DMEA Form 9
Rev. 6/57

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE

Idm-E NO. 265

DMEA NO. 113

Application
- [ ] Denied
- [ ] Withdrawn

Contract
- [ ] Terminated - Not Certified
- [x] Terminated - Certified
- [ ] Cancelled
- [ ] Royalty Agreement

The records contained in this file are marked (x) and arranged in this order:

Folder No. 1:

Left Side

- [x] Royalty Audits
- [x] Certification of Discovery
- [ ] Closing Letter
- [x] Cost Audits
- [ ] Termination Notice or Agreement
- [ ] Recision Notice
- [ ] Assignment of Contract
- [x] Contract Amendments
- [x] Contract with all exhibits and annexes
- [ ] Owner's Consent to Lien and Subordination Agreement
- ? [ ] Application and attachments

Right Side

- [x] Project summary (final)
- [x] Work Comoleted analysis (final)

All other material filed in chronological order including the following reports if checked:

- [ ] Field Team Semi-Annual Report for Certified Project
- [x] Final Field Team Report (Tab)
- [x] Operator's Final Report (Tab)
- [ ] Interim Field Team Reports
- [ ] Operator's monthly reports and all attachments
- [x] On-site Exam Report (Tab)
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Left Side

Folders No. 2 : Reports
- [x] Analysis of Semi-Annual Inspection Reports
- [ ] Project Summary (Interim) by DMEA Engineers

Right Side

- [x] Field Team Semi-Annual Report for Certified Project
- [x] Field Team Interim Reports
- [x] Operator's Monthly Reports with transmittal, narrative and maps.

Folders No. 4 : Maps (Use pocket folder or envelope)

Folders No. 3 : Settlement Sheets

Folders No. _____ : Drill Logs

Folders No. _____ : Royalty material

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APR 15 1959
O.M.E.

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Executive Officer, OME Field Team, Region III, Denver, Colorado, pertaining to Contract No. Idm-E265, Docket No. DMEA 113 (Lead-Zinc) dated February 28, 1952, Amendments Nos. 1 through 5, Amended Contract dated March 24, 1953, and Amendments Nos. 1 through 4, with

New Quincy Mining Company
421 Felt Building
Salt Lake City, Utah

for the purpose of determining the amount of royalties due the United States Government on the sale of Gold, Silver, Lead, and Zinc bearing ores produced from the New Quincy Mine located in Wasatch and Summit Counties, Utah, for the period February 28, 1952, through April 9, 1959.

The status of the project, scope of this review and reasons therefor are stated on page 2.

My review established the net smelter value of sales of ore for this period to be $1,193.83. (See Schedule No. 1 attached). Royalty due the United States Government at the contract rate of 1½% to 5% is $56.07. The royalty paid and the balance due are as follows:

Total Royalty Due	$56.07
Total Royalty Paid	59.44
Balance Due (Overpayment - See Schedule No. 2	$ 3.37

Donald T. Finch

Donald T. Finch
OME Auditor

April 13, 1959

NEW QUINCY MINING COMPANY

CONTRACT NO. Idm-E265 DOCKET NO. IMEA 113

STATUS OF PROJECT, DESCRIPTION OF REVIEW AND REASONS THEREFOR

A Certificate of Discovery or Development was issued on April 26, 1954. A final audit report dated June 23, 1954, indicates accepted costs of $50,177.93, with Government participation on a 50 percent basis, being $25,088.96. According to the terms of the contracts and amendments royalty is payable on any minerals mined or produced from land described in Article 2 for a maximum period of 10 years from the date of the original contract: viz. February 28, 1952.

My review consisted of a tabulation and recomputation of all liquidation settlement sheets on file with the Executive Officer of the Field Team, during the period February 28, 1952, through March 9, 1959, reconciliation of royalty receipts with the records of the OME Finance Office, Denver, Colorado, and a detailed review of all semiannual examination reports from the examining engineers.

The review was made in lieu of an on-site audit of the producer's accounts and records for the following reasons:

(1) Sales of ore were adequately supported by liquidation settlement sheets.

(2) The examining engineer is of the opinion that all sales of production have been properly accounted for.

(3) The administrative cost to the Government of an on-site audit at this time would be excessive in relation to the amount of possible additional royalties which might be disclosed.

Schedule No. 1

NEW QUINCY MINING COMPANY

CONTRACT NO. Idm-E265

DOCKET NO. DMEA 113

SUMMARY OF PRODUCTION SUBJECT TO ROYALTY
FOR THE PERIOD FEBRUARY 28, 1952, THROUGH APRIL 9, 1959

	International Smelt. & Refining Co.	U. S. Smelt. Refining & Mining Co.	Total
Gross Weight, Pounds	215,400	9,450	224,850
Less: Moisture Content	18,170	812	18,982
Dry Weight, Pounds	197,230	8,638	205,868
Dry Weight, Tons	98.615	4.319	102.934
Gross Value Net of Smelter Treatment	$1,161.10	$382.23	$1,543.33
Less Allowable Deductions			
Freight and Tax	$ 138.30		$ 138.30
Sampling	158.74	$ 10.00	168.74
Assaying	23.00		23.00
Umpire Fees	2.00		2.00
Hauling	17.46		17.46
Total Allowable Deductions	$ 339.50	$ 10.00	$ 349.50
Net Smelter Value Subject to Royalty	$ 821.60	$372.23	$1,193.83
Average Value Per Dry Ton	$ 8.33	$ 88.50	$ 11.60
Average Royalty Percentage	4.56%	5%	470%
Total Royalties Due	$ 37.46	$ 18.61	$ 56.07
Total Royalties Paid	40.83	18.61	59.44
Royalties Over Paid	$ 3.37	$ 0.00	$ 3.37

Schedule No. 2

Summary of Royalties Due

	Liquidation No.	Smelter		
1955 6/10	116	Internat. Smelt. and Refin. Co.	$ .25	
1957 2/15	1299	Internat. Smelt. and Refin. Co.	3.10	
1958 8/28	11876	Internat. Smelt. and Refin. Co.	.52	
Total Royalties Due (Overpayment)				$ 3.37

CHECK SHEET OF EXAMINING ENGINEER

Operator's Name New Quincy Mining Company,

Address 421 Felt Building, Salt Lake City, Utah

New Quincy Mine, Wasatch andSummit Counties, Utah

Exploration Contract No. Idm-E 265

Docket No. DMEA 113

	Check One	
	Yes	No
1. (a) Does the Operator stockpile ore subject to royalty repayment?		✓
(b) If so, is segregation and identification procedure adequate?		
2. (a) Does Operator commingle production subject to DMEA royalties with exempt production?		✓
(b) If so, do you consider the allocation of the commingled production equitable?		
3. (a) Does the Operator stockpile mine or mill rejects (low grade ore, tailing, middlings, etc.) that may have potential value within the royalty payment period?		✓
(b) If so, are adequate records maintained on such material to protect the Government's interest?		
4. Do you consider the assay controls in effect are adequate?	✓	
5. Do you consider that the manner of disposing of production gives the Government its fair royalty returns?	✓	
6. Do your periodic examinations of operations indicate the Operator is properly reporting his production of ores subject to DMEA royalties?	✓	
7. Does the Operator buy from or sell to other Operators?		✓
8. Comment on any item 2(b) to 6, if answer is No.		

Date Apr. 10, 1959

M. H. Hower
Mining Engineer

File Copy
Surnam

Griswold
Hoffman
Talbot
Martin
Ferrabee
Hedges
F. Johnson

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

CERTIFICATION BY THE UNITED STATES OF AMERICA OF A DISCOVERY OR DEVELOPMENT UNDER AN EXPLORATION PROJECT CONTRACT

To: New Quincy Mining Company
421 Felt Building
Salt Lake City 1, Utah

Pursuant to the provisions of Amended Exploration Project Contract No. Idm-E265, dated March 24, 1953, Docket No. DMEA-113, hereinafter called the "contract", between you and the United States of America, hereinafter called the "Government"; to establish and fix the Government's percentage royalty on production and its lien thereon and on the land described in the contract, the Government considers and therefore certifies that discovery or development from which production may be made has resulted from the exploration work.

The nature of said discovery or development is described broadly or indicated as follows: Drifting on the "A" fissure on the 1300 level and raising from and sublevelling above the 1300 level have shown the existence of lenses of lead-zinc-silver ores, occurring chiefly at the base of the Park City limestone and at the Jenney quartzite horizon.

Dated APR 26 1954

THE UNITED STATES OF AMERICA

By C. M. Mitchenor
Administrator, Defense Minerals
Exploration Administration

WRGriswold/bjl (4/21/54)

Copy to: Docket
Irving Gumbel, MD, EPS
Admr. R. File
Op. Committee
F. E. Johnson
Mr. Hedges, 4604
Mr. Thayer, 5216 (GSA Bldg)
Cont. Adm. & Audit Div.
Region IV (2)
Finance Office
Base Metals Div.
W. R. Griswold
Chron.

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

AUDIT CERTIFICATE

I have examined the records and transactions of:

New Quincy Mining Company
421 Felt Building
Salt Lake City, Utah

pertaining to Exploration Contract Idm-E265, Docket No. DMEA 113 including Amendment Nos. 1 through 4, covering a project of exploration for lead-zinc, located in Wasatch and Summit Counties, Utah, near Park City, and commonly known as the New Quincy mine, for the period May 5, 1952 to January 31, 1954, including subsequent settlement June 17, 1954.

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 per MF-104		$52,844.96
Less: Proceeds from Property Disposition		2,600.00
Net Claimed Costs		$50,244.96
Exceptions: (See audit report for details)		
During this audit	367.03	
Prior to this audit	—	
		67.03
Total Accepted Cost		$50,177.93

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 Twenty-Five Thousand Eighty-eight and 96/100ths Dollars

- $25,088.96 -

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.

Dated: June 23, 1954

Donald T. Finch

Donald T. Finch, Auditor

AUDIT REPORT

I Introduction

A final audit was made on April 13 to 16, 1954 (covering the period May 5, 1952 to January 31, 1954, including subsequent settlement June 17, 1954) of the records and accounts of operations pertaining to contract Idm-E265, Docket DMEA 113, and Amendment Nos. 1 through 4, with:

New Quincy Mining Company
421 Felt Building
Salt Lake City 1, Utah

covering a project of exploration for Lead-Zinc, located in Wasatch and Summit Counties, Utah, near Park City, and commonly known as the New Quincy mine.

The accounting records under the contract are located in the company's office at the above address.

During the course of the audit, Mr. Nick Floor, President, and Mr. G. S. Shurtleff, Accountant, were consulted when necessary.

Mr. M. H. Howes, Mining Engineer, U. S. Bureau of Mines, collaborated in the audit part of the time.

II General Information on Records

The original records covering the costs of this project are recorded on monthly summary sheets which form the basis for preparation of the monthly MF-104 reports. This audit therefore involved, in general, a check of original invoices and payrolls against the monthly summary sheets and reconciliation with the monthly MF-104 reports. Costs are recorded on a combination of cash and accrual basis.

Prior to the On Site audit, considerable pre-audit analysis was performed in the DMEA office at Denver, Colorado.

III Scope of Audit and Findings

The audit was limited to ascertaining 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 January 1954.

In view of the previous audit by Donald T. Finch, DMEA auditor, covering the period May 5 through July 31, 1952, except as otherwise indicated, this audit was restricted to the costs claimed by the operator since that later date.

The extent of the audit and findings under each of the "Items of Cost" follows:

1. Independent Contracts

There were no independent contracts involved. The operator's MF-104 reports show Drifting and Raising items under this category. Such designations have been corrected in this audit report because they were actually for labor charges.

2. Labor and Supervision

(a) Labor

All charges for Labor during the period August 1, 1952 to January 31, 1954 were supported by daily reports and by semimonthly payrolls which were checked in detail. Rates of pay were compared with the contract and Amendments. Analysis of these charges follows:

	Balance 7/31/52		Period 8/1/52 to 1/31/54		Total	
	Footage	Amount	Footage	Amount	Footage	Amount
Drifting	180 ft.	$2519.98	830 ft.	$12,124.00	1010 ft.	$14,643.98
Raising			153 ft.	4,140.00	153 ft.	4,140.00
Threading Pipe, Cutting Timber, Installing Vent Pipe, etc.		96.40		1,122.02		1,218.42
Accepted Total Labor Charge		$2616.38		$17,386.02		$20,002.40

A disallowance is made of $17.50 for overpayment to raise labor in October 1953. The determination of this overpayment is shown by the following computation:

Total raise Footage through October 1953, 141 ft. at $28.00 ft.	$3948.00
Total raise Footage paid for at end of September 1953, 115 ft. at $28.00 ft.	3220.00
Balance Due Raise Labor	$728.00
October 1953 payments	745.50
Overpayment as above	($17.50)

This overpayment was discussed with the accountant, who concurred with the foregoing computation.

(b) Supervision

All charges for Supervision during the period August 1, 1952 to January 31, 1954 were supported by monthly statements signed by Mr. Floor. These charges were at the authorized contract rate.

The exploration contract established a maximum allowable cost for Supervision of $5000.00. A disallowance of $37.50 is therefore made for the Supervision cost in excess of the allowable maximum. Analysis of the Acceptable Cost of Supervision follows:

Balance July 31, 1952	$650.00
Period August 1, 1952 to January 31, 1954	4350.00
Acceptable Total	$5000.00

(c) Technical Services

All charges for the Technical Services of E. A. Hewitt during the period August 1, 1952 to January 31, 1954 were supported by itemized invoices which were examined. These charges were at rates authorized by the Exploration Contract. Analysis of the acceptable costs of Technical Services follows:

Balance July 31, 1952	$150.00
Period August 1, 1952 to January 31, 1954	1075.00
Acceptable Total	$1225.00

3. Operating Materials and Supplies

All charges for Materials and Supplies, including power, for the period August 1, 1952 to January 31, 1954, were supported by vendor's invoices which were examined for propriety and reasonableness.

The company does not maintain a stores system. The major portion of Materials and Supplies were purchased from United Park City Mines Company. These supplies were drawn from that company's warehouse as needed by the New Quincy Mining Company. Monthly invoices from United Park City Mines Company covered the stores withdrawals by the New Quincy Mining Company during the indicated month. Prices charged were very reasonable.

A detailed analysis of the acceptable costs in this category follows:

	Balance 7/31/52	Period 8/1/52 to 1/31/54	Proceeds from Liquidation	Total
Timber	$39.92	$2,994.95		$3,034.87
Explosives	405.15	1,510.12		1,915.27
Pipe (1)	128.90	633.33	$91.00	871.23
Track	112.74	146.65	26.00	233.39
Power (2)	171.51	1,471.50		1,643.01
Sub-Total	$858.22	$6,956.55	$117.00	$7,697.77
Other				
Drill Steel & Bits	182.08	455.29		637.37
Small tools	78.86	81.40		160.26
Carbide	3.55	10.36		13.91
Greases & Oil	14.52	20.42		34.94

	Balance 7/31/52	Period 8/1/52 to 1/31/54	Proceeds from Liquidation	Total
Hose & Fittings	$125.21	$118.33		$243.54
Transportation	28.67	15.00		43.67
Vent Pipe	—	996.45	$78.00	918.45
Wire Rope & Clips		45.75		45.75
Miscellaneous (3)	54.78	170.65		225.43
Total Other Supplies	$487.67	$1,913.65	$78.00	$2,323.32
Total Materials, Supplies & Power	$1,345.89	$8,670.20	$195.00	$10,021.09

Note No. 1. The charges to Pipe include the costs for Culvert Pipe of $562.93 which were declared expendable when authorized because of the nature of the installation.

Note No. 2. Maximum allowable restriction on power costs eliminated by Amendment No. 4 to the amended exploration contract.

Note No. 3. Miscellaneous Supplies consist of charges for such items as Pick & Shovel Handles, Sharpening of picks, handles, light bulbs, nails, screws, cable, cotter pins, and bolts.

Sales tax of $1.80 on Mine car wheels purchased in April 1953 is disallowed in this audit report. The cost of these car wheels had previously been disallowed by the Certifying Officer and the operator had adjusted its records for the disallowed costs. A disallowance of lamp rental of $5.00 for December 1953 is also disallowed. This item was not provided for in the exploration contract or Amendments. The Certifying Officer had previously disallowed this rental for other months and the operator had adjusted its records for such disallowances.

The items shown under proceeds from liquidation represent the proportionate allocation of the operator's lump sum bid accepted by the Executive Officer, DMEA Field Team, Region IV on June 17, 1954. The operator submitted letters from two local dealers in mine machinery and supplies, stating they were not interested in submitting bids on the materials and equipment subject to salvage.

4. Operating Equipment

(a) Rental

All charges for equipment rental during the period August 1, 1952 to January 31, 1954 were supported by invoices which were examined for propriety and reasonableness.

The total amount of rental costs shown on the operator's MF-104 report for January 1954 included an amount of $912.90 for a Gardner Denver Drifter acquired on a Lease purchase agreement. This amount has been transferred to "Equipment Purchased" category in this report. It was determined the item was considered in the liquidation settlement. The audit also disclosed that the operator had another lease purchase contract covering a mucking machine. The Government participated in 13 monthly rentals totalling $1950.00. The purchase factor of this contract, however, was not consummated and it is reported the machine was tendered to the lessor on or about October 1, 1953.

The operator did not maintain a log of machine time. Conference with Mining Engineer disclosed the equipment was used by the operator as claimed. Analysis of the acceptable rental costs follows:

	Balance 7/31/52	Period 8/1/52 to 1/31/54	Total
Mucking machine	$300.00	$1650.00	$1950.00
Charging Panel	59.03	349.02	408.05
Stoper		25.00	25.00
Rugger Hoist		180.00	180.00
Total	$359.03	$2404.02	$2763.05

(b) Purchase

All purchases of equipment were supported by invoices which were examined. Those purchases were all authorized by the contract or Amendments. Analysis of the purchase items follows:

	Balance 7/31/52	Period 8/1/52 to 1/31/54	Proceeds from Liquidation	Balance
Locomotive & Battery	$4764.26 *		$2080.00	$2684.26
6 ft. Column		$183.00	78.00	105.00
Drifter (transferred from Rental Account)		912.90	156.00	756.90
Blower		298.94	91.00	207.94
Acceptable Totals	$4764.26	$1394.84	$ 2405.00	$ 3754.10

Liquidation settlement dated June 17, 1954.

(c) Depreciation

All charges for depreciation for the period August 1, 1952 to January 31, 1954 were examined. Rates were compared with contract and Amendments. Equipment use during the period was confirmed by conference with the Inspecting Engineer. Analysis of the acceptable charges for Depreciation follows:

	Balance 7/31/52	Period 8/1/52 to 1/31/54	Total
Trammer	$95.78	$899.97	$995.75
Battery Charger	28.52	267.84	296.36
Mine Cars	154.00	1108.72	1262.72
Compressor	44.17	636.02	680.19
Acceptable Totals	$322.47	$2912.55	$3235.02

5. Initial Rehabilitation and Repairs

None claimed.

6. New Buildings and Improvements

Not applicable to this contract.

7. Miscellaneous

(a) Repairs to Equipment

All charges for repairs to equipment during the period August 1, 1952 to January 31, 1954 were supported by invoices which were examined for propriety and reasonableness. Analysis of the acceptable cost of repairs to equipment follows:

	Balance 7/31/52	Period 8/1/52 to 1/31/54	Total
Drills	$23.70	$195.51	$219.21
Battery Charger	—	3.00	3.00
Trammer	—	115.52	115.52
Mucker	—	.75	.75
Mine Cars	—	59.40	59.40
Total	$23.70	$374.18	$397.88

(b) Sampling and Analysis

All charges for sampling and analysis occurred during the period August 1, 1952 to January 31, 1954. These charges were supported by invoices which were examined. Analysis of the amount showed:

27 assays	$62.50	
Sample Sacks	22.52	
Acceptable Total Costs		$85.02

(c) Payroll Taxes

All charges for Payroll Taxes for the period August 1, 1952 to January 31, 1954 were confirmed by recomputation, using rates which the company's files indicated as being in effect. These rates were F.I.C.A. 1.5% and Utah State Unemployment 2.7%. Analysis of acceptable Payroll Taxes follows:

Balance 7/31/52	Period 8/1/52 to 1/31/54	Total
$137.19	$994.85	$1132.04

Disallowances of Payroll Taxes in this audit report amount to $2.54 and represent taxes applicable to labor and supervision charges disallowed.

(d) Liability Insurance

All charges for Liability Insurance (workmen's Compensation Insurance) were confirmed by recomputation, using rates which company's files indicate as being in effect. These rates ranged from 4.31% to 4.97%. The acceptable cost of Liability Insurance consisted of the following:

Balance 7/31/52	Period 8/1/52 to 1/31/54	Total
$162.34	$999.99	$1162.33

Disallowances of Liability Insurance in this audit report amount to $2.63 and represent Liability Insurance applicable to labor and supervision charges disallowed.

(e) Bookkeeping

All charges for Bookkeeping were supported by invoices which were examined for propriety and reasonableness. The acceptable Bookkeeping costs consist of:

Balance July 31, 1952	$140.00
Period August 1, 1952 to January 31, 1954	1260.00
Accepted Total	$1400.00

IV Conclusion

The totals to date on the operator's MF-104 A Report for January 1954 agree with the totals to date on the companion MF-104.

The DMEA exploration work under the contract was completed during the month of January 1954.

The status of the allowable maximums established by the amended contract and subsequent amendments is tabulated as follows:

	Allowable Maximum	Expended (Net of Disallowances & Liquidation)	Net Balance
Supervisor	$5000.00	$5000.00	None
Technical Services	2000.00	1225.00	$775.00
Operating Equipment (Includes Rentals, Purchases & Depreciation)	11,900.00	9752.17	2147.83
Rehabilitation & Repairs (1)	250.00	None	250.00
Bookkeeping	1400.00	1400.00	None
Total Cost of Project	$50,700.00	$50,177.93	$522.07

(1) Assumed to be Initial Rehabilitation and Repairs.

The operator's liquidation proposal dated April 24, 1954 was accepted June 17, 1954 by the Executive Officer, DMEA Field Team, Region IV. No other bids were obtained. Letters from two dealers in mine supplies and machinery stated they were not interested in bidding on the materials and equipment.

There was no indication the examining engineer took a final inventory of materials and supplies. He did, however,

submit a detailed analysis of Pipe, Track and Equipment. The lack of final inventory was discussed with the Executive Officer, DMEA Field Team, Region IV. In view of the fact the operator acquired the major portion of mine supplies on a day-to-day basis from the stores department of the United Park City Mines it is considered the taking of a final inventory by the engineer was not applicable in this case.

There were no unused materials, supplies, or other property to be disposed of for the joint account of the operator and the Government other than that covered by waiver or liquidation.

This audit has disclosed that all costs as charged to this project, with the exception of the disallowances itemized under (2)(a) Labor, (2)(b) Supervision, (3) Operating Materials and Supplies, (7)(c) Payroll Taxes, and (7)(d) Liability Insurance, of the preceding section of this report, are reasonable and proper under the terms of the contract, Amendment Nos. 1 through 4, and Liquidation Proposal approved June 17, 1954.

The adjustments of items of costs as shown on the January 1954 RF-104, the disallowances and approved amounts are summarized as follows:

	Total to Date MF-104 Jan. 1954	Distribution Corrected	Audit Disallowances	Proceeds from Liquidation	Accepted Totals
Independent Contracts					
Drifting	$14,704.73				
Raising	4,172.00				
Labor and Supervision					
Labor	716.75	$20,019.90	$17.50		$20,002.40
Supervision	5,037.50	5,037.50	37.50		5,000.00
Technical Services	1,225.00	1,225.00			1,225.00
Operating Materials & Supplies					
Timber	3,031.04	3,034.87			3,034.87
Explosives	1,906.15	1,915.27			1,915.27
Pipe	1,012.39	962.23		$91.00	871.23
Track	178.27	259.39		26.00	233.39
Power		1,643.01			1,643.01
Miscellaneous	1,144.72	2,408.18	6.86	78.00	2,323.32
Drill Steel & Bits	637.37				
Vent Pipe	1,362.11				
Operating Equipment					
Rental	3,680.95	2,763.05			2,763.05
Purchase	5,124.52	6,159.10		2405.00	3,754.10
Depreciation	3,235.12	3,235.02			3,235.02
Initial Rehabilitation & Repairs					
New Buildings & Improvements					
Miscellaneous					
Repairs to Equipment	221.32	397.88			397.88
Sampling & Analysis	62.50	85.02			85.02
Payroll Taxes	1,134.58	1,134.58	2.54		1,132.04
Liability Insurance	1,164.96	1,164.96	2.63		1,162.33
Sundries	49.97				
Air Power & Charge Panel	1,643.01				
Bookkeeping	1,400.00	1,400.00			1,400.00
Totals	52,844.90	52,844.90	67.03	$2600.00	$50,177.93

At the conclusion of the audit the findings were discussed with Mr. G. S. Shurtleff, Accountant, and the Executive Officer, DMEA Field Team, Region IV.

Dated: June 23, 1954

Donald T. Finch

Donald T. Finch, Auditor

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

AUDIT CERTIFICATE

I have examined the records and transactions of:

New Quincy Mining Company
421 Felt Building
Salt Lake City 1, Utah

pertaining to Exploration Project Contract No. IDM-E265, Docket No. DMEA 113, for the period May 5, through July 31, 1952.

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

The Audit disclosed the following facts in regards to amount to be paid the Contractor:

Total Cost as Billed by Contractor			$11,096.85
Exceptions (See Audit Report for) (details):			
During this Audit		$183.00	
Prior to this Audit	$449.78		
Less: Amounts determined to be allowable	407.19	42.59	225.59
Total Accepted Cost			$10,871.26

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 Five Thousand Four Hundred Thirty-five Dollars and 63/100

-$5435.63-

is valid and proper.

This certificate is issued at 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.

October 3, 1952

Donald T. Finch
Donald T. Finch
Auditor, Region IV

New Quincy Mining Company
Exploration Project
Contract No. IDM-E265
Docket No. DMEA
113

I. INTRODUCTION

An Audit was made on September 15, 1952 of Defense Minerals Exploration Contract No. E265, Docket No. DMEA 113, the New Quincy Mining Company. The records pertaining to this contract are in the office of the New Quincy Mining Company, Room 421, Felt Building, Salt Lake City, Utah. The Audit covered the period May 5, through July 31, 1952 of a contract that continues until December 28, 1952. The New Quincy Mining Company is a Utah corporation. Mr. Nick Floor is President and Mr. Glen I. Crandall is Secretary-Treasurer. The property is located in Wasatch and Summit Counties, Utah. Mr. Crandall was present and was consulted when necessary.

II. EXTENT AND SCOPE OF AUDIT

1. Independent Contracts

Crosscutting

The cancelled checks and invoices covering payments for crosscutting were examined for the period May 5 through July 31, 1952. Payment at the rate of $14.00 per foot were in accordance with a contract dated June 12, 1952, which was approved in amendment to the exploration contract dated July 8, 1952, and which was made effective as of the date of the exploration contract; viz. February 28, 1952

2. Labor and Supervision:

Labor, Supervision, Technical Services and Bookkeeping

All charges for the above items for the period May 5 through July 31, 1952 were audited in detail. Individual payments were at rates within the limits authorized by the contract.

3. Operating Materials and Supplies

Explosives, Pipe, Drill Steel, Miscellaneous

The company does not maintain a Stores System. Operating Materials are charged direct to the operation at invoice cost. All invoices for these items for the period May 5 through July 31, 1952 were examined. A random examination was made of cancelled checks issued in payment of the invoices examined.

4. Operating Equipment

Rental

Invoices or rental contracts were examined for all equipment rentals charged. Payments for rentals of equipment were within limits authorized by an amendment dated July 8, 1952 to the Exploration contract.

Purchased

The invoices and cancelled checks for purchase of equipment for the period May 5 through July 31, 1952 were examined. Such purchases were within authorized limits.

Depreciation

Charges for Depreciation were examined and compared with the Exploration Contract and Amendment thereto, dated August 27, 1952. These charges for the period May 5 through July 31, 1952 were within authorized limits.

5. Miscellaneous

Payroll Taxes and Workmen's Compensation Insurance

Payroll Taxes are based on 4.2% of the total payroll. Workmen's Compensation Insurance is based on $4.97 per one hundred dollars of Payroll including Supervision. The totals to date shown on the operator's MF-104 for July, 1952, are in accordance with the foregoing rates.

Sundry

An invoice for this item was examined. It covers the cost of transporting a mucking machine to the project.

6. Contingencies

Air Power and Charging Panel

The invoices supporting these charges for the period May 5 through July 31, 1952 were examined. Charges were below the estimated costs authorized in the contract.

III. FINDINGS

1. Materials and Supplies

Miscellaneous

Exception in the amount of $183.00 is taken to the purchase of 1 2 inch by 6 foot S. S. Column complete with safety clamp, Standard Arm and Saddle. This item was on Gardner Denver Invoice 29-58159 dated July 11, 1952. The item was charged to Miscellaneous Supplies by the Operator. The reviewing Engineers advise that this item is equipment to be used with a drifting machine. The exhibit attached to the contract does not provide for the purchase of equipment of this nature.

The total to date for Miscellaneous Supplies as shown on the operator's MF-104 form for July, 1952 should be adjusted for this amount.

2. Exceptions taken by the DMEA Finance Officer

The following exceptions have been taken by the DMEA Finance Officer:

June, 1952		
Ex-Contract Items		
Cost of fabricating bumper for Company-owned trammer		$42.59
Insufficient Documentation		
Rental-Mucking Machine	$150.00	
Rental-Drifter	100.00	
Hauling Mucker	20.00	270.00
Payroll Tax (to be claimed) (at end of) (quarter)		* 3.65
Total - June, 1952		$316.24
July, 1952		
Payroll Taxes		* 133.54
Total Previous Exceptions		$449.78

*The executive officer has ruled in cases where documentation has not been waived that claims for Payroll taxes which are payable on a quarterly basis shall be suspended until quarterly reports are actually made and claim supported by copies of such report for payroll taxes. During the audit, it was determined the total to date of $137.19 for Payroll taxes shown on the operator's MF-104 form for July, 1952 were properly computed and represented the amount of the operator's statutory liability for these items.

For the purpose of this report, Payroll Taxes in the amount of $137.19, previously excepted are reinstated in the total of acceptable costs as of July 31, 1952.

During the audit, it was also determined that the items totalling $270.00, previously disallowed for insufficient documentation, were adequately supported on the operator's records from an accounting stand-

point. These items, therefore, should be reinstated.

The operator's total to date on the July MF-104 form for Miscellaneous Supplies should be adjusted for the cost of fabricating a bumper in the amount of $42.59.

The total to date on the operator's MF-104 for July 1952, after adjustment for previous exceptions and for exceptions discovered during the audit, amounts to $453.28.

The records maintained by the New Quincy Mining Company are in good condition and are adequate. Payrolls and other supporting data are cross-referenced and filed monthly. Invoices for Purchases are attached to duplicate voucher check and are filed numerically.

No further exceptions are taken, the costs being reasonable, proper and within the terms of the contract and amendments.

IV. RECOMMENDATIONS

The Audit Certificate, prefacing this report, reflects the amount of the costs properly charged to this project through July 31, 1952.

Docket copy

AMENDMENT NO. 4
to
AMENDED EXPLORATION PROJECT CONTRACT
NEW QUINCY MINING COMPANY
DOCKET NO. DMEA-113

It is agreed this 5th day of February, 1954, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and New Quincy Mining Company, that Amended Exploration Project Contract Idm-E265, Docket No. DMEA-113, dated March 24, 1953, as amended, is further amended, effective February 28, 1952, as follows:

1. In Exhibit "A", under the heading "Estimated Costs of the Project, under the category "(3) Operating Materials and Supplies," delete the item

"Power3/ 1,100.00*"

and delete the footnote 3/, and substitute the item

"Power 1,750.00."

2. The provisions of Annex III, attached hereto and made a part hereof, are substituted for Article 9 of the contract form.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, nor the amount of any item designated as "allowable maximum," which is not specifically changed by this amendment.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C P Mitchenor
Administrator, Defense Minerals Exploration Administration

NEW QUINCY MINING COMPANY

By [illegible]
President

Glen E Brandenburg
Secretary-Treasurer

Pontw
Hofflund
Chandler

Defense Materials Administration
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ANNEX III

The following provisions are in lieu of Article 9:

Repayment by Operator.--a. Certification.--If at any time the Government considers that a discovery or development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the final report and final account, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

b. Percentage royalty.--The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2,--(1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years (or other period fixed by this contract) from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of the net smelter returns, the net concentrator returns, or other amounts realized from the sale or other disposition of any such production (including any bonuses, premiums, allowances, or other benefits), in whatever form disposed of, including ore, concentrates, or metal, as follows:

(a) One and one-half ($1\frac{1}{2}$) percent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(b) One and one-half ($1\frac{1}{2}$) percent of any such net amounts, plus one-half ($\frac{1}{2}$) percent of such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such net amounts.

(For instance: the percentage royalty on a net amount of five dollars ($5.00) per ton, would be one and one-half ($1\frac{1}{2}$) percent; on a net amount of ten dollars ($10.00) per ton, three and one-half ($3\frac{1}{2}$) percent.)

c. Definitions.--As here used, "net smelter returns", "net concentrator returns", and "other amounts realized from the sale or other disposition", mean gross revenue from sales; or if not sold, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income tax determination.

d. Lien for Payment.--To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

e. Notice to Purchasers.--The Operator shall notify any purchaser of the production of the Government's royalty interest, and shall authorize and direct the purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets; but failure or refusal by the purchaser to comply shall not relieve the Operator of liability to pay any royalty falling due.

f. No Obligation to Produce.--This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

No. 3

WEKane
12/4/53
Ombm

AMENDMENT OF CONTRACT: No. IDH-E265

Contract Docket No. DMEA 113, dated March 24, 1953, between the United States of America and New Quincy Mining Company is hereby amended as follows, effective as of the date of said Contract:

> Referring to "Article 3. Exploration Project" of Amended Exploration Project Contract Form EF-200 (June 1951) (Revised Feb. 1952) following the words "and shall bring the project to completion prior to" change the date of "Nov. 1, 1953" to read "Feb. 1, 1954".

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 NOV 6 1953

NEW QUINCY MINING COMPANY

By George F. Elliot
~~Nick Zeap, President and~~
General Manager

UNITED STATES OF AMERICA gws

By W. H. King
W. H. King, Executive Officer
DMEA Field Team, Region IV

(SEAL)

No. 2

AMENDMENT OF CONTRACT: No. Idm-8265

Contract Docket No. DMEA-113, dated March 24, 1953, between the United States of America and New Quincy Mining Company is hereby amended as follows, effective August 12, 1953:

> Referring to EXHIBIT "A" AMENDED, attached to Amended Exploration Project Contract Form MF-200 (June 1951) (Revised Feb. 1952), caption "Estimated Costs of the Project "Indicates allowable maximum" subheading "(3) Operating Materials and Supplies", add the following:
>
> > "20 feet 36-inch diameter corrugated culvert pipe with connecting band, estimated cost $125.95"

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 AUG 27 1953

NEW QUINCY MINING COMPANY

By Mick Floor
Mick Floor, President
and General Manager

UNITED STATES OF AMERICA

By W. H. King
W.H. King, Executive Officer
DMEA Field Team, Region IV

(Seal)

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AMENDMENT NO. 1 to
AMENDED EXPLORATION PROJECT CONTRACT
NEW QUINCY MINING COMPANY
DOCKET NO. DMA-113

WHEREAS, an amended Exploration Project Contract No. Idm-E265, Docket No. DMA-113, dated March 24, 1953, was entered into between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and New Quincy Mining Company, hereinafter called the "Operator"; and

WHEREAS, Item (4) of Exhibit "A" attached to the aforesaid Amended Contract, provided that one 3-inch drifter was to be rented at $100.00 a month at an estimated cost of $912.90; and Annex II of the contract provided that the Operator was not to procure any equipment under a rental-purchase agreement or any agreement other than for straight rental; and

WHEREAS, the Operator actually purchased the aforesaid machine under a rental-purchase agreement, all the rentals having been paid, and the Operator acquired title to the machine;

NOW THEREFORE, it is agreed between the parties hereto, each acting in consideration of the agreement of the other as set forth, that the aforesaid Exploration Project Contract as of said date is modified as follows:

1. Item (4) of Exhibit "A" is modified to indicate that the afore-mentioned 3-inch drifter might be obtained under a rental-purchase agreement for the price therein mentioned or less, and upon the consummation of the purchase the Government shall acquire (and has since acquired) a 50 percent equitable interest in this equipment.

2. This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, nor the amount of any item designated as "allowable maximum."

Executed in sextuplicate this 27th day of July, 1953.

NEW QUINCY MINING COMPANY

By [signature]

UNITED STATES OF AMERICA

By [signature]
Administrator, Defense Minerals Exploration Administration

actg Hoffman Talbert

MF-200
(June 1951)
(Revised Feb. 1952)

DOCKET NO. DMEA 113

COMMODITY Lead-Zinc

Docket Copy

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
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UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

AMENDED
EXPLORATION PROJECT CONTRACT[1]

IT IS AGREED this 24th day of March, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] New Quincy Mining Company, a corporation duly organized and existing under and by virtue of the laws of the State of Utah, with an office at 421 Felt Building, Salt Lake City 1, Utah

hereinafter called the "Operator," as follows: and as set forth in Annexes I and II, attached hereto and made a part hereof.

ARTICLE 1. *Authority for contract.*—This agreement is entered into under the authority of the Defense Production Act of 1950, as amended, pursuant to DMEA Order 1 entitled "Government Aid in Defense Exploration Projects."

ARTICLE 2. *Operator's property rights.*—With respect to that certain land situated in the State of Utah Counties, ~~County~~ of Wasatch and Summit, described as follows:[3] indicated by the heavy line on map No. 1500-1039-C-Fig. 2, U.S. Department of the Interior, Bureau of Mines, attached to the Prior Contract and made a part hereof.

the Operator represents and undertakes:[4]

(*a*) That the Operator is the owner, in possession and entitled to possession, and that the property is subject only to the following claims, liens, or encumbrances as to each of which the subordination agreement of the holder is attached:

None

(*b*) ~~That the Operator is a lessee in possession and entitled to possession and the Owner's Consent to Lien is attached.~~

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.

ARTICLE 3. *Exploration project.*—The Operator, ~~within~~ has ~~days from the date of this contract shall~~ commenced work on a project of exploration for[5] Lead-Zinc

in or upon the described land; and shall bring the project to completion ~~within~~ prior to Nov. 1, 1953 ~~within days~~ ~~days thereafter~~. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided.

ARTICLE 4. *Performance of the work.*—(*a*) *Operator's responsibility.* The work shall be performed efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmens' compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. To the extent specified in Exhibit "A," attached hereto, the work may be performed by independent contractor or contractors; and work not specified in Exhibit "A" for performance by independent contractor may nevertheless be so performed upon amendment of Exhibit "A," as agreed to by the parties, to state the work to be so performed and the estimated unit costs thereof, as provided hereafter.

(*b*) *Independent contracts.*—Any independent contract for the performance of work shall be on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved), or on some basis that will indicate the amount due for work performed at any stage of the work to be performed under such independent contract. The Government shall not be nor be considered to be a party to any such independent contract, and the Government's right to terminate the exploration project contract under any of its provisions shall not in any manner be affected by reason of any such independent contract. If the reference in Exhibit "A" to any such independent contract states that the Government's approval thereof is required, the Government may refuse to participate in the cost thereof unless and until it has given its written approval of the independent contract.

(*c*) *Government may inspect.*—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.

ARTICLE 5. *Estimated costs of the project.*—A statement of the estimated cost of the project is set forth in Exhibit "A," attached hereto. Except insofar as any item of requirement or the estimated cost thereof set forth in Exhibit "A" is there or elsewhere designated as an "allowable maximum," such items of requirement and of related cost are estimates only, and may be exceeded to the extent that the Government may from time to time approve for the most economic and beneficial performance of the work within the limitation of the total aggregate estimate of costs. The Government's approval of any such excess over the estimate for an item of requirement or related cost will be signified by its approval and payment of any invoice or voucher for payment which expressly calls attention to such excess. Items expressly designated in Exhibit "A" or elsewhere as "allowable maximum," and the total aggregate estimated cost are limitations, and any excess therein will be for the sole account of the Operator in which the Government will not participate.

