Tom Lyon, Chairman, Coordinating Committee, Defense Minerals Administration, Washington 25, D. C.

From: Executive Officer, DMA Field Team, Region III

Subject: Docket DMA-145 - Lead-Zinc
Grand Deposit Mining Company
White Pine County, Nevada

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 9 - 1951
LANDON F. SIMOBEL
Executive Secretary

Reference is made to your subject memorandum dated May 14. Attached are four copies of a report entitled "Docket DMA-145, Grand Deposit Mining Company, White Pine County, Nevada, (Lead-Zinc)", by R. M. Smith, G. C. Simmons and D. C. Arnold, Geologists, U. S. Geological Survey, and Russell R. Trengove, Mining Engineer, U. S. Bureau of Mines, dated June 26, 1951. To each copy of that report is attached a separate and independent report prepared by Mr. Russell R. Trengove, giving some additional requested information.

Region III Field Team studied the engineer's and geologists' report and conclude that they consider steps 1 and 2 of the Survey's Program (page 7) at a cost of $10,000 to be the first objective. Although not stated in the report, it seems to us that steps 3, 4 and 5 might be desirable only if steps 1 and 2 were successful in opening up ore. We estimate on the basis of the cost of carrying out steps 1 and 2 that for steps 3, 4 and 5 the drilling of 600 feet of diamond drill hole at $10 per foot, thedrifting of 40 feet at $20 per foot and $700 miscellaneous expenses, that that part of the project would cost about $7,500, which would be in addition to the $10,000 estimated to carry out steps 1 and 2.

In looking at the project from the standpoint at what it would accomplish, we are of the opinion that proposed steps 1 and 2 would expose only a limited amount of ore and that steps 3, 4 and 5 are strictly gambles to determine if the limestone underlays the andersite south of fault. The report gives no reason for concluding that the limestone does that.

We also wish to emphasize that the deposit is known to be submarginal in grade, and that operations during the last war were

Above program discussed at a revised program. See revised program Aug 7, 1951.

JUL 11 1951

profitable only because the company was subsidized.

The Field Team goes along with the engineer's and geologists' recommendation that the requested loan be granted, but are not very hopeful that anything big will result. As the operator will have to put up 50 percent of the cost, we, perhaps, should not be too exacting for a loan.

The docket is being returned to you herewith.

H. C. Miller
Executive Officer, DMA Field Team
Region III

Attachment

Copy to: E. H. Bailey, USGS

Docket DMA-145 X

UNITED STATES
DEPARTMENT OF THE INTERIOR
OSCAR L. CHAPMAN, SECRETARY

DEFENSE MINERALS ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION III

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 9 - 1951
LANDON F. STROBEL
Executive Secretary

Docket DMA-145, Grand Deposit Mining Company

White Pine County, Nevada

(Lead-Zinc)

R. M. Smith, G. C. Simmons, and D. C. Arnold, Geologists
U. S. Geological Survey

Russell R. Trengove, Mining Engineer
U. S. Bureau of Mines

June 26, 1951

On-Site Rpt.

CONTENTS

	Page
Introduction	1
Location and Accessibility	1
History and Production	2
Geology	3
Ore Deposits	4
Ore Reserves	5
Proposed Exploration	6
Conclusions and Recommendations	8

ILLUSTRATIONS

Figure 1. Index map.

Figure 2. Map of 500 level, Grand Deposit mine, Silver Mountain Mining District, White Pine County, Nevada.

Figure 3. Map of 600 level, Grand Deposit mine, Silver Mountain Mining District, White Pine County, Nevada.

Figure 4. Map of 800 level, Grand Deposit mine, Silver Mountain Mining District, White Pine County, Nevada.

Docket DMA-145, Grand Deposit Mining Company

White Pine County, Nevada

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

Docket DMA-145, Grand Deposit Mining Company, White Pine County, Nevada is a request for a loan of $55,000 to be used to explore blocks of ground adjacent to previously mined ore bodies.

The docket was forwarded by the Field Team Region III on May 31, 1951 for review and appraisal of the proposed exploration project.

The Grand Deposit mine has a production of 25,935 tons from 1942 to 1951 that averaged 1.5 percent lead, 13.5 percent zinc, .002 oz. gold, and 1.2 oz. silver to the ton.

The workings are in limestone of Cambrian age. The ore deposits are composed principally of cerusite, anglesite, calamine, and smithsonite; some galena and sphalerite are present locally. The ore bodies follow faults and gash fractures, and extend out along bedding; they have ranged in size from a few tons to several thousand tons. Mining during recent years has been largely confined to the 500, 600, and 800 levels. Most of the ore of shipping grade discovered has been stoped, and there are no reserves of measured or indicated ore. It is reasonable to infer that a carefully planned exploratory program may aid in discovering a few thousand tons of ore of grade comparable to that mined.

Operations at the Grand Deposit mine have been marginal to sub-marginal since 1942; ore has been produced profitably only under premium prices. It is likely, therefore, that any future operations would be marginal to sub-marginal,

except under premium payments or at higher metal payments. As the property has a fair production record, however, further exploratory work should be considered.

The exploratory program submitted by the Grand Deposit Mining Company was highly generalized and included items not needed at this time. It is suggested that this program be discarded, and a new program based on work of the Geological Survey be carried out. A tentative program that would cost about $10,000 is outlined. It is recommended that the Defense Minerals Administration enter into a contract with the company to do this exploratory work on a matching-fund basis.

REPORT OF EXAMINATION BY FIELD TEAM

REGION III

Docket DMA-145, Grand Deposit Mining Company

White Pine County, Nevada

INTRODUCTION

Docket DMA-145 is a request for approval of a program to spend $110,000 in exploring specified blocks of ground adjacent to previously mined ore bodies at the Grand Deposit Mine, Silver Mountain Mining District, White Pine County, Nevada.

The Field Team, Region III on May 31, 1951 (letter of May 28) referred the docket to the Geological Survey, Salt Lake City, Utah for review and appraisal of the proposed exploration project.

The Grand Deposit Mine was examined by D. C. Arnold, G. C. Simmons, and R. M. Smith of the U. S. Geological Survey in June 1951. With the exception of the 800 level and part of the 600 level, all of the mine was previously mapped in 1942 by Louis Cramer in connection with an RFC loan granted the Grand Deposit Mining Company. These maps were made available by Mr. Paul Lyon, Jr., engineer and secretary for the company. The recent examination consisted of checking the existing mine maps and mapping unmapped portions of the mine. A brief surface investigation was also made.

Location and Accessibility

The Grand Deposit Mine is on the east flank of the northern part of the Schell Creek Range, in sec. 9, T. 20 N., R. 66 W., White Pine County, Nevada.

The mine can be reached from McGill, Nevada, the nearest large town, by traveling northward 28 miles on U. S. Highway 93 to Schellbourne Station, thence eastward 12.5 miles on Nevada State Road 2, thence southward 16 miles on the Spring Valley road (see fig. 1).

History and Production

The Grand Deposit claims were located by a Mr. Noe in the early 1880's and have been worked intermittently since then. The properties were acquired by the present owners in 1937.

The recorded production of the Grand Deposit mine is summarized in the table below:

Production of lead, zinc, copper, gold, and silver, Grand Deposit Mine [1]

1942 - 1951 [2]

Year	Dry Tons	Lead Pounds	Zinc Pounds	Copper Pounds	Gold Oz.	Silver Oz.
1942	280	525	137,613	350	0	0
1943	1,855	30,703	747,689	41,750	5.1	1,205
1944	3,680	58,087	905,014	127,584	19.68	4,391
1945	7,429	113,518	2,340,899	171,986	33.65	8,566
1946	7,802	106,784	2,089,636	264,624	?	8,769
1947	3,570	185,064	692,837	131,659	?	4,129
1948	217	58,058	28,202	1,560	?	487
1949	776	239,123	68,168	7,251	?	1,844
1950	346	9,650	1,830	32,850	3.8	681
1951	(2 cars lead ore)					
Totals	25,935	800,987	6,992,686	779,264	62.23	31,072

[1] Figures furnished by Reconstruction Finance Corporation and owner.

[2] Includes production of Kansas Mine in part.

Past production from the Grand Deposit Mine has been from marginal to sub-marginal ore. Only the premium prices paid for lead and zinc by the government from 1942 to 1945 enabled this property to operate at a profit.

GEOLOGY

Three main groups of rocks are recognized in the Silver Mountain Mining District. Sedimentary rocks of lower Paleozoic age are locally overlain by Tertiary andesites and intruded by granite. The sedimentary rocks strike northeastward and dip gently northwestward. Hill [1] previously mapped the andesites as intrusive, but our recent surface investigation revealed considerable flow structure, columnar jointing, and flow-bottom breccia containing limestone pebbles in the andesite, which indicates that the rock is extrusive rather than intrusive. Distribution of the rock suggests that it flowed into a mature valley. The andesites have been intruded by small granitic bodies.

The deposit is in massive to thin bedded Cambrian limestones that have been cut by a large fault, known locally as the Grand Deposit fault . This fault strikes northwest and dips steeply southwest; the amount of displacement on the fault is not known. Throughout the mine there are also many faults forming two sets nearly at right angles to each other. In general, one set strikes northwest and dips steeply northeast, the other strikes northeast and dips moderately to steeply southeast. Gash fractures cut the rocks adjacent to the Grand Deposit fault.

---

[1] Hill, J. M., 1916, Notes on some mining districts in Eastern Nevada: U. S. Geol. Surv. Bull. 648, plate VI.

ORE DEPOSITS

Calamine [$(ZnOH)_2SiO_3$] is the prominent zinc ore mineral. In addition there are minor amounts of smithsonite ($ZnCO_3$), and sphalerite (ZnS). Cerrusite ($PbCO_3$) and anglesite ($PbSO_4$) are found locally and in places enclose small kernels of galena (PbS). Insignificant amounts of copper were found as malachite ($CuCO_3 \cdot CuOH$), azurite ($2CuCO_3 \cdot CU(OH)_2$), and chrysocolla ($CuSiO_3 \cdot 2H_2O$).

The gangue minerals are limonite ($Fe_2O_3 \cdot nH_2O$), hematite (Fe_2O_3), secondary calcite ($CaCO_3$), and siderite ($FeCO_3$).

The ore is found in three types of oxidized replacement bodies of very similar metal content. The largest ore bodies are associated with large fissures along which solution cavities have formed; the ore is for the most part on the floors of the cavities. The inclination of these fissures exerts a control on the grade of the ore; richer ore is invariably associated with lower dips.

A second type of replacement is localized at the junction of large mineralized fissures and thin bedded limestones. Small stringers extend from the fissures out along the bedding planes. Some of these bedding deposits constitute ore, expecially in proximity to the large fissures.

The third type are oxidized replacement bodies in some of the gash fractures in the foot wall of the Grand Deposit fault. Mineralization in the gash fractures is for the most part sparse, but some fractures that intersect the large fissures along the Grand Deposit fault contain ore.

Production and mining cost figures reveal that the overall tenor of the ore shipped was very low [1]. During the RFC test period from September 20, 1944

[1] Cramer, Louis, Reconstruction Finance Files, Salt Lake City, Utah, Docket No. B-ND-4021.

to February 24, 1945 1,823 tons of ore mined had an average value of $17.75 per ton which was mined and shipped at a cost of $17.56 per ton, leaving a net profit of only $.19 per ton.

Two large ore-producing fissures have been mined on the 500 level. (fig. 2) Both were explored downward but only one of the fissures yielded ore on the 600 level. The other fissure was stoped for a distance of 50 feet above the 600 level. The stope is about 80 feet in length and from 3 feet to 10 feet in width. This fissure was explored on the 800 level, but contained a smaller amount of ore of lower grade. Stoping upward from the 800 level to within 24 feet of the 600 level yielded only 54 tons of oxidized lead ore. The fissure in the face of the 800 level has not been explored laterally. (fig. 4)

Ore Reserves

The ore bodies discovered on the upper levels have been explored and mined out. Except for a few low grade pockets of oxidized ore too low grade to ship, there are no measured or indicated ore reserves remaining in the mine. Calculation of inferred ore would be highly speculative, but possibly several thousand tons of ore comparable in grade to the ore mined could be discovered by an intensive exploration program.

Proposed Exploration

The applicant proposes to explore ground northwest of present workings by drifting, raising, and sinking on the 600 and 800 levels. A total of $110,000 was estimated for the work proposed. Exploration proposed for the 600 level is not on or directed toward any known mineralization. Proposed exploration for the 800 level is on the same fissure that yielded ore on the 500 and 600 levels. Lateral exploration of this fissure on the 500 and 600 levels failed to reveal ore. The ore zone of the fissure has already been projected and mined on the 800 level.

Production figures as reported in Reconstruction Finance Corporation Docket B-ND-4021 show that ore mined in the Grand Deposit Mine was marginal to sub-marginal. Operations were feasible only because of government premiums paid from 1942 to 1945.

The exploratory program proposed by the applicant is indefinite and appears to be broader than necessary. In addition to exploratory work, rather expensive shaft repairs and mine modernization is proposed. It is suggested that this program be discarded and a new program based on the Geological Survey examination be substituted.

The exploration program suggested by the U. S. Geological Survey is confined to the 800 level of the mine and consists of drifting and diamond drilling in the footwall and hangingwall of the Grand Deposit fault. (see fig. 4)

Previous workers had assumed that the andesite in the hangingwall of the Grand Deposit fault is an intrusive body. This assumption has discouraged any exploration in the hangingwall block. The recent examination by members of

of the Geological Survey has shown that the andesite is an extrusive and probably does not extend to depth. A drilling program in the hangingwall is therefore suggested:

The fissure on the 800 level from which a small amount of ore has been produced dips steeply from the 600 level. An ore body might be found below the 800 level if the dip flattens. Exploration of this fissure laterally by drifting and down dip by diamond drilling is therefore suggested.

The applicant has been operating the property since 1937. He is thoroughly familiar with the property and the problems encountered there. It is believed that he can provide competent labor and supervision to carry out the proposed program.

The exploration program suggested by the Geological Survey is outlined as follows:

1. Drift 150 feet northwest and 50 feet southeast to explore laterally the fissure at the face of the 800 level.

2. Explore the downward extension of the fissure below the 800 level by diamond drill holes 800-1, 800-2, and 800-3. Total footage of three holes, 340 feet.

3. Explore the hangingwall of the Grand Deposit fault by horizontal diamond drill hole 800-4, 200 feet long, to determine the exact position of the fault and if the hanging wall block is limestone or andesite.

4. If diamond drill hole 800-4 shows that the hangingwall block is limestone, drift 40 feet southwest through the Grand Deposit fault and cut a station from which to drill the hangingwall block.

5. Explore the hangingwall block by:

a. D.D.H. 800-5; N. 55° W., horizontal, 200 feet long.

b. D.D.H. 800-6; S. 50° E., horizontal, 200 feet long.

Total feet of drift, 240 feet.

Total feet of diamond drilling 750 feet.

Estimated cost of exploratory work

The cost of the exploratory work are estimated as follows:

Diamond drilling, 340 feet at $10.00 a foot (includes cutting drill stations)	$3,800.00
Drifting and crosscutting, 200 feet at $20.00 a foot	4,000.00
Completion of air course between 600 and 800 levels	500.00
Miscellaneous costs and overhead	1,700.00
	$10,000.00

CONCLUSIONS AND RECOMMENDATIONS

The outlook for the discovery of new ore bodies at the Grand Deposit Mine is not promising, but as the property has a fair production record further exploratory work should be considered. Inasmuch as the property is now in operation and the underground workings are now accessible, it seems desirable to explore all likely areas in an attempt to discover new ore bodies. Accordingly, an exploration program is suggested, and it is recommended that the Defense Minerals Administration enter into a contract with the company to do the suggested work.