ARTICLE 6. *Allowable costs of the project.*—(*a*) The costs of the project in which the Government will participate are limited to the following:

(1) *Independent contracts.*—Payments to independent contractors under independent contracts listed in Exhibit "A." The estimated cost of any work to be performed under an independent contract is or shall be included in the estimate of costs in Exhibit "A" in terms of the estimated numbers of units of work to be performed, the estimated amount to be paid per unit, and the estimated total amount to be paid to the independent contractor, and such estimates shall be allowable maximums above which the Government will not contribute. Regardless of the provisions of any such independent contract, the Government will participate in the payments to the independent contractor only on account of work actually performed and that conforms with the provisions of the exploration project contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable and necessary. No such independent contract shall have the effect of increasing the estimated total cost of the exploration project contract nor the maximum amount which the Government will pay as provided in the exploration project contract.

(2) *Labor, supervision, consultants.*—Labor, supervision and technical services (including engineering and geological consultants), a schedule of which is included in the estimate of costs set forth in Exhibit "A." The requirements and related estimated costs for supervision and technical services are allowable maximums.

(3) *Operating materials and supplies.*—Necessary materials and supplies including items of equipment costing less than $50.00 each, and power, water, and fuel, a schedule of which is included in the estimate of costs in Exhibit "A."

(4) *Operating equipment.*—Any operating equipment to be rented or purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or the allowable depreciation, as the case may be, a schedule of which is included in Exhibit "A." Any items listed as owned and to be furnished by the Operator, and related ~~initial~~ allowable depreciation, are allowable maximums.

(5) *Rehabilitation and repairs.*—Any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and to be devoted to the purposes of the exploration contract, a schedule of which is included in the estimate of costs set forth in Exhibit "A." These items are allowable maximums.

(6) *New buildings, improvements, installations.*—Any necessary buildings, fixed improvements, or installations to be purchased, installed, or constructed for the purposes of the exploration work, with the estimated cost of each, a schedule of which is included in the estimate of costs in Exhibit "A." All of these items are allowable maximums.

(7) *Miscellaneous.*—Repairs to and maintenance of operating equipment (not including initial rehabilitation or repairs of the Operator's equipment), analytical work, accounting, workmen's compensation and employers' liability insurance and payroll taxes.

(8) *Contingencies.*—Such other necessary, reasonable direct costs of performing the exploration work, within the limit of the total aggregate estimate of costs, whether or not included in any schedule of costs in Exhibit "A," as may be approved by the Government in the course of the work, as indicated by its approval and payment of invoices and vouchers.

[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, particularly excluding any land or interest therein to which the Government's lien is not to attach or the production from which is not to be subject to the Government's percentage royalty.
[4] Strike out the provision not applicable.
[5] Name of mineral or minerals.

(*b*) The Government's payment in all cases will be based on actual, necessary costs (including contract unit prices) incurred not in excess of any "allowable maximum," and not in excess of the fixed percentage of the total aggregate estimated cost. Costs will be considered to be incurred only as they are or become due and payable.

(*c*) No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes) or any other indirect costs, 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.

ARTICLE 7. *Reports, accounts, audits.*—(*a*) *Progress reports.* The Operators shall provide the Government with monthly reports of work performed and costs (including contract unit prices) incurred under the contract, in quintuplicate (five copies), upon forms provided by the Government. These progress reports shall be certified by the Operator, and shall constitute both the Operator's invoice of costs incurred on the project during the period covered by the report and his voucher for repayment by the Government, unless the Government requires the use of a standard voucher form with invoice attached. Progress reports shall include surface and/or underground engineering-geological maps or sketches showing the progress of the exploration, with assay-reports on samples taken concurrently with the advance in mineralized ground.

(*b*) *Final report.*—Upon completion of the exploration work or termination of the contract the Operator shall provide the Government with an adequate geological and engineering report, in quintuplicate (five copies), including an estimate of ore reserves resulting from the exploration work.

(*c*) Compliance with requirements.—If, in the opinion of the Government, any of the Operator's reports are insufficient or incomplete, the Government may procure the making or completion of such reports and attachments as an expense of the exploration work; and the Government may withhold approval and payment of any vouchers depending upon insufficient or incomplete reports.

(*d*) *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. Upon the completion of the project or termination of the contract the Operator shall render a final account as provided in Article 12.

ARTICLE 8. *Payments by the Government.*—(*a*) The Government will pay 50 percent of the allowable costs incurred, as they accrue, in an aggregate total amount not in excess of $25,350.00, which is 50 percent of $50,700.00, the agreed, estimated total cost of the project in which the Government will participate; *Provided,* that until the Operator's final report and final accounting have been rendered to the Government, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract.

(*b*) The Government may make any payment or payments direct to independent contractors and to suppliers, for the account of the Operator, rather than to the Operator.

ARTICLE 9. *Repayment by Operator.*—(*a*) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than 6 months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows:

(1) One and one-half (1½) percent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) percent of any such net amounts, plus one-half (½) percent of such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such net amounts.

(For instance: The percentage royalty on a net amount of five dollars ($5.00) per ton would be one and one-half (1½) percent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) percent.)

(*b*) As here used, "net smelter returns," "net concentrator returns," and "other net amounts realized from the sale or other disposition," mean gross revenue from sales; or if not sold, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income-tax determination.

(*c*) To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(*d*) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

ARTICLE 10. *Assignment, transfer, or loss of Operator's interest.*—Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder. The Operator shall not make any voluntary nor permit any involuntary transfer or conveyance of the Operator's rights in the land described in Article 2, without making suitable provision for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof; *Provided,* that mere failure by the Operator to maintain the Operator's rights in the land, without any consideration running to the Operator other than relief from the cost of maintaining such rights (as by surrender of a leasehold, failure to perform assessment work, or failure to exercise an option), coupled with complete abandonment by the Operator of all interest in or operations on the land for a period of 10 years from the date of this contract, shall not constitute such a transfer or conveyance. Should the Operator make or permit any transfer or conveyance in violation of this provision, the Operator shall be and remain liable for payment to the Government of the same amounts, at the same times, as would have been paid under the terms of the percentage royalty on production. If for any reason the net smelter returns, net concentrator returns, or other net amounts realized from the sale or other disposition of such production are not available as a means of measuring the amount of the Operator's liability, the amount thereof shall be estimated as well as may be, and in the event of dispute as to such estimates, the determination thereof by the Administrator of Defense Minerals Exploration Administration or by his successor shall be final and binding upon the Operator.

ARTICLE 11. *Title to and disposition of property.*—All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

ARTICLE 12. *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 worth while 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 dispose of any remaining materials, supplies, facilities, buildings, fixtures, and equipment in which the Government has an interest, for the joint account of the Operator and the Government in the proportion of their respective interests; shall render to the Government a full and final accounting of his operations under the contract and his expenditures of money; and shall pay to the Government its pro rata share of any money remaining.

ARTICLE 13. *Changes and added provisions.* ~~The operator's obligation to bring the project to completion continues only as long as the accumulated allowable costs of the project in which the Government will participate do not exceed the agreed, total estimated cost of the project set forth in Article 8.~~

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By [signature]
Administrator, Defense Minerals Exploration Administration

New Quincy Mining Company
(Operator)

By [signature]

I, Glen I. Crandall, certify that I am the elected secretary of the corporation named as Operator herein; that Wayne D. Holmberg, who signed this contract on behalf of the Operator, was then Vice-president of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

[signature]

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—66328-1

EXPLORATION PROJECT CONTRACT
NEW QUINCY MINING COMPANY
DOCKET NO. DMEA-113

ANNEX I

WHEREAS, the parties to this amended agreement are also parties to Contract Idm-E265, dated February 28, 1952, as amended, executed on Form MP-200 (June 1951), hereinafter called the Prior Contract; and

WHEREAS, only about 599 feet of the drifting and crosscutting described in the Prior Contract has been completed and work on the project was recessed in December 1952, and the parties desire to resume operations upon the execution of this Amended Exploration Project Contract but to change the description of the said work, to do additional drifting and crosscutting, and to restate their agreement on the new contract form MP-200 (revised February 1952);

NOW THEREFORE, it is mutually agreed that:

1. Effective as of February 28, 1952, the Prior Contract is amended and superseded by this amended contract which shall control the Government's claim and lien for a percentage royalty and in which all the rights and obligations of both parties are fully merged except that vouchers and claims for the Government's contribution to the work described in and performed under the Prior Contract and payment thereof shall be as therein provided.

2. The Operator hereby releases and agrees to save harmless the Government from all claims and demands arising out of the Prior Contract except as otherwise herein provided.

3. The description of the work including the additional work to be performed, and its estimated cost and the estimated cost of the entire project, and the Government's contribution thereto, shall be as stated in Exhibit "A" Amended, attached hereto and made a part hereof.

EXPLORATION PROJECT CONTRACT
NEW QUINCY MINING COMPANY
DOCKET NO. DMEA-113

ANNEX II

Materials and Supplies. For the purpose of determining the Government's interest in materials or supplies remaining upon any termination of the work, they shall be considered in groups or categories (such as pipe, or explosives, or rails, or drill steel), and if the original cost of the remaining unexpended portion of any such group or category exceeded $50, the Government shall have an interest therein as provided in Article 11 of the contract form.

Equities in Equipment. Unless expressly permitted by provisions in Exhibit "A", the operator shall not procure equipment or any other item under a rental-purchase agreement, an installment-purchase agreement, any agreement which creates or builds up an equity or interest in the thing procured which can be converted to legal title only by further payment or some other consideration, or any agreement other than for straight rental or cash purchase and delivery.

Preservation of Property. Until the final disposal of any equipment or other property in which the Government has an interest or equity, the operator shall preserve and protect same for the mutual best interests of the parties, any reasonable and necessary cost thereof to be treated as an allowable cost of the exploration work to which the Government will contribute.

EXPLORATION PROJECT CONTRACT
NEW QUINCY MINING COMPANY
DOCKET NO. DMEA-113

EXHIBIT "A" AMENDED

Description of the Work

As indicated on the map attached hereto, made a part hereof, and entitled "New Quincy Mining Company--DMEA-113," the project shall consist of the following work:

1. Rehabilitation, repair and preparatory work on the 1300 level of the New Quincy Mine to the starting point of the crosscut described in the following paragraph.

2. Drifting and crosscutting as follows:

Crosscut southeasterly approximately 421 feet, from a point in the stub drift 290 feet east of the intersection of the Daly West 900 level and the New Quincy 1300 level, to intersect fault fissure "A", then drift and crosscut in the footwall of fault fissure "A" or drift along fault fissure "A" approximately 178 feet to cut the contact between the Park City limestone and the Weber quartzite on the hanging wall side of the fault, and then drive approximately 200 feet of drifts and crosscuts along the fissure, or in favorable horizons encountered on the present 1300 level, and at higher levels in the raise, described under Item 3, at places where geological conditions indicate the best possibility of discovering ore bodies, as agreed upon by operator and Government. An allowance of 6 feet advance will be made to widen the crosscut for siding for car switching. The aggregate amount of crosscutting, drifting and siding will be approximately 800 feet. All drifts and crosscuts shall be a minimum of 5' x 7' in cross section.

3. Raising as follows:

Drive a two-compartment (chute and manway) raise 5' x 10' in cross section approximately 285 feet from a point on the 1300 level acceptable to the Government, to intersect the Jenny quartzite horizon in the hanging wall, and the base of the Park City limestone and the Jenny quartzite horizon on the footwall side of the fissure.

Estimated Costs of the Project
(*Indicates allowable maximum)

(1) Independent Contracts

None

(2) Labor, Supervision, Consultants

Labor 1/

Schedule waived	$17,200.00	
Supervision 2/		
Supervisor, 20 months @ $20/day*	5,000.00*	
Engineer, 20 months @ $25/day*	2,000.00*	$24,200.00

(3) Operating Materials and Supplies

Timber	3,443.27
Explosives	2,346.54
Pipe	463.39
Track	253.77
Drill steel and bits	877.83
75 feet - 36" dia. 14 gauge corrugated culvert pipe	436.98

1/ After the date of this Amended Exploration Project Contract, miners and muckers shall be paid at the rate of not more than $14.16 and $13.66 per 8-hour shift respectively. However, the mine crew (exclusive of the supervisor and engineer above-referred to) may be paid on the basis of footage of completed advance (which shall be solely for wages and exclusive of cost of necessary materials and supplies and use of equipment) at not to exceed the following rates:

Crosscuts and drifts on the 1300 level	$14.00 per foot
" " " above " "	16.00 " "
Raising in the "A" fault fissure	28.00 " "
Raising outside of the "A" fault fissure	26.00 " "

2/ This refers to a supervisor and an engineer employed on a part-time basis, to be paid only for actual time spent on the job, and not in excess of $250 a month for the supervisor and $100 a month for the engineer.

Vent pipe	$ 1,340.00		
Other	1,332.22		
Power 3/	1,100.00*		$11,600.00

(4) Operating Equipment

To be purchased

1 Battery locomotive	4,764.26	
1 - 6' single screw drill column, complete	183.00	
1 Air-driven fan	690.00	$5,637.26

To be rented

1 Mucking machine @ $150.00/mo.	1,350.00	
1 3-inch drifter @ $100.00/mo.	912.90	
1 Self-rotating stoper @ $75.00/mo.	337.50	
1 Tugger hoist @ $75.00/mo.	337.50	
1 Charging panel @ $38.50/mo.	539.00	$3,476.90

3/ Rebilling from Park Utah Consolidated Mines Co. for compressed air and power to operate charging panels for locomotive batteries at $217.50 per month. The cost of power furnished by Park Utah Consolidated Mines Co. for operation of the New Quincy compressor is allowable in lieu of the cost for purchase of compressed air.

To be furnished by Operator 4/

	Value	Depreciation Rate per mo.	
1 Battery Locomotive	$3,750.00	$62.50	
1 Battery Charger	1,116.10	18.60	
37 Mine cars @ $125.00 each	4,625.00	77.00 ($2.08 each)	
1 Air Compressor	2,650.00	44.17	
Estimated Cost of depreciation		$2,785.84	$11,900.00*

(5) Rehabilitation and Repairs

Repairs to operating equipment		250.00*

(6) New Buildings, Improvements, Installations

None

(7) Miscellaneous

Sampling and analysis	$ 250.00	
Bookkeeping, 20 mos. @ $70/mo.*	1,400.00*	
Workmen's compensation, employers' liability insurance, payroll taxes	1,100.00	2,750.00

(8) Contingencies

None

Total Estimated Cost of the Project	$50,700.00*
Government Participation @ 50%	$25,350.00*

4/ Depreciation shall be allowed only for the months in which the equipment is actually used, and depreciation for mine cars shall only be allowable to the extent of the number actually used in the work.

MINE New Quincy Mining Co. LOCATION Park City, Utah LEVEL 1300

GEOLOGY BY M.H.H. SURVEY Brunton SCALE 1" = 50' DATE Jan. 1953

No. 5

AMENDMENT OF CONTRACT: No. Idm-E265

Contract Docket No. DMEA 113, dated February 28, 1952, between the United States of America and New Quincy Mining Company is hereby amended as follows, effective as of the date of said contract:

> Referring to "EXHIBIT 'A'" attached to Exploration Project Contract Form MF-200, caption "Operating Equipment", subheading "(a) To be purchased", add the following:
>
> > 1 - 6 foot, single screw, drill column, complete with standard arm, saddle and safety clamp. Estimated cost $183.00. Funds for the purchase of the drill column are those allocated to "Contingencies".

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may pay or the percentage of the costs which the Government may pay under the provisions of Article 13 of the contract form.

Dated December 29 1952.

NEW QUINCY MINING COMPANY

By Nick Floor
Nick Floor, President

UNITED STATES OF AMERICA

By W. H. King
Executive Officer, DMEA
Field Team, Region IV

(Seal)

No. 4

AMENDMENT OF CONTRACT: No. Idm-E265

Contract Docket No. DMEA 113, dated February 28, 1952, between the United States of America and New Quincy Mining Company is hereby amended as follows, effective November 1, 1952:

> Referring to "EXHIBIT "A" attached to Exploration Project Contract Form MF-200, caption "Estimated Costs of the Project", subheading "Supplies and Material", add the following:
>
> > 75 feet - 36" diameter, 14 gauge, corrugated culvert pipe, with connecting bands. Total cost $436.98. By nature of the pipe and its use, the material hereby authorized shall be considered to have been expended when it has been installed.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may pay or the percentage of the costs which the Government may pay under the provisions of Article 13 of the contract form.

Dated November 26 1952.

NEW QUINCY MINING COMPANY

By Nick Floor
Nick Floor, President & General Manager

UNITED STATES OF AMERICA

By W. H. King
Executive Officer, DMEA Field Team, Region IV

(Seal)

Docket

No. 5

AMENDMENT OF CONTRACT No: Idm-E-265

Contract Docket No. DMEA-113, dated February 28, 1952, between the United States of America and New Quincy Mining Company is hereby amended as follows, effective July 1, 1952:

> Referring to "EXHIBIT A" attached to Exploration Project Contract Form MF-200, Caption "Operating Equipment," subheading "(c) To be Furnished by Operator" add the following:
>
> 1 Gardner-Denver Model WBQ, Compressor, value $2650.00, Depreciation Rate per Month $44.17.
>
> The depreciation of the above compressor is allowable in lieu of the purchase of compressed air from the Park Utah Consolidated Mines Co., and power for the operation of the compressor is allowable in lieu of and from funds allocated to the purchase of compressed air.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may pay or the percentage of the costs which the Government may pay under the provisions of Article 13 of the contract form.

Dated August 27, 1952

NEW QUINCY MINING COMPANY

By [signature]
President

UNITED STATES OF AMERICA

By [signature]
Executive Officer-DMEA

Docket Copy
Lead, Zinc

No. 2

AMENDMENT OF CONTRACT: No. Idm-E-265

Contract Docket No. DMEA-113, dated February 28, 1952, between the United States of America and New Quincy Mining Company is hereby amended as follows, effective as of the date of said contract:

Referring to "EXHIBIT A" attached to Exploration Project Contract Form MF-200, caption "Labor and Supervision", add the following: "or, the crew engaged in advancing the heading may be paid on the basis of footage of completed advance at a rate not to exceed $14.00 per foot."

Referring to the same Exhibit, caption "Operating Equipment", subheading "(b) To be rented:", delete all matter thereunder and in lieu thereof substitute the following:

Item			
1 - Mucking Machine	@	$150.00	per month
1 - 3" Drifter	@	100.00	" "
1 - Self rotating Stoper	@	75.00	" "
1 - Tugger Hoist	@	75.00	" "
1 - Charging Panel for Locomotive Battery	@	38.50	" "

Estimated Cost of Rental - - - - - - - - - - $2184.00

Referring to the same Exhibit, caption "Power", add the following: Power charges for the operation of the second charging panel are allowable and chargeable to funds allocated under "Contingencies".

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may pay or the percentage of the costs which the Government may pay under the provisions of Article 13 of the contract form.

Dated July 8, 1952.

NEW QUINCY MINING COMPANY

By Nick Floor
Nick Floor, President

UNITED STATES OF AMERICA

By W. H. Haring
Executive Officer - DMEA

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 14 1952

Docket Copy
Lead, Zinc

No. 1

AMENDMENT OF CONTRACT: No. IdmE-265

Contract Docket No. DMEA 113, dated February 28, 1952, between the United States of America and New Quincy Mining Company is hereby amended as follows, effective to the date of said Contract:

> Referring to article "3. Exploration Contract" following the words: "The Operator, within" delete the following: "sixty (60)" and in lieu thereof substitute the following: Ninety (90).

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may pay or the percentage of the costs which the Government may pay under the provisions of Article 13 of the contract form.

Dated May 29, 1952.

NEW QUINCY MINING COMPANY

By [signature]
President

UNITED STATES OF AMERICA

By W. H. King
Executive Officer - DMEA

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 2 1952

SDS

MF-200
(June 1951)

DMFA-113
Docket No. ~~XXX~~
Commodity Lead-Zinc
Idm-E-265

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

DOCKET COPY

EXPLORATION PROJECT CONTRACT [1]

It is agreed this 28th day of February, 195 2, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the "Government," and [2] New Quincy Mining Company, a Utah Corporation
Room 421, Felt 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 Utah, County of Counties Wasatch and Summit described as follows: [3] Property to be included is shown enclosed by heavy line on map No. 1500-1039-C, Fig. 2, U. S. Department of the Interior, Bureau of Mines, attached hereto.

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

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

None

(*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 sixty (60) days from the date of this contract shall commence work on a project of exploration for [5] Lead-zinc; 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] ten (10) 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 $11,929.00, which is 50 percent of the agreed estimated total cost of this project, $23,858.00.

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.

New Quincy Mining Company
(Operator)

By [signature]
President

THE UNITED STATES OF AMERICA

By [signature]
Acting Administrator, Defense Minerals Exploration Administration

[signature] (form)

U. S. GOVERNMENT PRINTING OFFICE 16—64064-2

EXHIBIT "A"

Statement of Work

1. Rehabilitation, repair and preparatory work on the 1300 level of the New Quincy to the starting point of the crosscut described under Item 2.

2. Drifting and Crosscutting as follows:

   Crosscut southeasterly approximately 380 feet, from a point in stub drift 290 feet east of the intersection of the Daly west 900 level and the New Quincy 1300 level, (map attached), to intersect fault fissure "A", then drift along fault fissure "A" to cut the contact between the Park City limestone and the weber quartzite on the hanging wall side of the fault. Whether the drifting will be in a northeasterly or southwesterly direction will depend on stratigraphic conditions encountered at the point of cutting fault fissure "A". Direction of drifting is subject to approval of the DMEA representative. At approximately 175 feet from the starting point, the crosscut is to be widened for a distance of 35 feet to permit installation of a track siding. The aggregate amount of crosscutting, drifting and siding will be approximately 450 feet.

3. Raising as follows:

   Starting at the top of the Weber quartzite on the hanging wall side of the fault fissure "A" (objective in 2 above), and extend a 5' x 10' crosssection size raise to cut the favorable Jenny quartzite horizon of the Park City formation on the hanging wall side of the fault, and the base of the Park City limestone and Jenny quartzite horizon on the footwall side of the fault. The raise will be located at a point acceptable to the Government. The estimated length to reach objective will be approximately 330 feet.

Estimated Costs of the Project

Summary

Operating Equipment (Purchase, Rental & Depreciation)	$8374.00
Labor & Supervision (including Engineering & Accounting)	8114.00
Supplies and Material	5485.00
Power	1260.00
Analysis	125.00
Contingencies	500.00
Total estimated cost of the Project	$23858.00

New Quincy Mining Company

DMEA-1
E - 26
Lead 3

Details

Fixtures and Improvements

None

Operating Equipment

(a) To be Purchased:

Item	Estimated Cost
1 - Battery Locomotive	$4800.00
1 - Air-driven Fan	690.00
Total -	$5490.00

(b) To be Rented:

Item	
1 - Mucking machine @ 296.00 per month -	$1184.00
1 - 3-inch Drifter @ 100.00 per month -	400.00
1 - Self Rotating Stoper @ 75.00 per mo.-	300.00
1 - Tugger Hoist @ 75.00 per month -	300.00
Total -	$2184.00

(c) To be Furnished by Operator:

Item	Value	Depreciation Rate per Month
1 - Mancha Trammer	$3750.00	$62.50
1 - Battery Charger	1116.10	18.60
37 - Mine cars @ 125.00/ea.	4625.00	77.00 ($2.08 ea.)

Depreciation of mine cars allowable to the extent of the number actually in use for the benefit of Project Work.

Estimated cost of Depreciation - $700.00.

Total Estimated Costs of Operating Equipment - $8374.00.

Labor and Supervision:

Miners @ 12.05 per 8-hour shift
Muckers @ 11.55 per 8-hour shift
Supervisor @ $250.00 per month
Engineer, part time not to exceed $100.00 per month
Bookkeeper, part time not to exceed $70.00 per month

Labor and Supervision (Cont'd.)

Labor rates per shift based on 8-hour day, 5-day week, with time and one-half for overtime allowable. Labor involved in drifting and cross-cutting may be contracted on a unit foot basis subject to approval by the Government.

Total estimated cost of Labor and Supervision - (including compensation insurance and payroll tax) - $8114.00

Supplies and Material

Item	Estimated Cost	
10" Vent pipe	$ 1340.00	
2" Air line pipe	152.00	
1" Water line pipe	68.00	
Explosives	2175.00	
Drill steel and bits	800.00	
Timber	750.00	
Miscellaneous (air & water hose, track supplies, small tools, etc.)	200.00	
Total		$5485.00

Power

Rebilling from Park Utah Consolidated Mines Co., for compressed air, and power to operate charging panel for locomotive batteries @ $210.00 per month - Estimated $1260.00.

Rehabilitation and Repairs

None

LARGE FORMAT DOCUMENTS AT END OF FILE

DMR-113

Form NSRB-146
(Nov. 1950)

UNITED STATES GOVERNMENT

APPLICATION FOR GOVERNMENT LOAN UNDER SEC. 302 OF DEFENSE PRODUCTION ACT OF 1950

FORM APPROVED
BUDGET BUREAU NO. 25-R002

AMOUNT OF LOAN REQUESTED: 36,000.00

TERMS OF LOAN REQUESTED:

DATE OF APPLICATION: 12/22/50

TO BE FILLED IN BY DELEGATE AGENCY

(DATE RECEIVED)

COMM.

AGRIC.

INT.

D.T.A.

FILE NO.

NAME AND ADDRESS OF APPLICANT (Street, City, Zone, State)

New Quincy Mining Company
421, Felt Building
Salt Lake City, Utah

INSTRUCTIONS

Application should be filed with the Department of Commerce, Department of Agriculture, Department of Interior, or the Defense Transport Administration, whichever has the primary interest in the facilities, products, or processes involved. However, for convenience of the applicant, he may file with any government agency with which he has contract or other pertinent relationships and such agency will arrange for the transmittal of the application to the appropriate office.

Submit four (4) signed copies of the application. Name and address of applicant should be stamped or typed for identification of each sheet of the application and all accompanying papers. When a question is inapplicable, this should be so stated on the form. Additional sheets may be attached in answering any questions or in providing other supporting information.

1. PURPOSE OF LOAN

Give a brief general statement of the purpose of the loan requested, including in the table below estimated amounts for such major purposes as land acquisition, building construction, purchase of plant, purchase of equipment, working capital, repayment of debt, etc. Statement should make clear whether funds will be used for expansion of capacity, development of technological processes, or production of essential materials.

General Statement

Loan for purpose of further developement work according to copy of Mining Engeneer E. A. Hewitt recommandation

NATURE OF EXPENDITURE	AMOUNT
440' Crosscut @ 22.50	9,900.00
190' Drift @ 20.00	3,800.00
285' Raise @ 18.00	5,130.00
Tramming to shaft	2,745.00
Payroll Taxes, Industrial Ins. supervision etc.	6,925.00
1 Mechanical Mucker	2,850.00
2 Leyner Drills	1,980.00
2 Stoper Drills	1,130.00
Pipe, Rail, Hose & Steel	1,540.00
Total amount applied for	36,000.00

2. PROPOSED METHOD FOR REPAYMENT OF LOAN

State sources of funds, and proposed schedule of repayment

Intend to repay Loan from ore shipments.

3. NATURE OF BUSINESS AND DESCRIPTION OF PROJECT

Describe fully the business activity for which the funds are intended. In so doing, identify the materials and services to be produced, describe the facilities and processes involved, and explain in detail any research activity and the nature of the results expected. Attach blueprints and specifications, if available, and furnish other technical details to the extent that they are not covered elsewhere in the application.

New Quincy Mines has a very good record of producing silver, lead and zinc. The funds needed are to be used for the further developement of the mine that more of these metals can be produced. We have records showing that an average of zinc and lead production is: zinc: 8.14% and Lead 5.80%. See Exhibits A & B

4. Relationship to National Defense. Explain carefully how the expenditure of the funds will contribute to national defense. As a part of such explanation, the following questions should be answered to the extent possible:

(a) What evidence exists as to current shortages of the materials or services to be produced?

" Lead and zinc have been listed as Priority commodities" and we assume from this that there is a current shortage. ~~See Exhibit C~~

Zinc 8.14%
Lead 5.80%

(b) What evidence exists as to future shortages of the materials or services to be produced?

see "a" above

(c) Are such shortages, if any, regional or national in scope?

national

(d) In what respects will the use of the funds aid directly in expediting the carrying out of government defense contracts? (A listing of defense contracts, if any, held by applicant is required in item 8 below.)

Inapplicable

DMA-145

R E P O R T

on the

NEW QUINCY MINING COMPANY

Located in Uintah and Snake Creek Mining Districts in Summit and Wasatch Counties, State of Utah.

by

E. A. Hewitt, Park City, Utah.
Mining Engineer & Geologist.

November, 1949

LOCATION

The New Quincy Mining Company's property is located in the south central part of the Park City mining area some 2 miles southwest of the town of Park City, Utah, the nearest railhead. It lies from 2000' to 3000' southeast of the Daly West shaft. Park Utah Consolidated Mines Co property adjoins the New Quincy on the southwest, the northwest and the northeast.

The property now consists of a tract of patented mining lode claims extending in a northeast-southwest direction about a mile with an average width of about ¼ mile. The southwest end, consisting of about 40 acres with which this report is mostly concerned, lies in Snake Creek Mining District in Wasatch County. The rest of the property consisting of perhaps 125 acres is in Uintah Mining District, Summit County, Utah. The southwest end where current interest is centered is in Section 32, T 2 S, R 4 E, S.L.M.

DEVELOPMENT AND PRODUCTION

The most extensive underground openings occur at the Little Bell shaft, 700' deep, located near the northwest boundary about ½ mile from either end of the company ground. This shaft has levels from t the 300 to the 700 at 100' intervals where several thousand feet of mine openings have been driven. From these workings about a million dollars worth of ore has been extracted. These workings are now inaccessible as the shaft is caved.

The property is now accessible underground only through the 900 level of the Daly West shaft which corresponds to the 1300 level of the New Quincy. On the attached Long. Section on the Harrington fissure is shown East No 1 Raise through which the 1200 level is accessible. From this level and higher levels now caved a small tonnage of ore has been mined. Just to the west of property line there is shown in red on the attached plan map a part of a stope from which the immediate predecessor of the present New Quincy Mining Co mined some 1½ million dollars worth of ore and paid $287,000 in dividends.

The only work being done now is extending the drift eastward on the 1300 level on the Harrington fissure.

GEOLOGY OF PARK CITY DISTRICT

Park City mining area is situated near the junction of the east-west major uplift known as the Uintah Range and the Wasatch mountains, the major north-south uplift which extends nearly t the length of the State. This union of structures makes the area one of profound disturbance and, as a result of this upheaval, rocks as old as Pennsylvanian or Upper Carboniferous are exposed at the surface by erosion and flanked by rocks as young as Upper Cretaceous. This upraised area of old rocks has been profoundly fractured making the rocks of the area hospitable to ore deposition.

Some 7000' of sedimentary rocks are exposed in the district, either at the surface or in the mine workings. These rocks range in age from Nugget sandstone of Jurassic age to Wasatch lime of Mississippian age, the latter being exposed only in the underground workings. These sedimentary rocks by mountain-building forces have been twisted, broken and finally raised into a broad anticlinal arch whose axis strikes nearly north and south and passes through the eastern part of New Quincy Mining Co property.

Except where interrupted by intrusive quartz diorite dikes and sills, the only rocks exposed on this property, both on the surface and underground, are Park City limestone 600' thick and Weber quartzite 1750' thick underlying the lime. Both are of Carboniferous age, and both are famous as ore-bearing rocks in this district.

The principal fissure in the Little Bell workings is known as the Little Bell fissure which accounted for most of the million dollarr production. In the southwest workings, shown on the attached plan map, there are two major fissures, the Harrington in the northern part and the South fissure in the southern part of the property. All these fissures strike northeasterly and dip steeply to the southeast.

ORE HABITS AT PARK CITY

In the western part of the Park City area where the New Quincy mine is located, much of the ore has occurred as replacements in Park City limestone at certain horizons at or near a feeding fissure. There are six horizons which have been productive, but the base of the Park City and the Jenney horizon 101' above the base have been most fertile.

At the surface,erosion has exposed Weber quartzite over the northeast half of the New Quincy ground, the crest of the anticline occurring in this area. The west half of this company's ground being on the west limb of the anticline shows Park City limestone and higher sedimentary rocks at the surface. All these formations are somewhat interrupted at the surface by sills and dikes of quartz diorite and its porphyries. In none of the workings is there much of the igneous rock found.

In the district the ultimate source of the ore is generally conceded to be the huge intrusive mass of quartz diorite which lies at the surface ¼ mile southwest of New Quincy ground. As the contact of this igneous rock with the sedimentary rock dips northerly at great depth, probably below reasonable mining depths, quartz diorite would prevail in this property.

Weber quartzite, which will be predominate in the northeast end over more than half the property at mineable depths,also has a good record as a productive rock. The Ontario, the Daly and the Daly West mines, all now a part of the Park Utah Consolidated Mines Co's property have had large stopes entirely in Weber quartzite, the ore occurring as fissure deposits. These mines are among the richest in the district, and,after 75 years of almost continuous production, are still shipping ore.

DEVELOPMENT PROGRAM

Attached are two maps which illustrate the rock and fissure structure prevailing in the southwestern part of the property which seems to have particularly good possibilities. Fortunately it is this part of the property which is accessible now.

On the Harrington fissure the two lower favorable horizons in the Park City limestone, the base and the Jenney horizons,seem to have little prospective value left. The upper beddings are entirely unexplored but are not immediately accessible. The 1300 east drift,now driving,has some merit. It is following a fissure in Weber quartzite which rock will continue indefinitely, so has prospective value for fissure ore in that quartzite. This fissure has a displacement of perhaps 65' and appears to be gathering strength to the eastward from the union of spurs entering

from the hanging wall side. Recently this drift has shown considerable manganese oxides on the fissure and these oxides carry up to 9 oz. silver per ton. Silver-bearing manganese has often led to shoots elsewhere in the district. There appears to be justification for driving this drift up to 200' farther eastward.

On the plan map and in the lower long. section there is shown the South fissure exposed in the south crosscut on the 1300 level and on the 700 level Little Bell mine 350' higher. This is the strongest fissure in the New Quincy property and appears to be inadequately developed. In plan and in section on the maps are shown the approximate positions of the Jenny and the base of the Park City limestone on either wall of the fissure.

While the drift on the 700 level Little Bell mine has exposed both horizons on the hanging wall and the base of the Park City limestone on the footwall with little result, yet a small stope was found at the base of the Park City on the hanging wall. As explanation for the sparce ore showing in this drift, it might be said the location of this drift is well to the east and up the dip of the beds and perhaps the ore solutions on arriving there were well spent, since these solutions must have come upward and eastward from the quartz diorite stock to the southwest.

On the maps two methods of approach in opening this fissure within the property lines are shown. The first and probably the better method is the drive southeast from the 1300 east drift near the present face about as shown. This is designed to open the base of Park City limestone on the hanging wall of the fissure where the crosscut cuts the fissure. This involves a 375' crosscut to open the first objective. The second method is a crosscut 420' long just inside the property line and parallel thereto. Then when the fissure is open a 175' drift east would be required to reach the same objective as the first method. This objective is thought to be the most likely to produce ore as it is the only horizon on the 700 Little Bell level which showed any ore. While that ore body was small, its occurrence may well be evidence that the ore solutions were about exhausted to the east and that down the dip of the beds to the southwest important ore deposition did occur. Since the first method is shorter, it is better.

In either method the 175' drift and the 285' raise would be required to see all four horizons on both walls. While bedding replacements have occurred on either wall in the district yet it can be said more ore has been found on hanging wall beds. Fortunately, these will be the first reached, the Jenney at 55' in the raise and the base of the Park City on the level. It might be noted, all the ore production on the three fissures in this property has come from hanging wall beds. However, in the Judge mine a stope 6000' long occurred on footwall beds.

In addition to the prospects in the Park City limestone discussed, there is a decided possibility that fissure ore in the Weber quartzite may be found by drifting to the eastward under the Park City limestone. It may, therefor, be said that both the geographical and the geological position of this property is favorable.

Park City, Utah.
November 18, 1949.

E.A. Hewitt, E.M.

APPENDIX

P R O X Y S T A T E M E N T

RESPECTFULLY SUBMITTED BY THE MANAGEMENT OF THE NEW QUINCY MINING COMPANY

To the Stockholders of the New Quincy Mining Company:

The management respectfully solicits your proxy for use at the annual meeting of the stockholders, to be held at the office of the Company, 421 Felt Building, in Salt Lake City, Utah, on Tuesday, January 24, 1950, at 3:00 o'clock P.M. In justification of our request for your continued support, we, as your Board of Directors for the past year, submit the following report of the progress of the Company during that time.

In the proxy statement submitted for the January 25, 1949 meeting, reference was made to the four law suits in which the company had been involved. To review briefly, these actions involved the following problems:

1. Action brought by Nick Floor, in behalf of himself and the company, to set aside an alleged fraudulent issue of 200,000 shares of stock by the former management.

2. Mandamus action to obtain possession of the books and records of the company.

3. Quo Warranto action to oust the former management and confirm the election of the present management.

4. Action brought by S. B. Tuttle and M. B. Johnson, formerly President and Secretary respectfully, joined by Robert E. Runswick, to set aside a sale by the company to Nick Floor, on July 17, 1947, of 150,000 shares of stock, at 12 cents per share, paid in cash over a period of ninety days.

The first three actions had been tried in the District Court and had all been decided in favor of the present management and against the former management. The latter appealed all of thier cases to the Utah Supreme Court. The Supreme Court affirmed the decisions of the District Court in all three cases.

The fourth case was tried in the District Court, and on May 19, 1948, the Court rendered decision, denying the claims of the former management and confirming as valid the sale of stock to Mr. Floor. This sale brought to the company $18,000.00 cash. The former management appealed this decision, and the Supreme Court affirmed the decision of the lower court in August 1949.

Soon after the Supreme Court decision of the last of the law suits, your Directors set about to start operations at the mine. Two men were hired to clean out the waste which was left in the mine shafts by earlier leasers. This waste blocked the entrance of the Little Bell Raise, or the Harrington Raise, and the cost of cleaning this waste out was approximately $600.00.

After we had cleaned the entrance, connected the air and repaired said raise, we found that the use of the raise was too expensive to be satisfactory, our intention being to go up about 120 feet and then run a drift about 75 feet to the top of the ore fissure to be mined. The other drift which ran through the top of the Little Bell Raise from the old New Quincy ground, which now belongs to Park Utah, has caved in in several placed in the past two years causing, incidentally, the loss of five mining cars and a hoist which belonged to us and had been left in the workings of the earlier leasers.

So, after much consideration, we decided to give a lease to J. H. Wiley and Earl Brown on a block of ground on a fissure beginning about six feet at the bottom of the Harrington raise and running east 800 feet by 200 feet wide along the fissure. The terms of the lease allow the lessees 70%, with a provision charging the Company with half of the expense for hoisting material by Park Utah. The Company agreed also to advance money to pay running expenses such as drill steel, timber, powder, etc., the same to be deducted from ore shipments.

Your Company purchased for cash a Trammer and an air compressor which was installed at the top of Daly West at Park Utah property, to furnish air through Park Utah main outlet and to New Quincy ground of operation. We could have used the Park Utah compressor, but due to their mine shut-down, theirs was not available, so we were forced to purchase our own.

The lessees have shipped one car of ore which was a disappointment, the Company receiving only $123.10. Another car will be shipped before the stockholders' meeting and from assay reports, will be very good.

Your Directors borrowed $2500.00 with interest at 5% early in 1949. Later in the spring they levied an assessment of 2 cents per share on the outstanding stock. Through this assessment, the Company received $16,594.04, which included $57.50 of the total cost of publishing the delinquent list as required by law. 8,717 shares of delinquent stock were purchased by bidders at the sale and 72 shares reverted to the treasurey for failure to pay the assessment. Subsequently your Directors found it necessary to borrow an additional $1500.00, and during the year paid off $6500.00 of borrowed money, leaving $1500.00 remaining unpaid as of December 8, 1949.

Mr. M. B. Johnson and his son Richard S. Johnson claimed the right to apply $6714.46 of indebtedness they claimed as owing to them by the Company for unpaid salary, legal fees, money advanced, etc., in payment of the assessment on 335,623 shares claimed by them. Since the existence of the debts claimed are disputed by the Company, thier right to credit the assessment on the stock was denied by the Company. Both M. B. Johnson and R. S. Johnson then brought suit to establish their claimed rights and obtained injunctions restraining the Company from selling the stock for non payment of the assessment. These suits are still pending and the injunctions are still in effect, and consequently the 335,623 shares will probably be eligible to vote at the meeting. So far as known to your Directors, the total amounts claimed by the two Johnsons and their associates against the Company is $11,515.08 which includes the $6,714.46 above referred to. The Company contests these claims, and claims offsets equal or in excess of these amounts.

The stock of the Company was restored to trading privileges on the Salt Lake Stock Exchange September 12, 1949.

ELECTION OF DIRECTORS

We sincerely urge your attendance at the stockholders meeting. We want the benefit of your experience and counsel in guiding us. In the event you may not be able to attend, we respectfully urge that you send in the proxy on the form enclosed. You may safely do this even if you expect to be personally present at the meeting, because, if you are present, the proxy will not be used and you may vote personally on all questions presented. The proxy is revocable by you at any time. But the urgency for united action on the part of all stockholders is as great as ever, and we, therefore, urge all to send in their proxies, even though it may later develop that you are able personally to attend the meeting.

In the proxy we have inserted the names of three of the proposed Directors. These names are inserted merely for your convenience, because these men are certain to be at the meeting. But there is also a blank space in the proxy in which you may, if you wish, fill in the name of anyone else, in which event you may also, if you wish, strike out the names of the men printed there. If the proxy is signed and sent in without change it will be voted, by one of the men named therein, in favor of the election of the following men as the Directors of the Company for the ensuing year. All of the nominees with the exception of Mr. Arnold were elected by the stockholders at the annual meeting in January, 1949. The Directors proposed are as follows:

e	Principal Occupation	First Became Director	Shares of Stock Beneficially Owned
Nick Floor	Mining, stocks, real estate	1946	365,600
Jacob A. Kahn	Retired, 27 yrs. Vice Pres. & Gen. Mgr. General Electric Supply Corporation.	1946	2,000
J. Carlos Croft	Owner & Operator Croft Radio Service	1946	5,000
John Cairo	Retired. Former owner Beehive Confectionary.	1946	10,500
Erik T. Grass	Retired. Former owner Grass Feed & Produce.	1946	11,500
William N. Floor	Manager Golden Gate Tavern	1948	5,000
D. Clyde Arnold	Student at University of Utah since 1945. Candidate for degree of Geological Engineering in June 1950. Veteran of World War II, in Engineer Corps U. S. Army.	1950	1,200

STOCK OUTSTANDING

There are outstanding as at December 8, 1949, 1,162,449 shares of stock, all of which is common stock. On January 20, 1950 at 2:00 P.M., prior to the meeting, the books of the Company will be closed for transfer of stock until after the meeting. Each share of stock outstanding, as shown by the stock ledger of the Company, as of January 20, 1950 at 2:00 P.M., will be entitled to one vote at the meeting.

The only persons having an actual or beneficial interest in excess of 10% of the total stock outstanding, as shown by the books as of December 8, 1949, are as follows:

Nick Floor, who, with the other members of his family, has a beneficial interest in 365,600 shares of stock representing approximately 32% of all stock outstanding; and

J. C. Johnson, shown by the books of the Company to be the owner of 155,300 shares, representing approximately 13 1/4% of all stock outstanding.

We have no knowledge of any other person holding an actual or beneficial interest in 10% or more of the outstanding stock of the Company.

NOTE: The 335,623 shares of stock referred to above upon which Mr. M. B. Johnson and R. S. Johnson claim the right to apply the assessment stand in the names of various individuals. The actual ownership of said stock is unknown to the management.

AS OF DECEMBER 31, 1948

ASSETS

Current Assets:			
First Security Bank		$ 155.67	
Total Current Assets			$ 155.67
Fixed Assets:			
Mining Claims	$236,494.55		

Net Mine Development Costs	$119,258.20		
Total	355,752.75		
Less: Reserve for Depletion	90,064.37		
		$265,688.38	
Buildings, Machinery & Equip.	36,792.46		
Less: Reserve for Depreciation	35,317.35		
		1,475.11	
Total Fixed Assets			$267,163.49

Other Assets:

Investments in Subsidiary (cost)	25,000.00	
Advances to subsidiary	322.51	
Total Other Assets		25,322.51
Total Assets		$292,641.67

LIABILITIES

Current Liabilities:

Notes Payable	$ 4,000.00	$ 4,000.00

Other Liabilities, Not Current: None

Net Worth:

Capital Stock - assessable common stock of a par value of 10 cents per share:

	Shares		
Authorized and issued	1,500,000	$150,000.00	
Less: Treasury Stock	337,479	33,747.90	
Capital Stock Outstanding	1,162,521	116,252.10	

Surplus:

Earned Surplus (Deficit)	(217,194.75)		
Paid-In Surplus	389,584.32		
Total Surplus		172,389.57	
Total Net Worth			$292,641.67
			$292,641.67

The following schedule reflects the financial transactions of the Company from January 1, 1949 to December 8, 1949:

Cash on hand - January 1, 1949		$ 155.67
Receipts:		
Assessment No. 40	$ 16,594.04	
Borrowed - Steve N. Floor	4,000.00	
Sale of Equipment	50.00	
Ore Royalties	123.10	
Expense Reimbursement	1.55	
Total		20,768.69
Total Cash Available		$ 20,924.36
Disbursements:		
Directors Fees		200.00
Office Rental		342.33
Office Expenses		761.44

Legal		$ 2,700.33	
Taxes		60.89	
Mining & Development Costs		1,073.36	
Equipment:			
Filing Cabinets	$ 184.49		
Trammer	1,734.00		
Compressor	2,012.50		
Battery	875.08		
Repayment of Loans		$ 6,500.00	
Interest on above		111.39	
Advances on Mining Costs		2,808.71	(1)
Total Disbursements			$ 19,364.52
Cash on Hand - December 8, 1949			$ 1,559.84

Note (1): We have advanced this amount to Park Utah against future ore shipments in behalf of the lessees. There is a balance left to our credit at the present time of $1,197.88. Our agreement with the lessees requires us to advance costs and then apply them against future shipments.

Note (2): The assessment of 2 cents per share was paid on	826,826	shares
Assessment on Johnson stock unpaid on	335,623	shares
Treasury stock as of December 31, 1948	337,479	shares
Reverted to the Company for non payment of assessment - May 3, 1949	- 72	shares
Total authorized stock	1,500,000	shares

Assessment collected	$ 16,536.52	
Publication costs collected	57.52	
Total cash receipts from assessments		$ 16,594.04
Cost of publication of delinquent notice	67.84	

It will be noted that your officers are serving without salary, save only the Secretary, who receives $30.00 per month salary and $20.00 per month remuneration for rent. The directors are paid a fee of $5.00 per meeting which they attend. Otherwise, they too serve without salary or compensation. With these exceptions, no salaries pensions retirement or other payments are being paid or set aside, directly or indirectly, to or for the credit of any of the officers or directors. The operations of the Company have been managed by your President, Mr. Nick Floor, who has expended many hours of time in behalf of the Company, has been extended a vote of confidence by the Board of Directors and they have agreed to compensate him for this effort if and when the company is in a position to do so out of earnings.

CONCLUSION

The management knows of no matters that will be brought before the meeting, except the election of Directors. It is anticipated that there will be a discussion, for the guidance of the Board of Directors, as to ways and means of operating and financing the operations of the Company, but it is not anticipated that there will be any matters, in this connection, to be voted upon. However, if any other matters are properly brought before the meeting, it is the intention of the persons named in the enclosed form of proxy to vote in accordance with their judgment on such matters.

This proxy statement is prepared and submitted at the expense of the Company. The cost is estimated to not exceed $125.00. The use of your proxy is limited to the next annual meeting of the Company, to be held Tuesday, January 24, 1950, or at any adjournment thereof. The proxy is revocable by you at any time. Unless revoked, it will be voted at the meeting, if you do not attend in person, in accordance with your instructions as indicated by the proxy.

Again may we urge your personal attention at the meeting. We earnestly solicit your suggestions and advise in conducting the affairs of the Company. If there is any way in which we can be of help to you or the Company, as the management of YOUR Company, please let us know. The holders of a majority of the stock of the Company must be present in person or by proxy to constitute a quorum. In any event, WE URGE YOU TO FILL IN, SIGN, DATE AND RETURN THE PROXY ENCLOSED WITH THIS NOTICE, AT YOUR EARLIEST CONVENIENCE.

By order of the Board of Directors.

Respectfully,

GLEN I. CRANDALL,

Secretary.

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
2/13	[illegible]	500
2/28	[illegible]	140
[illegible]	[illegible]	140
3/4	[illegible]	800
3/2	[illegible]	120
		110
		100
		220

New Quincy Mining Company
421 Felt Building
Salt Lake City 1, Utah

INTERIOR DEPT.
FEB 28 1962
SOLICITOR

Re: DMEA-113 (Lead-Zinc)
New Quincy Mining Company
New Quincy Mine
Wasatch & Summit Counties, Utah
Contract Idm-E265

Gentlemen:

By the terms of the subject Exploration Project Contract and the certification of discovery or development, dated April 26, 1954, all minerals mined or produced from February 28, 1952, to February 28, 1962, were subject to the Government's percentage royalty as set forth in said contract.

As the period during which production was subject to royalty has now expired, the Government according to its present records retains no claim or lien against the property subject to the contract or any future production therefrom. We, therefore, are closing our books and records on this contract. Your attention, however, is called to the provisions of the contract which require the Operator to keep and preserve certain records for the periods indicated.

FROM SOLICITOR
MAR 1 1962
FOR SIGNATURE

Sincerely yours,

Director

GLAult/a
2-13-62
cc to: Director's Reading File
Contract Division
Region III (2)
Docket
Code 500

RECEIVED
FEB 23 1962
ASSISTANT SOLICITOR
MINERAL RESOURCES

43683

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

New Quincy Mining Company
421 Felt Building
Salt Lake City 1, Utah

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Sincerely yours,

Director

Assistant Secretary - Mineral Resources
Attention Mr. E. M. Thomasson

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

OFFICIAL BUSINESS

POSTAGE AND FEES PAID
U. S. DEPARTMENT OF INTERIOR

New Quincy Mining Company
421 Felt Building
Salt Lake City 1, Utah

13

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

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421 Felt Building
Salt Lake City 1, Utah

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Gentlemen:

By the terms of the subject Exploration Project Contract and the certification of discovery or development, dated April 26, 1954, all minerals mined or produced from February 28, 1952, to February 28, 1962, were subject to the Government's percentage royalty as set forth in said contract.

As the period during which production was subject to royalty has now expired, the Government according to its present records retains no claim or lien against the property subject to the contract or any future production therefrom. We, therefore, are closing our books and records on this contract. Your attention, however, is called to the provisions of the contract which require the Operator to keep and preserve certain records for the periods indicated.

Sincerely yours,

Director

GLAult/a
2-13-62
cc to: Director's Reading File
Contract Division
Region III (2)
Docket
Code 500

New Quincy Mining Company
421 Felt Building
Salt Lake City 1, Utah

Re: IMEA-113 (Lead-Zinc)
New Quincy Mining Company
New Quincy Mine
Wasatch & Summit Counties, Utah
Contract Idm-8265

Gentlemen:

By the terms of the subject Exploration Project Contract and the certification of discovery or development, dated April 26, 1954, all minerals mined or produced from February 28, 1952, to February 28, 1962, were subject to the Government's percentage royalty as set forth in said contract.

As the period during which production was subject to royalty has now expired, the Government according to its present records retains no claim or lien against the property subject to the contract or any future production therefrom. We, therefore, are closing our books and records on this contract. Your attention, however, is called to the provisions of the contract which require the Operator to keep and preserve certain records for the periods indicated.

Sincerely yours,

Director

CLAult/a
2-13-62
cc to: Director's Reading File
Contract Division
Region III (2)
Docket
Code 300

New Quincy Mining Company
421 Felt Building
Salt Lake City 1, Utah

Re: DMEA-113 (Lead-Zinc)
New Quincy Mining Company
New Quincy Mine
Wasatch & Summit Counties, Utah
Contract Idm-E263

Gentlemen:

By the terms of the subject Exploration Project Contract and the certification of discovery or development, dated April 26, 1954, all minerals mined or produced from February 28, 1952, to February 28, 1962, were subject to the Government's percentage royalty as set forth in said contract.

As the period during which production was subject to royalty has now expired, the Government according to its present records retains no claim or lien against the property subject to the contract or any future production therefrom. We, therefore, are closing our books and records on this contract. Your attention, however, is called to the provisions of the contract which require the Operator to keep and preserve certain records for the periods indicated.

Sincerely yours,

Director

GLAult/a
2-13-62
cc to: Director's Reading File
Contract Division
Region III (2)
Docket
Code 500

UNITED STATES
DEPARTMENT OF THE INTERIOR 500
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

PROJECT SUMMARY REPORT

By: W. P. Klugescheid September 3, 1954

1. Docket No. DMEA-113 (Lead-Zinc)
Contract No. Idm-E265
Property: New Quincy Mine
Location: Summit and Wasatch Counties, Utah

Operator: New Quincy Mining Company
Room 421, Felt Building
Salt Lake City 1, Utah

Operator's Property Rights: Owner

2. Contract dated February 28, 1952. To complete - 10 months

Work Authorized

1. Rehabilitation, repair and preparatory work on the 1300 level of the New Quincy to the starting point of the crosscut described under Item 2.

2. Crosscut 380 feet to intersect fault fissure then drift along fissure. Total crosscutting and drifting to be approximately 450 feet.

3. Raise approximately 330feet.

Total estimated cost of the project	$23,858.00
Government's participation	$11,929.00

Amendments

No. 1 Dated May 29, 1952

Increases allowable period before starting work from 60 to 90 days.

No. 2 Dated July 8, 1952

In Exhibit "A" under caption "Labor and Supervision" adds following; "or, the crew engaged in advancing the heading may be paid on the basis of footage of completed advance at a rate not to exceed $14.00 per foot."

Under "equipment to be rented" changes some items and the cost of some items.

No increase in the estimated total cost of the project.

No. 3 Dated August 27, 1952

In Exhibit "A" adds depreciation rate on a compressor. This is allowable as is also the power for the operation of the compressor in lieu of the purchase of compressed air.

No increase in total cost of the project.

No. 4 Dated November 26, 1952

Adds item of culvert pipe.

No increase in total cost of the project.

No. 5 December 29, 1952.

Under "Operating Equipment to be purchased" adds a drill column.

No increase in total cost of the project.

Amended Contract dated March 24, 1953. Completion time - prior to November 1, 1953.

Work Authorized

1. Rehabilitation, repair and preparatory work on the 1300 level of the New Quincy Mine.

2. Drifting and crosscutting about 800 feet in aggregate.

3. Approximately 285 feet of raising from the New Quincy 1300 level.

Total estimated cost of the project	$50,700.00
Government's participation	$25,350.00

Amendments to Amended Contracts

No. 1 Dated July 27, 1953

Deals with purchase of a 3" drifter.

No increase in total cost of the project.

No. 2 Dated August 27, 1953.

Covers 20 feet of additional culvert necessary.

No increase in total cost of the project.

No. 3 Dated November 6, 1953

Changes completion date to February 1, 1954.

No. 4 Dated February 5, 1954

In Exhibit "A", amended contract, under "(3) Operating Materials and Supplies" deletes power 3/ item and footnote 3/. Changes the cost of power.

No increase in total cost of the project.

Work Completed

Total crosscutting and drifting on project is	1,010 feet
Total raising on the project is	153 feet
Total amount of driving	1,163 feet.

Work was terminated during January 1954.

3. Audit - Certificate issued June 23, 1954.

Total cost of project	$52,844.96
Less proceeds from disposition of equipment	2,600.00
	$50,244.96
Exceptions - during final audit	67.03
Total Accepted Cost	$50,177.93
Government's Participation	$25,088.96

4. Certification of Discovery - Issued April 26, 1954.

No ore reserve estimates (not sufficient data)
No production.

5. Comments:

Sedimentary rocks in the mine area include the Pennsylvania-Permian Park City formation and the underlying Pennsylvanian Weber quartzite. These beds are cut by the steeply south dipping "A" fissure on which the Park City and the Weber have been dropped against Weber quartzite. The "A" fissure was explored for several hundred feet on the 1300-foot level and, by means of a raise, on the 1200-foot sub-level. The supposedly favorable Park City - Weber contact was exposed in the hanging wall at the east end of the 1300-foot level and in the footwall at the top of the raise, but contained no significant ore mineralization. Only small pods of galena and sphalerite were found in the work along the fissure on the top contact of the Jenny quartzite where it was exposed in the sublevel.

The Park City district is underlain by sedimentary rocks ranging in age from Cambrian to Triaseic. These strata have been folded to form the north-striking Park City anticline and have been complexly faulted and intruded by masses of diorite and by diorite porphyry. Major production from the area has come from steeply dipping, east-to-northeast striking faults where they intersect certain favorable stratigraphic horizons. Lead-silver ore with minor zinc has been the most important product.

A few tons of ore were collected from fault fissure "A". It was not possible to calculate ore reserves as such ore as existed was in small pods. It is possible more ore may be found along this fissure but further exploration with DMEA aid was not recommended.

Walter P. Klugescheid
W. P. Klugescheid

WPKler 9/9/54

Copy to: Docket
Base Metals
Chron.

☒ Audited

☒ Certified

Name [redacted] Star Quincy Mining Company

State Utah

[redacted]RK ANALYSIS SHEET - DMEA PROJE[redacted]

Analysis as of 12/10/54

Incl. Voucher for January 1954

Commodity Lead-Zinc.

☒ Actual Cost

☐ Agreed Unit Costs

Docket No. DMEA-113

Idm-E No. 265

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting	1,010'	$36,170.01	1,010'	$36,170.01	⊕ $36,022.01
Raising	153'	11,587.31	153'	11,587.31	⊕ 11,540.31
Shafts					
Winzes					
Drilling (Specify)					
Sur[redacted]e Excavation					
Underground Excavation					
Roads and Trails					
Operating Equipment Purchased		3,942.68		*5,020.61	3,615.61
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.					
Other (Specify)					
Totals		$50,700.00		$53,777.93	$50,177.93

Sebrage.

Pipe $ 91.00

Brace 26.00

Vent. Pipe 78.00 ⊕

[redacted]chinery 3,405.00 *

$ 3,600.00

Prepared by W. P. Klingenscheidt

71626

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Building 20 - Federal Center
Denver 25, Colorado

January 19, 1962

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME
Washington 25, D. C.

From: Acting Field Officer, OME, Region III

Subject: Docket No. DMEA 113 (Lead-Zinc)
Contract No. Idm E-265
New Quincy Mining Company
(New Quincy Mine)
Wasatch and Summit Counties, Utah
FINAL INSPECTION

The final inspection of the subject property was made January 3, 1962. Prior inspections found royalty payments to the Government on all ore produced through liquidation No. 11876 dated August 8, 1958 exceed the amount due by $3.37.

The president of the company, Mr. Bill Floor, Golden Gate Tavern, 217 South West Temple, Salt Lake City, Utah was contacted by telephone. He stated that no ore has been produced from the property since that shipped under liquidation No. 11876, and that his company has no plans for renewal of production prior to February 28, 1962, the expiration date of the contract.

Also contacted, were officers and personnel of the United Park City Mines Company, owner of properties and underground workings used for haulage to the surface of New Quincy ore. They also reported the last ore produced from the New Quincy mine was that reported by Mr. Floor.

for Hugh M. Connors

OFFICIAL FILE COPY
O. M. E.
RECEIVED JAN 22 1962

DATE	INITIALS	
1/22	[illegible]	800
		~~500~~
		220

TMR

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Building 20 - Federal Center
Denver 25, Colorado
February 3, 1960

OFFICIAL FILE COPY
O. M. E.
RECEIVED FEB 8 1960

DATE	INITIALS	CODE
2-8	gad	228
2/8	[illegible]	800
"	[illegible]	500
		225

Mr. Nick Floor
New Quincy Mining Company
421 Felt Building
Salt Lake City 1, Utah

Re: Docket No. MMEA 113 (Lead-Zinc)
Contract No. Idm-F265
(New Quincy Mine)
Wasatch and Summit Counties, Utah

Dear Mr. Floor:

In reference to the "Certification by the United States of America of a Discovery or Development under an exploration Project Contract" and the instructions in the Washington Office letter of transmittal of the Certification on the captioned project, please indicate your answer to the following questions and return one copy of the questionnaire immediately to this office.

Very truly yours,

Original signed by

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

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

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

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

(a) Ore, Tons _____ Estimated grade _____
(b) Concentrates, lbs. _____ Estimated grade _____
(c) Low grade ore, tons _____ Estimated grade _____
Place stockpiled _____

Signed _____

Title _____ Date _____

TMR:ltm cc: Chmn. Op. Comm. Roy. Corres. E265 Chrln.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
4/16	Alley	800
4/16	[illegible]	800
4/16	C	220
		225

APR 16 1959

Memorandum

To: Mr. Donald T. Finch, OME Auditor

From: E. D. Talbert, Acting Chief (Signed) E. D. Talbert
Contract Administration and Audit Division

Subject: New Quincy Mining Co.
Contract No. Idm-E265
Docket No. DMEA-113

Your Report of Royalty Review on the above referenced contract is acceptable and normal distribution is authorized.

AMAlley/ama
April 16, 1959

Copy to: Docket
Director's Reading File
CA & A Division

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code

500

January 24, 1958

Memorandum

To: Mr. W. N. Chamberlain, Statistics Branch
Division of Operation Control & Statistics

From: Director, Division of Base Metals

Subject: Semi-Annual Reports on Certified Projects

With reference to your January 23rd memo, on the eighteen certified projects you listed, only three are actually delinquent in the Field. They are:

Docket No. DMEA-1 & 1A	Chief Consolidated Mining Company
Docket No. DMEA-434	Lead Carbonate Mines, Inc.
Docket No. DMEA-1297	East Ridge Mining Company

We shall write Region III requesting that the proper reports be made.

Much of the lack is due to error in this office, it seems that it was not clearly understood that inactive projects nevertheless, should be reported to you. The following were properly reported by the Field but the information was not sent to you.

Inactive during the period January 1 - June 30, 1957.

Docket No.	Contract No.	Name
DMEA- 171	Idm-E291	West Park Mining Company
DMEA- 627	Idm-E 34	Cadwell Mining Company
DMEA-1175	Idm-E251	Amador Mining Company
DMEA-1708	Idm-E229	Kentucky-Utah Mining Company
DMEA-1959	Idm-E223	Hoodoo Mines (Gardner & Vance)
DMEA-2612	Idm-E489	Granore Company
DMEA-2885	Idm-E529	New Penn Mines, Inc.

8623

Active during the period.

Docket No. DMEA-113 Contract No. 265 New Quincy Mining Company

Produced 64 tons of ore. DMEA reserve now totally depleted and no tonnage remains.

Four of the contracts you listed are still active projects and we do not receive Semi-Annual reports. They are:

Docket No. DMEA-1635	Silver Star-Queen Mines
Docket No. DMEA-2719	Day Mines, Inc.
Docket No. DMEA-2826	Providence Tuolumne Gold Mines, Inc.
Docket No. DMEA-3548	Boss Mines, Inc.

Three were paid in full and no reports could be demanded, they were:

Docket No. DMEA-1526	Vermont Copper Company, Inc.
Docket No. DMEA-1227	Vinegar Hill Zinc Company
Docket No. DMEA-2444	Outlet Mining Company

W. R. Griswold

W. R. Griswold

WRG/er
Copy to: Dockets (8)
Mis. File
Chron.

500

NICK FLOOR

121 PIERPONT AVE. • SALT LAKE CITY 3, UTAH

November 26, 1956

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

Re: Docket 8 MEA 113
Lead Zinc Contract
9DM-E265, New Quincy Mining Co
(New Quincy Mine)
Wasatch & Summit Counties, Utah

Dear Mr Traver:

In refrence to your information about your requirmen (of Nov. 20-1956) in regard to New Quincy Mining Co, I beg to advise you that the New Quincy Mining Co has never produce any ore since June 10-1955.

It look very favorably now, and we may be able to produce some ore but do not know how soon. as soon as we ship some your office will be advised

Yours Very Truly

Nick Floor

OPERATOR'S REPLY TO
OUR LETTER DATED
NOVEMBER 20, 1956

DMEA
DEPARTMENT OF THE INTERIOR
NOV 26 1956
REGION III
DENVER, COLORADO

COPIES TO:
Corres. File E 265
Sec Opr Comm (2)
S R. Wilson

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

224 New Customhouse
Denver 2, Colorado

November 20, 1956

Mr. Nick Floor, President
New Quincy Mining Company
431 8th Avenue
Salt Lake City, Utah

Re: Docket DMEA 113 (Lead-Zinc), Contract Idm-E265, New Quincy Mining Company (New Quincy Mine), Wasatch and Summit Counties, Utah

Dear Mr. Floor:

Our records indicate that your company expected to make some production from land described in the subject contract within thirty to sixty days subsequent to August 1, 1956.

To bring our records current, please advise this office as to whether or not production has been made. For your information, the most recent production reported for which royalty has been paid, is covered by a settlement sheet dated June 10, 1955, for Smelter Lot No. 116 issued by International Smelting and Refining Company, Tooele Plant, Salt Lake City, Utah.

Yours very truly,

Original signed by
W. M. TRAVER

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

MHM/vj

cc: Royalty File E265
Corres. File E265
Sec. Opr. Comm. (2)
S. R. Wilson
Marshall
Chron.

JAN 17 1956

WPKlugescheid/bjl, Rm. 4444, X. 3669

Base Metals Div., DMEA

XXXXXX XXXXXXXXXXXXXXXXXXXXXXXXXXX XXX
XXXXXXXXXXXXXXXXXXXXXXXXXXX XXXXXXXXX

14X4401(01) Revolving Fund, Defense Production Act, Interior (allocated Working Fund to Office of Secy.)

T E L E T Y P E

Date:

To: W. H. Traver, Executive Officer, DMEA Field Team, Region III, Denver, Colorado

Reurtt January 12, Docket DMA-1711, West Park Mining Company, Contract Idm-E291. Termination agreement being prepared. Please teletype basis for certification in detail, including ore reserve estimate.

George C. Selfridge
Chairman, Operating Committee

Written 1/16/56

Copy to: Docket
Admr. R. File
Op. Committee
Base Metals
Mr. Kiilsgaard
Mr. Pennington
Chron.

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

RECEIVED
JUN 2 2 1955

224 New Customhouse
Denver 2, Colorado

June 16, 1955

All
Betty

Mr. Nick Floor, President
New Quincy Mining Company
431 8th Avenue
Salt Lake Ciyt, Utah

Re: Royalty Payments, DMEA Docket 113 (Lead-Zinc) Contract Idm-E265, New Quincy Mine, Wasatch and Summit Counties, Utah

Dear Mr. Floor:

We acknowledge receipt of settlement sheets and check in the amount of $35.66 for Lot No. A-503 shipped from the New Quincy property.

The item of $4.97 shown as a hoisting charge is not an allowable cost for the purpose of calculating DMEA royalty.

We are unable to determine whether or not the item of $60.75 paid to United Ore Sampling Company is an allowable deduction. Please explain to us just what this charge is. We would appreciate your sending this information to this office so we can calculate the correct royalty due on this shipment.

Very truly yours,

W. M. TRAVER,

W. M. Traver

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 18 1954

224 New Customhouse
Denver 2, Colorado

October 15, 1954

Memorandum

To: C. O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMEA-113 (Lead-Zinc), Contract Idm-E265, New Quincy Mining Co., Wasatch and Summit Counties, Utah. Memorandum report of lawsuit brought by Kenneth Kummer and Arthur Workman against New Quincy Mining Co.

Attached are two copies of a memorandum report on the lawsuit brought by Kenneth Kummer and Arthur Workman against the New Quincy Mining Company, Docket DMEA-113, Contract Idm-E265.

M.H. Howes, Mining Engineer, U.S. Bureau of Mines, was subpoenaed and appeared in court on September 16, 1954 under authority from the U.S. Department of the Interior, Defense Minerals Exploration Administration, Washington 25, D.C., dated July 21, 1954. Mr. Howes gave testimony regarding facts observed and heard during visits to the mine in May and June 1953. No opinions were expressed by him.

W H King

W. H. King

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
1600 EAST FIRST SOUTH STREET
SALT LAKE CITY 1, UTAH

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 18 1954

September 22, 1954

Memorandum

To: W. H. King, Executive Officer, DMEA Field Team, Region IV

From: M. H. Howes, Mining Engineer Through: Stephen R. Wilson
Chief, Minerals
Development Branch,
Mining Division, Region IV

Subject: Docket No. DMEA-113 (Lead-Zinc), Contract Idm-E265, New Quincy Mining Co., Wasatch and Summit Counties, Utah. Memorandum report of law suit brought by Kenneth Kummer and Arthur Workman against New Quincy Mining Co.

On March 26, 1953 the New Quincy Mining Co. entered into a labor contract with Kenneth Kummer and Arthur Workman for the purpose of conducting the DMEA exploratory project of drifting and raising. The contract specified that the drift be driven a minimum of 5-1/2 feet wide and 7-1/2 feet high; that a 12 by 12 inch drain ditch be carried with the drift on a one percent grade; that Mr. E. A. Hewitt, mining engineer for New Quincy Mining Co., direct the course of the drift; that the work be conducted in a workmanlike manner, including the installation of pipe, track and timber; that all muck be removed and hauled to the Ontario Tunnel dump; that drifting on the main level be paid for at the rate of $14.00 per lineal foot of completed drift; that a 5 by 10 foot timbered raise be driven on the "A" fissure at a place indicated by Mr. E. A. Hewitt, and that it be paid for at the rate of $28.00 per lineal foot; and that the pay for the first 20 feet of drift advance be held back until the contract shall have been fully completed.

Total drifting advance for March, April and May of 1953, affected by the labor contract was 173 feet. In May 1953 approximately the last 75 feet of drift caved because the rock is too weak to stand without timber. The company claimed that the caving occurred because the miners were negligent in not timbering when necessary. The miners were ordered to clean up and timber the caved drift. When they refused to comply with this order and also refused to remove loose muck and boulders from the uncaved portion of the drift and to dig the 12 by 12 inch drain ditch, the company withheld payment for the first 20 feet of drift advance and also for the last 21 feet of drifting.

In order to recover payment for work they claimed was due them the miners brought law suit against the company. The case, "Civil No. 99085, Kummer and Workman versus New Quincy Mines, a Utah Corporation," was tried before Judge Lewis in the Third District Court, Salt Lake County, Utah, Thursday, September 16, 1954. The miners sued the company for $1,800, $800 of which was for breach of contract and $1,000 for exemplary and punitive damages. The company brought counter suit against the miners for $2,226, for loss of drift, for cleaning up and timbering drift, for drain ditch, and for claimed overpayment. The plaintiffs' case was built largely on statements that the company had ordered them not to timber the drift when it was sloughing and became dangerous. The defendant showed that timber was provided and made available to the miners and that they had been cautioned repeatedly to timber when necessary.

M. H. Howes, mining engineer, U. S. Bureau of Mines, and assigned as examining engineer to look after the Government's interests in the DMEA Amended Contract Idm-X265, was subpoenaed to appear in court as a witness for the defense. He did appear as witness under authority from United States Department of the Interior, Defense Minerals Exploration Administration, Washington 25, D. C., dated July 21, 1954, and signed by George C. Selfridge, Chairman, Operating Committee, and approved by J. H. Hedges, Member, Bureau of Mines, and J. J. Forbes, Director, Bureau of Mines. Testimony was given regarding certain facts observed and heard during visits to the mine in May and June 1953. No opinions were expressed by the witness.

On Tuesday, September 21, 1954, Judge Lewis rendered his decision in the case, which was dismissal of all charges by plaintiffs and defendant.

M. H. Howes

M. H. Howes

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

September 8, 1954

Re: DMEA-113
New Quincy Mining Co.
Summit and Wasatch Co.,
Utah
$50,700 - Lead-Zinc

Memorandum

To: W. R. Griswold
Defense Minerals Exploration Administration

From: E. L. Newcomb
U. S. Geological Survey

Subject: Review of Final Field Report

The field report dated August 25, 1954 has been reviewed. I noted that a certificate of discovery was issued April 26, 1954.

Exploration of the "A" fissure zone and Park City-Weber contact failed to disclose significant amounts of lead-zinc mineralization.

A few tons of high-grade ore have been mined from the sub-level 93 feet above the 1300 level. This ore has been stockpiled. According to the Field Team, no additional ore reserves can be inferred from work completed under the DMEA contract.

No further exploration is warranted with DMEA funds.

E L Newcomb
E. L. Newcomb

DEFENSE MINERALS EXPLORATION ADMINISTRATION

ROYALTY REPAYMENTS
AS OF AUGUST 31,1954

OPERATOR

New Quincy Mining Company (c)

CONTRACT NO.

E-265

DOCKET NO.

113

DATE OF CERTIFICATION

2/26/54

AMOUNT REPAYABLE

$25,088.96

RECEIVED DURING AUGUST

$ -

TOTAL RECEIVED

$ -

DATE OF LAST RECEIPT

- - -

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

224 New Customhouse
Denver 2, Colorado

August 25, 1954

Oper Final Rpt

Memorandum

To: Secretary to the Operating Committee, DMEA

From: DMEA Field Team, Region IV

Subject: Docket DMEA 113 (Lead-Zinc), Contract Idm-E265, New Quincy Mining Company, Wasatch County, Utah

Enclosed are the following final reports pertaining to work completed under the subject contract:

1. Original and one copy of the operator's final report.

2. Original and three copies of the final geologic report by the U.S. Geological Survey.

3. Original and three copies of the final engineering report by the U.S. Bureau of Mines.

Final payment to the operator was processed by this office August 19, 1954, in conformance with the Certificate and Report of Audit by the Contract Administration and Audit Division dated June 23, 1954 which was released to this office July 2, 1954.

The exploration work consisted of 1010 feet of drifting and crosscutting, and 153 feet of raising, at a total accepted cost of $50,177.93, in which the Government participated to the extent of 50% or an amount of $25,088.96.

The exploration work resulted in a discovery or development of lead-zinc ore for which a certification of discovery or development was issued April 26, 1954.

W H King
W. H. King

A. H. Koschmann
A. H. Koschmann

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
1600 EAST FIRST SOUTH STREET
SALT LAKE CITY 1, UTAH

Mining Division
Date Rec'd
AUG 18 1954
BUREAU OF MINES
Denver, Colorado

August 16, 1954

AUG 30 1954

Memorandum

To: W. H. King, Executive Officer, DMEA Field Team, Region IV

From: Chief, Minerals Development Branch, Mining Division, Region IV

Subject: Docket No. DMEA 113 (Lead-zinc), Contract No. Idm-E265, New Quincy Mining Co., Wasatch and Summit Counties, Utah.

Enclosed are five copies of a final report submitted by the subject operator. The report pertains to exploratory work accomplished during the period June 1952 to January 1954. It is recommended that the report be accepted as fulfilling terms of the contract.

Stephen R. Wilson

Stephen R. Wilson

Enclosure

FINAL REPORT
NEW QUINCY MINING CO.
DMA-113
Contract IDME-265
January 31, 1954

GEOLOGICAL REPORT

I. Description of project work proposed and accomplished.

A. Project started June 12, 1952.

B. Crosscutting to fault fissure "A".

1. Distance advanced - 427 ft.
2. Fissure was intersected on November 10, 1952.
3. Geology.

The crosscut was driven on a course of S 31° E. The rock traversed is Weber quartzite only slightly fractured and required no timber. One of these weak fractures only carried mineralization. This was at about 60 ft. in and consisted of a small pocket of copper carbonate in quartz. This was all shot out in one round to the east of the crosscut.

At the end of the crosscut, which is called No. 1, fault fissure "A" was cut. The fissure strikes N 80° E and dips 65° southerly. Later raise work established a normal displacement of 160 ft. approximately. The rock on the hanging wall side of the fissure is Park City lime formation and the horizon in the Park City Lime exposed is about 20 ft. above the base.

There was no mineralization on the fissure or in the hanging wall lime beds except a 1 ft. pocket of manganese oxide. A drift eastward on the fissure showed no mineralization. This drift soon caved and was abandoned.

C. Drifting and crosscutting to explore fault fissure "A" to the east of Crosscut No. 1.

1. Distances advanced.

a. Crosscut No. 2.

As the cave in No. 1 Drift indicated some heavy ground in the hanging wall, it was decided to develop the fissure eastward by driving a footwall lateral drift and at intervals crosscut to the fissure therefrom.

At apoint in No. 1 Crosscut, 32 ft. back of the face, a lateral drift was driven 67 ft. to the eastward. Then at 67 ft. point aCrosscut, No. 2, was driven 20 ft. to fault fissure "A" and 13 ft. drift on the fissure was driven to the eastward. Also a 5' hole was sunk on fissure where first cut by No. 2 Crosscut. The 13 ft. drift was permitted to cave as no ore was found.

b. Crosscut No. 3.

From the 67 ft. point the lateral drift was continued eastward 38.5 ft. when the heading was turned southward as No. 3 Crosscut and driven 46.5 ft.

2. Geology.

a. Mineralization of the fissure in Crosscuts No. 2 and #3.

The lateral drift and both No. 2 and No. 3 Crosscuts up to intersection with fault fissure "A" are in Weber quartzite. On the hanging wall in No. 2 Crosscut, Park City lime formation is found. No mineralization occurs here in the lime beds but where first cut there was a

lens of vein matter 5 ft. long by 8in. wide extending 2 ft. up from the floor. This assayed 10.2 oz. Ag. per ton on 1.2% Pb. Little mineralization was found in the 13 ft. drift to the east in No. 2, only spots of ore minerals. As the low grade mineralization on the fissure where cut first by No. 2 Crosscut was extending into the floor of the crosscut, asmall hole 5 ft. deep was sunk on it. This mineralization pinched out and no ore was recovered from No. 2 work.

In No. 3 Crosscut, fault fissure "A" was cut 15 ft. back of the face but no mineralization except some iron and manganese stain was found either on the fissure or in the hanging wall beds.

b. Encountering the contact between Weber quartzite and the base of Park City lime formation.

The objectives of the entire project were to explore fault fissure "A" at its intersections with favorable beds in the Park City lime formation. Although there are six horizons throughout the 600 ft. thickness of this formation, only the lower 2 favorable beds, the base of Park City lime formation and the Jenney quartzite 13 ft. thick, lying about 100 ft. above the base, are considered to be within economic position to reach in this project. These two horizons on either wall of the fissure will then make four immediate objectives due to the 160 ft. displacement on fault fissure "A".

In No. 3 Crosscut south of the fault fissure, the base of Park City lime formation is exposed and was followed to prove the extent, if any, of mineralization at this favorable horizon. Only a little iron and manganese oxides being found, the crosscut was stopped.

D. As per outline.

E. Description of work done in crosscutting and drifting west of Crosscut No. 1.

1. Distance advanced.

Beginning in No. 1 Crosscut at a point opposite the east lateral drift, a crosscut was driven 43 ft. on a course of S 40 W where fault fissure A was intersected. Thence a drift on the fissure or in the immediate footwall was driven westerly for 130 ft. and near the face a 4 ft. raise round was shot.

2. Geology.

The 43 ft. southwest crosscut up to fault fissure "A" is in Weber quartzite. Near the end where the fissure was cut, Park City lime formation was exposed in the hanging wall. The beds here appeared to dip 30° west so it was thought, if that dip continued, the Jenney quartzite would be found at the level by drifting westerly on the fissure. However, after 130 ft. of drifting it was found the beds had flattened so that the Jenney was still above the level. Except for short distances when the drift was in the footwall, Park City lime occurs on hanging wall side of the drift.