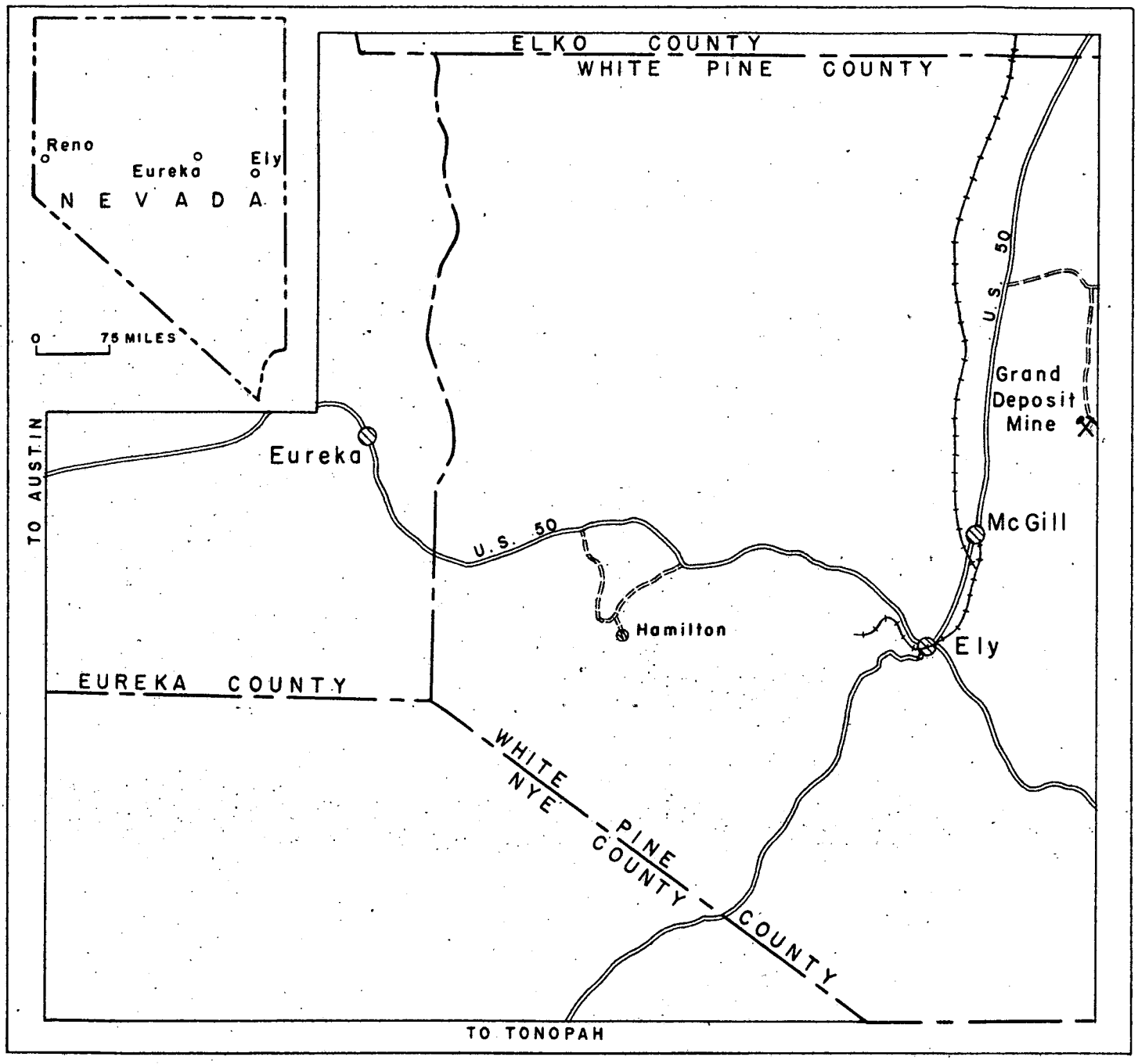


FIG. 1 - INDEX MAP OF NEVADA

0 10 20 30 MILES

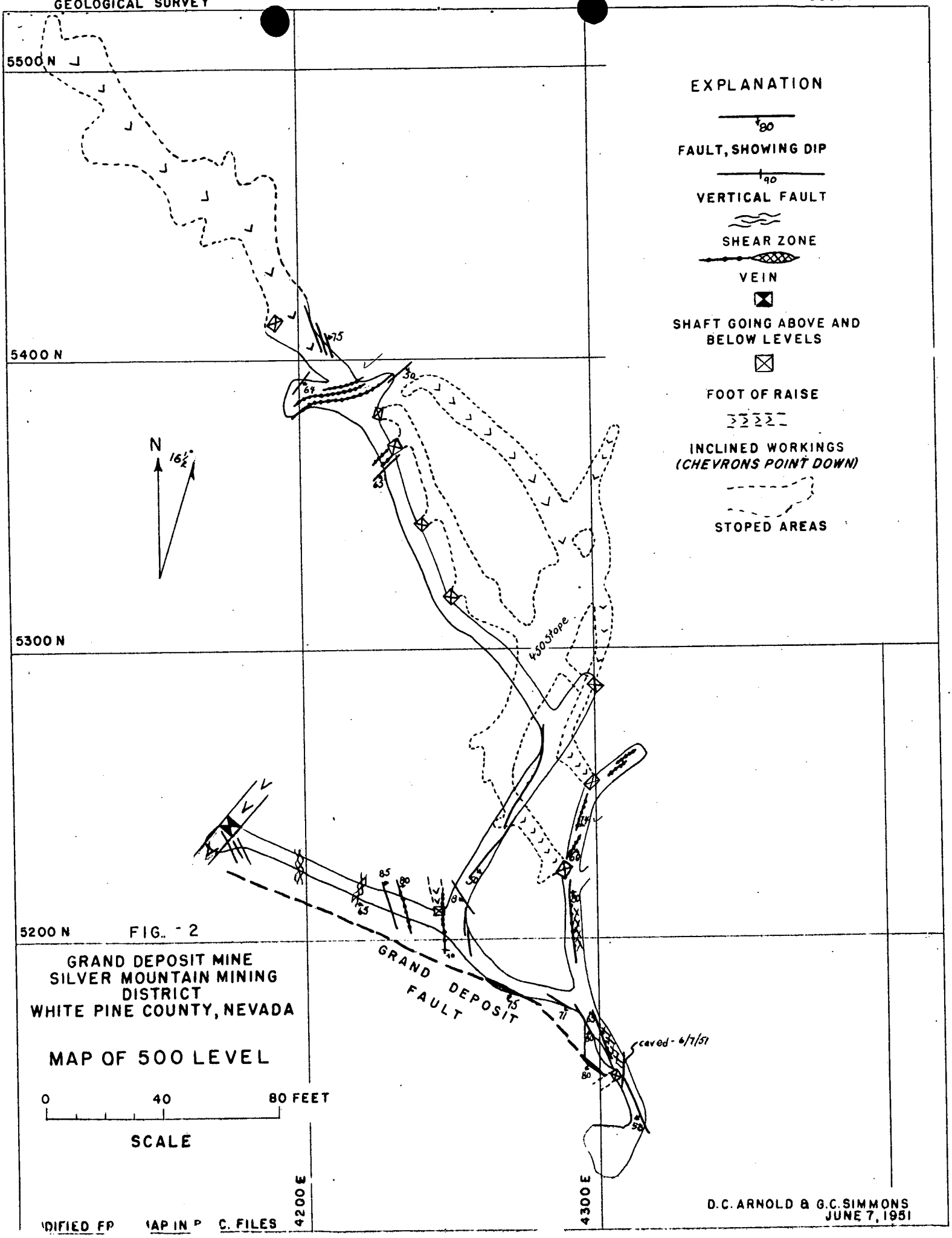


FIG. - 2

GRAND DEPOSIT MINE
SILVER MOUNTAIN MINING DISTRICT
WHITE PINE COUNTY, NEVADA

MAP OF 500 LEVEL

MODIFIED FROM MAP IN DMA C. FILES

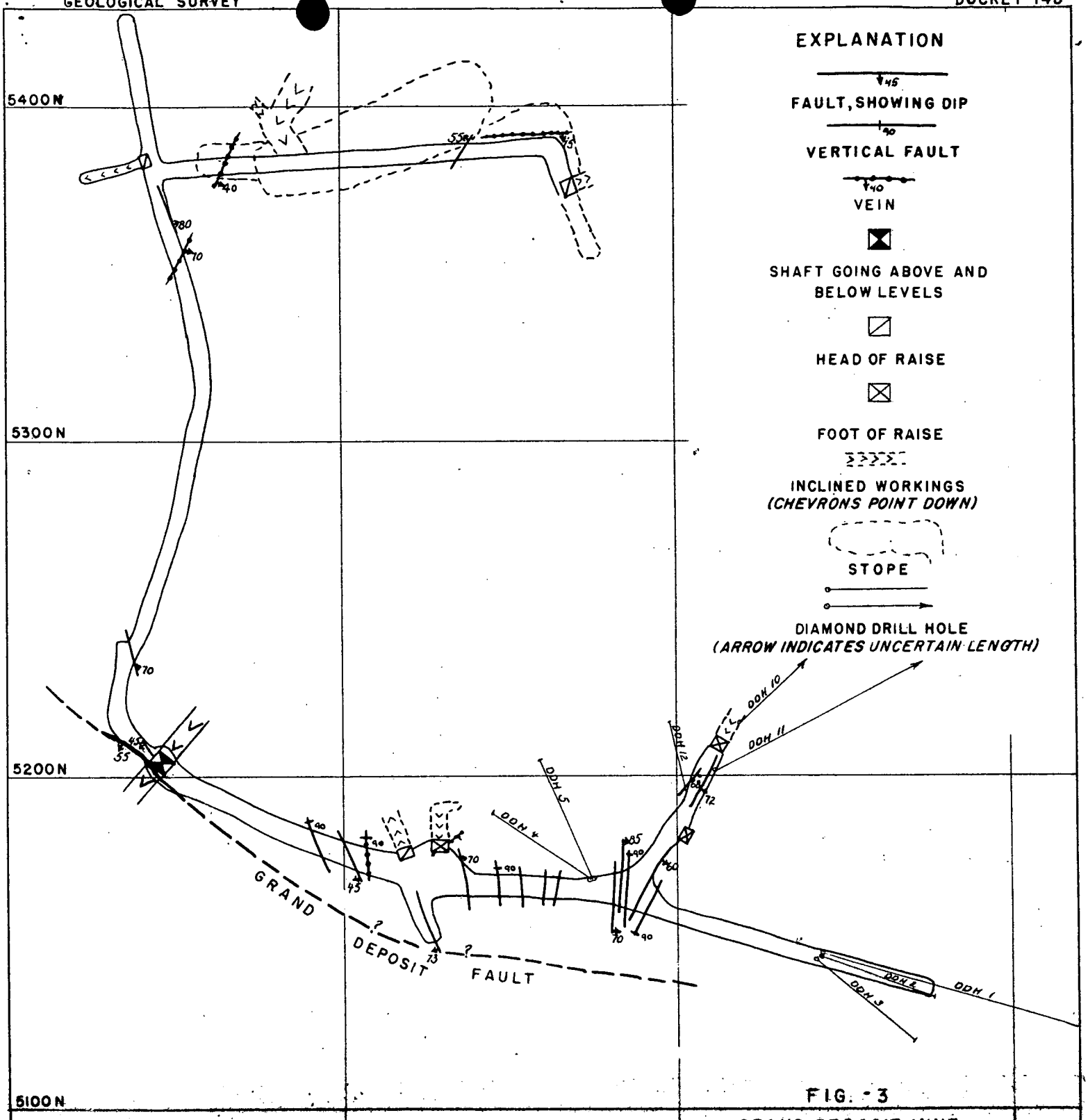


FIG. - 3

GRAND DEPOSIT MINE
SILVER MOUNTAIN MINING DISTRICT
WHITE PINE COUNTY, NEVADA

MAP OF 600 LEVEL

0 40 80 FEET
SCALE

N 16½°

MODIFIED FROM MAP IN R.F.C. FILES

4200 E

4300 E

D.C. ARNOLD & G.C. SIMMONS