Where the 43 ft. crosscut first exposed the fissure, the best ore showing yet found occurred. Here a lens of vein matter, largely quartz and copper carbonate with spots of galena was found to be 5 ft. long by 8 in. wide, pinching out upward and downward as well as east and westward. This assayed 109 oz. Ag per ton and 9% Pb. As stated, this ended in all directions and due to dilution from the loose hanging wall no ore was recovered. In the drift to the west no ore was found, only a sparse sprinkling of ore minerals occasionally.

D. Funds of original project exhausted before all of objectives reached.

1. Amended contract signed March 24, 1953.

   a. Retroactive to date of original contract (February 28, 1952).
   b. Total cost of project raised from $23,858.00 to $50,700.00.
   c. Aggregate amount of crosscutting, drifting and siding increased from approximately 450 feet to approximately 800 feet, and raising decreased from approximately 285 feet.

3. Difficulties encountered.

a. Caving of drift.
Due to the failure of the miners to follow orders to watch the back and timber if necessary, some 65 ft. of the drift was lost by caving.

b. The original crew who caused the cave quit, causing some delay in operations until a new crew could be found.

F. Description of work done in raising.

1. Distance advanced.

The crew then started a two compartment raise about 45 ft. west of the southwest crosscut or about 85 ft. back of the caved face. The raise was driven on a 60° - 65° pitch for a distance up of 141 ft.

2, Geology.

a. At about 85 ft. or so, the raise passed the Jenney quartzite bed. Due to heavy fault breccia and also to the fact the raise was slightly in the footwall, it was difficult to exactly locate the top of the Jenney. At 90 ft. to 95 ft. there was a showing of ore minerals in the fissure. This fact also helps to place the top at about 86 ft.

b. At the top of the raise, the base of the Park City lime formation was reached and since no ore or mineralization was there found, the raise was stopped.
So three of the objectives were then reached, viz: the base of Park City lime formation on both hanging wall (in No. 3 Crosscut) and in the footwall (at top of raise) of fault fissure "A", also the Jenney quartzite on the hanging wall in the raise. It was decided not to drive the raise an additional 100 ft. to reach the Jenney on the footwall at this time.

G. Description of work done from raise on 1200 level.

1. Distance advanced.

The 1200 level drift was advanced 19 ft. west of the raise and 144 ft. east of the raise with an additional 12 ft. raise and 72 ft. upward incline from the east drift. The 12 ft. plus the 72 ft. were paid at drift rates.

2. Geology.

Under normal procedure in territory that is well known, the raise would have been deemed sufficient test of the Jenney. In this case the raise did not seem conclusive because, (1) of the brecciated condition in the hanging wall at the point in the raise where the Jenney was passed, indicating the possibility of an angle fault in the hanging wall which might have dammed off ore solutions to the east of the raise, (2) the presence of appreciable quantity of ore solutions to the east ore sulphide in the fissure at 90 ft. to 95 ft. in the raise (the 1200 level took off at 93 ft), and (3) the occurrence of ore minerals in two places on the 1300 level east of the raise.
At 55 ft. to 60 ft. in the 1200 east drift a lens of sulphide mineralization up to 3 ft. wide and 5 ft. long was raised on 12 ft. where it pinched. This material assayed 22.8 oz. Ag. per ton, and 3.1% Pb, and 11.15% Zn. 10 cars or about 8 tons is stored. No ore continues at this place in any direction.

Beyond this 12 ft. raise, at the foot of which the Jenney was found rising from the floor, there were spots of sulphide ore also in the upward incline but no ore was saved and none appears to be left. The incline upward beginning at about 75 ft. from main raise follows the top of the Jenney into the hanging wall in search of a possible sympathetic hanging wall fissure which might be the source of the ore showings. At 20 ft. up the incline a diagonal fault striking N 55° E and dipping 65° SE was found. This faulted the Jenney downward on the hanging wall side. This fault was then drifted on NE to its intersection with the main N 80° E fault fissure. Here a fair showing of sulphides were found although the Jenney was still below. No ore could be saved here and no appreciable ore is left. This drift and upward incline began to take weight due to the diagonal fault intersection with the main fault fissure. The incline and drift therefrom were abandoned rather than timbering the opening.

Then it was decided to drive ahead on the 1200 level beyond the foot of the incline. This work up to 144 ft. from the main raise showed only spots of sulphide and no ore can be said to be in sight here. The drift was at the 144 ft. point on the date of termination. Only 8 tons of low grade ore might be said to have resulted from the project work as of date of termination. This is stored.

H. The date of termination of project is January 31, 1954, when the contract funds were exhausted.

E A Hewitt, Geologist

FINANCIAL REPORT

II. Summary of Costs:

A.	Crosscutting, drifting and raising		$18,859.23
B.	Labor and supervision:		
	1. Labor	$ 716.75	
	2. Supervision	5,000.00	
	3. Technical services	1,225.00	
	4. Bookkeeping	1,400.00	8,341.75
C.	Operating materials and supplies:		
	1. Timber	3,031.04	
	2. Explosives	1,906.15	
	3. Pipe	1,012.39	
	4. Track	178.27	
	5. Miscellaneous	1,137.86	
	6. Drill steel & bits	637.37	
	7. Ventilation pipe	1,362.11	9,265.19
D.	Operating Equipment:		
	1. Rental	3,680.95	
	2. Purchase	2,524.52	
	3. Depreciation	3,235.12	9,440.59
E.	Miscellaneous:		
	1. Repairs to Equipment	221.32	
	2. Payroll Taxes	1,132.04	
	3. Liability Insurance	1,162.33	
	4. Sundries	49.97	
	5. Sampling and analysis	62.50	2,628.16

F. Contingencies:

1. Air power and charging panel 1,643.01

G. Total Cost: $50,177.93

1. Total cost to Company and to Government.

The final Report of Operations by the New Quincy Mining Company has here been adjusted to bring the costs into agreement with the Audit Report of June 23, 1954, by Donald T. Finch, Auditor.

Total Costs reported, per final report $52,844.96

Adjustments made:

Raise labor disallowed		17.50
Supervision in excess of contract		37.50
Item of Sales Tax $1.86 and lamp rental, $5.00 not allowed		6.86
Payroll taxes disallowed		2.54
Liability Insurance disallowed		2.63
Total Disallowances	$	67.03

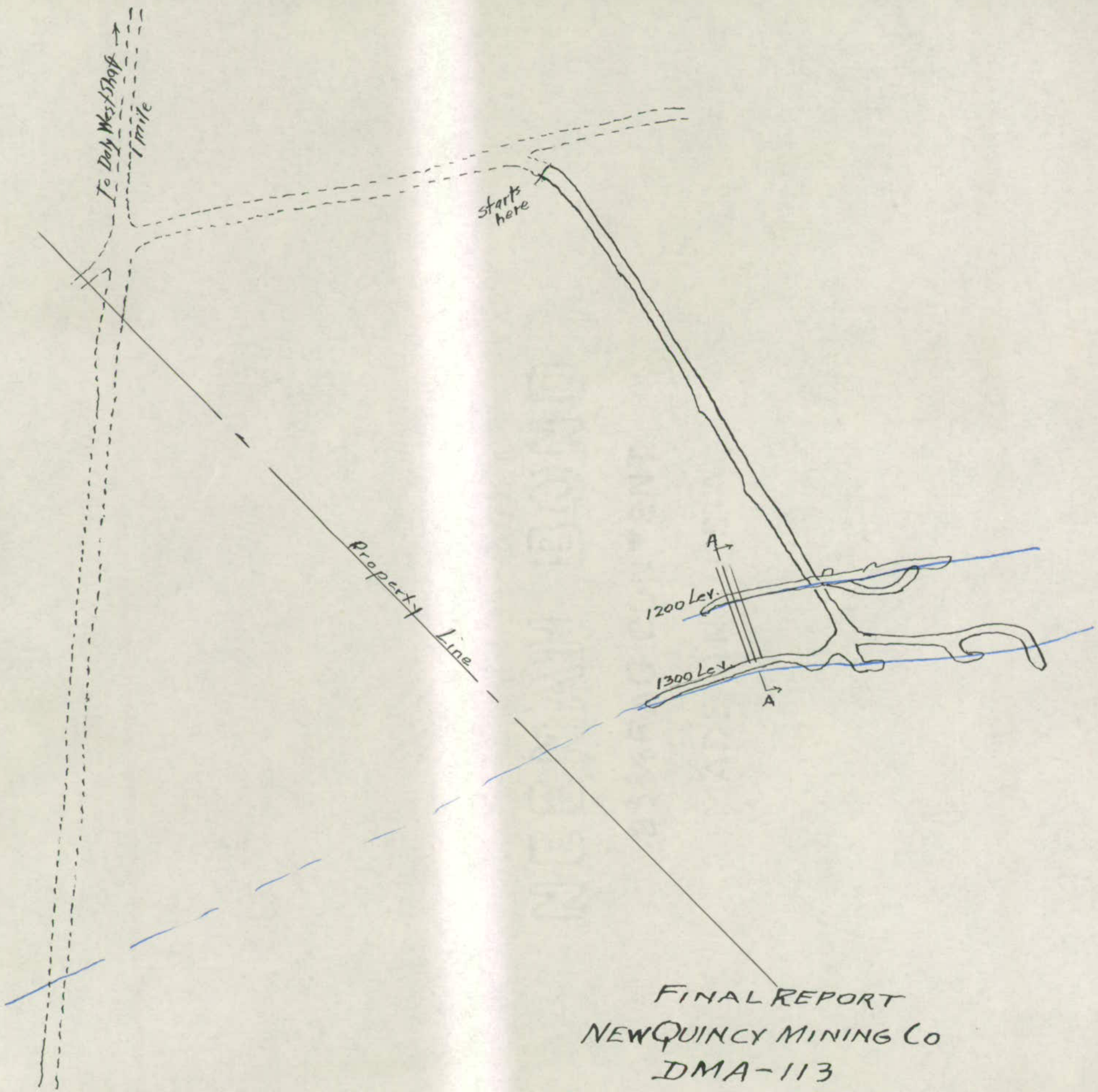
Proceeds from liquidation of equipment, etc.,

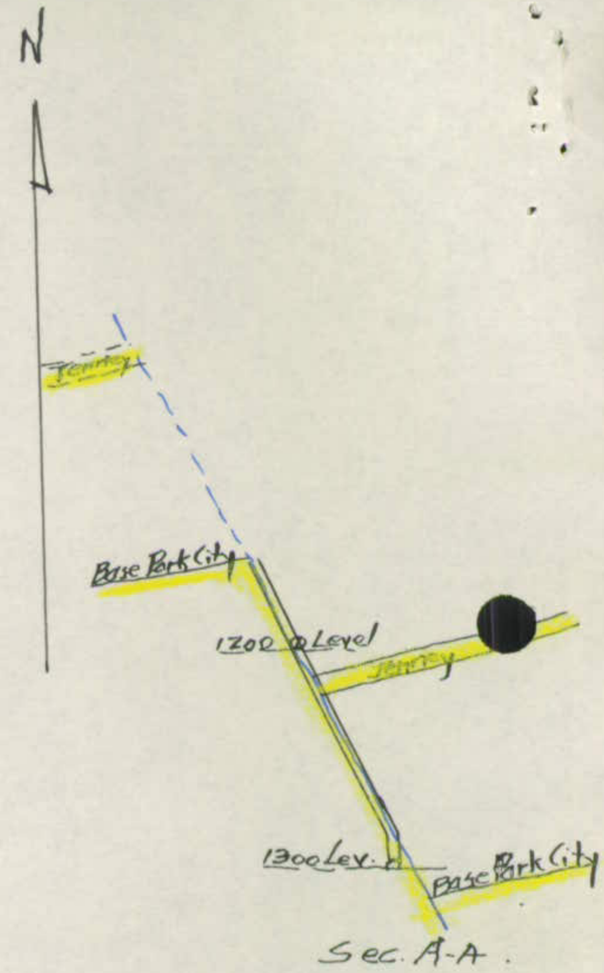
Pipe	91.00
Track	26.00
Miscellaneous materials & supplies	78.00
Equipment purchased	2,405.00
Total from liquidation	$2,600.00

Total adjustments 2,667.03

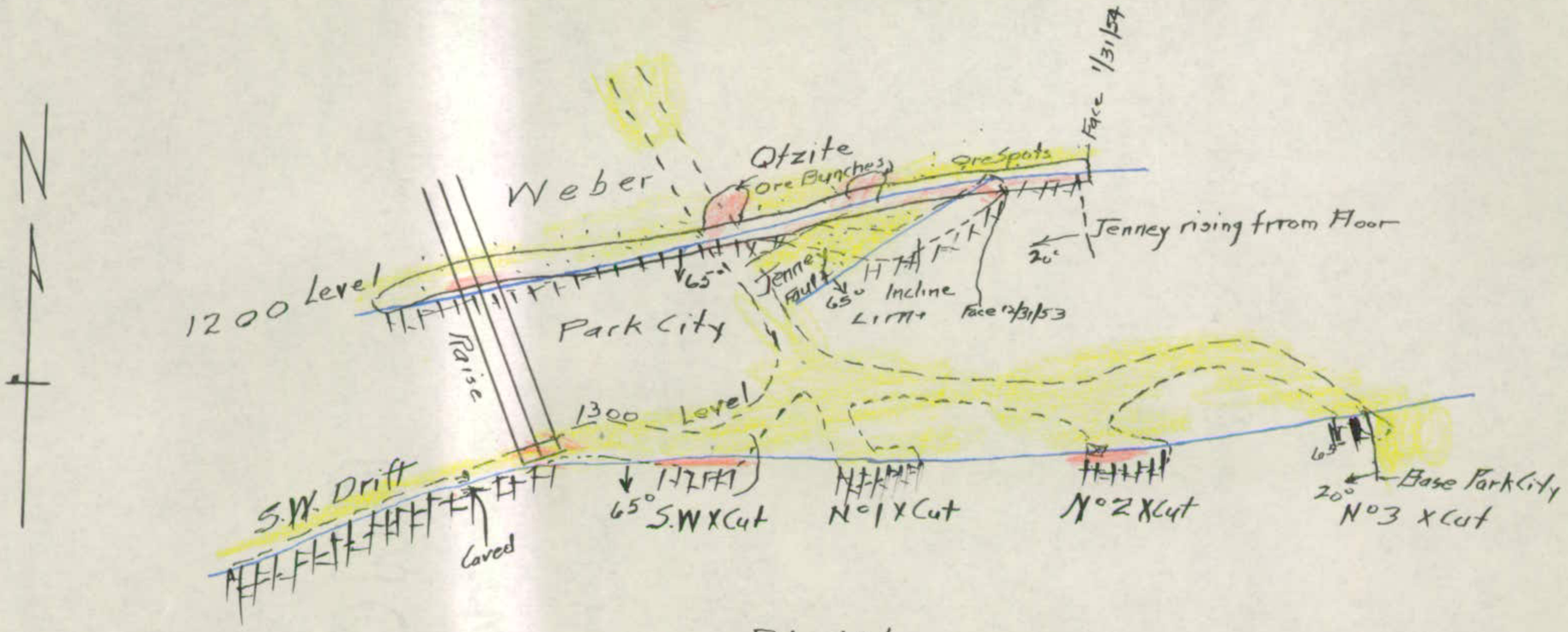
Cost of Operation under contract $50,177.93

Glen L Broadbent
Sec. Treasurer



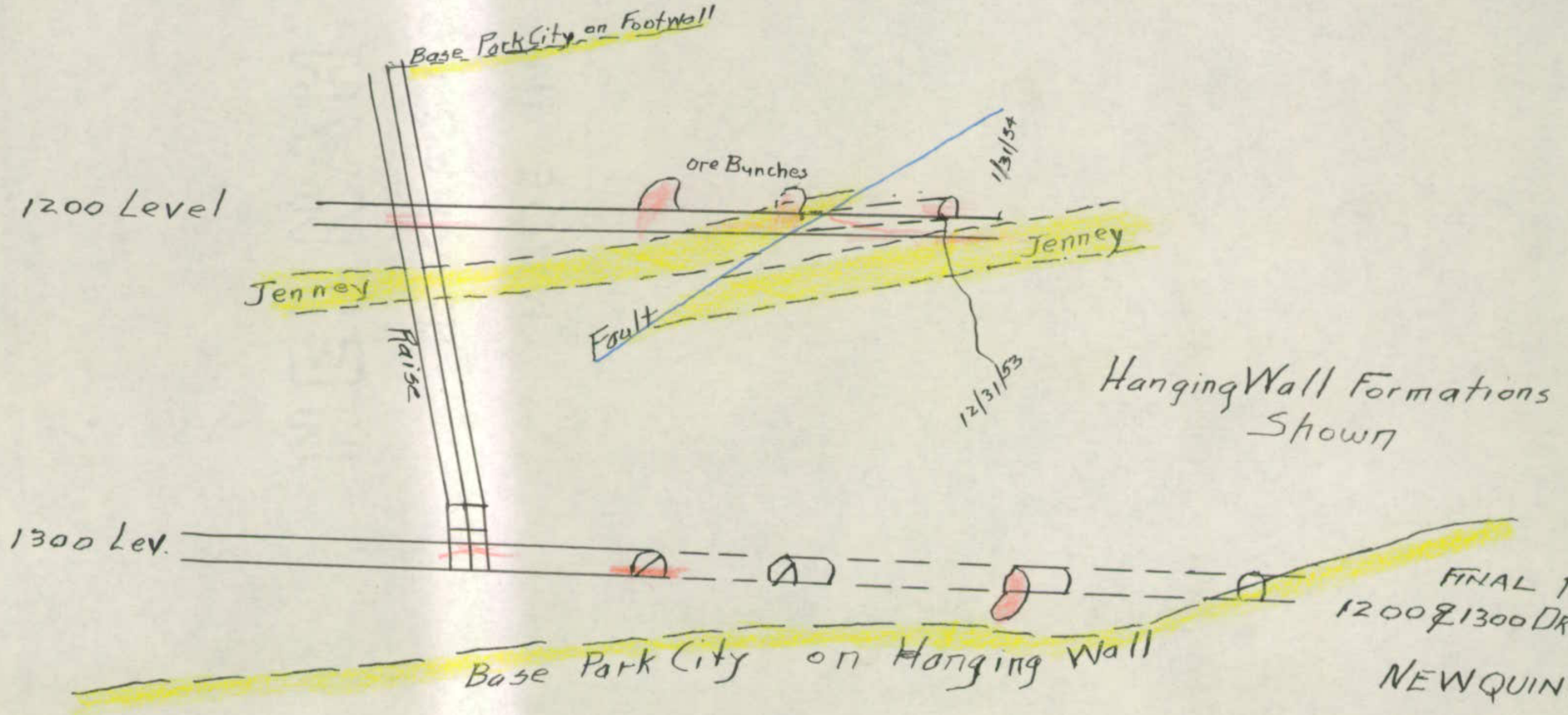


FINAL REPORT
NEW QUINCY MINING CO
DMA-113
CONTRACT-IDME-265
Jan. 31, 1954 100 Scale



PLAN

DETAIL



LONG. SECTION
Looking North

FINAL REPORT.
1200 & 1300 DRIFTS & RAISE
NEW QUINCY MINING CO
DMA-113
CONTRACT-IDME-265
Jan 31 1954 E.A. Hewitt

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
1600 EAST FIRST SOUTH STREET
SALT LAKE CITY 1, UTAH

Mining Division
Date Rec'd
AUG 23 1954
BUREAU OF MINES
Denver, Colorado

August 20, 1954

Memorandum

To: W. H. King, Executive Officer, DMEA Field Team, Region IV

From: Chief, Minerals Development Branch, Mining Division, Region IV

Subject: Docket No. DMEA-113 (Lead-zinc), Contract Idm-E265, New Quincy Mining Co., Wasatch and Summit Counties, Utah

F.T. Final Rpt

Enclosed are the original and eight copies of a final engineering report covering exploratory work under the subject contract. The report was prepared by M. H. Howes.

Contract work was started during June 1952 and completed in January 1954. A certification of discovery was issued April 26, 1954.

Stephen R. Wilson

Stephen R. Wilson

Enclosure

Reviewed by
DMEA OPERATING COMMITTEE
9-3-54
(date)

NEW QUINCY MINING CO.
WASATCH AND SUMMIT COUNTIES, UTAH
DMEA-113
Contract Idm-E265
Lead-Zinc

Final Engineering Report

By M. H. Howes
Mining Engineer
Bureau of Mines

Reviewed by
DMEA OPERATING COMMITTEE
9-3-54
(date)

NEW QUINCY MINING CO.
WASATCH AND SUMMIT COUNTIES, UTAH

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ILLUSTRATIONS

Fig. 1 Plan and section, underground workings, New Quincy Mining Co., Wasatch and Summit Counties, Utah

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Exploratory work at the New Quincy mine was started in June 1952, under docket No. DMEA-113 (lead-zinc), Contract No. Idm-E265 (long form), dated February 28, 1952, and was completed during January 1954.

The New Quincy mine is located about 2 miles southwest of Park City, Utah, near the head of Empire Canyon. A company office is maintained at Room 421 Felt Building, Salt Lake City, Utah. The New Quincy Mining Co. owns 135 acres of patented claims, and the controlling interest in the Lucky Bill Mining Co., which contains 77 acres of patented claims to the south of the New Quincy mine.

The DMEA contract, in its final form after several amendments had been added, allows a total expenditure of $50,700 for approximately 800 feet of crosscutting and drifting and for approximately 285 feet of raising to reach the objectives of the exploratory project. The exploratory work was planned to cut two favorable limestone horizons, the base of the Park City formation, and the bed above the Jenney quartzite, both on the hanging wall side and on the footwall side of fault fissure "A". Both beds were encountered in the hanging wall, and only the base of the Park City formation was found in the footwall during the exploration.

During January 1954, project work was terminated, after it was apparent that contract funds had been exhausted. Upon completion of final audit of project expenditures and after liquidation of salvageable

materials and equipment, it was found that project costs total $50,177.93. The Government's share of the cost, at 50 percent participation, is $25,088.96.

Many pods or lenses of lead, zinc, silver and copper mineralization, some of them high grade, were found along fault fissure "A", principally at the base of the Park City formation and at the Jenney quartzite horizon. Approximately 20 tons of ore was mined from these pods or lenses and stockpiled during the period of exploration. No estimate of ore reserves is made because of the erratic nature of the known mineralization. Certification of ore discovery has been declared by the Government.

It is believed that possibilities for finding commercial ore deposits along the fissure in favorable ore horizons have not been exhausted. However, it is recommended that no further Government assistance be granted at this time.

INTRODUCTION

The New Quincy Mining Co. made application for a DMEA loan to explore for lead-zinc ores in December 1950. An examination of the property was made by representatives of the Bureau of Mines and Geological Survey in February 1951, and recommendation was made that the proposed exploratory project be given low priority, because of only minor indications of the presence of commercial ore bodies.

However, the DMEA Field Team, Region IV, believed that the project was worthy, chiefly because of its favorable location in the Park City district, and recommended that it be approved. The New Quincy Mining Co., during this period, was not financially able to provide its share (50 percent) of the cost of the project, due to a court injunction preventing the assessment of a certain block of stock. Later in 1951, a lawsuit was won by the New Quincy Mining Co. enabling the company to levy assessments against outstanding stock to raise operating funds. On February 28, 1952, a contract was signed, allowing a cost of $23,858 for approximately 450 feet of crosscutting and drifting and approximately 330 feet of raising to explore fault fissure "A" at the base of the Park City formation and at the Jenney quartzite horizon. Work was started on the project in June 1952. Contract funds were exhausted during December 1952 after completion of the crosscutting and part of the drifting. No raising had been accomplished to this date. A request for additional funds with which to complete the project was approved, and an amended contract, allowing a total cost of $50,700, was signed on March 24, 1953. The amended contract permits approximately 800 feet of crosscutting and drifting and approximately 285 feet of raising to reach the objectives described in the original contract, namely, the base of the Park City formation and the Jenney quartzite horizon. The contract work was completed in January 1954.

Although no commercial ore bodies were discovered during the course of the exploratory project, several pods of strong mineralization were encountered along fault fissure "A", both at the base of the Park City formation and at the Jenney quartzite horizon. Approximately 20 tons of ore has been saved and stockpiled from the mineralized pods. A certification of discovery was issued by DMEA April 26, 1954.

LOCATION

The New Quincy mine is located in the Park City district, Wasatch and Summit Counties, Utah. Company claims cover an area near the head of Empire Canyon, about 2 miles southwest of Park City, Utah. The region is one of high relief, with altitudes ranging from 7,000 feet above sea level in lower Park City, to more than 10,000 feet above sea level in the western part of the district. Park City is the nearest railhead and is the source of some mining supplies and manpower. Salt Lake City, Utah, is about 35 miles northwest of Park City and is the chief source of supplies. The New Quincy Mining Co. office is located in Room 421 Felt Building, Salt Lake City, Utah.

Heavy snowfall and frequent periods of subzero temperatures are common in the vicinity of the mine during the winter. Summers are cool and pleasant.

OWNERSHIP AND EXTENT

The New Quincy Mining Co., a Utah corporation, owns 135 acres of patented mining claims. The company also owns the controlling interest in the Lucky Bill Mining Co., which property contains 77 acres of patented claims, and adjoins the New Quincy property on the south.

EXPLORATION PROJECT CONTRACT

Docket No. DMEA-113 (lead-zinc), contract Idm-E265 (long form), was signed February 28, 1952. The original contract allows approximately 380 feet of crosscut to be driven to fault fissure "A", with an additional 35 feet for track siding, and approximately 175 feet of drifting on the hanging wall side of the fault fissure to cut the contact between the Park City formation and the Weber quartzite, the aggregate amount of crosscutting, siding and drifting to be approximately 450 feet; and approximately 330 feet of raising to cut the Jenney quartzite horizon on the hanging wall side and the base of the Park City limestone and Jenney quartzite horizon on the footwall side of fault fissure "A" at a total estimated cost of $23,858. Changes and additions to the original contract were made by five amendments.

Amendment No. 1, dated May 29, 1952, allows the operator to start the project within 90 days, instead of 60 days, after the effective date of the contract, February 28, 1952.

Amendment No. 2, dated July 8, 1952, and effective as of the date of the contract, allows the operator to pay $14.00 per foot for completed advance of crosscut and drift for labor, and to rent the following items of equipment:

1 mucking machine at ----------	$150.00	per month
1 3-inch drifter at ----------	100.00	" "
1 self-rotating stoper at ----------	75.00	" "
1 tugger hoist at ----------	75.00	" "
1 charging panel for locomotive battery at ----------	38.50	" "
Total estimated cost of rental		$2,184.00

This amendment allows power charges for the operation of a second charging panel under "Contingencies."

Amendment No. 3, dated August 27, 1952, and effective July 1, 1952, permits the operator to charge $44.17 depreciation for an air compressor valued at $2,650.00, used in lieu of the purchase of compressed air from the Park Utah Consolidated Mines Co.

Amendment No. 4, dated November 26, 1952, and effective November 1, 1952, allows the purchase of 75 feet of 36-inch-diameter, 14-gauge, corrugated culvert pipe, with connecting bands, at a total cost of $436.98.

Amendment No. 5, dated December 29, 1952, and effective as of the date of the contract, allows the purchase of a 6-foot, single-screw drill column, complete with standard arm, saddle and safety clamp, estimated to cost $183.

Contract funds were exhausted during December 1952, before completion of the project. An application for additional funds was made by the company, and favorably passed upon by the Government. On March 24, 1953, an amended contract was signed, which was effective as of February 28, 1952, and which superseded the original contract. All objectives in the amended contract are the same as those in the original contract. The amended contract allows an aggregate amount of crosscutting, siding and drifting of approximately 800 feet, and approximately 285 feet of raising, at a total estimated cost of $50,700, of which the Government's share, at 50 percent, is $25,350. Changes and additions to the amended contract were made by four amendments.

Amendment No. 1, dated July 27, 1953, permits the operator to acquire a 3-inch drifter by rental-purchase plan at an estimated cost of $912.90, paid at the rate of $100 per month, and upon the consummation of the purchase, the Government would acquire a 50 percent equitable interest in the equipment.

Amendment No. 2, dated August 27, 1953, and effective as of August 12, 1953, allows the operator to purchase and install 20 feet of 36-inch-diameter, corrugated culvert pipe with connecting band, at an estimated cost of $125.95.

Amendment No. 3, dated November 6, 1953, extends the date for completion of the project from November 1, 1953, to February 1, 1954.

Amendment No. 4 dated February 5, 1954, allows an increase in allowable amount for power and amends Article 6 of the contract form by substituting the provisions of Annex III attached to and made a part of the amendment.

DESCRIPTION OF WORK COMPLETED

Fault fissure "A" was intersected by the main crosscut at a distance of 420 feet from the starting point. The contact between the Weber quartzite and the Park City formation was found by 176 feet of subsequent drifting and crosscutting in the footwall and along fault fissure "A". An additional 173 feet of crosscutting and drifting was accomplished in the footwall and along fault fissure "A" to the west of the main crosscut on the 1300 level. A raise was driven along fault fissure "A" for a distance of 141 feet above the sill caps of the 1300 level. The mineralized Jenney quartzite horizon was encountered in the hanging wall of the raise at a point approximately 80 feet above the sill caps. The contact between the Weber quartzite and Park City formation was found in the footwall of the raise at a point about 140 feet above the sill caps. Drifting was advanced from the raise at the 1200 level (93 feet above the sill caps), along and in the hanging wall of fault fissure "A" a distance of 235 feet. A raise was driven on an ore showing on the 1200 level about 60 feet east of the main raise for a distance of

12 feet. Total crosscutting and drifting accomplished on the project is 1,010 feet, and total raising, 153 feet.

GEOLOGY

Rocks in the vicinity of the project area in the New Quincy mine consist of the Weber quartzite of Pennsylvanian age and Park City limestone of Pennsylvanian and Permian ages. No igneous rocks are present. Two mineralized, northeast-striking fault fissures occur in this area, the Harrington, or "B" fissure, and the South, or "A" fissure. The "B" fissure has a normal displacement of approximately 65 feet and the "A" fissure about 200 feet. Both fissures are mineralizers and have produced ore in the past. They belong to a subordinate group of faults that parallels the highly productive faults to the north.

In the Park City district ores occur both in veins and as replacements in several favorable limestone horizons. The veins and mineralizing fissures generally strike easterly or northeasterly. Two of the most productive limestone horizons are the bed just above the Jenney quartzite horizon, which occurs 60 to 100 feet above the base of the Park City formation, and the bed at the base of the Park City formation. More than half of the ore produced in the Park City district came from the limestone bed over the Jenney quartzite. These two favorable horizons are present in the New Quincy

mine and were the objectives of the DMEA exploration project along fault fissure "A", both on the hanging wall and on the footwall sides of the fissure.

Pods or lenses of lead, zinc, silver and copper mineralization, some of high grade, were found in several places along fault fissure "A", in the contract exploratory work. Most of the mineralization was encountered in the limestone bed above the Jenney quartzite horizon and in the limestone bed at the base of the Park City formation. Ore from some of these spots has been stockpiled underground for possible future shipment.

ORE RESERVES

Even though fault fissure "A" has been demonstrated to be a mineralizer, by the existence of many pods or lenses of ore, it is difficult to estimate ore reserves with any degree of accuracy. Ore from each pod or lens encountered was saved and stockpiled whenever it was practical, and this resulted in an accumulation of about 20 tons of ore during the exploration. However, it is possible that commercial ore deposits exist along or adjacent to fault fissure "A".

EXPENDITURES

Final audit report of the New Quincy Mining Company's records and transactions pertaining to docket No. DMEA-113, Contract Idm-E265,

made by Donald T. Finch, auditor, and dated June 23, 1954, disclosed the following facts regarding costs of the project:

Total cost per MF-104 form			$52,844.96
Less: Proceeds from property disposition			2,600.00
Net claimed costs			$50,244.96
Exceptions:			
During this audit	$67.03		
Prior to this audit	0.00		67.03
Total accepted cost			$50,177.93
Government participation at 50 percent			$25,088.96

Accepted totals of costs correctly distributed as shown in the final audit report are as follows:

Labor and Supervision	
Labor	$20,002.40
Supervision	5,000.00
Technical services	1,225.00
Operating Materials and Supplies	
Timber	3,034.87
Explosives	1,915.27
Pipe	871.23
Track	233.39
Power	1,643.01
Miscellaneous	2,323.32
Operating Equipment	
Rental	2,763.05
Purchase	3,754.10
Depreciation	3,235.02

Miscellaneous

Repairs to equipment	$ 397.88
Sampling and analyses	85.02
Payroll taxes	1,132.04
Liability insurance	1,162.33
Bookkeeping	1,400.00
Total cost	$50,177.93

Operating materials and supplies were acquired on a day-to-day basis from the stores department of the United Park City Mines Co. No mine supplies were on hand at the end of the project.

Included in the charges to pipe are costs of $562.93 for culvert pipe, which was declared expendable when authorized because of the nature of installation.

Letters from two dealers in used equipment stated they were not interested in submitting bids on the salvageable materials and equipment. The operator's bid for the salvageable materials and equipment in the amount of $2,600.00 was accepted by the Executive Officer of the Region IV DMEA Field Team.

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Defense Minerals Exploration Administration
Denver Federal Center
Denver 2, Colorado

July 15, 1954

Memorandum

To: DMEA Field Team, Region IV

From: A. H. Koschmann

Subject: DMEA Docket 113 (lead-zinc), New Quincy Mining Company, Wasatch and Summit Counties, Utah

Enclosed are 9 copies of the final geologic report by C. G. Tillman of the U. S. Geological Survey covering the above docket.

A Certificate of Discovery was issued April 26, 1954. It is recommended that no additional exploration be done with DMEA aid at this time.

E. H. Hackman
for A. H. Koschmann
Supervising Geologist
Colorado-Wyoming

Enclosures (9)

Reviewed by
DMEA OPERATING COMMITTEE
9-3-54
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Room 208 - 222 So. West Temple
Salt Lake City 1, Utah
July 12, 1954

Memorandum

To: A. H. Koschmann, Field Team, Region IV

From: C. G. Tillman, for R. J. Roberts CGT
Utah-Nevada District Office

Subject: DMEA Docket 113 (Lead-zinc) - New Quincy Mining Company, Wasatch and Summit Counties, Utah

Enclosed are nine copies of the final geologic report on the above named property by C. G. Tillman, geologist, U. S. Geological Survey.

The New Quincy Mining Company completed a DMEA exploration project during December, 1953. A request for additional funds was denied March 24, 1954.

No ore was shipped from the mine during the DMEA project.

The contact between the Park City formation and the Weber quartzite, one of the targets of this exploration, was found to contain no significant ore mineralization either in the footwall or in the hangingwall of the "A" fissure. The upper contact of the Jenny quartzite member of the Park City formation was also found to contain no significant ore mineralization. A few small pods of high-grade lead-zinc-silver ore were found along the "A" fissure particularly at the east end of the 1200-foot sublevel.

No ore reserves were established in the area explored with DMEA aid. A certificate of discovery covering the property was issued April 26, 1954. It is recommended that no additional exploration be done with DMEA aid at this time.

Reviewed by
DMEA OPERATING COMMITTEE
9-3-54
(date)

NEW QUINCY MINING COMPANY

WASATCH AND SUMMIT COUNTIES, UTAH

DMEA DOCKET 113

Final Geologic Report

By C. G. Tillman
U. S. Geological Survey

Reviewed by
DMEA OPERATING COMMITTEE

9-3-54
(date)

SUMMARY

The New Quincy Mining Company completed a DMEA exploration project at its mine in Wasatch and Summit counties, Utah during December, 1953. A request for additional funds was denied March 24, 1954.

The property shipped no ore during the DMEA exploration program. A few tons of hand-sorted high-grade lead-zinc-silver ore have been stockpiled.

Sedimentary rocks in the mine area include the Pennsylvanian-Permian Park City formation and the underlying Pennsylvanian Weber quartzite. These beds are cut by the steeply south dipping "A" fissure on which the Park City and Weber have been dropped against Weber quartzite. The "A" fissure was explored for several hundred feet on the 1300-foot level and, by means of a raise, on the 1200-foot sublevel. The supposedly favorable Park City-Weber contact was exposed in the Hangingwall at the east end of the 1300-foot level and in the footwall at the top of the raise, but contained no significant ore mineralization. Only small pods of galena and sphalerite were found in the work along the fissure on the top contact of the Jenny quartzite where it was exposed in the sublevel.

No ore reserves were established in the area explored with DMEA aid. A certificate of discovery covering the property was issued April 26, 1954. It is recommended that no additional exploratory work be done with DMEA aid at this time.

INTRODUCTION

The New Quincy Mining Company was granted a DMEA loan under contract Idm-E265 dated February 28, 1952 and amended contract dated March 24, 1953 to aid in exploration for lead-zinc ore at the New Quincy Mine, Wasatch and Summit Counties, Utah. Total cost of the project was $50,700.00 with 50 percent participation by the government. Work began in June, 1952 and was completed in December, 1953. A company request for additional funds dated January 2, 1954 was denied March 24, 1954.

Location and accessibility

The property may be reached through the Judge Tunnel and Daly West shaft of the United Park City Mines Company. The Judge Tunnel portal is in upper Empire Canyon north of Park City, Utah.

History and production

The history and production of this property prior to the DMEA project was discussed by W. A. Young, U. S. Bureau of Mines, in the earlier DMEA report on the property which was forwarded April 16, 1951. During the DMEA contract period a few tons of hand-sorted, high-grade lead-zinc-silver ore was stockpiled.

GEOLOGY

The Park City district is underlain by sedimentary rocks ranging in age from Cambrian to Triassic. These strata have been folded to form the north-striking Park City anticline and have been complexly faulted and intruded by masses of diorite related to the Clayton Peak diorite stock and by diorite porphyry. Major production from the area has come from steeply dipping, east-to northeast-striking faults where they intersect certain favorable stratigraphic horizons. Lead-silver ore with minor zinc has been the most important product of the district.

ORE DEPOSITS

Sedimentary rocks exposed in the New Quincy mine include the Weber quartzite of Pennsylvanian age and the overlying Park City formation of Pennsylvanian and Permian age. These rocks are cut by the northeast-striking, southeast-dipping "A" fissure which has dropped the Park City formation and Weber quartzite in the hangingwall against Weber quartzite in the footwall on the New Quincy 1300-foot level. The sediments in the hangingwall strike north and dip west 10 to 35 degrees.

The "A" fissure is marked by as much as five feet of gray to brown breccia and gouge. The limestones adjacent to the fissure are often bleached and have a sugary texture rather than their usual finely crystalline massive character.

Weak, sporadic lead-zinc-silver mineralization was noted along the fissure at the several places where stub crosscuts exposed it on the 1300-foot level (fig. 2). Cerussite, galena, pyrite, shpalerite, and manganese oxide were noted in work at the east end of the 1200-foot sub-level.

The 1200-foot sublevel was driven to explore the upper contact of the Jenny quartzite member of the Park City formation in the hangingwall of the "A" fissure. A pod of high-silver lead-zinc ore was exposed in a crushed, silicified zone near the present east face of the level. The pod measured two to three feet wide and extended discontinuously for several feet along the strike of the fault to the east. This material was hand sorted and stockpiled. Thin stringers of ore minerals were observed along the top contact of the Jenny at one position in the drift.

PROPOSED EXPLORATION

Under the contract the applicant was to crosscut 421 feet southeasterly to intersect the "A" fissure, then drift and crosscut in the footwall of, or on the fissure for 178 feet to cut the contact of the Park City formation and Weber quartzite on the hangingwall side of the fault. The company was then to drive approximately 200 feet of drifts and crosscut along the fissure or in favorable horizons encountered on the present 1300-foot level and at higher levels to be reached through a 285 foot raise. It was intended to explore the supposedly favorable Jenny quartzite member of the Park City formation and the Park City formation-Weber quartzite contact in the footwall as well as the Jenny quartzite in the hangingwall in this raise. Total drifting, crosscutting, and siding allowed was 800 feet.

COMPLETED EXPLORATION

The "A" fissure was exposed at intervals for approximately 330 feet (fig. 2). Only very sparse lead-zinc-silver mineralization was noted at a few places along the structure. A raise was driven approximately 145 feet on the fissure from the western part of the drift on the 1300-foot level. This raise passed through the projected position of the Jenny quartzite in the hangingwall and cut the Park City formation-Weber quartzite contact in the footwall. No significant mineralization was observed at either place. A sub-level drift was then driven on the fissure at approximately 93 feet above the track on the 1300-foot level. This drift was to expose the Jenny quartzite at its intersection with the fissure. Sporadic lead-zinc-silver mineralization was observed at several places along the fissure and a few small pods of high grade ore were exposed in the back near the east face of the sub-level. Thin stringers of sulfide ore minerals were also observed to extend for several feet along the top contact of the Jenny quartzite at one point in this work. However, insufficient mineralization is present here to permit mining and no further exploration with DMEA aid appears to be merited.

ORE RESERVES

A few tons of high-grade lead-zinc-silver ore were recovered by hand sorting from work at the east end of the sub-level. No additional ore reserves can be inferred to exist in the area of the New Quincy mine explored with DMEA aid.

CONCLUSIONS AND RECOMMENDATIONS

The "A" fissure was explored for several hundred feet on the 1300-foot and 1200-foot levels of the New Quincy mine. In particular, the intersection of this fissure with the supposedly favorable Park City formation-Weber quartzite contact on the 1300-foot level and in the raise, and the Jenny quartzite member of the Park City formation in the 1200-foot sub-level were exposed without discovering ore bodies of significant size. Sparse high grade lead-zinc-silver mineralization was observed on both levels.

A certificate of discovery was issued covering mineralization discovered with DMEA aid April 26, 1954.

No additional exploration with DMEA aid is recommended at the New Quincy mine.

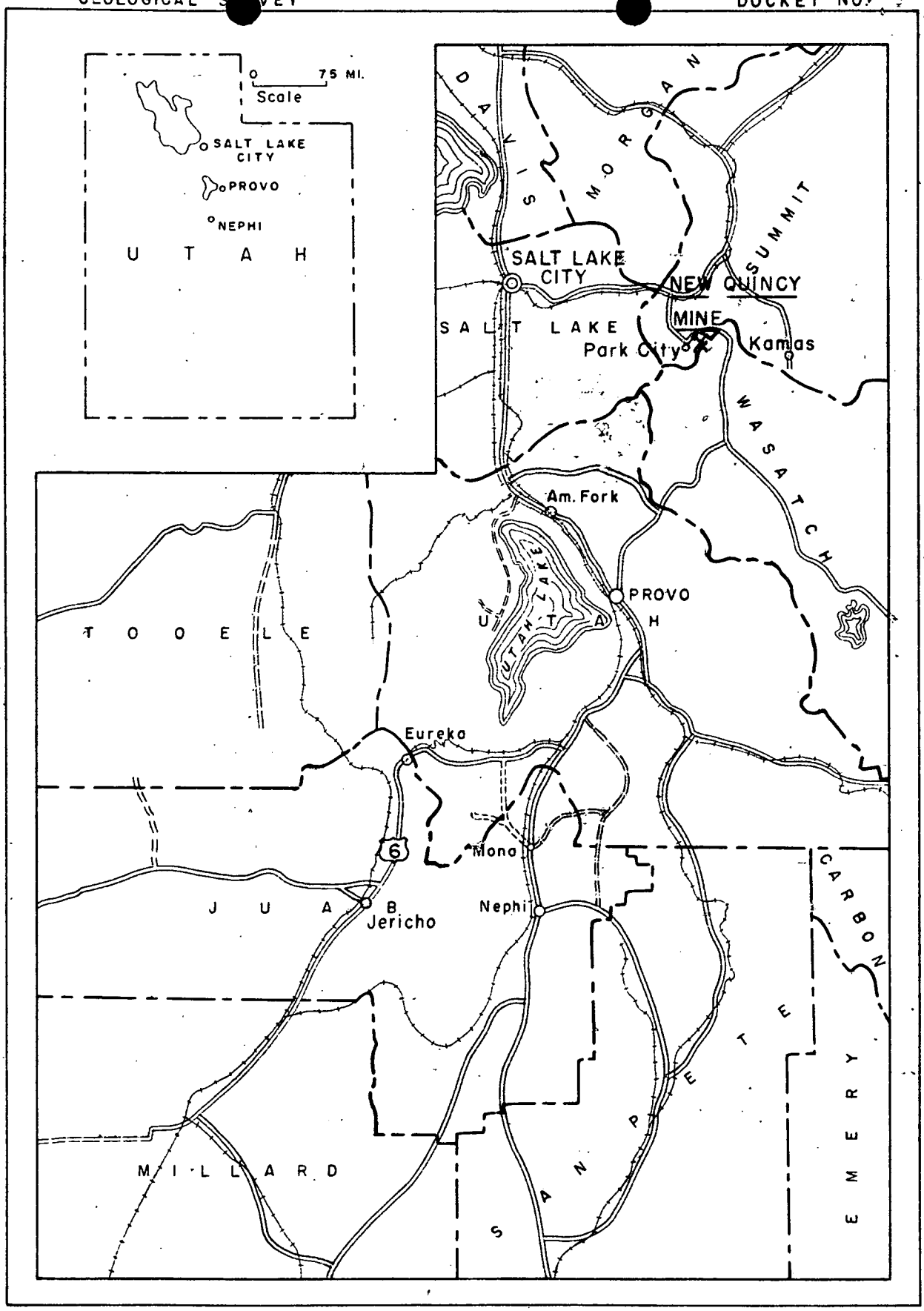

FIG. 1 INDEX MAP OF CENTRAL UTAH

0 5 10 15 20 MILES
Scale

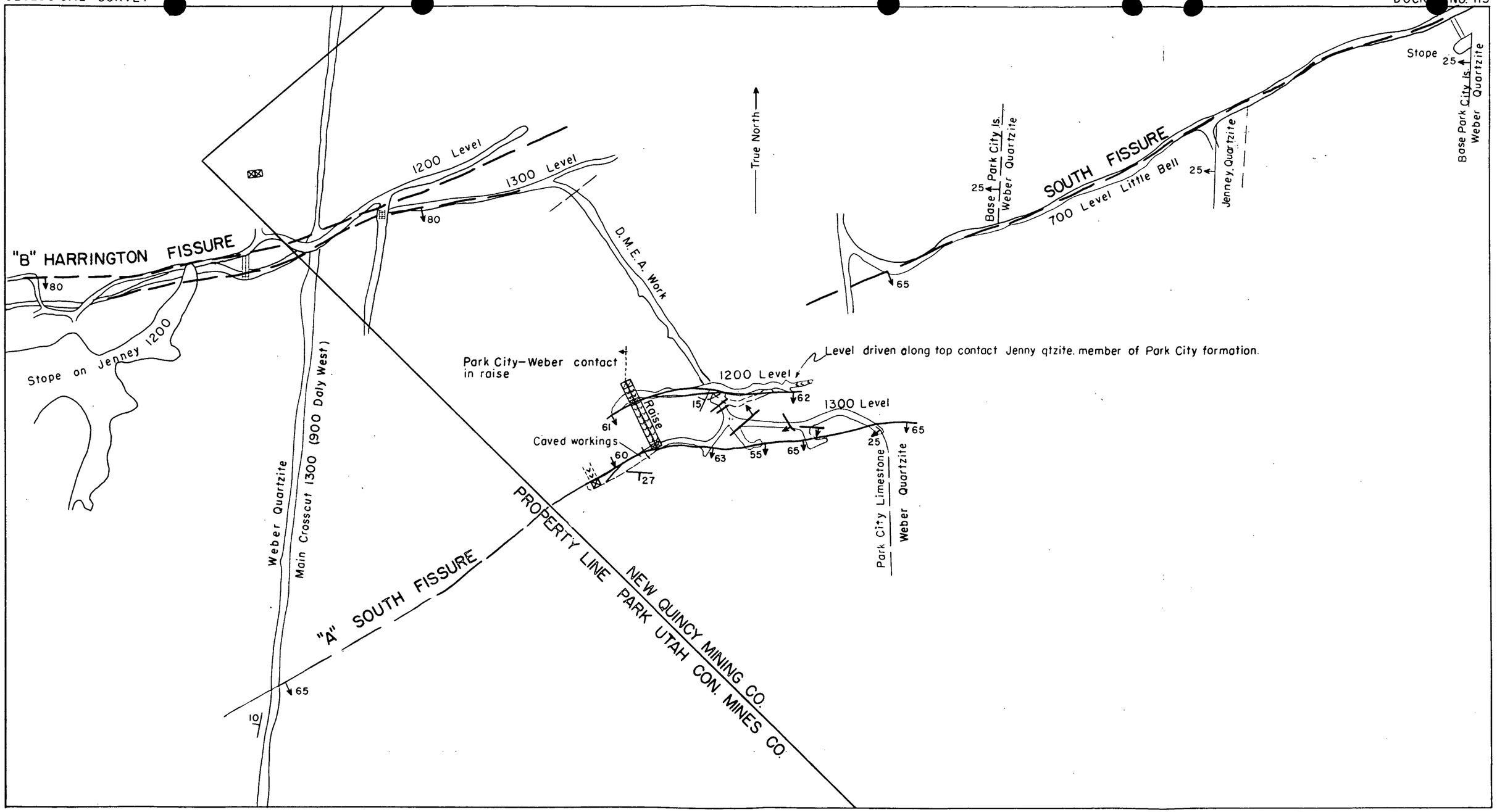

FIG. 2

PLAN AND SECTION OF WORKINGS IN THE NEW QUINCY MINE
PARK CITY, UTAH

0 100 200 300 ft
Scale

Adapted from E. A. Hewitt's Report and company maps

DEFENSE MINERALS EXPLORATION ADMINISTRATION

ROYALTY REPAYMENTS
AS OF JULY 31, 1954

OPERATOR

New Quincy Mining Company (c)

CONTRACT NO.

E-265

DOCKET NO.

113

DATE OF CERTIFICATION

4/26/54

AMOUNT REPAYABLE

$25,088.96

RECEIVED DURING JULY

$ -

TOTAL RECEIVED

$ -

DATE OF LAST RECEIPT

--

DMEA
File Copy
Surname

Hoffmuel
Selfridge
JE Johnson

140

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

JUL 21 1954

Messrs. M. H. Howes
and B. C. Laub
Care of Executive Officer
DMEA Field Team, Region IV
224 New Customhouse Building
Denver 2, Colorado

Re: New Quincy Mining Company
Docket No. DMA-113 (Lead-Zinc)
New Quincy Mine
Wasatch & Summit Counties, Utah
Amended Contract Idn-E265

Dear Messrs. Howes and Laub:

Pursuant to the request of New Quincy Mining Company, through their attorneys, Wootton & Cardall, you are hereby authorized to appear and testify as witnesses in the case brought by Kenneth Kummer et al. under a contract whereby Kenneth Kummer, et al., were working in the New Quincy mining properties. The request of the attorneys does not give the exact title or number of the case nor the court in which it is pending, other than that it is "in the State Courts of Utah.

Attached is a copy of an affidavit by Nick Floor setting forth the nature of the testimony desired.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JHB)

Enclosure

Approved:

J. H. Hedges (JHB)
Member, Bureau of Mines

Philip W. Guild (JHB)
Member, Geological Survey

J. J. FORBES
Director, Bureau of Mines

Director, Geological Survey

JLHofflund:ep 7-14-54

Copy to: Solicitor's Docket
DMEA Docket
Admin. Reading File
Operating Committee
Field Team, Reg. IV (2)
Mr. O. M. Bishop, B/M (3617)
Mr. B. Gildersleeve USGS
Director, Bureau of Mines
Director, USGS
Mr. Griswold
Mr. Hofflund
Chron.
Pending

R.C.G.

AFFIDAVIT

STATE OF UTAH)
(ss
COUNTY OF SALT LAKE)

NICK FLOOR, being first duly sworn, deposes and says:

1. That he is an officer of the New Quincy Mining Company, a corporation authorized to do business within the State of Utah.

2. That D. C. Laub is an employee of the United States Government, U. S. Geological Survey, M.D.B., with address at Building 25, Denver Federal Center, Denver, Colorado.

3. That New Quincy Mining Company is defendant in the case brought by Kenneth Kummer et al. under a contract whereby Kenneth Kummer, et al., were working in the New Quincy mining properties. That D. C. Laub has information relative to the condition of the mine just prior to a cave-in, and also has information relative to events which took place on the day of May 22, 1953, in the mine.

4. That it is the desire of affiant and New Quincy Mining Company that Mr. D. C. Laub be permitted to testify by written interrogatories or deposition relating to the following: His profession; the date and with whom he inspected the New Quincy Mining property in Park City, Utah; the condition of the drift through which Mr. Laub passed to the face; whether or not it was timbered; the extent of any conversation he might have had with any of the parties present; whether or not a ditch was completed in the drift; his familiarity with types of ground and possibilities of cave-ins; the condition of the ground in the drift and his opinion as to the necessity for timbering same; and whether he observed any timber which could have been used for this purpose.

Further affiant sayeth naught.

(Sgd) NICK FLOOR

Subscribed and sworn to before me this 28th day of June 1954.

(Sgd) Verda Schofield
Notary Public
Residing in Salt Lake City, Utah

(NTL SEAL)

My commission expires:
June 15, 1957.

DMEA
File Copy
Surname

Hoffland
Guild
Selbridge
Hedges
H E Johnson

140

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

JUL 21 1954

Mr. Richard T. Carnall
Messrs. Wootton & Carnall
53 East Fourth South
Salt Lake City 1, Utah

Dear Mr. Carnall:

Enclosed is a copy of an authorization to Messrs. D. C. Laub of the Geological Survey and M. H. Howes of the Bureau of Mines to testify pursuant to your letter of June 28 and affidavit attached thereto.

In the letter from Senator Watkins dated May 2[illegible], the testimony of Mr. Howes was requested, but in your letter to me of June 28, it is the testimony of Mr. Laub that you refer to. Under the circumstances, the authorization runs to both Mr. Laub and Mr. Howes, but it seems likely that Mr. Howes, a mining engineer, is the one better qualified for your purposes.

Sincerely yours,

C. O. Mittendorf (fw)

Administrator

Enclosure

JLHofflund:ep 7-14-54

Copy to: Solicitor's Docket
DMEA Docket
Admin. Reading File
Operating Committee
Field Team, Reg.IV (2)
Mr. O. M. Bishop, B/M (3617)
Mr. B. Gildersleeve, USGS
Director, Bureau of Mines
Director, USGS

Mr. Griswold
Mr. Hofflund
Chron.
Pending

R.C.G.

224 New Customhouse
Denver 2, Colorado

July 20, 1954

Mr. Nick Floor, President
New Quincy Mining Company
421 Felt Building
Salt Lake City, Utah

Re: Docket DMEA 113 (Lead-Zinc)
Contract Idm-E265

Dear Mr. Floor:

Reference is made to our letter of June 17, 1954 accepting your bid in the liquidation of property acquired under the contract and wherein we advised that final payment to you under the terms of the contract would be processed upon receipt of your final engineering and geologic report, in conformance with Article 7(b) of the contract, and upon release to this office of a certificate and report of audit by the Contract Administration and Audit Division.

We are now in a position to make final payment to you under the terms of the contract upon receipt of your final engineering and geologic report.

As we are desirous of closing this account at an early date we will appreciate receiving your final report at your earliest convenience.

Very truly yours,

W. H. KING

W. H. King
Executive Officer, DMEA
Field Team, Region IV

JWT:jp
cc Contract
Chron
SRWilson
AHKoschmann
Chairman, Oper. Committee
JWTownsend

WOOTTON & CARDALL
ATTORNEYS AND COUNSELLORS AT LAW
SUITE 211, 53 EAST FOURTH SOUTH
SALT LAKE CITY 1, UTAH
SUITE 12 GENEVA BUILDING
AMERICAN FORK, UTAH

O. DE VERE WOOTTON
RICHARD T. CARDALL

SALT LAKE CITY
PHONE 22-0483
AMERICAN FORK
PHONE 197

June 28, 1954

INTERIOR DEPT.
JUL 1 - 1954
SOLICITOR

Mr. C. O. Mittendorf
Administrator
Defense Minerals Exploration Administration
U. S. Department of the Interior
Washington 25, D. C.

Dear Mr. Mittendorf:

I am herewith enclosing an affidavit with a request that Mr. D. C. Laub be permitted to give the testimony requested in said enclosed affidavit. While we feel that the information which Mr. Laub has does not come within the purvue of the regulations of the department inasmuch as this employee is not requested to testify concerning business of the government or contents of official records, we, however, are submitting the request in conformity with the terms of your letter dated May 27, 1954, addressed to Senator Arthur V. Watkins. Attached

Inasmuch as this lawsuit will come to trial sometime during the month of July, we would appreciate it very much if your approval could be received by return mail.

Very truly yours,

Richard T. Cardall
RICHARD T. CARDALL by vs

Enclosure

cc: Senator Arthur V. Watkins
Senate Office Building
Washington, D. C.

RTC:vs

Rec'd
NOTED
JUL 13 1954
PAULUS

AFFIDAVIT

STATE OF UTAH)
: ss
COUNTY OF SALT LAKE)

NICK FLOOR, being first duly sworn, deposes and says:

1. That he is an officer of the New Quincy Mining Company, a corporation authorized to do business within the State of Utah.

2. That D. C. Laub is an employee of the United States Government, U. S. Geological Survey, M.D.B., with address at Building 25, Denver Federal Center, Denver, Colorado.

3. That New Quincy Mining Company is defendant in the case brought by Kenneth Kummer et. al. under a contract whereby Kenneth Kummer, et. al, were working in the New Quincy mining properties. That D. C. Laub has information relative to the condition of the mine just prior to a cave-in, and also has information relative to events which took place on the day of May 22, 1953, in the mine.

4. That it is the desire of affiant and New Quincy Mining Company that Mr. D. C. Laub be permitted to testify by written interrogatories or deposition relating to the following: His profession; the date and with whom he inspected the New Quincy Mining property in Park City, Utah; the condition of the drift through which Mr. Laub passed to the face; whether or not it was timbered; the extent of any conversation he might have had with any of the parties present; whether or not a ditch was completed in the drift; his familiarity with types of ground and possibilities of cave-ins; the condition of the ground in the drift and his opinion as to the necessity for timbering same; and whether he observed any timber which could have been used for this purpose.

Further affiant sayeth naught.

Nick Floor

Subscribed and sworn to before me this 28th day of June, 1954.

Vera Schofield
Notary Public
Residing in Salt Lake City, Utah

My commission expires:
June 15, 1957.

FILE COPY
SURNAME:

Hoffhund

UNITED STATES 140
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

MAY 27 1954

Hon. Arthur V. Watkins
United States Senate
Washington 25, D. C.

My dear Senator Watkins:

In your letter to me of May 25, you have inquired as to the availability of Mr. M. H. Howes (referred to in your letter as "Mr. House") to give testimony in private litigation in a State Court of Utah. You did not indicate the title of the case, the names of the parties, or the nature of the action.

The regulations of the Department of the Interior with respect to the testimony of employees (43 C.F.R. Sec. 2.20) require:

(1) That "an officer or employee of the Department shall not testify in any judicial or administrative proceeding concerning matters related to the business of the Government or the contents of official records without the written permission of the head of the bureau or office, or his designee, or of the Secretary"; and

(2) "Any person . . . wishing an officer or employee of the Department to testify in a judicial or administrative proceeding concerning a matter related to the business of the Government or the contents of official records must submit a statement in writing setting forth the interest of the litigant and the information with respect to which the testimony of the officer or employee of the Department is desired, before permission to testify will be granted under this section. In the case of a private litigant, this written statement must be in the form of an affidavit. Permission to testify will be limited to the information mentioned in the written statement, or to such portions thereof as the official granting the permission deems proper."

R.C.H.

I suggest that you inform your correspondent as to the requirements for obtaining the testimony of an employee of this Department, a copy of this letter being enclosed for this purpose. As soon as we have the affidavit in hand, we can determine promptly whether Mr. Howes may be made available for giving the desired testimony.

Sincerely yours,

C. O. Mittendorf (for)

Administrator

Enclosure

JLHofflund:ep 5-27-54

Copy to: Docket
Administrator
Admin. Reading File
Field Team, Reg. IV (2)
Administrative Div. (Personnel) Bureau of Mines
Mr. Griswold
Mr. Hofflund
(Senator's correspondent)-(Enclosure)
Chron.
Pending

HUGH BUTLER, NEBR., CHAIRMAN
EUGENE D. MILLIKIN, COLO.
GUY CORDON, OREG.
GEORGE W. MALONE, NEV.
ARTHUR V. WATKINS, UTAH
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JAMES E. MURRAY, MONT.
CLINTON P. ANDERSON, N. MEX.
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GEORGE A. SMATHERS, FLA.
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HENRY M. JACKSON, WASH.
PRICE DANIEL, TEX.

KIRKLEY S. COULTER, CHIEF CLERK

United States Senate

COMMITTEE ON
INTERIOR AND INSULAR AFFAIRS

May 25, 1954

Nev Quincy

Administrator
Defense Minerals Exploration Administration
Department of Interior
Washington, D. C.

Dear Sir:

I have recently been contacted by an attorney in Salt Lake City who states that an employee of the "Defense Minerals Administration" in Salt Lake City, a Mr. House, possesses certain information with respect to a case now being litigated in the State Courts of Utah, and further that Mr. S. R. Wilson, immediate superior to Mr. House, has stated to my correspondent that he lacks sufficient authority to permit Mr. House to testify in the State action.

M. N. Howes

I appreciate that certain evidence which might come to the attention of employees of your agency might be classified under national security regulations. However, I would appreciate your examining this situation in order that it may be determined whether or not Mr. House might make himself available to the litigants in the State Court so that our judicial process might be given full opportunity to function as our Constitution prescribes.

The urgency of the State Court matter indicates that an early reply would be greatly appreciated.

Sincerely,

Arthur V. Watkins

2:2

Arthur V. Watkins

224 New Customhouse
Denver 2, Colorado

May 10, 1954

Mr. Nick Floor, President
New Quincy Mining Company
421 Felt Building
Salt Lake City 1, Utah

Re: Docket DMEA 113 (Lead-Zinc)
Amended Contract Idm-E265

Dear Mr. Floor:

Reference is made to your letter of May 6, 1954, wherein you request further clarification relative to the certification issued as a result of work performed under contract Idm-E265 and our denial of your request for additional exploration assistance.

Ore was discovered as a result of the exploration work; a certification was issued in conformance with the terms of the contract in order to protect the government's investment in the exploration work. Should additional ore be discovered as a result of exposures through the exploration work performed under the contract, any production therefrom would benefit directly from the exploration work. Therefore the government was justified in taking steps, under the terms of the contract, to protect their investment.

A study of facts available to this office indicated that the present discovery would not be improved appreciably by the additional work you proposed. Therefore your request for additional exploration assistance was denied.

We trust the foregoing will satisfactorily clarify the matter for you.

Yours very truly,

W H King

W. H. King
Executive Officer
DMEA Field Team, Region IV

cc: COMittendorf (3))
Contract)
AHKoschmann) With copy of Operator's letter.
SRWilson)
JWTownsend
Chron.

May 6, 1954

Mr. W. H. King
Executive Officer, DMEA
Field Team, Region IV
United States Department of the Interior
224 New Customhouse
Denver 2, Colorado

Re: Docket DMEA 113 (Lead-Zinc)
Amended Contract Idm-E265

Dear Mr. King:

This will acknowledge receipt of your letter of May 3. I also acknowledge receipt of the letter of April 26 from the Administrator submitting certifications of discovery.

It may be that I am confused relative to the meaning of both letters, but it seems to me that they are contradictory. If the records substantiate a certificate of discovery as a result of exploration work under Contract Idm-E265, it seems incomprehensible to me how a further study of the available information in the office indicates that further government participation in additional exploration work is not justified.

I would appreciate hearing from you relative to this matter.

Very truly yours,

NEW QUINCY MINING COMPANY

By Nick Floor
Nick Floor, President

cc: S. R. Wilson, Chief
Minerals Development Branch
Bureau of Mines
1600 East 1st South
Salt Lake City, Utah

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

224 New Customhouse
Denver 2, Colorado

May 3, 1954

Memorandum

To: C. O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMEA 113 (Lead-Zinc), Amended Contract Idm-E265, New Quincy Mining Co., Wasatch County, Utah

Enclosed for your information are three copies of a letter from the operator, dated April 26, 1954, and transmittal thereof from the Chief, Minerals Development Branch, Mining Division, Region IV, dated April 27, 1954, relative to reconsideration of the operator's request of January 2 for Government participation in additional exploration work under the subject contract. Also enclosed are three copies of our letter to the operator stating that it is deemed further Government participation is not justified.

Three copies of our letter of March 24, 1954 denying his original request for additional Government assistance, and three sets of data relevant to the request, were forwarded to the Secretary of the Operating Committee, DMEA, by memorandum of March 24, 1954.

W. H. King

W. H. King

Encls.

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

224 New Customhouse
Denver 2, Colorado

May 3, 1954

Mr. Nick Floor, President
New Quincy Mining Company
421 Felt Building
Salt Lake City 1, Utah

Re: Docket DMEA 113 (Lead-Zinc)
Amended Contract Idm-E265

Dear Mr. Floor:

Receipt is acknowledged of your letter of April 26, 1954 to Mr. S. M. Wilson, Chief, Minerals Development Branch, Bureau of Mines, Salt Lake City, Utah, which was forwarded to this office for appropriate action. In your letter of April 26 you request that your application of January 2, 1954 for Government assistance in additional exploration work, which was denied by our letter of March 24, be reconsidered.

A study of available information in this office indicates that Government participation in additional exploration work is not justified.

In your letter of April 26 you also request that in the event it is decided not to participate further in the exploration work that you be advised as to your responsibility to the Government in the event you find a substantial body of ore with any additional money you are able to secure.

For answer to your question you are referred to the letter of April 26, 1954 from the Administrator, DMEA, Washington, transmitting a certification of discovery or development as a result of the exploration work under Contract Idm-E265.

Very truly yours,

W. H. KING

W. H. King
Executive Officer, DMEA
Field Team, Region IV

JWT:jp
cc Contract
Chron
SRWilson
AHKoschmann
COMittendorf (3)
JWTownsend

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
1600 EAST FIRST SOUTH STREET
SALT LAKE CITY 1, UTAH

April 27, 1954

Memorandum

To: W. N. King, Executive Officer, DMEA Field Team, Region IV

From: Chief, Minerals Development Branch, Mining Division, Region IV

Subject: Docket No. DMEA 113 (Lead-zinc), Contract Idm-E265, New Quincy Mining Co., Wasatch County, Utah

Attached are six copies of a letter received from the subject operator with comments concerning denial of a request for additional project funds. The denial is contained in a letter to the operator dated March 24, 1954, signed by A. N. Koschmann and John F. Shaw for W. N. King.

Recommendations concerning the operator's amendment request are contained in a memorandum from this office dated March 17, 1954. We have no additional information to add to the recommendations; thus we do not believe any basis exists for reconsideration of the operator's request for additional funds.

Stephen R. Wilson

Stephen R. Wilson

Enclosure

April 26, 1954

Mr. S. R. Wilson, Chief
Mineral Development Branch
Bureau of Mines
1600 East 1st South
Salt Lake City, Utah

Re: Docket DMEA 113, Contract Idm E-265

Dear Mr. Wilson:

This will acknowledge receipt of your letter of March 24, 1954, signed by John F. Shaw and A. H. Koschmann, and which denied our application for additional government assistance for exploration on our property.

We are hereby requesting reconsideration of this determination. We feel that latest developments indicate there is a substantial possibility of finding a significant body of silver, lead, zinc ore. After the completion of our DMEA contract we have continued to work in the mine on an exploratory basis. We have spent in excess of $5,000.00 since January 1, 1954, and feel that we are on the threshhold of an important discovery. We have run into a leading fissure which our engineers advise should lead to a substantial body of ore. In the event you do not see fit to continue to participate in connection with our application, we then will be in a position where we will have to go elsewhere to secure the necessary funds to continue our exploration and development. In this event, we are wondering what our responsibility is to the government in connection with this program.

Therefore, in the event you decide not to participate further, we would appreciate hearing from you as soon as possible as to what our responsibilities to the government will be in the event we find a substantial body of ore with any additional money we are able to secure.

Very truly yours,

NEW QUINCY MINING COMPANY

By Nick Floor
NICK FLOOR, President

vs

File Copy
Surname

Griswold
Hoffland
Talbot
Martin
Hedges
Larkin
Johnson

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

APR 26 1954

Mr. Nick Floor, President
New Quincy Mining Company
421 Felt Building
Salt Lake City 1, Utah

Re: Docket No. DMEA-113 (Lead-Zinc)
New Quincy Mining Company
New Quincy Mine
Wasatch & Summit Counties, Utah
Amended Contract No. Idm-E265

Dear Mr. Floor:

Transmitted herewith is a Certification of Discovery or Development related to the amended Exploration Project Contract No. Idm-E265, dated March 24, 1953, on the lands described in the contract.

By the terms of the amended Exploration Project Contract and of the Certification, all production from the land described in the amended contract, after February 28, 1952, the date of the original contract, is subject to the Government's percentage royalty as set forth in the said contract until the sum which the Government has advanced as its participating interest is repaid, or until February 28, 1962, whichever occurs first.

Payments should be made to Mr. W. H. King, Executive Officer, DMEA Field Team, Region IV, 224 New Customhouse Building, Denver 4, Colorado. Checks should be drawn in favor of the Treasurer of the United States. The purchaser should be advised to deduct the royalties from the amount due on each shipment and forward the checks to the Executive Officer.

Royalty payments to the Government should be accompanied by suitable evidence, such as copies of settlement sheets, showing quantity and grade of the products sold, the name of the purchaser, and the price and charges, certified to be correct by the purchaser.

You are requested to notify Mr. King of any changes in ownership or production rights that might affect the Government's right to its percentage royalty. Also, if production ceases at any time for an extended period please notify Mr. King at six-month intervals that such is the case.

Sincerely yours,

C. O. Mittendorf (for)
Administrator

Enclosure

WRGriswold/bjl (4/21/54)

R.C.S.

Base Metals
Mr. Griswold
Chron.
Op. Committee
Cont. Admr. & Audit Div.
Finance Office
Region IV (2)
Mr. F. E. Johnson
Docket
Irving Gumbel, Dir., MD, EPS
Mr. Hedges, 4604
Mr. Thayer, 5216, GSA
Admr. R. File

File Copy
Surname

Griswold
Hoffman
Talbot
Martin
Farrales
Hedges
Johnson

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

APR 28 1954

Mr. Irving Gumbel, Acting Director
Materials Division
Emergency Procurement Service
General Services Administration
Washington 25, D. C.

Re: Docket No. DMEA-113 (Lead-Zinc)
New Quincy Mining Company
New Quincy Mine
Wasatch & Summit Counties, Utah
Amended Contract No. Idm-E265

My dear Mr. Gumbel:

Enclosed is a copy of a Certification of Discovery or Development related to amended Exploration Project Contract No. Idm-E265.

The amended contract was dated March 24, 1953, with the Government participating to the extent of 50 per cent in an exploration project estimated to cost $50,700.00. Actual expenditures are still subject to final audit but will probably approximate the sum estimated.

The total amount of work provided for under the contract consisted of 800 feet of drifting and crosscutting and 285 feet of raising. Work actually done consisted of 800 feet of crosscutting and drifting and about 150 feet of raising.

The discovery consisted of lead-zinc-silver ores, occurring as replacement lenses in limestone and quartzitic rocks. Additional work would have to be done before any estimate could be made as to the tonnage of such ores.

Sincerely yours,

C. O. Mittendorf
Administrator

WRGriswold/bjl (4/21/54)
Copy to: Docket
Admr. R. File
Op. Committee
Mr. Hedges, 4604
Mr. Thayer, 5216, GSA
Finance Office
Region IV (2)
F. E. Johnson
W. R. Griswold
Base Metals Div.
Chron.

Enclosure

R.G.J.

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

224 New Customhouse
Denver 2, Colorado

April 12, 1954.

Memorandum

To: Secretary to the Operating Committee

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket No. DMEA-113 (Lead-Zinc), Contract No. Idm-E265, New Quincy Mining Company, Wasatch and Summit Counties, Utah.

Confirming advice in our teletype to you of March 29, 1954 we are enclosing the original and three copies of a memorandum from M. H. Howes, Mining Engineer, Salt Lake City, Utah, dated April 6, 1954, and transmittal thereof from the Chief, Minerals Development Branch, Mining Division, Region IV of the same date, relative to the issuance of a Certification of Discovery or Development as a result of work performed under the subject contract.

We concur in the recommendations of the field report that a certification be issued.

W H King
W. H. King

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
1600 East First South Street
Salt Lake City 1, Utah

April 6, 1954

Memorandum

To: W. H. King, Executive Officer, DMEA Field Team, Region IV

From: Chief, Minerals Development Branch, Mining Division, Region IV

Subject: Docket No. DMEA 113 (Lead-zinc), Contract Idm-E265, New Quincy Mining Co., Wasatch and Summit Counties, Utah

Attached are six copies of a memorandum prepared by M. H. Howes concerning recommendations for certification of discovery on the property.

I concur with the recommendations concerning issuing a certification of discovery under this contract.

Stephen R. Wilson
Stephen R. Wilson

Enclosure

S. R. Wilson April 6, 1954

M. H. Howes

Docket No. DMEA-113 (Lead-zinc), Contract Idm-E265, New Quincy Mining Co., Wasatch and Summit Counties, Utah. Recommendation for certification of discovery.

The area from which production will be subject to the Government's percentage royalty is the same as that set forth in Article 2 of Contract Idm-E265.

Weber quartzite and Park City limestone are present in the New Quincy workings. Certain horizons of both of these formations are favorable to ore deposition in the Park City district, preferably adjacent to northeasterly trending fault zones. Two northeast-striking fault fissures, the "A" (South) fissure, and the "B" (Harrington) fissure occur on the New Quincy property.

Exploratory work, as outlined in the contract, was conducted along the "A" fissure. The base of the Park City limestone and the Jenney quartzite horizon were encountered on the hanging wall side of the fissure and the base of the Park City limestone was encountered on the footwall side. Spots or lenses of lead-zinc-silver ore mineralization, some of which were high grade, were found in several places along the fissure, chiefly at the base of the Park City limestone and at the Jenney quartzite horizon. A few tons of ore have been stockpiled underground for possible future shipment.

Even though no ore reserves have been developed by the exploratory project, it has been proved that the fissure is a strong mineralizer and that there are possibilities of commercial ore deposits on or adjacent to it. It is therefore recommended that a certification of discovery be made for the New Quincy mine.

M. H. Howes

M. H. Howes

FILE COPY
SURNAME:

140

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

Boting
Griswold
Selfridge
Kefauver

MAR 31 1954

Mr. Nick Floor
President, New Quincy
Mining Company
421 Felt Building
Salt Lake City 1, Utah

Re: Docket No. DMEA-113 (Lead-Zinc)
New Quincy Mine
Wasatch and Summit Counties, Utah
Amended Contract Idm-E265

Dear Mr. Floor:

This refers to your letter dated March 1, to Mr. S. R. Wilson, Chief, Minerals Development Branch, Mining Division, Bureau of Mines, Region IV, requesting an amendment of the subject Amended Contract to delete a certain portion of the land described in Article 2 thereof.

Your letter states:

"There is an error in the Original Contract with the Government, and we would like to file an amendment to correct such error . . ."

In support of your contention that the contract described more land than you intended to include, your letter refers to four previous letters written by you to this agency (May 18, 1951, November 19, 1951, December 17, 1951, and February 5, 1952), and one letter written by this agency to you (January 10, 1952), concerning the land. All of the letters to which you refer were written prior to the date of the Original Contract, and in none of them was the land which was to be included in the contract definitely delineated. The Original Contract, dated February 28, 1952, specifically delineated the land in Article 2 of the contract as follows:

"Property to be included is shown enclosed by heavy line on map No. 1500-1039-C, Fig. 2, U. S. Department of the Interior, Bureau of Mines, attached hereto."

R.C.S. 3-31-54

In Article 2 of the Amended Contract, dated March 24, 1953, more than a year after the date of the Original Contract, this identical land was described as the land which was to be the subject of the amended exploration project for all purposes of that contract.

We have reviewed, in addition to the five letters to which you referred, the entire docket covering this contract, and we have not found any evidence to indicate that the Government made an error in describing the land in either of the contracts. Therefore, as there is no consideration running to the Government for releasing any portion of the land included in the Amended Contract, we regret that your request for an amendment to delete certain land from the contract must be denied.

Sincerely yours,

C. O. Mittendorf (fw)

Administrator

HCRubin:ep 3-30-54

Copy to: Docket
Admr. Reading File
Operating Committee
Mr. O. M. Bishop, B/M
Mr. A. R. Kinkel, Jr., USGS
Field Team, Reg. IV (2)
Mr. Griswold
Mr. Hofflund
Mr. Rubin
Chron
Pending

Mr. George Selfridge
March 29, 1954
11:20 A.M.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 29 1954

DN 235 BUR MINES 3-29-54 - 9-19 AM

GEORGE C SELFRIDGE DMEA

REURTT MARCH 26, DOCKET DMEA 113, CONTRACT IDM-1 XXXXX IDM-265, NEW QUINCY MINING COMPANY. FIELD OFFICE RECOMMENDS CERTIFICATION. DATA WILL BE FORWARDED AS SOON AS RECEIVED IN THIS OFFICE.

JOHN F SHAW FOR W H KING

Denver, Colo.

MAR 29 12 18 PM '54

BUREAU OF MINES
MAIL ROOM
WASHINGTON, D. C.

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

Griswold
Selfridge
Ehrson
Kittenberg

MAR 26 1954

T E L E T Y P E

WRGriswold/bjl, Rm. 4058, Ext. 3669

DMEA—Base Metals Div.

14X8923.970 Working Fund
Interior, DMEA

XXXXXXXXXXXXXXXXXXXXXXXXX
XXX XXXXXXXX XXXXXXXXXX XXX

Date:

To: . . King, Executive Officer, DMEA Field Team, Region IV, Denver, Colorado

Reurlet March 9, Docket DMEA-113, New Quincy Mining Company, Contract No. Idm-E265. Do you plan to recommend certification. If not, there would be no point in passing upon the question of excluding certain portions of land included in the contract.

George C. Selfridge
Chairman, Operating Committee (RHB)

WRGriswold/bjl (3/26/54)

Copy to: Docket
Admr. R. File
Op. Committee
Base Metals
Mr. Kinkel
Accounts
Mr. Bishop
Ehron.

SENT
MAR 26 1954
Clerical Service Section

R.C.S.
3-26-54

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
29 1954

224 New Customhouse
Denver 2, Colorado

March 24, 1954

Memorandum

To: Secretary, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket No. DMEA 113 (Lead-zinc), Contract Idm-E265, New Quincy Mining Company, Wasatch and Summit Counties, Utah

Enclosed for your records are three copies of a letter to the Operator dated March 24, 1954, denying his request for additional government assistance in the exploration work. Also enclosed are three sets of data relevant to the request for additional funds.

John F. Shaw
John F. Shaw
For W. H. King

Enclosures

224 New Customhouse
Denver 2, Colorado

March 24, 1954

Mr. Nick Floor, President
New Quincy Mining Company
Salt Lake City 1, Utah

Re: Docket DMEA 113, Contract Idm-E265

Dear Mr. Floor:

Reference is made to your letter of January 2, 1954, to Mr. S. R. Wilson, Salt Lake City, Utah, wherein you request authorization of $6,000.00 additional funds to perform additional exploration work under Contract Idm-E265. Your request was forwarded to this office for consideration and appropriate action. A study of the geological conditions and the results of the work performed to date indicate the improbability of a significant discovery of lead-zinc ore as a result of additional work.

Therefore, your request for additional government assistance to further explore the property is hereby denied.