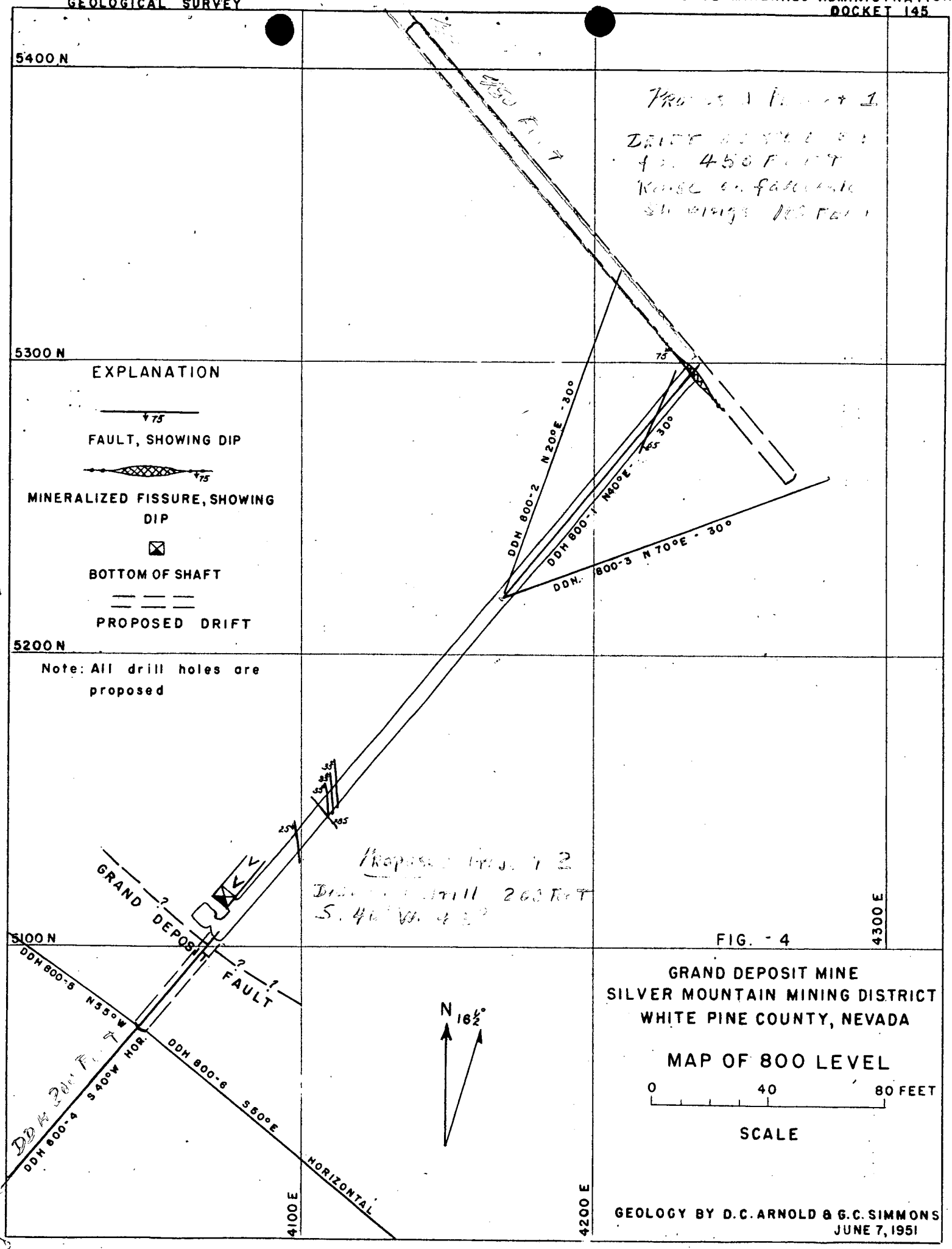

5400 N
5300 N
5200 N
5100 N
4100 E
4200 E
4300 E
EXPLANATION
FAULT, SHOWING DIP
MINERALIZED FISSURE, SHOWING DIP
BOTTOM OF SHAFT
PROPOSED DRIFT
Note: All drill holes are proposed
DDH 800-2 N 20°E - 30°
DDH 800-1 N40°E - 30°
DDH. 800-3 N 70°E - 30°
GRAND DEPOSIT
FAULT
DDH 800-5 N55°W
DDH 800-4 S40°W HOR.
DDH 800-6 S80°E
HORIZONTAL
N 16½°
GRAND DEPOSIT MINE
SILVER MOUNTAIN MINING DISTRICT
WHITE PINE COUNTY, NEVADA
MAP OF 800 LEVEL
0 40 80 FEET
SCALE
GEOLOGY BY D.C. ARNOLD & G.C. SIMMONS
JUNE 7, 1951

FIG. - 4

EQUIPMENT OWNED BY GRAND DEPOSIT MINING COMPANY AND SITUATED AT ITS MINE IN SPRING VALLEY (McGill) NEVADA[1]

****

1 Jaeger 315 cfm 2-stage air-cooled compressor with International UD-18 Diesel engine. (Good)

1 Gardner-Denver 240 cfm compressor with Buda gasoline engine; this is a standby compressor. (Fair)

1 Hendrie & Bolthoff hoist, with 1200 feet of cable. Drum diameter is 36 inches. Powered by Minneapolis-Moline engine Mod. 206-4A. Also skip. (Fair)

1 Witte 10 KVA Diesel-electric power plant, type LAEB. (Good)

1 Chicago-Pneumatic CP #5 diamond drill with pump, rods, etc. (not seen)

3 Gardner-Denver slusher hoists, double drum Model HBD, with scrapers, cables, etc. (Fair)

1 Gardner-Denver S-55 jackhammer & shell, for 1-inch hex. steel. (Good)

2 Gardner-Denver S-55 jackhammer & shell, for 7/8-inch hex. steel. (Good)

1 Gardner-Denver Model 11 jackhammer. (Good)

1 Ingersoll-Rand Jackhammer. (Good)

1 Thor jackhammer. (Good)

1 Ingersol-Rand stoper. (Good)

4 Gardner-Denver M-11 stopers. (Good)

1 Air-driven blower (for ventilation) & 100 ft. galvanized vent. pipe. (Good)

1 Electric drill and miscellaneous tools, forge, anvils, etc, etc. Also additional compressor not in use. (Good)

17 Dwellings, mostly 2-room cabins, with coal stoves & some furniture.

1 12 cu. ft. Servel gas refrigerator.

1 Mine headframe and ore bin (3-compartment); also one large steel bin not in use.

4 Mine buildings, storage shed and garage (6 total).

1 Bath House.

Supplies on hand include 2-1/2 tons of new rail, 1 ton powder, 1 ton used 2", 4", and 6" pipe, and 2,000 feet of timber.

1/ Information supplied by Grand Deposit Mining Company.

Docket Dma a-145x

DOCKET DMA-145

UNITED STATES DEPARTMENT OF THE INTERIOR - BUREAU OF MINES

GRAND DEPOSIT MINING COMPANY
White Pine County, Nevada

(Lead-Zinc)

By Russell R. Trengove[1]

SUMMARY, RECOMMENDATIONS, and CONCLUSIONS

The Grand Deposit Mining Company's production[2] for the years 1946 to 1949 inclusive is as follows:

Tons Ore (Dry)	Ag (Oz.)	Pb (lbs.)	Zn (lbs.)	Cu (lbs.)
8,299.25	9,202	478,224	2,874,795	96,971

Some production can be credited to exploration by diamond drilling but most of the ore was found by drifting, crosscutting, raising and sinking. This underground work is classified as exploration by the operators, and the ore encountered was sufficient to finance their exploration.

The mineralized zones in the Grand Deposit occur so erratically that no systematic exploration by diamond drilling is feasible. The ore bodies are lenticular and sometimes pipe-like in shape and vary greatly in size. Recently discovered ore bodies have been small.

During the years 1946 to 1949, the Grand Deposit Mining Company conducted a program of diamond drilling that did not prove satisfactory. The core and sludge recoveries were poor because of fractured formations and no accurate information was obtained. No core recoveries

1/ Mining engineer, Mining Division, Region III, Bureau of Mines.
2/ American Smelting & Refinery Co. and International Smelting & Refining Co. car settlement sheets.

were obtained in the oxidized lead ore bodies. In mines with these characteristics, exploration and mining can be carried out more satisfactory by underground methods. A limited amount of drilling for geologic information only as suggested by the U. S. Geological Survey would be valuable in directing exploration.

Mr. Paul Lyon, Sr. guess-estimated a minimum reserve of about 10,000 tons of ore in the upper levels. Because of the inaccessible, caved workings, this figure could not be confirmed.

Daily production to date has been too small for an efficient operation. The mine output could be doubled by the installation of a new hoist engine, larger skip, and modernizing the unloading at the headframe. Other work would consist of some blasting in the shaft to accommodate the larger skip, timbering 100 lineal feet in the shaft to make it safe for travel, and replacing some ties and rails in the shaft. The operators are also in need of one pickup truck for hauling supplies. If these improvements are not made, the mine will continue to be a marginal producer, irrespective of possible new ore discoveries.

Government assistance in financing these recommendations appear to be justified.

FILE COPY
SURNAME:

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

File Sent To

Al Brobst
McCrum
Hobbs
Herbert

May 14, 1951

Mr. Harold C. Miller
Bureau of Mines
1415 U. S. Appraiser's Building
San Francisco 11, California

Re: Docket DMA-145
Grand Deposit Mining Co.
White Pine County
Nevada

Dear Mr. Miller:

The subject docket has been reviewed by the Lead-Zinc Branch. The following pertinent facts were revealed by the review:

(1) Original application for a development loan of $110,000 was reviewed and referred to the field team on February 11, 1951.

(2) Field examination made April 4, 1951 by representatives of the Bureau of Mines and the Geological Survey.

(3) The applicant was informed by Mr. Irwin of the Geological Survey that a development loan was not justified. The basis for this opinion was a total lack of proven ore reserves.

(4) The applicant was encouraged by Mr. Irwin to file for an exploration loan.

(5) The amended application was received by the Defense Minerals Administration 5/8/51.

The application for an exploration loan on a participating basis requests $110,000. The total amount requested is the same as in the original application but represents a slight modification in the manner in which the funds will be used.

Inasmuch as the field examiners indicate (Mr. Irwin's letter to Mr. Lyon) that a more thorough field investigation would be necessary before a conclusion could be made relative to merits of the property for an exploration loan, the Lead-Zinc Branch recommends that the application be referred to the field for consideration.

Page 145

8526

It should be noted that the company proposes to provide a part of their share of the funds by substituting for cash, labor and machinery rental values. These values should be determined by the field examiners.

Tom Lyon
R.P

Tom Lyon, Chairman
Coordinating Committee

Approved
DMA Coordinating Committee

Lowell B. Moon
Member, Bureau of Mines

Member, Geological Survey

ALBrokaw:emp
G 5/14/51
Copies to: Chief, Lead-Zinc Br.
E. T. McKnight 4204 GSA
L. B. Moon
R. H. Mote
L. F. Strobel
Tom Lyon
Directors reading file 4214 GSA
Br. reading file 4214 GSA
Files

P.S. We feel that

P. S.

We feel that in a case of this sort, the field team would have been well advised to secure enough information to as a basis for negotiation of an exploration assistance agre without having to make a "more thorough examination" at a la

FILE COPY
SURNAME:

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

Brokaw (&TM)
McKnight
Moon
Strobel
Thayer
Moon

May 14, 1951

Re: Docket DMA-145

Mr. Paul Lyon
Grand Deposit Mining Company
409 Ness Building
Salt Lake City 1, Utah

Dear Mr. Lyon:

The Lead-Zinc Branch of the Defense Minerals Administration has reveiwed your application for an exploration loan of $110,000. Before we can proceed further with your request it will be necessary that we have additional information on your property. The application is, therefore, being referred to the Executive Officer of the Field Team, Mr. Harold C. Miller, 1415 U. S. Appraiser's Building, San Francisco 11, California with the request that the needed information be supplied to us.

Very truly yours,

Tom Lyon
p.p.

Tom Lyon, Director
Supply Division

ALBrokaw:emp
G 5/14/51
Copies to: H. C. Miller Region III (2)
E. T. McKnight 4204 GSA
Chief, Lead-Zinc Br.
L. B. Moon
R. H. Mote
L. F. Strobel
Tom Lyon
Directors reading file 4214 GSA
Br. reading file 4214 GSA
Files

REGIONAL DIRECTOR

~~LANDON F. STROBEL~~
Herres

UNITED STATES
DEPARTMENT OF THE INTERIOR

BUREAU OF MINES
1415 U. S. APPRAISERS BLDG.,
630 SANSOME STREET,
SAN FRANCISCO 11, CALIF.