Yours very truly,

John F. Shaw
For W. H. King

JWT:ma

Enclosures

cc: Secy.Oper.Comm. (3)
Contract
SRWilson w/Encl.
RJRoberts w/Encl.
AHKoschmann w/Encl.
JWTownsend
Chron

A. H. Koschmann
A. H. Koschmann

DMEA Field Team, Region IV

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Defense Minerals Exploration Administration
Denver Federal Center
Denver 2, Colorado

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 22 1954

March 19, 1954

Memorandum

To: DMEA Field Team, Region IV

From: A. H. Koschmann

Subject: DMEA Docket 113 (lead-zinc), Contract Idm-E265, New Quincy Mining Company, Wasatch and Summit Counties, Utah

Attached are 9 copies of a memorandum report by C. G. Tillman of the U. S. Geological Survey covering the above docket.

It has been recommended that the applicant's request for additional funds be denied.

A. H. Koschmann

A. H. Koschmann
Supervising Geologist
Colorado-Wyoming

Enclosures (9)

Room 206 - 222 So. West Temple
Salt Lake City 1, Utah
March 17, 1954

Memorandum

To: A. H. Koschmann, Field Team, Region IV

From: C. G. Tillman, for R. J. Roberts, Utah-Nevada District Office

Subject: DMEA Docket 113, (Lead-zinc), Contact Idm-R265, New Quincy Mining Company, Wasatch and Summit Counties, Utah

On January 2, 1954 the New Quincy Mining Company (fig. 1) applied for an amendment to the above contract to provide an additional $6,000 for drifting along the South fissure in the vicinity of the upper contact of the Jenny quartzite member of the Permian Park City limestone. The property was examined February 25, 1954 and again March 3, 1954.

The project was intended to explore the basal contact of the Park City limestone and the upper contact of the Jenny quartzite member of the Park City limestone, some 100 feet above the base of the Park City limestone, both in the relatively downdropped hangingwall of the South fissure and in the relatively upthrown footwall of the same fissure.

The South fissure strikes N. 65° E. and dips approximately 60° S. (fig. 2). In the hangingwall of the fissure the Park City-Weber contact was found at the east end of the 1300-foot level. The Jenny contact was found on the 1200-foot level. In the footwall, the Park City-Weber contact was found at the top of the raise approximately 147 feet inclined distance above the 1300-foot level. No attempt has been made to explore the top Jenny contact in the footwall.

Weak oxide and sulfide lead-silver mineralization with minor zinc and traces of copper occurs sporadically along the fissure on both the 1300-foot and 1200-foot levels. A few tons of handpicked ore from pods near the east face of the 1200-foot level have been stockpiled and a few tons are exposed in the back. One high grade grab sample of sulfide ore from this area assayed 55 percent lead and 44 ounces of silver per ton. Of the three favorable contacts exposed by this work only that of the Jenny contains any mineralization.

The raise and the drift on the 1200-foot level were driven in a wide gouge and breccia zone along the South fissure. As a result, the nature of the formations in the hangingwall is difficult to ascertain. It is believed, however, that the top of the Jenny quartzite has been exposed at one place in the 1200-foot level and that the upper few feet of the Jenny quartzite are present in the face. The Jenny contact was weakly mineralized at the former place.

Although several high grade pods of lead-silver ore have been discovered in work on the 1200-foot level, mineralization is generally weak. Ore bodies of mineable width and grade have not been encountered in over 500 feet of drifting and crosscutting along the fissure or at the three favorable contacts. In view of this, possibility of a significant discovery of base metal ore appears to be poor. It is recommended, therefore, that the applicant's request for additional funds be denied.

Ralph J. Roberts

By_____
C. G. Tillman

CGT/rs

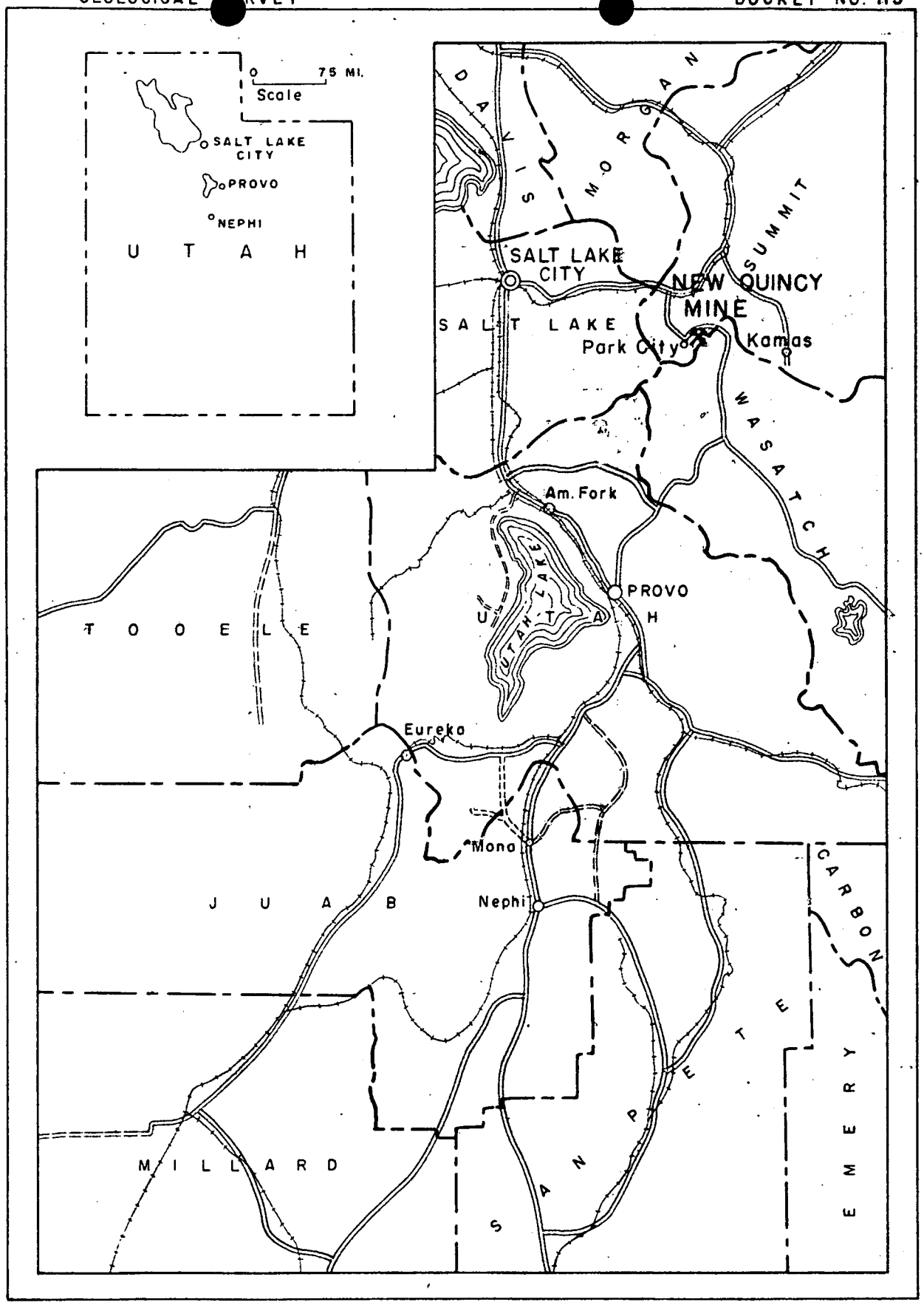


FIG. 1 INDEX MAP OF CENTRAL UTAH

0 5 10 15 20 MILES
Scale

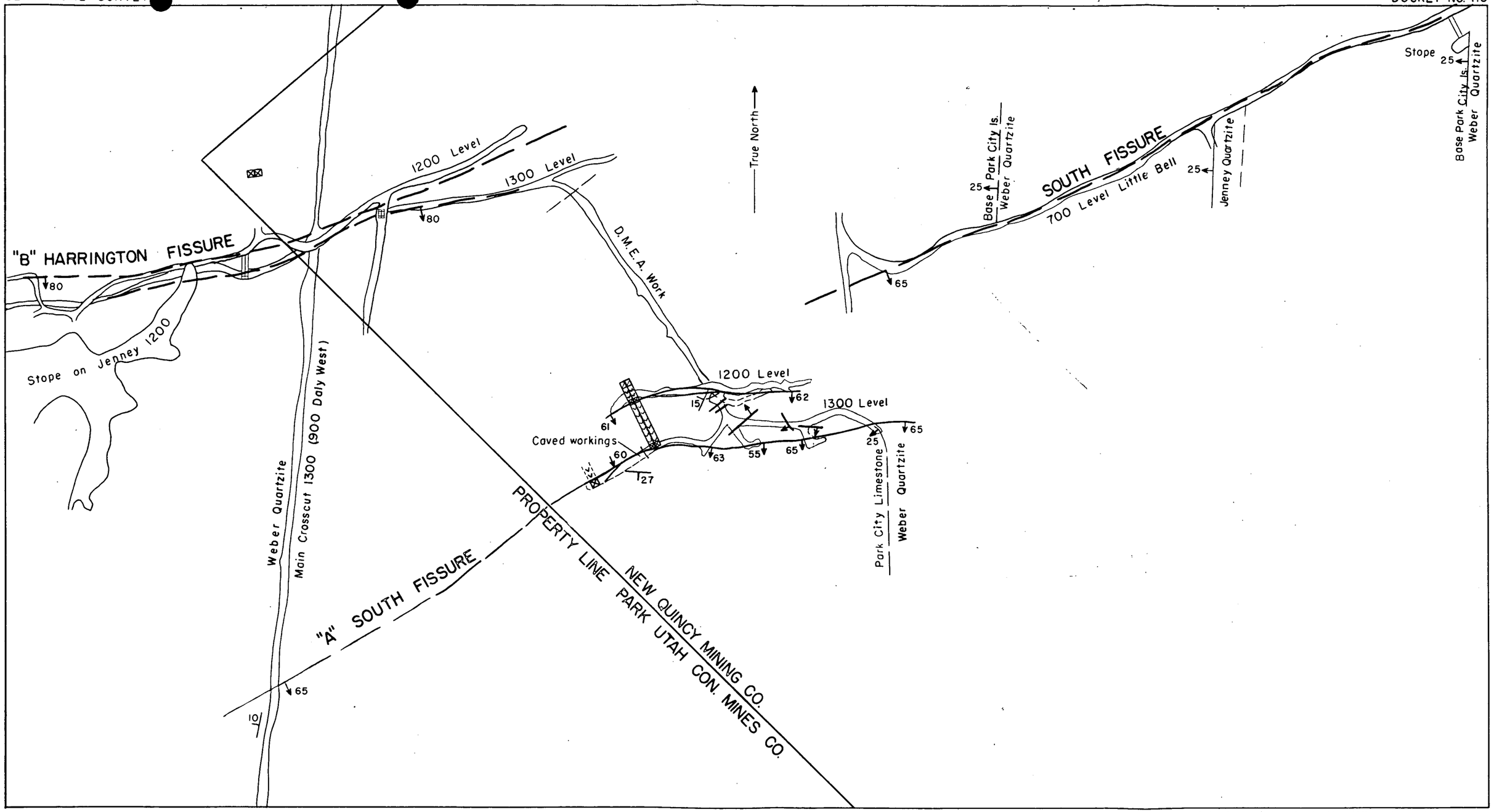


FIG. 2

PLAN AND SECTION OF WORKINGS IN THE NEW QUINCY MINE
PARK CITY, UTAH

0 100 200 300 ft
Scale

Adapted from E. A. Hewitt's Report and company maps

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

1600 EAST FIRST SOUTH STREET
SALT LAKE CITY 1, UTAH

March 17, 1954

Memorandum

To: W. H. King, Executive Officer, DMEA Field Team, Region IV

From: Chief, Minerals Development Branch, Mining Division, Region IV

Subject: Docket No. DMEA 113 (Lead-zinc), Contract Idm-E265, New Quincy Mining Co., Wasatch and Summit Counties, Utah

Reference is made to memorandum from this office dated January 15, 1954, concerning the subject operator's request for additional funds. A geologic study of the property has been made by C. G. Tillman of the Geological Survey, and it is concluded that the operator's request should be denied. Tillman's recommendation was transmitted to the Field Team by memorandum dated March 17, 1954. I concur with the recommendation in the geologic report.

Stephen R. Wilson

Stephen R. Wilson

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

1600 EAST FIRST SOUTH STREET
SALT LAKE CITY 1, UTAH

January 15, 1954

Memorandum

To: W. N. King, Executive Officer, DMEA Field Team, Region IV

From: Chief, Minerals Development Branch, Mining Division, Region IV

Subject: Docket No. DMEA-113 (Lead-zinc), Contract Idm-E265, New Quincy Mining Co., Wasatch and Summit Counties, Utah. Operator's request for additional funds

Attached are six copies of a letter received from the subject operator requesting contract amendment to allow additional funds for exploration. Comments by the inspecting engineer, M. N. Howes, are included in a separate memorandum.

Total funds allowed by contract were undoubtedly expended early in January or before. The exact expenditure total has not been reported. The operator is continuing the exploratory work at present with company funds.

The work permitted by contract has failed to find a significant ore body to date. The principal objective of the exploration, the Jenney quartzite, has been encountered in the hanging wall of the "A" fissure. This horizon was reached by raising from the 1,300 level to a point approximately 93 feet above the level. Small pods of ore have been found in drifting to the east in the zone of the Jenney quartzite. The operator asks that an additional $6,000 be made available for further drifting in the Jenney quartzite.

It is believed that the project may warrant expenditure of a dditional funds, but a geologic study of the area should first be completed before specific recommendations are made.

Stephen R. Wilson

Stephen R. Wilson

Enclosures

S. R. Wilson

Jan. 13, 1954

M. H. Howes

Docket No. DMEA-113 (lead-zinc), Contract Idm-2265, New Quincy Mining Co., Wasatch and Summit Counties, Utah. Memorandum report on request for additional funds.

Apparently the total amount of allowable contract funds was expended by the end of December 1953 or early in January 1954. Although the Jenney horizon in the hanging wall of the "A" fissure has been reached and explored for a distance of approximately 155 feet along the fissure without the discovery of a commercial ore body, the company believes that discovery may be made in this favorable mineralized zone by continuing the exploration a little farther easterly. The company proposes to expend an additional $6,000.00 in further exploration, which would accomplish approximately 160 feet of sublevel drifting, and should carry the project beyond the possible projections of mineralized showings encountered on the main level.

Mineralization and favorable geologic conditions in the present working place on the 1200 level indicate that further exploration is desirable; however, it is recommended that a geologic study of the situation be made by the U. S. Geological Survey before a decision is reached regarding the above application for additional funds.

M. H. Howes

M. H. Howes

S. R. Wilson

Jan. 13, 1954

M. H. Howes

Docket No. DMEA-113 (Lead-zinc), Contract Idm-#265, New Quincy Mining Co., Wasatch and Summit Counties, Utah. Memorandum report on request for additional funds.

Apparently the total amount of allowable contract funds was expended by the end of December 1953 or early in January 1954. Although the Jenney horizon in the hanging wall of the "A" fissure has been reached and explored for a distance of approximately 155 feet along the fissure without the discovery of a commercial ore body, the company believes that discovery may be made in this favorable mineralized zone by continuing the exploration a little farther easterly. The company proposes to expend an additional $6,000.00 in further exploration, which would accomplish approximately 160 feet of sublevel drifting, and should carry the project beyond the possible projections of mineralized showings encountered on the main level.

Mineralization and favorable geologic conditions in the present working place on the 1200 level indicate that further exploration is desirable; however, it is recommended that a geologic study of the situation be made by the U. S. Geological Survey before a decision is reached regarding the above application for additional funds.

M. H. Howes

M. H. Howes

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 29 1954

NEW QUINCY MINING CO
SALT LAKE CITY, UTAH

Mr S. . Wilson,
Director U.S.Bureau of Mines,
1600 East 1st South,
Salt Lake City, Utah.

re: DMA 113
Contract-IDME-265

Dear Mr Wilson;

The sketch herewith will illustrate the geological condition existing on the 1200 level off the raise. There have been two ore showings of consequence; the first at about 55' from the raise where some ten cars of ore was mined and at the face. The showing at 55' was sometime above the Jenney quartzite and seemed to be a stray bunch of ore which soon pinched. The showing at the face could well be the main ore stream. It consists of streaks and spots of typical Park City ore scattered through an 18" fissure. This showing is still somewhat above the Jenney quartzite which will raise from the floor soon. In general it can be said this ore occurrence is very encouraging and with good luck should lead to an ore body.

This letter portrays the desirability of completing the piece of development on the 1200 level from the raise. It is estimated that $6000 might be required to prove the area, of which we are asking the department to furnish one-half. Under the depressed conditions in the lead-zinc industry it would next to impossible for the company to raise the full amount, but they can probably raise $2000. As you know the second loan is about exhausted and unless assistance forthcoming the company will be forced to suspend operations in 10 days for an indefinite period.

I trust, Mr Wilson, you will see that this is an especially worthy prospect and by staying with the company the government is quite likely to be fully reimbursed.

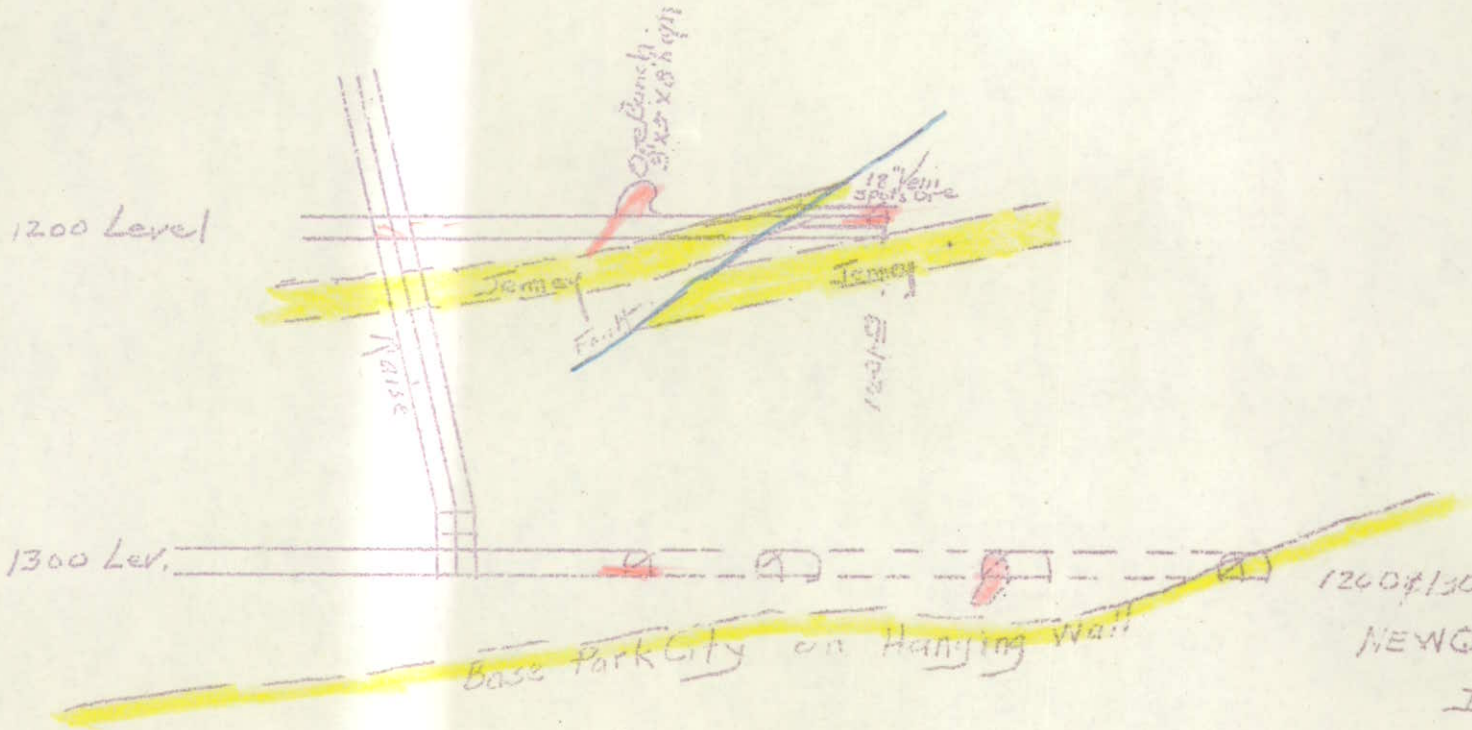
Yours very truly,

NEW QUINCY MINING CO.

By Nick Floor
Nick Floor, President.

Salt Lake City, Ut.
Jan. 2, 1954.

PLAN



LONG SECTION
Looking North

1200 & 1300 DRIFTS & RAISE
NEW QUINCY MINING CO
DMA-113
CONTRACT- IDME-26
Dec. 31, 1953 50-Sc
E. A. Hoch.

FILE COPY
SURNAME:

500

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

N.S. in R.P.

March 17, 1954

Memorandum

To: Chief Counsel

From: W. R. Griswold, Chief, Base Metals Division

Subject: Docket No. DMFA-113 (Lead-Zinc), New Quincy Mining Company, New Quincy Mine, Wasatch & Summit Counties, Utah, Contract No. Idm-7265

I should like to call your attention to the letter of March 9 from Mr. W. W. King, with the enclosed letter from the Operator.

I had prepared a tentative reply to Mr. King (attached) but it has been decided that, rather than writing the Field, we should write direct to the Operator with the Administrator's signature.

Would you therefore kindly prepare such a letter of denial, addressed directly to the Operator. Since he maintains an error existed in the contract, though submitting no evidence of proof to substantiate his contention, it would appear that the matter should properly be handled by your office.

W. R. Griswold

W. R. Griswold

WRGriswold/bjl

Copy to: Docket
Base Metals
Chron

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 11 1954

224 New Customhouse
Denver 2, Colorado

March 9, 1954

Memorandum

To: C. O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMEA-113 (Lead-Zinc), Contract Idm-E265, New Quincy Mining Company, Wasatch and Summit Counties, Utah

Enclosed are the original and three copies of a letter from Nick Floor, President, New Quincy Mining Company, dated March 1, 1954, wherein he requests that the ground described under article 2 of the contract be reduced to exclude certain portions. Attached to each copy of the operator's letter is a memorandum of transmittal from the Chief, Minerals Development Branch, Mining Division, Region IV.

Inasmuch as the matter is not within the authority delegated to this office we are forwarding the material for your consideration and appropriate action with the recommendation that the operator's request be denied.

W. H. King

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
1600 EAST FIRST SOUTH STREET
SALT LAKE CITY 1, UTAH

Mining Division
Date Rec'd
MAR 8 - 1954
BUREAU OF MINES
Denver, Colorado

March 5, 1954

Memorandum

To: W. H. King, Executive Officer, DMEA Field Team, Region IV

From: Chief, Minerals Development Branch, Mining Division, Region IV

Subject: Docket No. DMEA-113 (Lead-Zinc), Amended Contract Idm-E265, New Quincy Mining Co., Wasatch and Summit Counties, Utah.

Enclosed are six copies of a letter received from the subject operator. The letter includes discussion of certain work and obligations of the operator under the contract, and asks that the boundary of property encumbered under the contract be changed to exclude an area not directly related to the exploratory work completed under the contract. The operator is considering a mining operation in the area that he requests be excluded.

The amended contract requires that royalty be paid on all ores produced from property encumbered under Article 2. This article was discussed with the operator at the time the request letter was received. However, irrespective of the obvious meaning, the operator wishes to submit the letter to become part of the project record.

Stephen R. Wilson
Stephen R. Wilson

Enclosures

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 11 1954

New Quincy Mining Company

FELT BUILDING

MINING PROPERTIES
IN PARK CITY, UTAH

OFFICE
[redacted]
TELEPHONE 5-9174
SALT LAKE CITY 1, UTAH

March 1, 1954

Mr. S. R. Wilson, Director
Bureau of Mines
1600 East 1st South
Salt Lake City, Utah

Report of operation at the New Quincy Mine, and request for amendment of Re-Docket No. DMA-113 to exclude a certain portion which is covered by a border on the original contract

Dear Mr. Wilson:

I have advised you verbally in regard to operations at the New Quincy Mine, and you may have received a report from your representative, Mr. Tillman from the Mineral Deposits Branch, Geological Survey, who visited the mine on February 25th of this year.

Please be also advised that the funds with the government were exhausted at the beginning of January 1954, but the company has been continuing operations with its own funds, as it looked very promising with the discovery of some small showings. But all we mined out were ten mining cars, size 16 cubic feet, of low-priced ore and about one car of high grade ore, then did not find any more ore in the area.

As per Mr. E. A. Hewett's last report, it was stated we were to have a Jenny Quartzite raising up on the sublevel drift, which is famous for ore. We have drifted on sublevel about 145 feet east from sublevel station and have found said Jenny without any mineral. We started up an incline at 33 degrees looking for the top of the Jenny. We are up the incline 32 feet, and if we do not find the ore in the Jenny which we are looking for we will not go any further. Mr. Hewett has been retired since the first of this year and is now in New Jersey. I sent him a night letter on February 27th explaining to him the conditions at the mine and asked him to phone me March 1st in the evening if he has any suggestions.

If we discontinue operations on the project, I intend to write to a couple of dealers to give us a bid on the equipment which we purchased together with the government. Such equipment consists of one trammer, one liner, one blow air fan, and twelve-inch tubing which is installed inside for ventilation up in the main raise.

There is an error in the original contract with the government, and we would like to file an amendment to correct such error. The contract has a clause in it which states and indicates all of the ground which is covered by a border. Such border, of course, covers all of New Quincy ground in the contract. By this amendment we would like to ask the government authorities, through you, to issue a release from the contract and change the border to cover only the ground from the point where the project No. 1 starts. Such ground running south from the point beginning with project No. 1 and running southeasterly and southwesterly; to release all of the property north from the point of project No. 1 beginning and running north and easterly and westerly in the area and the vicinity of the Kilkenny and Soround claims; such block of ground to be excluded from the contract by a new border beginning at the point of project No. 1 to cover all of the bround running south from such a point.

I have often talked to you about a chute of ore which is exposed above about 100 feet, also above about 250 feet. For such ore I have requested permission to make a raise there for a ventilation by connecting drift on level 1200 and to continue up to mine ore which has been exposed since 1946. But when I have asked for such a raise Mr. Howes informed me that the government makes loans for exploration only and not for development, so that left such a project out. As a reference to my intentions, you may check letters which I have written in reference to such ore as follows:

Dated May 18, 1951 to:
United States Dept. of the Interior
Defense Mineral Administration
Washington 25, D. C.
Attn: Mr. Lyon

December 17, 1951
Mr. C. O. Mittendorf
Acting Administrator
Defense Minerals Exploration Adm.
Washington 25, D. C.

Dated November 19, 1951
Mr. F. L. Knouse
Defense Mineral Administration
Interior Building
Washington, D. C.

January 10, 1952
Reply from Mr. Frank E. Johnson

February 5, 1952
Mr. Frank E. Johnson
Acting Deputy Administrator
Defense Minerals Exploration Adm.
Washington 25, D. C.

This letter, original and five copies, together with amendment, is being delivered to you personally for your approval and forwarding of same to the right parties of government administration with authority to issue and grant to New Quincy Mining Company's contract such amendment, and release such a portion of ground which the government did not participate in, and on which ore had been discovered before.

Very truly yours,

NEW QUINCY MINING COMPANY

Nick Floor

Nick Floor, President

NF:DA

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.
200 New Customhouse
Denver 2, Colorado

March 6, 1953

Memorandum

To: DMEA Field Team, Region IV

From: A. H. Koschmann

Subject: DMA Docket 113, Contract Idm-E265, New Quincy Mining Co., Wasatch County, Utah. Applicants request for additional work and additional funds in order to complete the exploratory work.

Enclosed are eight copies of a geologic report prepared as a result of a field examination requested by the Field Team, Region IV, February 13, 1953, regarding an amendment by the New Quincy Mining Co., Wasatch County, Utah, Contract Idm-E265, for additional work and additional funds in order to complete the exploratory work.

A. H. Koschmann
A. H. Koschmann
Supervising Geologist
Colorado-Wyoming

Enclosures (8)

Room 205, 222 So. West Temple
Salt Lake City 1, Utah
3 March 1953

Memorandum

To: A. H. Koschmann

From: Ralph J. Roberts

Subject: DMEA-113, Contract Idm-E 265, New Quincy Mining Co., Wasatch Co., Utah - Applicants request for additional work and additional funds in order to complete the exploratory work.

Enclosed are eight copies of a geologic report prepared as a result of a field examination requested by the Field Team Region IV February 13, 1953, regarding an amendment by the New Quincy Mining Co., Wasatch Co., Utah, DMEA-113 Idm-E 265 for additional work and additional funds in order to complete the exploratory work.

The report includes a resume of the geology of the mine area and the present status of the exploratory project with recommendations for amended work.

Ralph J. Roberts

GEOLOGY

The sedimentary rocks in the New Quincy mine area mainly are limestone and quartzite of upper paleozoic age. The formations exposed in the New Quincy mine are: the upper Pennsylvanian Weber quartzite which is conformably overlain by upper Pennsylvanian and Permian Park City limestone.

The Weber quartzite, about 1,750 feet thick, is predominantly a light brownish-gray quartzite at the base, with an increasing amount of limy sandstone near the upper contact.

The Park City formation, about 550 to 600 feet thick, is composed mostly of gray limestone with many thin sandy beds. The Jenny quartzite member of the Park City formation is from 85-100 feet above the base of the formation, and there are four higher and less important quartzite beds above the Jenny quartzite. The beds strike N. 15° E. and dip 12° - 20° W.

In the New Quincy mine two northeast trending fissures "A" and "B" (fig. 2) cut the Park City and Weber formations.

ORE DEPOSITS

The ore deposits in the Park City district occur where northeast trending faults and fissures cut favorable beds.

Ore bodies in the Weber formation are localized by fractured and breccia zones which extend throughout the entire Park City district. The ore localization appears to depend on the proximity of persistent fissures to favorable beds. Unlike the Weber quartzite, however, ore bodies in the Park City formation often take the form of bedding replacements . These relatively flat ore bodies are commonly arranged in a rough enchelon pattern with inter-connecting stringers. The most favorable ore horizon in the Park City formation is the Jenny quartzite member.

The northernmost fault the "B" fissure (fig. 3) has been explored for 350 feet in the New Quincy ground. Where last seen the fault zone had become very narrow and several spurs branching off at acute angles appeared to be less strong to the east.

The southernmost fault, the "A" fissure, was cut about 360 feet south of the "B" fissure in New Quincy ground, on the New Quincy 1300 level. Quartzite breccia and a few nodules containing Galena and pyrite were observed where the "A" vein or fault was exposed on the New Quincy 1300 level. Hewitt reports "this fault has a normal displacement of 200 feet". The footwall on the north side is Weber quartzite and on the southern (hanging) wall is Park City limestone. The base of the Park City in the hanging wall was exposed in the face of the drift 130 feet east of the main crosscut. Eighteen inches of quartzite breccia and eight inches of manganese stain were seen at the intersection of the fissure and the base of the Park City formation. Drifting eastward along the fissure slight spotty mineralization was found, but no ore bodies of minable size or grade were seen.

ORE RESERVES

There are no inferred ore reserves on the "A" vein, at the New Quincy property.

PROPOSED EXPLORATION

The exploratory work proposed in the loan was designed to intercept the base of the Park City limestone and the Jenny quartzite in the hanging wall and footwall of the "A" fissure. Neither the "A" fissure nor the Jenny quartzite and basal Park City formation have produced any appreciable amount of ore where intersected by the "A" fissure. In the original contract, however, five objectives were to be reached (1) the "A" fissure, (2) the base of the Park City formation in the hanging wall of the "A" fissure, (3) the Jenny quartzite in the hanging wall (the most favorable horizon) and (4 & 5) Base of Park City and the Jenny quartzite in the footwall of the "A" fissure. Only the "A" fissure and the base of the Park City formation, in the hanging wall have been cut by the present workings.

The funds were exhausted after 599 feet of crosscutting to and drifting along the "A" fissure was accomplished. Approximately 50 feet of additional work was driven on company account.

The examining engineer and geologists think that an amendment to the contract should be made, allowing for approximately 200 feet of drifts and crosscuts to be driven along the fissure, or in favorable horizons encountered on or above the 1300 level, as agreed upon by company and DMEA representatives, and for approximately 285 feet of raise to be driven from a point on the 1300 level acceptable to the government, to intersect the Jenny quartzite horizon in the hanging wall, and the base of the Park City limestone and the Jenny quartzite horizon on the footwall side of the fissure.

The contract did not allow enough funds to complete all five objectives outlined in this report. Only two of the five objectives have been reached. Even though the examining engineers and geologists essentially turned down the original DMEA application, the work was later approved by Washington DMEA. It is therefore, thought advisable by the examining geologists and engineers that enough funds should be provided to reach the objectives, even though the chances of finding ore are only fair.

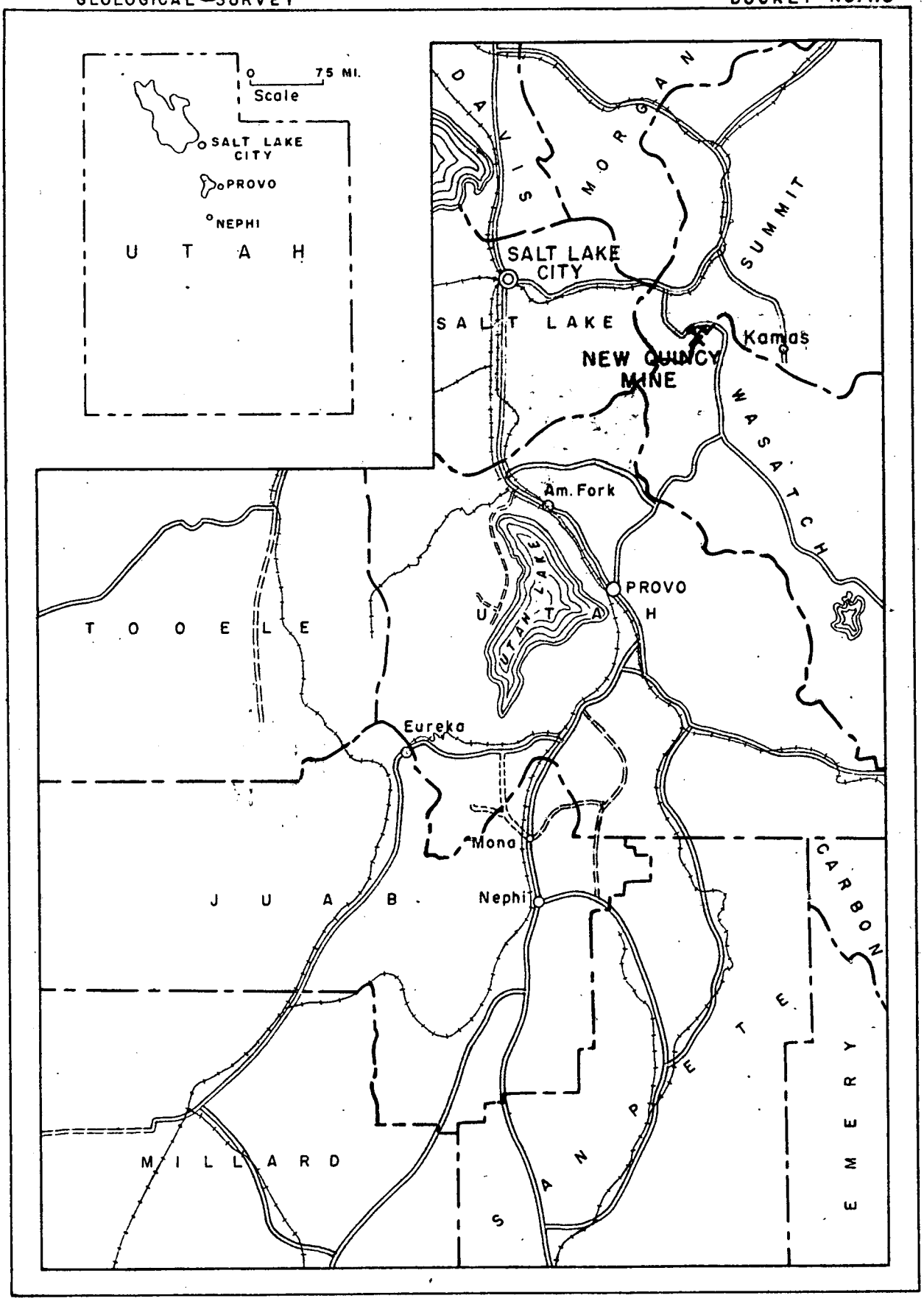
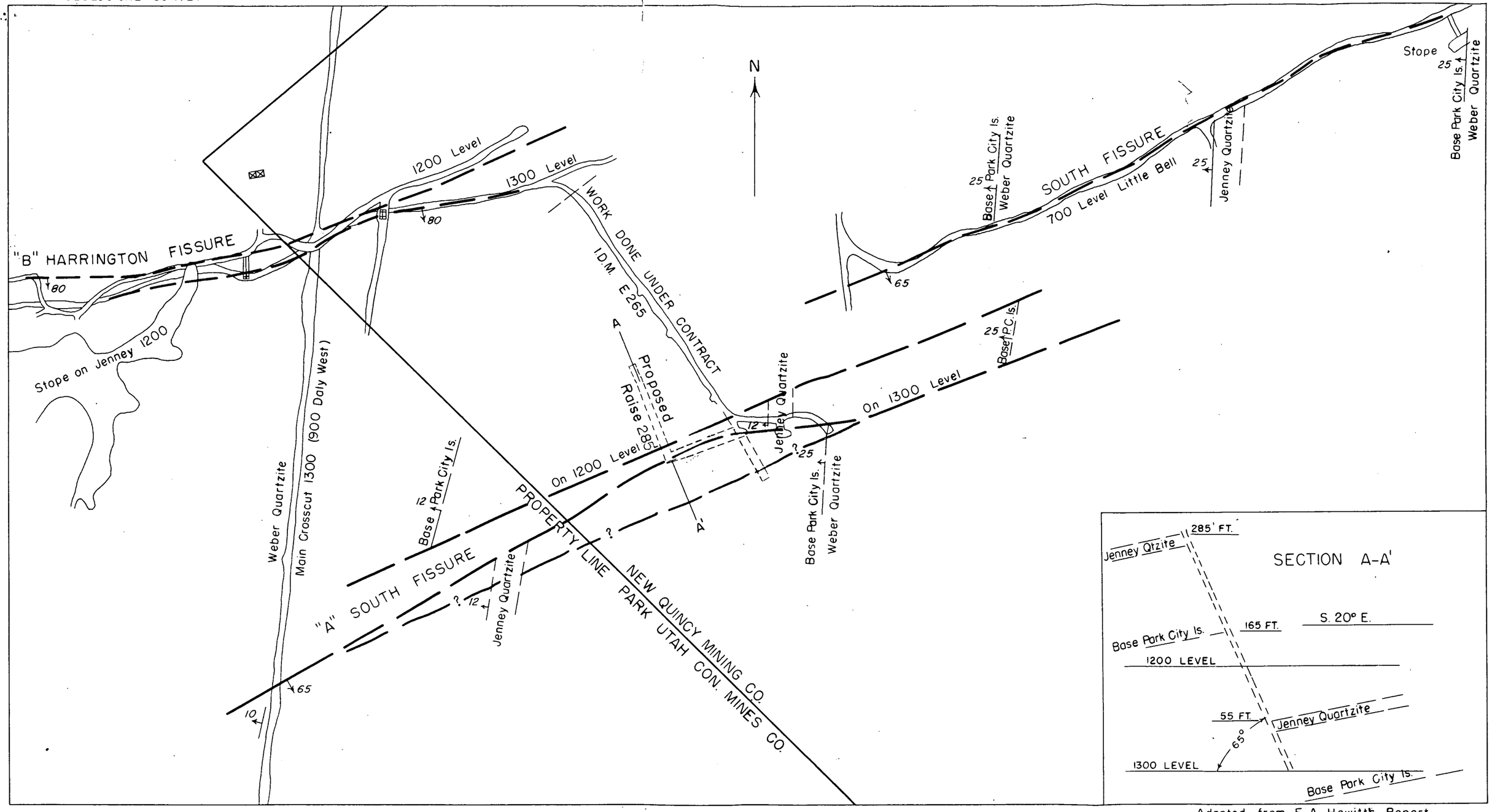


FIG. 1 INDEX MAP OF CENTRAL UTAH

0 5 10 15 20 MILES
Scale



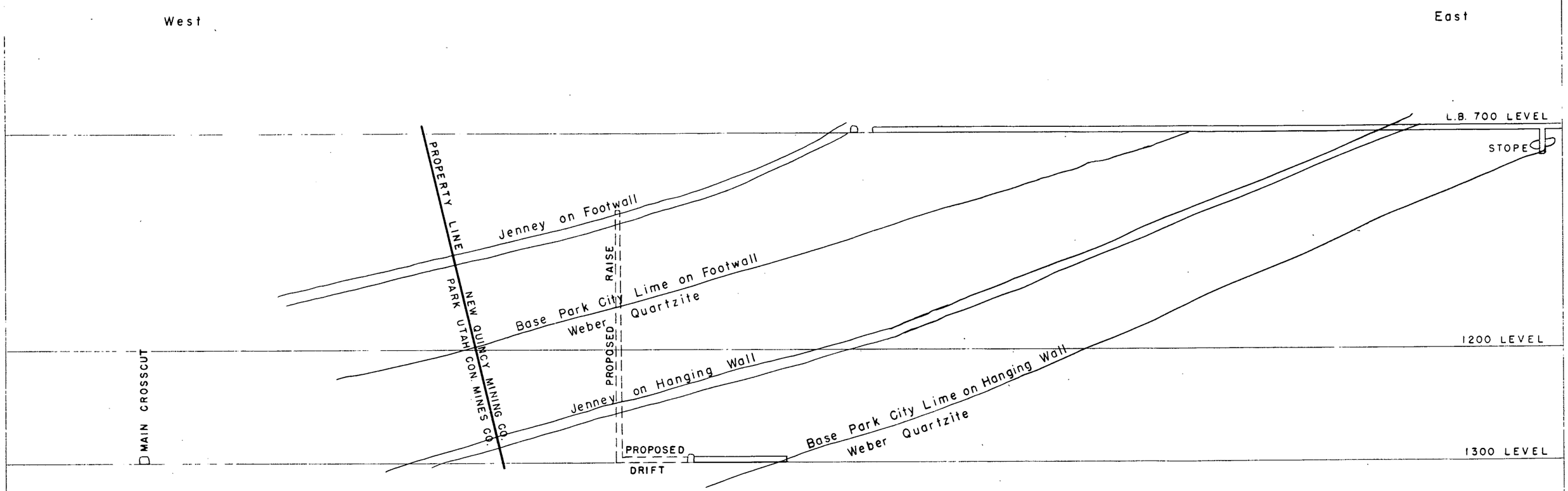
Adapted from E.A. Hewitt's Report

FIG. 2 PLAN AND SECTION OF WORKINGS IN THE NEW QUINCY MINE
PARK CITY, UTAH

0 100 200 FEET
Scale

U.S. DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
DOCKET NO. 113



Adapted from E.A. Hewitt's Report

FIG. 3

LONGITUDINAL SECTION ON "A" SOUTH FISSURE
NEW QUINCY MINE, PARK CITY, UTAH

0 100 200 FEET

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

224 New Customhouse
Denver 2, Colorado

March 5, 1954

Memorandum

To: C. O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMEA 113 (Lead-Zinc), Contract Idm-E265, New Quincy Mining Company, Wasatch and Summit Counties, Utah

Enclosed are the Government, Division, and Docket copies of Amendment No. 4 to Contract Idm-E265 which was prepared in Washington and signed by you for the Government to increase the allowable amount for power and amend article 6 of the contract form by substituting the provisions of Annex III attached to and made a part of the amendment.

Copies of this amendment have been given to the operator, the Fiscal Officer, Region IV, and a copy has been retained for our files.

W H King

W. H. King

Enclosures

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

224 New Customhouse
Denver 2, Colorado

March 4, 1954

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMEA 113 (Lead-Zinc), Contract Idm-E265, New Quincy Mining Company, Wasatch & Summit Counties, Utah

Reference is made to your letter of March 1, 1954 wherein you request to be advised regarding the status of the above contract.

The operator has requested authorization of additional work and additional funds in the amount of $6,000.00, action on which has been deferred pending receipt of reports by the investigating engineer and geologist.

W H King

W. H. King

500

J. W. Alt
Journal
Selfridge
Johnson
Mattendorf

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

MAR 1 1954

Mr. L. M. King, Executive Officer
DMEA Field Team, Region IV
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMEA-113 (Lead-Zinc)
New Quincy Mining Company
New Quincy Mine
Wasatch & Summit Counties, Utah
Contract No. DMEA-265

Dear Mr. King:

Will you please advise us regarding the status of the above contract. Amendment No. 2 stated that the project shall be completed prior to February 1, 1954.

The last DF-104 in our files is for the month of October 1953. A copy of our letter of December 29, 1953, to the Operator, states: "Upon receipt of advice from you that the project work has been completed you will be advised of the procedure to be followed in disposing of the jointly owned property."

At your earliest convenience we would appreciate hearing from you regarding this contract.

Sincerely yours,

George C. Selfridge (JWA)
Chairman, Operating Committee

APPROVED:

J. H. Hedges (JWA)
Member, Bureau of Mines

Philip W. Guild (JWA)
Member, Geological Survey

JWAlt/bjl (2/25/54)

Copy to: Docket
Admr. R. File
Op. Committee
Base Metals
Mr. Kinkel
Mr. Bishop
Chron.

R. C. 3-15-54

FILE COPY
SURNAME:

500

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

FEB - 5 1954

J.W. Alt
Chairman
Champion
Selfridge
Attorney

Mr. W. K. King, Executive Officer
DMEA Field Team, Region IV
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMEA-113 (Lead-Zinc)
New Quincy Mining Company
New Quincy Mine
Wasatch and Summit Counties, Utah
Contract No. Idm-E265

Dear Mr. King:

We are enclosing the original and five copies of Amendment No. 4 to the above contract, signed by this office for the Government. An amendment was requested in your memorandum of January 22, 1954.

If the amendment meets with your approval, kindly present it to the Operator for approval and signature and, when completed, distribute in the usual manner. In the event that the amendment is not satisfactory and cannot be amended within your delegated authority, return all copies with your recommendations concerning any modifications.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (JB)

Enclosures 6

APPROVED:

J. H. Hedges
Member, Bureau of Mines (JB)

s/Philip W. Smith
Member, Geological Survey (JB)

JWAlt/bjl (2/4/54)

Copy to: Docket
Admr. R. File
Op. Committee
Base Metals
Mr. Kinkel
Mr. Bishop
Chron.

R.C.K.
2-5-54

FILE COPY
SURNAME:

500

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

N. S. in R.R.

January 29, 1954

Memorandum

To: Chief Counsel

From: Base Metals Division

Subject: Amendment to allow Operator an additional $650.00 of contract funds for power — Contract No. Idm-F265, Docket No. DMFA-113, New Quincy Mining Company, Wasatch and Summit Counties, Utah

Will you please prepare Amendment No. 4 to the Amended Contract to allow the Operator an additional $650.00 of contract funds for power. In Item (3), Operating Materials and Supplies, power maximum is $1,100.00 and is starred as such.

To increase the allowable maximum would involve a reduction of an amount or amounts elsewhere under Item (3).

For justification of this amendment, please refer to W. H. King's memorandum of January 22, 1954.

J. W. Alt

JWAlt/bjl

Copy to: Docket
Base Metals
Chron.

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

224 New Customhouse
Denver 2, Colorado

January 22, 1954

Memorandum

To: C. O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMEA-113 (Lead-Zinc), Contract Idm-E265, New Quincy Mining Co., Wasatch and Summit Counties, Utah

Enclosed are four sets of data consisting of the original and three copies of the following material relevant to an amendment to the subject contract:

1. Letter from the operator to S.R. Wilson dated December 28, 1953.

2. Memorandum report from M.H. Howes dated December 29, 1953 relative to the operator's request.

3. Transmittal of the above material from the Chief, Minerals Development Branch, Mining Division, Region IV, dated December 30, 1953.

The operator's request for an amendment to the contract refers to Exhibit "A", item (3), Operating Materials and Supplies - Power. The operator requests that the allowable maximum of $1,100.00 be increased by the amount of $650.00.

To increase the allowable maximum would involve a reduction of an amount or amounts elsewhere under item (3), therefore we recommend that the allowable maximum stipulation be waived or removed from the item of Power.

W. H. King

W. H. King

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
1600 EAST FIRST SOUTH STREET
SALT LAKE CITY 1, UTAH

December 30, 1953

Mining Division
Date Rec'd.
JAN 4 1954
BUREAU OF MINES
Denver, Colorado

Memorandum

To: W. H. King, Executive Officer, DMEA Field Team, Region IV

From: Chief, Minerals Development Branch, Mining Division, Region IV

Subject: Docket No. DMEA-113 (Lead-zinc), Contract Idm-E265, New Quincy Mining Co., Wasatch and Summit Counties, Utah. Operator's request for contract amendment.

Enclosed are six copies of a letter received from the subject contractor requesting permission to use funds for power in excess of $1,100.00 presently shown in the contract as an allowable maximum. Comments by the inspecting engineer are included in a separate memorandum.

The contractor was required to furnish compressed air by use of his own compressor because of a strike against operations of the Park Utah Consolidated Mining Co. This company had previously agreed to furnish compressed air at a reasonable rate. This fact resulted in additional cost of compressed air to the New Quincy Mining Co.

It is recommended that the company be allowed to expend an additional $650.00 of contract funds for power.

Stephen R Wilson
Stephen R. Wilson

Enclosures

S. R. Wilson

Dec. 29, 1953

M. H. Howes

Docket No. DMA-113 (Lead-Zinc), Contract Idm-X265, New Quincy Mining Co., Wasatch and Summit Counties, Utah. Memorandum report on request for contract amendment.

The company has requested a contract amendment which will allow an increase of $650.00 to be made to the present contract allowable maximum of $1,100.00 for power.

When the New Quincy project was started in June 1952, compressed air was to be purchased from the Park Utah Consolidated Mining Co. at a very reasonable rate. However, that month the Park Utah was shut down by strike, which has been in effect ever since. The New Quincy Mining Co. was required to use its own air compressor and buy power from the Park Utah in order to continue operations. The cost of compressed air produced by New Quincy is higher than it would have been if air could have been purchased from Park Utah. In September 1953 the contract allowable maximum of $1,100.00 for power was exceeded. The company estimates that an additional $650.00 will be ample to furnish sufficient power with which to complete the project, and requests that the Government allow additional cost.

It is recommended that the company's request for an additional cost of $650.00 for power be allowed, but that the total estimated cost of the project of $50,700.00 will not be exceeded.

M. H. Howes

M. H. Howes

New Quincy Mining Company

RECEIVED
2 5 1954

FELT BUILDING

MINING PROPERTIES
IN PARK CITY, UTAH

OFFICE
~~ROOM 300~~
~~FELT BUILDING~~
TELEPHONE 5-9174
SALT LAKE CITY 1, UTAH

December 28, 1953

Mr. S. R. Wilson, Director
U. S. Bureau of Mines
1600 East 1st South
Salt Lake City, Utah

Ref: DMEA Contract 113
Idm-E-265
Re: Amendment

Dear Mr. Wilson:

We ha ve underestimated the amount of air power in our operations due to the fact that we were to receive our power directly from the United Park City Mines Co., but since the United Park City Mines Co. was inoperative it was necessary for us to use our own compressor resulting in increased costs for air power.

Therefore, we ask that the contract be amended for the additional amount of $650.00 to cover the difference between the estimate and cost.

Respectfully yours,

NEW QUINCY MINING COMPANY

Nick Floor, President

NF:da

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

224 New Customhouse
Denver 2, Colorado

January 6, 1954.

Memorandum

To: Stephen R. Wilson

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 113 (Lead-Zinc), Contract Idm-E265, New Quincy Mining Company, Wasatch and Summit Counties, Utah.

Reference is made to our previous memorandum of December 18, 1953 and your answering memorandum dated December 29, 1953 concerning the subject contract.

Enclosed is a copy of page 4 as it appears in our copy of Amended Contract Idm-E265. The total amount for Operating Equipment, $11,900.00*, is designated as an allowable maximum as is Repairs to Equipment, $250.00*. These amounts were not starred at the time the contract was typed but this was done later with a rubber stamp.

Please have an engineer from your office determine if Operator's copy is designated as indicated on the enclosed copy of page 4. If it is marked similar to our copy please notify this office and make the appropriate changes in your copy of the contract. If these two items are not designated as allowable maximums in the Operator's copy we will then forward this information to the Washington office for their advice.

W. H. King

Enclosure
RDB:cwm

cc: Contract
Secretary to the Oper. Comm. w/Encl.
TAChristensen
JWTownsend
Chron.

To be furnished by Operator 4/

	Value	Depreciation Rate per mo.	
1 Battery Locomotive	$3,750.00	$62.50	
1 Battery Charger	1,116.10	18.60	
37 Mine cars at $125.00 each	4,625.00	77.00 ($2.08 each)	
1 Air Compressor	2,650.00	44.17	
Estimated Cost of depreciation		$2,785.84	$11,900.00*

(5) Rehabilitation and Repairs

Repairs to operating equipment		250.00*

(6) New Buildings, Improvements, Installations

None

(7) Miscellaneous

Sampling and analysis	$ 250.00	
Bookkeeping, 20 mos. at $70/mo.*	1,400.00	
Workmen's compensation, employers' liability insurance, payroll taxes	1,100.00	2,750.00

(8) Contingencies

None

Total Estimated Cost of the Project	$50,700.00*
Government Participation at 50%	$25,350.00*

4/ Depreciation shall be allowed only for the months in which the equipment is actually used, and depreciation for mine cars shall only be allowable to the extent of the number actually used in the work.

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

224 New Customhouse
Denver 2, Colorado

December 29, 1953

Mr. Glenn I. Crandall
Secretary-Treasurer
New Quincy Mining Company
421 Felt Building
Salt Lake City 1, Utah

Re: Docket DMEA 113 (Lead-Zinc)
Contract IDM-E265

Dear Mr. Crandall:

Reference is made to Form MF-104, Operator's Monthly Progress Report and Voucher, submitted by you covering work under Contract IDM-E265 for the month of November 1953.

It will be necessary to defer processing for reimbursement to you of the November and subsequent Form MF-104 reports to protect the Government's interest in the jointly owned property until such time as the Government's interest has been liquidated, until you have submitted your final accounting and engineering report, and until the report of audit by the Contract Administration and Audit Division is released.

Upon receipt of advice from you that the project work has been completed you will be advised of the procedure to be followed in disposing of the jointly owned property.

Very truly yours,

W. H. KING

W. H. King
Executive Officer, DMEA
Field Team, Region IV

JWT:jp
cc Contract
Chron
SRWilson
AHKoschmann
RPFischer
COMittendorf
JWTownsend

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

224 New Customhouse
Denver 2, Colorado

November 6, 1953

Memorandum

To: C. O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket No. DMEA 113 (Lead-Zinc), Contract IDM-E265, New Quincy Mining Co., Wasatch and Summit Counties, Utah

Enclosed are the original and two copies of Amendment No. 3 to Contract IDM-E265 which has been executed to extend the period for completion of the project work from November 1, 1953 to February 1, 1954. Also enclosed are three sets of data relevant to the amendment.

Copies of this amendment have been given to the operator, the Fiscal Officer, Region IV, and a copy has been retained for our files.

W. H. King

Enclosures

RECEIVED
DEC - 4 1953
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

11-9

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
1600 EAST FIRST SOUTH STREET
SALT LAKE CITY 1, UTAH

October 15, 1953

Memorandum

To: W. H. King, Executive Officer, DMEA Field Team, Region IV

From: Chief, Minerals Development Branch, Mining Division, Region IV

Subject: Docket No. DMEA-113 (Lead-zinc), Contract Idm-8265, New Quincy Mining Co., Wasatch and Summit Counties, Utah. Operator's request for amendment

Attached are six copies of a letter received from New Quincy Mining Co. with a request that the life of the contract be extended 90 days. Comments by the inspecting engineer are included in a separate memorandum.

Several delays in continuation of work have been caused by labor troubles and ventilation difficulties. It is recommended that the contract expiration date be extended to February 1, 1954.

Stephen R. Wilson

Stephen R. Wilson

Enclosure

S. R. Wilson Oct. 14, 1953

M. H. Howes

Docket No. DMEA-113 (Lead-zinc), Contract Idm-E263, New Quincy Mining Co., Wasatch and Summit Counties, Utah. Memorandum report on request for contract amendment.

The New Quincy Mining Co. has made application for an amendment to the contract to extend for 90 days the present contract expiration date of November 1, 1953.

It is not possible to complete the exploratory program before November 1, 1953, because of delays caused by labor troubles and ventilation problems. It is therefore recommended that the contract expiration date be extended to February 1, 1954.

M. H. Howes

M. H. Howes

October 1, 1953.

Mr. S. R. Wilson,
Director Bureau of Mines,
1600 East 5th South,
Salt Lake City, Utah.

Dear Mr. Wilson:

Owing to several delays in getting started on the operations on our project, as per our second contract with the Government, we didn't get the Raise started until sometime after June 16th, 1953.

You know about the trouble we had with the previous contractors. Then, during the operation, one of the contractors had an accident which caused a delay of ten days.

Now, since we must have ventilated air in the raise, we have had to discontinue the raise for a time, in order to rehabilitate and level up the tunnel, so we can install the Van tube for ventilation. This tubing job will be completed in about three days.

We are now 130 feet in the raise, and have been advised by our mining engineer, Mr. Hewitt as well as by Mr. Mike Howard, to continue with the raise until we reach ore. We do not know how far up we must go, but the contract calls for 285 feet.

In checking over our contract with the Government, I find it expires on November1, 1953. The time is very short, so not very much more can be done.

Therefore, will you please get an amendment to extend our present contract for another ninety days from November 1st, 1953.

Yours truly,

NEW QUINCY MINING COMPANY,

by Rick Floor

Rick Floor, President.

FILE COPY
SURNAME:

140

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

Rewritten by

Chambers
Griswold
Hofflund
Rubin
Bullert
J. W. Alf
Mittendorf

OCT 30 1953

Mr. W. H. King, Executive Officer
DMEA Field Team, Region IV
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMEA-113
New Quincy Mining Company
Wasatch and Summit Counties,
Utah (Lead-Zinc)
Contract No. Idm-E265

Dear Mr. King:

Reference is made to your memorandum to me of October 15 in reply to my letter to you of October 13 in regard to the matter of allowing rental for lamps as a cost of the project. Your memorandum is quite persuasive, and leads me to the conclusion that my letter was not adequately stated.

This contract is on a long form, and nowhere is provision expressly made for the cost of head lamps, either by way of purchase, rental, or depreciation. The only suitable places for making an allowance for head lamps in Exhibit "A" would be under the category "(3) Operating materials and supplies" or the category "(4) Operating equipment." They could not be allowed under the first category unless they were for purchase at a cost of less than $50 each. They might have been allowed under the category "(6) Contingencies" except that the word "None" is written thereunder.

In these circumstances, the only technically correct way to allow for the cost of renting head lamps would be by an amendment of the contract providing for such an allowance under the heading "Operating equipment--To be rented." Assuming that head lamps are necessary for the work, and that they would have been allowed as a cost of the project if they had been thought of and included in Exhibit "A" when the contract was written, it would seem that this cost should be allowed.

JLChambers/JLHofflund/emd
10/28/53

Sincerely yours,

C. O. Mittendorf

Administrator

Copy to: Docket
Adm. R. File
C. O. Mittendorf
Operating Committee
J. L. Chambers
W. R. Griswold
H. C. Rubin
J. L. Hofflund chron. pending

R.C.S. 10-30-53

FILE COPY
SURNAME:

Chambers
Griswold

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

Mr. W. H. King
Executive Officer
DMEA Field Team, Region IV
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMEA-113
Contract No. Idm-E265
New Quincy Mining Company
Wasatch and Summit Counties,
Utah (Lead-Zinc)

Dear Mr. King:

Reference is made to your memorandum of October 15, 1953, in reply to my letter of October 13, 1953, in regard to the question of paying for the rental of lamps on the above-cited project.

There are a number of contracts on which the rental of lamps has been approved even though the contract did not specify. There are also contracts which specified the furnishing of lamps to mines. The question arises as to whether or not the lamps are a necessary and reasonable expenditure for the operation of the project. If the rentals are reasonable and the lamps are necessary for the prosecution of the project the expenditure can be allowed.

This determination has been approved both by the Contract Administration and Audit Division and the General Counsel.

On the old contract form rental of equipment not specifically provided for may be allowed upon the written approval of the Executive Officer. While we do not classify battery lamps as equipment, nevertheless, payment can be made upon your approval even if they were so classified.

Sincerely yours,

Administrator

J. Chambers/wb
October 23, 1953

Copy to: Docket
Admr. Reading File
Mr. Griswold
Mr. Chambers

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

October 28, 1953

Memorandum

To: Chief, Contract Administration and Audit Division

From: Chief Counsel

Subject: New Quincy Mining Company, Docket No. DMEA-113 (Lead-Zinc)

I have refrained from surnaming a letter which you have prepared for the signature of the Administrator to the Executive Officer, Region IV, and which is returned to you herewith. I have redrafted the letter for the Administrator's signature, have surnamed it, and it is attached for your approval.

I believe that in a discussion with you about this matter a day or so ago, I indicated that I would concur with the conclusions reached in your letter for the signature of the Administrator. However, a more careful examination of the matter leads me to believe that those conclusions do not accurately state the case.

It is true that we can allow excesses in estimates of cost that are not particularly starred as "allowable maximum." However, the contract contemplates that items of equipment that are not listed in Exhibit "A" are not for procurement as allowable costs of the project. The category "(3) Operating materials and supplies" relates to the purchase of expendable items, not to the rental of equipment in however small amounts.

I am sure that we should not indicate to Mr. King that equipment not provided for in Exhibit "A" may be procured, whether by rental, purchase, or depreciation allowance, without an amendment of the contract.

J. L. Hoffiund
Chief Counsel

Attachment

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

224 New Customhouse
Denver 2, Colorado

October 15, 1953

Memorandum

To: C. O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket No. DMEA 113 (Lead-Zinc), Contract Idm-E265, New Quincy Mining Company, Wasatch and Summit Counties, Utah

Reference is made to your letter of October 13, 1953 wherein you render a decision relative to the allowability of the rental of miners' battery lamps under the subject contract.

We request that your decision in the matter be reconsidered because of the complications that may arise on similar or related charges on this and other contracts, for the following reasons:

1 - Miners' battery lamps are considered as non-expendable equipment, therefore are not classifiable as materials and supplies in that sense.
2 - The monthly rental charge may be less than $50.00, however, it would be a continuing charge for the same equipment and the aggregate charge could in some cases far exceed the amount of $50.00.
3 - The reasoning advanced in determining the allowability of the rental of the miners' lamps as chargeable to Material and Supplies "Other" could also be applied to the purchase of equipment, purchased on an installment basis at a monthly rate of less than $50.00.
4 - The auditors of the Contract Administration and Audit Division are required to break down the charge to "Other" under Materials and Supplies. Under past and present procedures, if they came upon an item of charge for the rental of equipment which was not authorized in the contract, they would have no alternative other than to disallow the charge.

We will appreciate further advice in the matter before we initiate any action in the reinstatement of charges which were disallowed under this contract as well as under several others.

John F. Shaw
For W. H. King

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
1600 EAST FIRST SOUTH STREET
SALT LAKE CITY 1, UTAH

October 15, 1953

Memorandum

To: W. H. King, Executive Officer, DMEA Field Team, Region IV

From: Chief, Minerals Development Branch, Mining Division, Region IV

Subject: Docket No. DMEA-113 (Lead-zinc), Contract Idm-E265, New Quincy Mining Co., Wasatch and Summit Counties, Utah. Operator's request for amendment

Attached are six copies of a letter received from New Quincy Mining Co. with a request that the life of the contract be extended 90 days. Comments by the inspecting engineer are included in a separate memorandum.

Several delays in continuation of work have been caused by labor troubles and ventilation difficulties. It is recommended that the contract expiration date be extended to February 1, 1954.

Stephen R. Wilson
Stephen R. Wilson

Enclosure

S. R. Wilson

Oct. 14, 1953

M. H. Howes

Docket No. DMEA-113 (Lead-zinc), Contract Idm-8265, New Quincy Mining Co., Wasatch and Summit Counties, Utah. Memorandum report on request for contract amendment.

The New Quincy Mining Co. has made application for an amendment to the contract to extend for 90 days the present contract expiration date of November 1, 1953.

It is not possible to complete the exploratory program before November 1, 1953, because of delays caused by labor troubles and ventilation problems. It is therefore recommended that the contract expiration date be extended to February 1, 1954.

M. H. Howes

M. H. Howes

October 1, 1953.

Mr. R. H. Wilson,
Director Bureau of Mines,
1600 East 5th South,
Salt Lake City, Utah.

Dear Mr. Wilson:

Owing to several delays in getting started on the operations on our project, as per our second contract with the Government, we didn't get the Raise started until sometime after June 16th, 1953.

You know about the trouble we had with the previous contractors. Then, during the operation, one of the contractors had an accident which caused a delay of ten days.

Now, since we must have ventilated air in the raise, we have had to discontinue the raise for a time, in order to rehabilitate and level up the tunnel, so we can install the Fan tube for ventilation. This tulding job will be completed in about three days.

We are now 130 feet in the raise, and have been advised by our mining engineer, Mr. Hewitt as well as by Mr. Mike House, to continue with the raise until we reach ore. We do not know how far up we must go, but the contract calls for 285 feet.

In checking over our contract with the Government, I find it expires on November1, 1953. The time is very short, so not very much more can be done.

Therefore, will you please get an amendment to extend our present contract for another ninety days from November 1st, 1953.

Yours truly,

NEW QUINCY MINING COMPANY,

by Nick Floor

Nick Floor, President.

FILE COPY
SURNAME:

Chamberlain
Griswold
Hedges
Smith
Selfridge
R. J. Prosser

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

OCT 13 1953

Mr. W. H. King
Executive Officer
DMEA Field Team, Region IV
224 New Customhouse Building
Denver 2, Colorado

Re: New Quincy Mining Company
Docket DMEA-113 (Lead-Zinc)
Contract Ida-1265

Dear Mr. King:

Reference is made to your memorandum of September 29, 1953, addressed to the Secretary of the Operating Committee, transmitting the monthly progress report for the above-cited account.

It is noted that the certifying officer has disallowed the payment for rental of battery lamps on the basis that the contract does not provide for this item. It is a common practice for mine operators to rent battery lamps, rather than to purchase them outright. The amount is considerably below the $50.00 designated for an equipment item and would therefore be classed in the category of Operating Materials and Supplies.

In Exhibit "A" of the contract under Operating Materials and Supplies a "catchall" designated as "Other" is provided at an estimated cost of $1,332.22. It would appear that battery lamps should be classified as Operating Materials and Supplies and allowed as a cost of the project.

Sincerely yours,

C. O. Mittendorf (fw)

Administrator

JIChambers/wb
October 12, 1953

Copy to: Docket
Admr. Reading File
Mr. Griswold
Mr. Chambers
Oper. Comm.

R.S.B. 10-13-53

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

224 New Customhouse
Denver 2, Colorado

September 8, 1953

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket No. DMEA-113 (Lead-Zinc), Contract Idm-E265, New Quincy Mining Co., Summit and Wasatch Counties, Utah

Enclosed is a copy of a letter received from the Utah State Insurance Commissioner which establishes the Workmen's Compensation Insurance rate for New Quincy Mining Company.

W. H. King

W. H. King

Enclosures (2)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
1600 EAST FIRST SOUTH STREET
SALT LAKE CITY 1, UTAH

September 2, 1953

Memorandum

To: W. N. King, Executive Officer, DMEA Field Team, Region IV

From: Chief, Minerals Development Branch, Mining Division, Region IV

Subject: Docket No. DMEA-113, (Lead-zinc) Contract Idm-E265, New Quincy Mining Co., Summit and Wasatch Counties, Utah

Attached are six copies of a letter received from the subject operator concerning the premium rate established by the State Insurance Fund. This information illustrates the current rate being assessed the New Quincy Mining Company.

Stephen R. Wilson

Stephen R. Wilson

Enclosure

THE STATE INSURANCE FUND

STATE CAPITOL

SALT LAKE CITY, UTAH

August 26, 1953

C E R T I F I C A T E

U. S. Bureau of Mines

Gentlemen:

This will certify that the NEW QUINCY MINING COMPANY, c/o GLEN I. CRANDALL, SECY.-TREAS., 421 FELT BUILDING, SALT LAKE CITY 1, UTAH, is covered for Workmen's Compensation Insurance, Employer's Liability and Occupational Disease Liability, in accordance with the provisions of the Utah Compensation Act under our policy 4N-308, issued July 18, 1947, and said policy is in full force and effect.

The class given to this policy is 1164--Mining, with a rate of .0497--W.C. 4.17; O.D. .80--per hundred dollars payroll.

Very truly yours,

THE STATE INSURANCE FUND

By Ethel N. Hurst, p.

ETHEL N. HURST, Policy Clerk

ENH:jap

cc-New Quincy Mining Co.

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

224 New Customhouse
Denver 2, Colorado

August 27, 1953

Memorandum

To: C.O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket No. DMEA-113 (Lead-Zinc), Contract Idm-E265, New Quincy Mining Co., Wasatch and Summit Counties, Utah

Enclosed are the original and two copies of Amendment No. 2 to the subject contract which authorizes the purchase of 20 feet of 36-inch diameter culvert pipe. Also enclosed are three sets of data relative to the amendment.

Copies of this amendment have been given to the operator, the Fiscal Officer, Region IV, and a copy has been retained for our files.

W. H. King

Enclosures

RECEIVED
SEP 15 1953
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

Coe
8-31

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
1600 EAST FIRST SOUTH STREET
SALT LAKE CITY 1, UTAH

August 7, 1953

Memorandum

To: W. H. King, Chief, Mining Division, Region IV

From: Chief, Minerals Development Branch, Mining Division, Region IV

Subject: DMEA 113, Contract Idu-E265, New Quincy Mining Co., Wasatch and Summit Counties, Utah. Operator's request for contract amendment

Attached are six copies of a letter received from the subject contractor requesting an amendment to allow purchase of 20 feet of 36-inch diameter corrugated pipe for use in water drainage at the lower end of the waste dump. Amendment No. 4 to the original contract permitted purchase of 75 feet of the same type pipe. Accumulation of waste necessitates the addition of the requested 20 feet of pipe. It is recommended that the operator's request be granted.

Stephen R. Wilson

Stephen R. Wilson

Enclosure

Defense Minerals Administration
RECEIVED
AUG 31 1953

S. R. Wilson

August 7, 1953

M. H. Howes

DMEA-113, Contract Idm-E265, New Quincy Mining Co., Wasatch and Summit Counties, Utah. Memorandum report on request for contract amendment

The New Quincy Mining Co. has made application for an amendment to contract Idm-E265 for allowance to purchase 20 feet of 36-inch diameter, 14-gauge, galvanized, corrugated pipe and band at a price of $125.95, f.o.b. Park City, Utah, to extend the present pipe flume through the dump used by New Quincy for waste disposal.

Amendment No. 4 to the original contract Idm-E265 made allowance for the purchase of 75 feet of 36-inch diameter, 14-gauge, galvanized, corrugated pipe to be installed through the lower edge of the waste dump to carry away runoff water, which was being dammed by New Quincy waste rock. The waste dump has been extended to a point where further dumping of waste will cover the end of the above-described pipe flume and cause a damming of the runoff water. To eliminate this hazard, it will be necessary to extend the flume. It is estimated that the addition of 20 feet of pipe will be sufficient to protect the water runoff for the duration of the above contract.

M. H. Howes

M. H. Howes

July 22, 1953

U. S. Bureau of Mines
1600 East 1st South
Salt Lake City, Utah

Attn: Mr. S. R. Wilson

Dear Mr. Wilson:

The Mayor of Park City, Utah requested us, some time ago, to add and extend twenty-five feet onto the 36" corrugated metal flume that we installed last year. This flume is where we dump our waste material. I have measured it and think it can be done with an additional twenty feet of pipe and band. I have received a price quotation from Armco Drainage and Metal Products, Inc., which lists a price of $125.95 for 20 feet of 36", 14 gauge, galvanized corrugated metal pipe and band, f.o.b. Park City, Utah

We hereby request an amendment to our contract #DMEA 113, Idm-B-265 to cover purchase of the above items so that we may have it delivered as stated.

Very truly yours,

Nick Floor

NICK FLOOR, President
NEW QUINCY MINING COMPANY

NF/dMoM

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 20 1953

224 New Customhouse
Denver 2, Colorado

August 17, 1953

Memorandum

To: C.O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket No. DMA-113 (Lead-Zinc), Contract Idm-E265, New Quincy Mining Co., Wasatch and Summit Counties, Utah

Enclosed are the original and two copies of Amendment No. 1 to the subject contract which was prepared in Washington and executed by you for the Government to authorize rental purchase of the 3-inch drifter in lieu of rental.

Copies of this amendment have been given to the operator, the Fiscal Officer, Region IV, and a copy has been retained for our files.

W. H. King
W. H. King

Enclosures

Coe
8-20

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

J. W. Alt
Answered
Selfridge
H. Johnson

JUL 28 1953

Mr. W. H. King, Executive Officer
DMEA Field Team, Region IV
224 New Customhouse
Denver 2, Colorado

Re: Docket No. [illegible]-113 (Lead-Zinc)
New Quincy Mining Company
Wasatch and Summit Counties, Utah
Contract No. DMe-1265

Dear Mr. King:

Enclosed are the original and five copies of Amendment No. 1 to the amended Exploration Project Contract for the above Company, signed by this office for the Government. This amendment has been drawn up as requested in your memorandum dated June 30, 1953.

If the amendment meets with your approval, kindly present it to the Operator for signature and, when executed, distribute the copies in the usual manner. In the event that the amendment is not satisfactory, return all copies with your recommendation concerning any necessary modification.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee

Enclosures 6

JWAlt/hmj
7/24/53
CC to: Docket
Adm. R. File
Op. Committee
Base Metals Division
Mr. Kinkel
Mr. Bishop
Chron.

7-28-53

APPROVED:

J. H. Hedges
Member, Bureau of Mines

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

FILE COPY
SURNAME:

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

N.S. in R.R.

July 15, 1953

J. W. Alt
Re

Memorandum

To: Chief Counsel

From: Chief, Base Metals Division

Subject: Amendment No. 6 to Docket No. DMA-113, Contract No. Idm-E265, New Quincy Mining Company, Wasatch and Summit Counties, Utah.

Will you please prepare Amendment No. 6, allowing the Operator to purchase the drilling machine which has been paid for on a rental purchase plan. The machine was obtained by the Company on an option to purchase basis and, inasmuch as the monthly rentals have paid the full purchase price, the Company has acquired the machine.

Please refer to the Memorandum of June 30, 1953, to G. O. Mittendorf, Administrator, DMA from the Executive Officer, Field Team, Region IV.

W. R. Griswold

W. R. Griswold

JWAlt/jh
7/15/53
cc. to: Docket
Base Metals
Chron.

FILE COPY
SURNAME:

140

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

Chambers
JWAlt
Griswold
AEKane
Rubin
Hoffman
Rostane
Parker
Chamberlain

Rewritten by
Ch. Counsel

Mr. W. H. King
Executive Officer, DMEA
Field Team, Region IV
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMEA-113
(Lead-Zinc)
Contract No. Idm-E265
New Quincy Mining Company
Wasatch and Summit Counties

Dear Mr. King:

Your memorandum to the Administrator of June 19 raises some question as to the liability of the Government for contributions to costs of the exploration work during the period in which the work was recessed.

The original contract is dated February 28, 1952. Your memorandum states that: "Work under the original contract was discontinued in December 1952 because the authorized funds had been exhausted." The present contract is dated March 24, 1953, and recites that: "Effective as of February 28, 1952, the Prior Contract is amended and superseded by this Amended Contract ..." It appears that between December 1952, when the work was discontinued under the prior contract, and March 24, 1953, the date of the present contract, certain costs were incurred while the operation was in suspension. Presumably, your doubt as to the propriety of allowing these costs arises from the fact that the contract forms recite that: "No ... 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."

Although the present contract bears the date of March 24, 1953, the fact that it is expressly made "effective as of February 28, 1952," makes it plain that the amended contract was intended to cover all costs incurred beginning with February 28, 1952. The only question for you to determine is whether the costs claimed during the period of recess are reasonable and necessary. If the costs claimed were reasonably necessary to maintain the project in standby condition, they should be allowed for contribution by the Government.

Of course, it would be different if the parties had some express understanding with respect to costs that might be incurred during the period of recess. In the absence of such understanding, particularly in the absence of any writing on the subject, it must be presumed that the amended contract means what it says and that it was the intention to cover all costs beginning with the date of the original contract.

It is to be understood that the foregoing relates only to reasonable and necessary costs incurred in keeping the project in standby condition for further operations, and not to costs incurred by the Operator on any exploration work which he may have conducted on his own account during the period of suspension. In other words, the only costs that can be allowed for participation by the Government are costs arising out of the work described in the amended contract and which are allowable under the terms of the amended contract.

Sincerely yours,

C. O. Mittendorf (for)

Administrator

Coe
7-7

JLChambers:AEK:JLH:ep 7-6-53

Copy to: Mails & Files
Admr. R. File
Oper. Comm.
Mr. Griswold
Mr. Chambers
Mr. Hofflund
Mr. Kane
Chron.
Pending

FILE COPY
SURNAME:

Hofflund

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

140

DMEA

AEKane

2919 4627

W. H. King, Executive Officer, DMEA Field Team, Region IV, Bureau of Mines, Denver, Colorado

Reurtel re New Quincy Mining Company, Docket No. DMEA-113, response to your letter of June 19 is in the mail.

C. O. Mittendorf (for)
Administrator, DMEA
~~C. C. Selfridge, Chairman~~
~~Operating Committee~~

JLHofflund/emd 7/6/53

Copy to: Mails and Files
Adm. R. File
Operating Committee
J. H. Hedges
L. P. Thayer
W. R. Griswold
J. L. Hofflund
J. L. Chambers
chron.
pending

C. O. Mittendorf
7-3-53
1:22

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL - 3 1953

WASH DC BU MINES 310 GA PLS

DN 235 BUREAU MINES 7-3-53 10-22 AM

C O MITTENDORF

REFERENCE DOCKET 113, CONTRACT IDM-E265, NEW QUINCY MINING COMPANY -- ADVICE REQUESTED IN OUR MEMORANDUM OF JUNE 19,1953 IS URGENTLY NEEDED TO ENABLE PROCESSING OF OPERATOR,S REPORTS FOR MONTHS JANUARY THROUGH MAY 1953.

W H KING

Denver, Colo.

FILE COPY
SURNAME:
800

Rec

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

July 2, 1953

Memorandum

To: Mr. John L. Hoffland
Chief Counsel

From: Jay L. Chambers, Chief (Signed) J. L. Chambers
Contract Administration and Audit Division

Subject: Docket No. DMA-113 (Lead-Zinc), Contract No. Ida-E265
New Quincy Mining Company, Wasatch and Summit Counties

Attached is a proposed rewrite of a letter prepared by my office in answer to an inquiry from Mr. King of Region IV.

The New Quincy Mining Company used up all their funds on December 22, 1952. An amendment was given to the contract on March 24, 1953, which became effective as of February 28, 1952, the date of the original contract. During the period December 22, 1952, to March 24, 1953, the contractor apparently did some work on the project; at least he proposed billing the Government for rental of the equipment and some other expenses.