March 26, 1951

Memorandum

To: Otto Herres, Chief, Lead-Zinc Branch, DMA, Washington, D. C.

From: Executive Officer, DMA Field Team, Region III

Subject: Docket DMA-145--Grand Deposit Mining Company, White Pine County, Nevada

Reference is to your subject memorandum dated February 13, requesting that Region III DMA Field Team have a geological examination made of subject property.

This is to report that no action has been taken to date on this application, as we are awaiting word that the road to the property is open to travel. We assume that it is not yet possible to reach the property, as no report that the property is accessible has been received from our Reno Office.

H. C. Miller
Regional Director, Region III

Copy to: Ward Smith, Geological Survey
A. C. Johnson, Bureau of Mines, Reno

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR - 2 1951
LANDON F. STROBEL
Executive Secretary

APR 3 1951

BUREAU OF MINES
WASHINGTON, D. C.

1951 MAR 30 PM 4 12

REGIONAL DIRECTOR

LANDON F. STROBEL

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
1415 U. S. APPRAISERS BLDG.,
630 SANSOME STREET,
SAN FRANCISCO 11, CALIF.

4/2/51
Herres
Info

March 26, 1951

Memorandum

To: Otto Herres, Chief, Lead-Zinc Branch, DMA, Washington, D. C.

From: Executive Officer, DMA Field Team, Region III

Subject: Docket DMA-145—Grand Deposit Mining Company, White Pine County, Nevada

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H. C. Miller
Regional Director, Region III

Copy to: Ward Smith, Geological Survey
A. C. Johnson, Bureau of Mines, Reno

DEPARTMENT OF THE INTERIOR
Bureau of Mines Conservation
RECEIVED
APR - 2 1951
LANDON F. STROBEL
Executive Secretary

copy to Chief, Lead-Zinc Branch
Geological Survey - McKnight
J. H. Hedges
R. H. Lone
Stoebel
Mattendorf
2 copies to Executive Officer,
Regional Field Team, Region III
Files

FILE COPY
SURNAME

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

Albrokan
McKnight
Mott
Herres
Lingwall
for
Mattendorf

February 13, 1951

Memorandum

To: Executive Officer of Field Team, Region III

From: Lead-Zinc Branch, DMA

Subject: Docket DMA-145
Grand Deposit Mining Company
White Pine County, Nevada

The Grand Deposit Mining Company application, for government assistance under the Defense Production Act of 1950, has been reviewed by the Lead-Zinc Branch, DMA.

The application requests a loan of $110,000. The request is apportioned as follows: Rehabilitation of existing facilities and equipment purchases--$35,000. Exploration northwest of present workings and exploration of downward extension of the main fissure below the 800 level--$75,000.

Production from this property, particularly during the war years, made a significant contribution to the total base metal production. The mine produced 3,442 tons of zinc, 313 tons of copper and 242 tons of lead with a small operation, working under adverse conditions.

The application is not in sufficient detail regarding the ore reserves available in the ground already developed, the expected reserves to be found by the proposed exploration program and the geologic setting of the areas to be explored.

Before being considered further for a possible purchase contract or as a project in the grant-for-exploration program additional information is necessary.

The Lead-Zinc Branch, therefore, recommends that the application be referred to the field team for review and possible field examination.

The review of the papers indicates that a geological examination is necessary to determine the feasibility of this proposal in the Defense Minerals Administration's program for zinc.

ALBROKAN:jeh
G-2/13/51

OTTO HERRES, Chief
Lead-Zinc Branch, DMA

Approved:
DMA Operating Committee

Chairman J. H. Hedges

Olaf N. Rove

Otto Herres

GRAND DEPOSIT MINING COMPANY

DMA 145

409 NESS BUILDING ● PHONE 3-2623 ● SALT LAKE CITY 1, UTAH

January 26, 1951.

U.S.Dept. of the Interior
Defense Minerals Administration
Washington, 25, D.C.

Attention: Mr. Otto Herres, Chairman, Lead-zinc committee.

Dear Mr. Herres:

Herewith we are sending four copies of an application for Government loan under Sec. 302 of the Defense Act of 1950.

We are very anxious to do something to help the metals crisis and can produce a considerable tonnage of zinc ore, lead-zinc ore, lead ore and copper ore if we can get something out of it, even a very small profit.

Our mining property is isolated and the transportation problems are not serious, but the costs are high to get the ore to the smelters. This is our biggest handicap.

As the report shows, we were the first company in this area to apy off its R.F.C. loan out of production, so our record should be in our favor.

Our mine was badly depleted during the last war because we were always short of men and could not mine and develop at the same time with such short help. We need to extend our drifts and crosscuts and sink the shaft and do other jobs that should greatly increase ore reserves and cut the costs of mining.

We hope action will not be delayed, and that we may be able to deal through the Salt Lake Area set up. It would be a terrible handicap for us to have to deal with Nevada agencies when all our supplies and materials come out of Utah, and we recruit our labor here. Also our offices and bank business is here. We were serviced before through the Salt Lake office for these reasons. Our mine is just over the line into Nevada.

Assuring you that we will do our utmost to produce for our country, we are

Very truly yours

GRAND DEPOSIT MINING COMPANY

Paul C. Lyon

Paul C. Lyon President

PCL/1
Encls.

BUREAU OF MINES
WASHINGTON, D. C.

JAN 29 3 54 PM '51

FILE COPY
SURNAME:

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

February 13, 1951

Re: Docket DMA-145

Mr. Paul C. Lyon, President
Grand Deposit Mining Company
409 Ness Building
Salt Lake City 1, Utah

Dear Mr. Lyon:

Your application (Docket DMA-145) for a Government loan under the provisions of the Defense Production Act of 1950 has been reviewed by the Lead-Zinc Branch of the Defense Minerals Administration. Before final decision can be taken on your request it will be necessary to obtain additional information on your property. Your application, therefore, has been referred to the appropriate field office with the request that the needed information be supplied to us.

Yours very truly,

S. H. Williston, Director
Supply Division
Defense Minerals Administration

ALBROKAW:jeh
G-2/13/51

copy to: Chief, Lead-Zinc Branch
Geological Survey - McKnight
J. H. Hedges
R. H. Mote
Strobel
Mittendorf
2 copies to Executive Officer,
Regional Field Team, Region III
Files

FILE COPY
SURNAME:

McKnight
Herres
MWB

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

12-15-50

Mr. Paul C. Lyon, President
Grand Deposit Mining Company
409 Ness Building
Salt Lake City 1, Utah

Dear Mr. Lyon:

In reply to your letter of December 6 to the U. S. Bureau of Mines, concerning a loan to get your mines in operation again:

I am enclosing 5 copies of NSRB Form 146, 4 copies of which should be filled out and returned to me. Your application (which is DMA-No. 145) will be referred to the field for examination when these forms are returned to us.

The Defense Minerals Administration is able to help the mine operator by recommending that the Reconstruction Finance Corporation make the loans that we have approved, and by recommending that the General Services Administration enter into purchase contracts. At the present time, all purchase contracts for zinc, copper, and lead are being made at the market price for these metals.

Very truly yours,

Otto Herres, Chairman
Lead-Zinc Committee
Defense Minerals Administration

Enclosures 5

DMA # 145

(2)

Mr. Herres

DEFENSE MINERALS ADMINISTRATION

Referral of Applications for Government Aid

Docket No. DMA - 145

Commodity: zinc

Name of Applicant: Grand Deposit Mining Company
(Paul C. Lyon, President)

Address of Applicant: 409 Ness Building
Salt Lake City 1, Utah

Name of Property:

Location of Property:

Nature of Application: Loan to operate mines

Action Dates

Application: 12/6/50

Received: 12/ 8/50

Acknowledged:

Referred to NONFERROUS METALS Conditions 12/15/50

L Barnoon

GRAND DEPOSIT MINING COMPANY

409 NESS BUILDING ● PHONE 3-2623 ● SALT LAKE CITY 1, UTAH

December 6, 1950.

Deco-145

Check with Mr. Prince's correspondence

United States
Bureau of Mines
and/or Reconstruction
Finance Corporation.

Gentlemen:

On October 17th we wrote you regarding a loan to get our mines in operation to produce copper and zinc-lead ores.

This mornings papers stated that arrangements have now been made for such loans, and we would like to have an opportunity to apply at once. Our letter of the 17th of October was actualy an application for a loan.

As stated therein, we secured a loan from the R.F.C. in Nov. 1942 and paid it off in full with interest from production and with the handicap of having our entire plant burned down during the period, and with only about 20% insurance coverage. (all we could get without water in the camp). We now have water in the camp and are ready to start mining on a small scale and to get the mine opened up for production.

We shipped more than 8,000,000 lbs of actual metal in 24,596 tons of dry ore with zinc leading, then copper and then lead. We are sure we can do as well or better if we can get help for getting the camp and equipment in shape and getting supplies, materials etc. and to carry the payrolls until the shipments are going out on schedule.

Our mines are less than a mile apart and one is principally copper, the other principally zinc, with some lead and copper. Both mines are isolated from any town and the cost of getting our ore s to the smelter is high, therefore we would have to have some additional payment to equalize this extra cost or we could never operate under present high labor and other costs. During the last war we received premiums on all metals thereby making it possible for us to produce and help the war effort.

We are anxious to get under way before the bad weather makes it harder to get the camp work done and adequate supplies hauled in and stored. We can ship all the year but it costs much less to get our supplies and materials hauled during good weather.

We shipped 140 dry tons in June 1947 before the deadline and since then we have mined a few cars per year with leasers just to keep the mine open.

We hope you will give us early consideration.

Very truly yours GRAND DEPOSIT MINING COMPANY

Paul C. Gilger

President.

PCL/1

BUREAU OF MINES
WASHINGTON, D. C.

DEC 8 2 15 PM '50

RECEIVED
DEC 8 - 1950
BUREAU OF MINES
OFFICE OF DIRECTOR

OFFICE OF THE DIRECTOR

FILE COPY

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
WASHINGTON 25, D. C.

[illegible]

[illegible]

[illegible]

Copy to - [illegible] Metals Branch
[illegible]
[illegible]
[illegible], San Francisco, Calif.
- Files

Minerals Division
Referred by J. H. Hedges, Chief
To: 1. .....
2. .....
3. .....
..... Reply for sig. J. H. Hedges
..... Action
..... Comments
..... Your information

Minerals Division
JHM.

GRAND DEPOSIT MINING COMPANY

409 NESS BUILDING • PHONE [illegible] • [illegible]

October 17, 1946.

United States
Bureau of Mines
and/ or Reconstruction
Finance Corporation

Gentlemen:

In February last the R.F.C. opened an office in Salt Lake to make mining loans for production of critical minerals. Our company was the first to file a letter applying for a loan. They were not yet set up to do mining, and there was a question of jurisdiction between the Los Angeles office and the Salt Lake office. Our mines are just over the State line in Nevada, but all our labor, materials and supplies are obtained at Salt Lake City where our office is located. Washington decided Salt Lake should serve us.

It would be a terrible handicap for us to have to deal with any agency outside of Salt Lake because the smelters are officed there and we do our marketing there and transact all our business there in connection with purchasing and marketing.

Finally, our mine was examined by Mr. [illegible], the Chief Engineer of the R.F.C. at Salt Lake, and he assured us that we would get the loan as we had plenty of ore proved to start mining and good prospect of paying off the loan. On his word, we immediately started getting up an operating crew and fixed up housing and facilities at the camp. Our mine had been shut down about two years, except for a couple of leasers, and it was quite a job to repair houses and provide some comforts for the families we would have there. We got right to work and soon were cleaning up the mine and re-timbering the worst spots and overhauling the equipment and facilities.

The examination was made in July but we were not granted the loan until November 18, 1942. This was a hard time for us, working with assurance of a loan, but delayed without any cause at all.

We mined and shipped [illegible] tons of high grade zinc ore while the crew was rehabilitating the mine workings, and before the loan funds were made available. This helped some with our expenses.

From the time the loan funds were deposited to our Account in the First National Bank at Salt Lake City,(now Security Bank), we went ahead with splendid co-operation from the R.F.C. office. Our requisitions were handled without any trouble at all, and the periodic inspections of the mine were made to our joint satisfaction. We now went ahead getting the mine in shape to produce and by May 1st 1943, we were in steady production. During the balance of 1943 we shipped 1975 dry tons of ore. In 1944 we shipped 3680 tons; in 1945 we shipped 7429 tons; In 1946 we shipped 7802 tons and the first half of 1947 we shipped 3570 tons. President Truman stopped the payment of premiums and we had to close down the mine. In July 1944 a fire destroyed our entire plant at the mine and burned the timbers out down to the 100 level. This shut us down for three

months and cost us over $20,000.00 to replace what was burned up. This was a terrible blow, but we survived it and went on mining.

During the war period, we shipped 24, 596 dry tons of ore with a metal content as follows:

Zinc- 6,894,480 lbs. Copper- 737,603 lbs. Lead- 494,156 lbs. and at least 100,000 lbs. of Cadmium for which we received no pay at all.

We do not claim to be a big producer, but this metal would make a lot of ammunition and other items needed for the war effort.

We didnt make any money, but we did the best we could to produce metals that the government was begging for.

We met the payments on our R.F.C. loan and we were the first in this area to pay off its loan in full out of production alone. We are proud of this record, and think we should be entitled to some priority this time because of our record of paying our loan off. Many of the loans made here were never paid, and many were written off completely as a loss. We paid ours with interest.

We have kept our mine open at a loss, using a few leasers, who will make the nucleus of an operating crew when we can start work. We have felt that some means would be provided whereby we could operate again and develop our property. Needless to say our mine was badly depleted because we couldnt get men enough to carry on development work, and we were short of funds to do the work. We can very soon have ore moving to the smelters if we can get a loan to provide the means to do so. We have no fears of not being able to pay off any loan we get, and we do know how to operate a mine. It will be efficiently and economically handled, because we expect to pay back every dollar of the loan out of production this time too.

All we want is a chance to do some development work while ore is being mined out and not be cut off without any help as we were the last time.

We know from what is in the papers that applications are now flowing in, although no loans are yet being made. We want to be in line for prompt action when your plans are organized, so that we can get busy mining ore that is needed. This is what we want to do. The amount of the loan can be easily determined when we can have a chance to sit down after an inspection of the mines. We have all the data right in our office ready for your examination and will anxiously await word that your engineer is ready to go with us.

Asking that you give us early consideration, we are

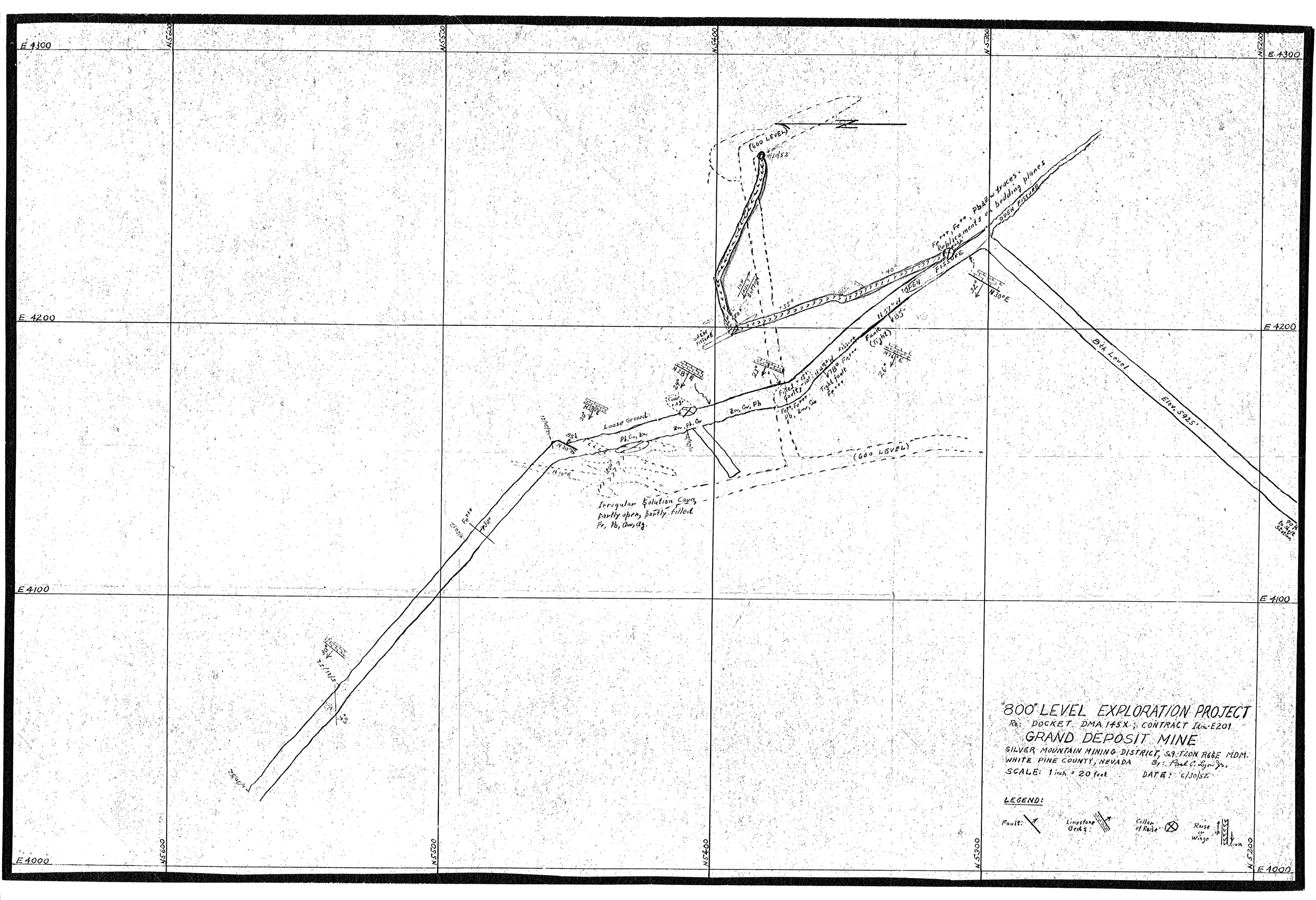
Very truly yours

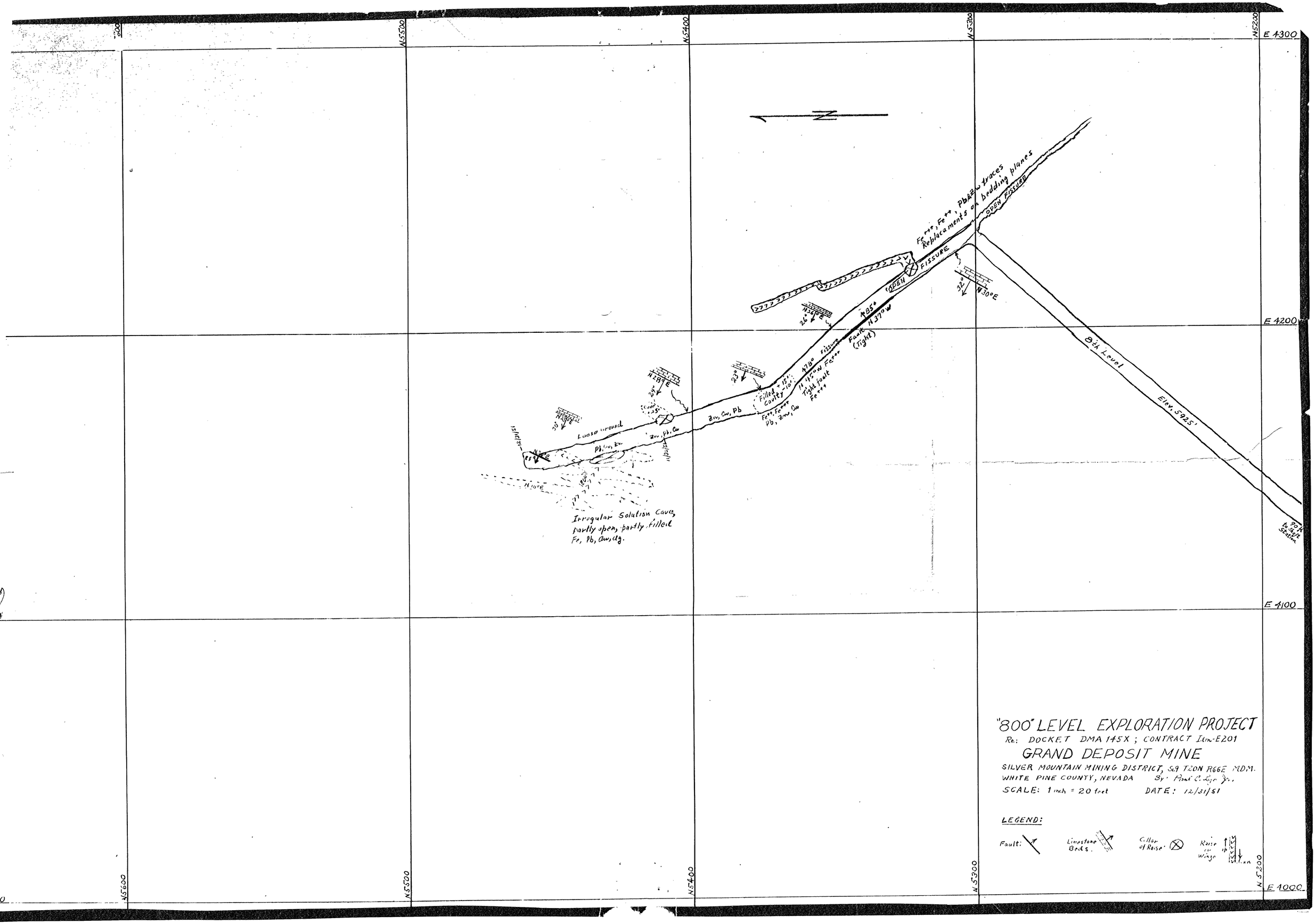
GRAND DEPOSIT MINING COMPANY

Paul C. Lyon President

PCL/1

MAR 19 1943
WAR PRODUCTION BOARD


"800" LEVEL EXPLORATION PROJECT
Re: DOCKET DMA 145X ; CONTRACT Lim-E201
GRAND DEPOSIT MINE
SILVER MOUNTAIN MINING DISTRICT, S9 T20N R66E MDM
WHITE PINE COUNTY, NEVADA
By: Paul C. Lyon Jr.
SCALE: 1 inch = 20 feet
DATE: 6/30/52
LEGEND:
Fault:
Limestone Beds:
Collar of Raise
Raise or Winze
up
down
(600 LEVEL)
4/10/52
TOP FAULT SURFACE
OPEN FISSURE
Fe**, Fe** Pb&Zn traces. Replacements on bedding planes
OPEN FISSURE
N30°E
Fault (Tight)
N18°E
Fissure filled & 15' faulty 10' 11/52'd
V180 Fe*** Tight fault Fe***
Fe**, Fe*** Pb, Zn, Cu
Zn, Cu, Pb
Loose Ground.
Pb, Cu, Zn
Zn, Pb, Cu
N81°E
N20°E
N10°E
Irregular Solution Cavs, partly open, partly filled Fe, Pb, Cu, dg.
Fe**
8th Level
Elev. 5925'
8th Level Station
E 4300
E 4200
E 4100
E 4000
N5600
N5500
N5400
N5300
N5200



"800" LEVEL EXPLORATION PROJECT

Re: DOCKET DMA 145X ; CONTRACT Iam-E201

GRAND DEPOSIT MINE

SILVER MOUNTAIN MINING DISTRICT, S29 T20N R66E MDM.
WHITE PINE COUNTY, NEVADA By: Paul C. Lyon Jr.
SCALE: 1 inch = 20 feet DATE: 12/31/51

LEGEND:

Fault: Limestone Beds. Collar of Raise: Raise or Winze