The point I tried to make in my letter was this, if the field team agreed to pay rental for equipment and other expenses after the project had used up its funds, subject of course to an amendment supplying additional funds, there may be some justification in paying such expenses. Such justification, however, is very thin because the field team had no authority to increase the amount allowed for the project. The letter which I prepared brought out this point. Mr. Kane rewrote my letter authorizing the payment of expenses for January, February and March without any qualifications. I cannot surname Mr. Kane's proposed letter, nor can I certify to the payments made on this project unless there was definite understanding between the Government and the Operator prior to the date of the amendment.

Attachment

JLChambers/wb
July 2, 1953

Copy to: Docket
Admr. Reading File
Mr. Griswold
Mr. Chambers

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

224 New Customhouse
Denver 2, Colorado

June 30, 1953

Memorandum

To: C. O. Mittendorf, Administrator, DMEA

From: Executive Officer, Field Team, Region IV

Subject: Docket No. DMEA-113 (Lead-Zinc), Contract IDM-E265, New Quincy Mining Company, Wasatch and Summit Counties, Utah.

Enclosed are three sets of data consisting of the following material relevant to an amendment to the subject contract to allow purchase of a drill machine in lieu of rental, which is presently authorized in the contract.

(1) Letter from the Operator dated June 17, 1953, in request for the Amendment.

(2) Memorandum report from M. H. Howes of the Bureau of Mines, dated June 23, 1953, wherein he clarifies the situation and recommends approval of the requested Amendment.

(3) Memorandum from the Chief, Minerals Development Branch, Mining Division, Region IV, dated June 24, 1953, transmitting items 1 and 2, and recommending that the contract be amended to effect the change.

By the last of December 1952, when operations were discontinued because the originally allocated funds had been expended, we had participated in a charge to the project of $700.00 for the rental of the drill machine, leaving a balance of $212.90 chargeable to the additional funds allocated under the Amended Contract.

Under date of June 19, 1953 we wrote to you relative to the allowability of claims received from the Operator for the months of January, February and March, 1953, which were the months that the project was inactive pending the allocation of additional funds. The Operators claim for the item of equipment rental during the months of January and February includes the amount of $200.00 for rental of the drill machine.

We have not received a reply to our memorandum of June 19, and we are in doubt as to the necessary recitation where both the old

and the "Amended" contracts are involved in the transaction, therefore we are forwarding the matter for your consideration and appropriate action.

We concur with the field recommendations that an amendment be prepared to authorize purchase of the drill in lieu of rental.

W. H. King

W. H. King

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
1600 EAST FIRST SOUTH STREET
SALT LAKE CITY 1, UTAH

June 24, 1953

Memorandum

TO: W. H. King, Chief, Mining Division, Region IV

From: Chief, Minerals Development Branch, Mining Division, Region IV

Subject: DMEA-113, Contract Idm-E265, New Quincy Mining Co., Wasatch and Summit Counties, Utah. Operator's request for amendment to the contract.

Attached are six copies of a letter from the New Quincy Mining Co. requesting amendment to the subject contract to permit purchase of a drill machine originally permitted as a rental unit. The machine was obtained by the company on an option to purchase basis and inasmuch as the monthly rentals have paid the full purchase price, the company has acquired the machine.

It will be in the best interest of the Government to obtain equity in the drill machine. It is therefore recommended that the contract be amended to allow purchase of the machine.

Stephen R. Wilson

Stephen R. Wilson

Encls.

S. R. Wilson June 23, 1953

M. H. Howes

DMEA-113, Contract Idm-E265, New Quincy Mining Co., Wasatch and Summit Counties, Utah. Memorandum report on request for contract amendment.

Application has been made by New Quincy Mining Co. for an amendment to contract Idm-E265 to allow the purchase of Gardner-Denver, model CF79P, automatic feed drifting drill machine, serial No. 141186, complete with CF14D mounting, with D750 shell, air and water control backhead and 1-1/8-inch round chuck at a price of $912.90.

The above described drill machine was obtained and used by New Quincy Mining Co. on a rental-purchase plan from Gardner-Denver Co. The present contract allows this as a rental item only. Because sufficient rental payments have been made to complete the purchase of this machine and because the Government, through the DMEA loan, has a half interest in it, it is believed necessary to amend the contract in order to clarify the situation.

M. H. Howes

M. H. Howes

June 17, 1953

U.S.Bureau of Mines
1600 East 1st South
Salt Lake City, Utah

Attn: Mr. S. R. Wilson

Gentlemen:

Due to the extreme necessity for the use of an automatic feed drifting drill, it has been necessary for us to purchase same from the Gardner-Denver Company for the amount of $912.90. This machine was never included in our contract #DMA 113, Idm-E-265, and inasmuch as it has been completely paid for we are respectfully requesting an amendment of the above contract to cover the purchase of this equipment.

Very truly yours,

GLEN I. CRANDALL

GIC/dMcM

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

224 New Customhouse
Denver 2, Colorado

June 19, 1953

Memorandum

To: C. O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket No. DMEA - 113 (Lead-Zinc), Contract Idm-E265, New Quincy Mining Company, Wasatch and Summit Counties, Utah - Interpretation of the Amended Contract, dated March 24, 1953.

Work under the original contract was discontinued in December 1952 because the authorized funds had been exhausted. Actual work under the amended contract was resumed March 26, 1953, however, the operator has submitted claims on Form MF-104 for reimbursement for equipment rental, supervision, bookkeeping, labor for repairing equipment and incidental payroll taxes and liability insurance for the months of January, February, and March 1953.

It is stated in item "1" of ANNEX I, attached to the Amended Contract that "Effective as of February 28, 1952, the prior contract is amended and superseded by the amended contract," however the amended contract is dated March 24, 1953.

The above facts have raised a doubt in the minds of the DMEA auditors and ourselves as to the allowability or non-allowability of the operator's claims for reimbursement for expenses during the period between the date work was discontinued, the last of December 1952, and when resumed March 26, 1953.

Processing of the reports will be deferred pending receipt of your advice in the matter.

W. H. King

W. H. King

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

224 New Customhouse
Denver 2, Colorado

April 8, 1953

REGISTERED

#82052

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 13 1953

Memorandum

To: C. O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Contract IDM-E 265 Amended, Docket DMEA 113 (Lead-Zinc), New Quincy Mining Company

Enclosed are the original and two copies of Contract IDM-E 265 amended. Copies of this contract have been given to the operator, the Fiscal Officer, Region IV, and a copy has been retained for our files.

W. H. King

W. H. King

Enclosures

Cal 4-13

FILE COPY
SURNAME:

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

BW

DMEA Base Metals Division

JWAlt

3544 2614

March 24, 1953

M. S. for R. R.

Mr. [illegible]. Kinc, Executive Officer, DMEA Field Team, Region IV
Denver, Colorado

[illegible]T, [illegible] MINING COMPANY DOCKET NO. DMA-113, CONTRACT

NO. [illegible]265, MAILED TO YOU TODAY.

JWAlt/hmj
(3-24-53)
CC to: Docket File Copy
Admin. R. File
Operating Committee
Base Metals Division - 2616
Mr. Kinkel
Mr. Bishop
Mr. Alt
Chron.

W. R. GRISWOLD, CHIEF

SENT
R.J.
MAR 24 1953
Clerical Service Section

FILE COPY
SURNAME:
500

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

MAR 2 4 1953

Mr. N. H. King, Executive Officer
DMA Field Team, Region IV
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMA-113 (Lead-Zinc)
New Quincy Mining Company
The New Quincy Mine
Wasatch and Summit Counties, Utah.
Contract No. Idm-E265

Dear Mr. King:

We are enclosing the original and five copies of the amended contract of the above project, signed by this office for the Government, together with Annex I, Annex II, Exhibit "A" Amended (4 pages) and one map.

If the amended contract meets with your approval, kindly present it to the Operator for approval and signature, and when completed, distribute in the usual manner. In the event the amended contract is not satisfactory, return all copies with your recommendations concerning any modification.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee

Enclosures 6

APPROVED:

J. H. Hedges
Member, Bureau of Mines

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

JWAlt/hmj (3-19-53)
CC to: Docket
Admin. R. File
Op. Committee
Base Metals Division
Mr. Kinkel
Mr. Bishop
Mr. Alt
Chron.

3/24/53

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

March 18, 1953

Re: DMA-113
(contract Idm E-265)
New Quincy Mining Co.
Wasatch County, Utah
$50,700
Proposed amendment
($26,842)

Memorandum

To: Mr. W. R. Griswold

From: E. L. Newcomb, USGS
O. M. Bishop, USBM

Subject: Recommendation for approval of proposed amendment

The applicant requests additional funds to complete the objectives of the original contract. A sum of $26,842 is requested which would make the total cost of the project about $50,700. About 285 feet of raising and 200 feet of drifting will be done with the additional funds. The objectives of this work are essentially the same as those planned in the original contract.

The field team recommends the proposed amendment for additional funds be approved.

Although no significant discovery has been made by the completed exploration work, weak mineralization was found in three crosscut locations along the "A" fissure zone. As all of the geological objectives approved in the original contract have not been tested, additional funds to complete the project should be granted. The chances are still very good that a significant ore body will be discovered by the remaining exploration work.

We concur with the field team and recommend that the proposed amendment for additional funds be approved.

E. L. Newcomb
E. L. Newcomb
Geologist

O. M. Bishop
O. M. Bishop
Base Metals Branch

500

FILE COPY
SURNAME:

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

March 13, 1953

MEMORANDUM FOR THE FILES

From: Base Metals Division

Subject: Docket No. DMEA-113, Contract No. Idm-E265,
New Quincy Mining Company
Wasatch and Summit Counties, Utah

On March 12, 1953, the Administrator's Office received a phone call from Mr. James of Senator Watkins' office regarding a revision of the above contract. The case was referred to this Division for reply. I immediately endeavored to contact Mr. James, but was informed that he was busy.

I again phoned Mr. James on the morning of March 13. He wanted to know what the status is of this requested revision of the contract, as he had a phone call from the company office in Salt Lake City, Utah. I informed him that this Division had completed the work on the amended contract, and it is now in our Legal Department; that everything possible was being done to expedite it and that we hoped we could get it out to the Field Team next week; and that we were waiting for the report by the Commodity Specialists of the U. S. Geological Survey and the Bureau of Mines.

/s/
Jacob W. Alt

JWAlt/hmj
(3-13053)
CC to: Docket
Administrator's Reading File
Operating Committee
Base Metals Division
Mr. Alt.
Chron

FILE COPY
SURNAME:

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

BW

N.S. in R.V.R.

Base Metals Div., DMEA

JWAlt/bjl

3669 2616

March 12, 1953

Mr. W. H. King, Executive Officer, DMEA Field Team, Region IV, Denver, Colorado

Reur memo March 6, 1953 re requested amendment to Contract No. Idm-E265, Docket No. DMEA-113, New Quincy Mining Company. Amendment being processed but needs approval of Commodity Specialists and Legal Department. Will expedite as much as possible and teletype you when approved by Operating Committee.

W. R. Griswold

W. R. Griswold, Chief
Base Metals Division, DMEA

copy to: Docket
Admr. R. File
Op. Committee
Base Metals
Mr. Alt
Mr. Bishop
Mr. Kinkel
accounts
Confirmation
Chron.

SENT
MAR 12 1953

Mail Service Section

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

224 New Customhouse
Denver 2, Colorado

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 9 1953

MAR 6 1953

Memorandum

To: Secretary to the Operating Committee
Defense Minerals Exploration Administration

From: Field Team, DMEA, Region IV

Subject: Docket No. DMEA-113 (Lead-Zinc), Contract Idm-E265, New Quincy Mining Company, Wasatch and Summit Counties, Utah - Request for authorization of additional funds.

For prior correspondence on the subject matter you are referred to our memorandum to the Administrator, DMEA, of January 9, 1953, and Keating's teletype in reply dated January 26, 1953.

The estimated cost of completing the recommended work raises the overall cost of the project to $50,700.00, which places it outside the maximum amount that is authorized for approval and processing by this office. Therefore, the following matter is forwarded for your consideration and appropriate action:

1. Request from the Operator dated January 12, 1953, of additional funds, complete with Engineers' breakdown of the estimated cost of completing the work.

2. Letter from the Operator, dated February 9, 1953, which supplements his request of January 12, 1953.

3. Engineering report by the Bureau of Mines, relative to engineering phases of the Operator's request for additional funds.

4. Geological report by the Geological Survey concerning the geologic aspects of the proposed work.

5. Proposed revision of "Exhibit A", which details the expenditures to date, future costs and the additional and total work to be accomplished.

6. Memorandum of transmittal of the above matter and comments from the Chief, Mining Development Branch, Region IV.

RECEIVED
MAR 12 1953
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

7. Extra:- Six copies of plan map showing work completed to date and the recommended work to be completed.

Amending the contract as outlined in the proposed revision of "Exhibit A" will necessitate the voiding of Amendments 2, 3, 4 and 5. Also, it will be necessary to amend article "3. Exploration Project" of Exploration Project Contract Form MF-200 to delete "ten (10) months" and in lieu thereof substitute "twenty (20) months", thereby providing time for the interim recess and allowing seven months to complete the remaining work.

We recommend that Amendment No. 6 be prepared as outlined in the attached proposed revision of "Exhibit A".

The Operator is in danger of losing his labor personnel due to inactivity of the work under the contract. Therefore, please advise this office by teletype as soon as a conclusive decision is reached, relative to the authorization of additional funds, so that we can advise the operator whether or not he may resume work.

W. H. King

W. H. King

A. H. Koschmann

A. H. Koschmann

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.
200 New Customhouse
Denver 2, Colorado

March 6, 1953

Memorandum

To: DMEA Field Team, Region IV

From: A. H. Koschmann

Subject: DMA Docket 113, Contract Idm-E265, New Quincy Mining Co., Wasatch County, Utah. Applicants request for additional work and additional funds in order to complete the exploratory work.

Enclosed are eight copies of a geologic report prepared as a result of a field examination requested by the Field Team, Region IV, February 13, 1953, regarding an amendment by the New Quincy Mining Co., Wasatch County, Utah, Contract Idm-E265, for additional work and additional funds in order to complete the exploratory work.

A. H. Koschmann

A. H. Koschmann
Supervising Geologist
Colorado-Wyoming

Enclosures (8)

Room 206, 222 So. West Temple
Salt Lake City 1, Utah
3 March 1953

Memorandum

To: A. H. Koschmann

From: Ralph J. Roberts

Subject: DMEA-113, Contract Idm-E 265, New Quincy Mining Co., Wasatch Co., Utah - Applicants request for additional work and additional funds in order to complete the exploratory work.

Enclosed are eight copies of a geologic report prepared as a result of a field examination requested by the Field Team Region IV February 13, 1953, regarding an amendment by the New Quincy Mining Co., Wasatch Co., Utah, DMEA-113 Idm-E 265 for additional work and additional funds in order to complete the exploratory work.

The report includes a resume of the geology of the mine area and the present status of the exploratory project with recommendations for amended work.

Ralph J. Roberts

Docket DMA-113, New Quincy Mining Co.,

Wasatch Co., Utah

GEOLOGY

The sedimentary rocks in the New Quincy mine area mainly are limestone and quartzite of upper paleozoic age. The formations exposed in the New Quincy mine are: the upper Pennsylvanian Weber quartzite which is conformably overlain by upper Pennsylvanian and Permian Park City limestone.

The Weber quartzite, about 1,750 feet thick, is predominantly a light brownish-gray quartzite at the base, with an increasing amount of limy sandstone near the upper contact.

The Park City formation, about 550 to 600 feet thick, is composed mostly of gray limestone with many thin sandy beds. The Jenny quartzite member of the Park City formation is from 85-100 feet above the base of the formation, and there are four higher and less important quartzite beds above the Jenny quartzite. The beds strike N. 15° E. and dip 12° - 20° W.

In the New Quincy mine two northeast trending fissures "A" and "B" (fig. 2) cut the Park City and Weber formations.

ORE DEPOSITS

The ore deposits in the Park City district occur where northeast trending faults and fissures cut favorable beds.

Ore bodies in the Weber formation are localized by fractured and breccia zones which extend throughout the entire Park City district. The ore localization appears to depend on the proximity of persistent fissures to favorable beds. Unlike the Weber quartzite, however, ore bodies in the Park City formation often take the form of bedding replacements . These relatively flat ore bodies are commonly arranged in a rough enchalon pattern with inter-connecting stringers. The most favorable ore horizon in the Park City formation is the Jenny quartzite member.

The northernmost fault the "B" fissure (fig. 3) has been explored for 350 feet in the New Quincy ground. Where last seen the fault zone had become very narrow and several spurs branching off at acute angles appeared to be less strong to the east.

The southernmost fault, the "A" fissure, was cut about 360 feet south of the "B" fissure in New Quincy ground, on the New Quincy 1300 level. Quartzite breccia and a few nodules containing Galena and pyrite were observed where the "A" vein or fault was exposed on the New Quincy 1300 level. Hewitt reports "this fault has a normal displacement of 200 feet". The footwall on the north side is Weber quartzite and on the southern (hanging) wall is Park City limestone. The base of the Park City in the hanging wall was exposed in the face of the drift 130 feet east of the main crosscut. Eighteen inches of quartzite breccia and eight inches of manganese stain were seen at the intersection of the fissure and the base of the Park City formation. Drifting eastward along the fissure slight spotty mineralization was found, but no ore bodies of minable size or grade were seen.

ORE RESERVES

There are no inferred ore reserves on the "A" vein, at the New Quincy property.

PROPOSED EXPLORATION

The exploratory work proposed in the loan was designed to intercept the base of the Park City limestone and the Jenny quartzite in the hanging wall and footwall of the "A" fissure. Neither the "A" fissure nor the Jenny quartzite and basal Park City formation have produced any appreciable amount of ore where intersected by the "A" fissure. In the original contract, however, five objectives were to be reached (1) the "A" fissure, (2) the base of the Park City formation in the hanging wall of the "A" fissure, (3) the Jenny quartzite in the hanging wall (the most favorable horizon) and (4 & 5) Base of Park City and the Jenny quartzite in the footwall of the "A" fissure. Only the "A" fissure and the base of the Park City formation, in the hanging wall have been cut by the present workings.

The funds were expended after 599 feet of crosscutting to and drifting along the "A" fissure was accomplished. Approximately 50 feet of additional work was driven on company account.

The examining engineer and geologists think that an amendment to the contract should be made, allowing for approximately 200 feet of drifts and crosscuts to be driven along the fissure, or in favorable horizons encountered on or above the 1300 level, as agreed upon by company and DMEA representatives, and for approximately 285 feet of raise to be driven from a point on the 1300 level acceptable to the government, to intersect the Jenny quartzite horizon in the hanging wall, and the base of the Park City limestone and the Jenny quartzite horizon on the footwall side of the fissure.

The contract did not allow enough funds to complete all five objectives outlined in this report. Only two of the five objectives have been reached. Even though the examining engineers and geologists essentially turned down the original DMEA application, the work was later approved by Washington DMEA. It is therefore, thought advisable by the examining geologists and engineers that enough funds should be provided to reach the objectives, even though the chances of finding ore are only fair.

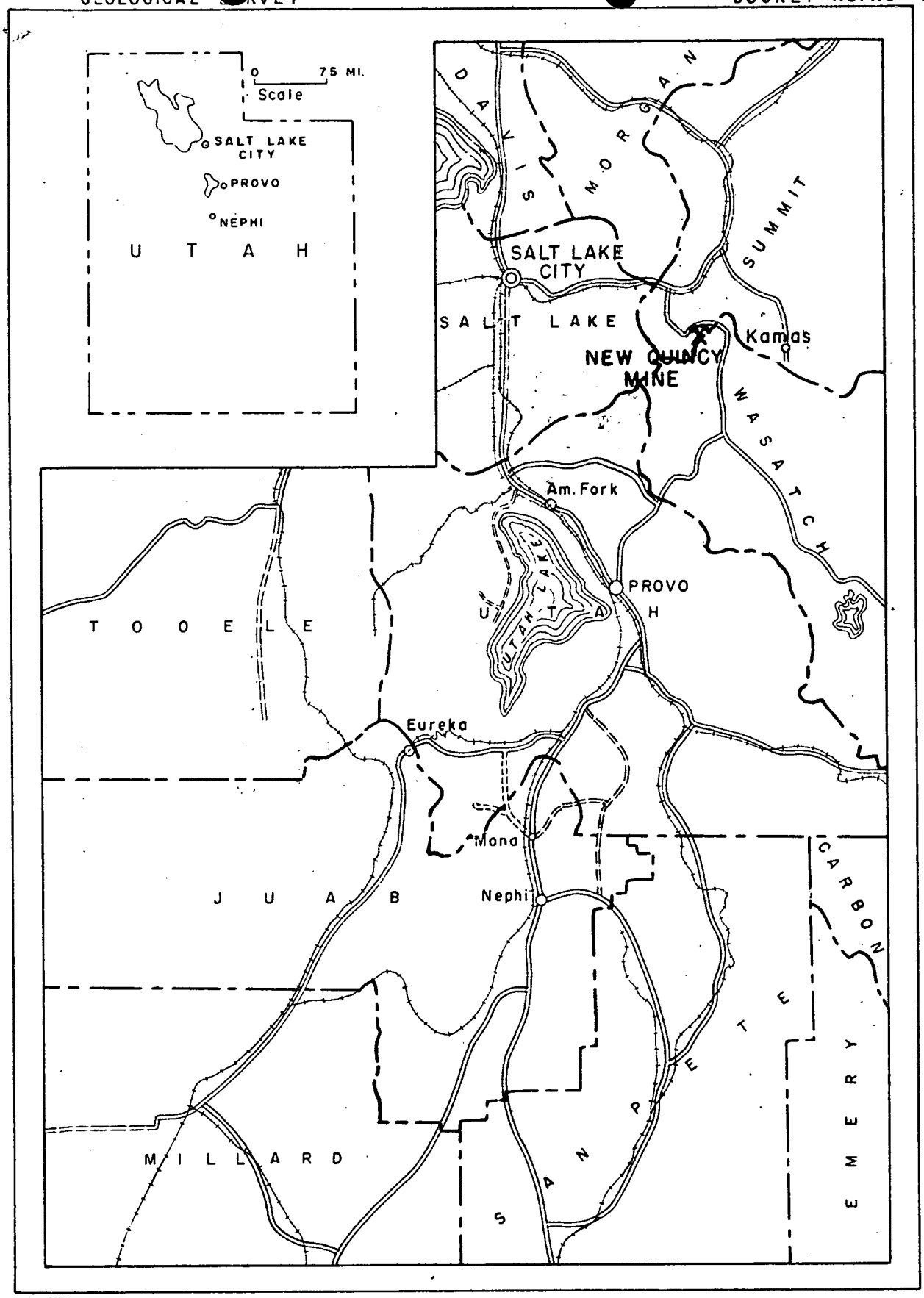
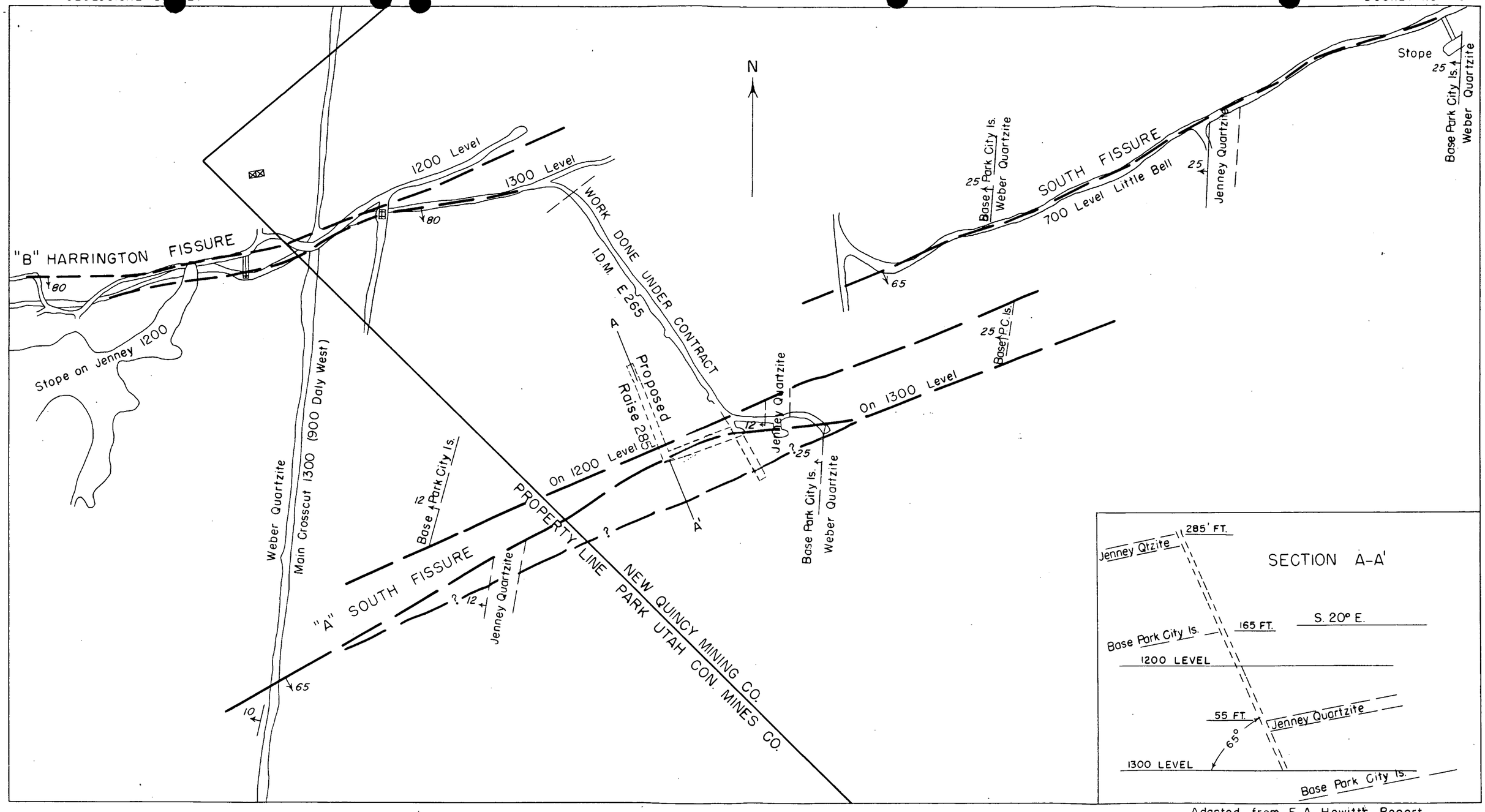


FIG. 1 INDEX MAP OF CENTRAL UTAH

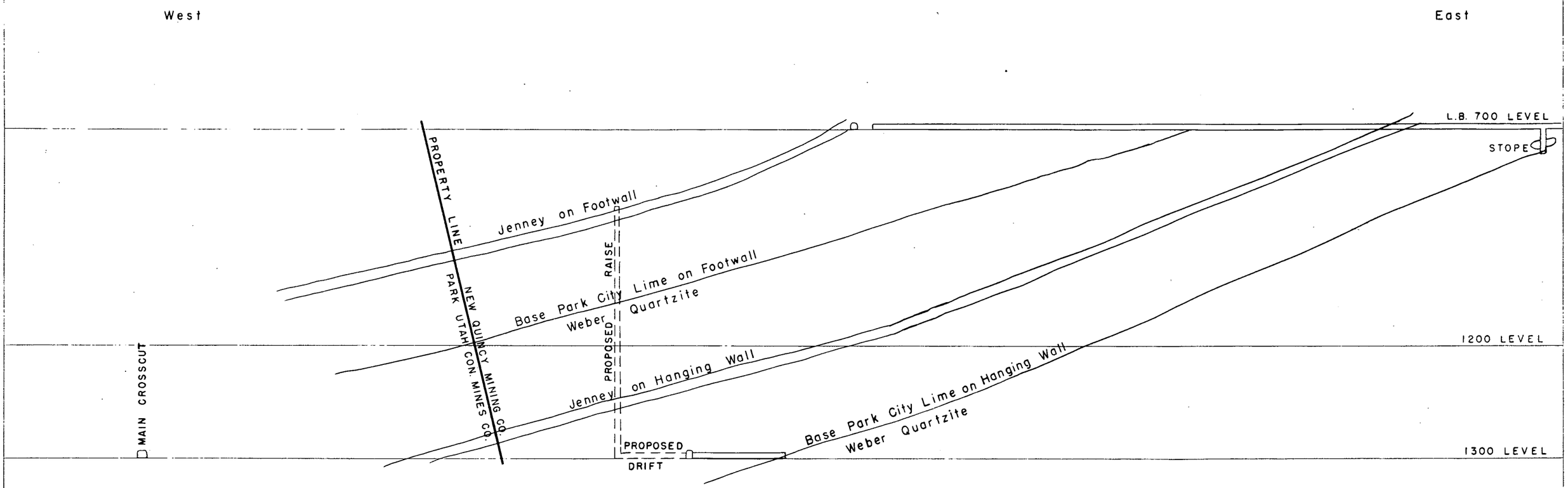
0 5 10 15 20 MILES
Scale



Adapted from E.A. Hewitt's Report

FIG. 2 PLAN AND SECTION OF WORKINGS IN THE NEW QUINCY MINE
PARK CITY, UTAH

0 100 200 FEET
Scale



Adapted from E.A. Hewitt's Report

FIG. 3

LONGITUDINAL SECTION ON "A" SOUTH FISSURE
NEW QUINCY MINE, PARK CITY, UTAH

0 100 200 FEET

February 27, 1953

Memorandum

To: W. H. King, Chief, Mining Division, Region IV

From: Chief, Mining Development Branch, Region IV

Subject: DMEA-113, Contract Idm-E265, New Quincy Mining Co., Wasatch and Summit Counties, Utah. Information concerning amendment request to provide additional funds.

Transmitted herewith is the following information relative to the subject.

1. 6 copies of revised "Exhibit A" covering the completed work and proposed new work.

2. 6 copies of a memorandum prepared by J. W. Hasler concerning the geologic aspects of the proposals.

3. 6 copies of an amendment request letter prepared by New Quincy Mining Co., dated February 9, 1953, previously submitted to your office but returned to thisoffice with other information for our use.

4. 9 copies of a print showing the completed work to date and approximate position of proposed new work.

The cost estimates in "Exhibit A" include 599 feet of drifting and crosscutting completed under the contract to date, and the proposed new work consisting of 200 feet of drifting and crosscutting and 285 feet of raising. The contractor completed 622 feet of drifting and crosscutting but exceeded the allotted funds. Calculation of the number of feet to coincide with the total expenditure permitted, resulted in a total of 599 allowable feet.

The total cost of the project is estimated to be $50,700. The initial allotment totaled $23,858, thus the estimated required allotment for the new work is the difference between the two figures, $26,842. A breakdown of this amount shows the estimated cost of new drifting and crosscutting to be $40.96 per foot and the estimated cost for raising, $65.44 per foot. The estimates for this work,

prepared by the contractor and submitted with his letter of January 12, 1953, are $44.37 per foot for drifting and crosscutting and $56.07 per foot for raising. Our estimates for the proposed new work were calculated back from the total of $50,700 shown in the attached revised "Exhibit A". The costs are based on an operating period of 7 months. The following tabulation illustrates the breakdown and also includes the cost per foot of work completed to date.

		Proposed new work	
Operating equipment	Completed work	Drifting and crosscutting	Raising
(a) Purchase	$ 4,947.26	$ 284.00	$ 406.00
(b) Rental	2,019.50	609.15	848.25
(c) Depreciation	1,371.72	504.90	909.22
Labor and supervision	11,294.00	4,470.00	10,936.00
Supplies and materials	3,211.80	2,075.00	5,213.20
Miscellaneous		207.50	292.50
Contingencies (power)	535.52	187.00	377.48
	$23,379.80	$8,337.55	$18,982.65
	+478.20	-145.95	-332.25
	$23,858.00	$8,191.60	$18,650.40
	599 feet	200 feet	285 feet
	$39.83 per ft.	$40.96 per foot	$65.44 per foot

It is believed the new work can be accomplished in 7 months. Approximately 7 months was required to complete the first crosscutting and drifting footage.

The operator will not agree to perform the work under the short form contract. I have discussed this type contract with the operator several times, pointing out the advantages over the long form contract, but to no avail.

It is believed approval of new work in the contract should be stated in a manner to permit flexibility in choice of work sites. Agreement can be reached with the operator before work is started, and the locations made satisfactory to DMEA representatives. It is believed feasible to do more drifting in the fissure zone before the raise site is chosen. The total raising footage required is

estimated to be 285 feet. This work should be done on the fissure but geologic conditions or heavy ground may dictate that the work, in part, be done in the footwall quartzite.

It is expected that the drifting and crosscutting will be completed on a subcontract basis. The rate of pay per foot of advance as shown under Labor and Supervision in the attached "Exhibit A" is believed to be approximately the rate the operator will be required to pay to obtain competent miners.

S R Wilson
S. R. Wilson

Encls.

DMEA-113
Contract Idm-E265

EXHIBIT "A" (REVISED)

Statement of Work

1. Rehabilitation, repair and preparatory work on the 1300 level of the New Quincy to the starting point of the crosscut described under Item 2.

2. Drifting and crosscutting as follows:

Crosscut southeasterly approximately 421 feet, from a point in the stub drift 290 feet east of the intersection of the Daly West 900 level and the New Quincy 1300 level, to intersect fault fissure "A", then drift and crosscut in the footwall of fault fissure "A" or drift along fault fissure "A" approximately 178 feet to cut the contact between the Park City limestone and the Weber quartzite on the hanging wall side of the fault, and then drive approximately 200 feet of drifts and crosscuts along the fissure, or in favorable horizons encountered on the present 1300 level, and at higher levels in the raise, described under Item 3, at places where geological conditions indicate the best possibility of discovering ore bodies, as agreed upon by company and DMEA representatives. An allowance of 6 feet advance will be made to widen the crosscut for siding for car switching. The aggregate amount of crosscutting, drifting and siding will be approximately 800 feet.

3. Raising as follows:

Drive a two-compartment (chute and manway) raise approximately 285 feet from a point on the 1300 level acceptable to the Government, to intersect the Jenny quartzite horizon in the hanging wall, and the base of the Park City limestone and the Jenny quartzite horizon on the footwall side of the fissure.

Estimated Costs of the Project

Summary

Operating equipment (purchase, rental and depreciation)	$11,900.00
Labor and Supervision (including engineering and accounting)	26,700.00
Supplies and material	10,500.00

Miscellaneous (including repairs and analysis)	$ 500.00
Contingencies (power)	1,100.00
Total estimated cost of project	$50,700.00

Details

Fixtures and Improvements

None

Operating Equipment

(a) To be purchased

Item	Estimated Cost
1 Battery locomotive	$ 4,764.26
1 Drill column, complete	183.00
1 Air-driven fan	690.00
Total	$ 5,637.26

(b) To be rented

Item	Estimated Cost
1 Mucking machine at $150.00 per month	$1,350.00
1 3-inch drifter at $100.00 " "	912.90
1 Self-rotating stoper at $75.00 "	337.50
1 Tugger hoist at $75.00 " "	337.50
1 Charging panel at $38.50 " "	539.00
Total	$3,476.90

(c) To be furnished by operator

Item	Value	Depreciation Rate per month
1 Battery Locomotive	$3,750.00	$62.50
1 Battery charger	1,116.10	18.60
37 Mine cars at $125.00 each	4,625.00	77.00 ($2.08 each)
1 Air compressor	2,650.00	44.17

Depreciation of mine cars allowable to the extent of the number actually in use for the benefit of project work.

Depreciation of the above compressor is allowable in liew of the purchase of compressed air from the Park Utah Consolidated Mines Co.

Estimated cost of depreciation ———————— $2,785.84

Total estimated costs of operating equipment ———— $11,901.77

Labor and Supervision

Miners at $14.16 per 8-hour shift.

Muckers at $13.66 per 8-hour shift.

The mine crews engaged in driving the various headings may be paid on the basis of footage of completed advance not to exceed the following rates:

Crosscuts and drifts on the 1300 level ———— $14.00 per foot
Crosscuts and drifts above the 1300 level ——— $16.00 per foot
Raising in the "A" fault fissure ———————— $28.00 per foot
Raising outside of the "A" fault fissure ———— $26.00 per foot.

Supervisor at $250.00 per month.

Engineer, part-time, not to exceed $100.00 per month.

Bookkeeper, part-time, not to exceed $70.00 per month.

Total cost of labor and supervision (including liability insurance and payroll taxes) ———————— $26,700.00

Supplies and Material

Item	Estimated Cost
Timber	$3,443,27
Explosives	2,346.54
Pipe	469.39
Track	253.77
Drill steel and bits	877.83
75 feet - 36-inch-dia. culvert pipe	436.98
Vent pipe	1,340.00
Other	1,332.22
Total	$10,500.00

Miscellaneous

Repairs to equipment at $0.50 per foot advance ——— $250.00

Sampling and analysis at $0.50 per foot advance ——— 250.00

Total ——— $500.00

Contingencies

Power . Rebilling from Park Utah Consolidated Mines Co. for compressed air and power to operate charging panels for locomotive batteries at $217.50 per month.

The cost of power, furnished by Park Utah Consolidated Mines Co. for operation of New Quincy compressor is allowable in liew of and from funds allocated to the purchase of compressed air.

Estimated cost ——— $1,100.00

// 429
//////////////Felt D.

February 9, 1953

Mr. S. R. Wilson, Director
U. S. Bureau of Mines
1600 East 1st South
Salt Lake City, Utah

Re: Contract #USM 113
Idm-D-265

Dear Mr. Wilson:

The information below is to be considered supplemental to my letter of January 12, 1953. This letter requests an amendment to our contract to allow additional funds for drifting and raising. Also submitted with the letter of the above date were cost estimated of the proposed work prepared by Mr. E. A. Hewitt.

It is believed the proposed raise should be started in the area between Crosscut #1 and Crosscut #3, as shown on the plan map accompanying Mr. Hewitt's estimate. This location will be agreeable to the company. The proposed 200 feet of drifting should be accomplished on the main level or on sublevels drifting from the raise. The location of the drifts will be dependent upon conditions encountered as the work progresses and is to be satisfactory to the government representatives.

The company prefers to continue the work on the long form contract without changing to the short form contract. This, of course, will mean continuing on an estimated cost basis. We believe estimated costs as prepared by Mr. Hewitt are reasonable.

Very truly yours,

NICK FLOOR, President and
General Manager
New Quincy Mining Company

NF/dMcH

FILE COPY
SURNAME:

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

Keating
Chamberlin

BW

N. S. in R. & R.

DMEA - Base Metals Division

A. G. Keating/bjl
3669 2616

January 23, 1953

Mr. W. H. King, Executive Officer, DMEA Field Team, Region IV, Denver, Colorado

Reurlet January 9, Docket No. DMA-113, Contract No. Idm-E265, New Quincy Mining Company regarding provision of additional funds by amendment approximating $23,000. Upon positive advice from you as to definite sum we can approve funds and give you your notice by teletype.

A. G. Keating, Acting Chief
Base Metals Division
Defense Minerals Exploration Administration

AGKeating/bjl

Copy to: Docket
Admr. R. File
Op. Committee
Base Metals
Audits
Chron.

SENT
JAN 26 1953

Clerical Service Section

FILE COPY
500 SURNAME:

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

Gen. Co.
Keating

January 21, 1953

Memorandum

To: Chief Counsel

From: Base Metals Division

Subject: Docket DMA 113, Contract Idm-E265, New Quincy Mining Company
Wasatch and Summit Counties, Utah.

Will you please give us your legal opinion regarding the attached memorandum from W. H. King, Executive Officer, DMEA Field Team, Region IV to C. O. Mittendorf, Administrator, DMEA. This division recommends approval of the proposed amendment.

/s/ A. G. Keating

JWA/hmj
1-21-53
CC to: Adm. Reading File
Docket
Base Metals
Mr. Alt

S. R. Wilson

January 20, 1953

M. H. Howes

DMEA-113, Contract Idm-E265, New Quincy Mining Co., Wasatch and Summit Counties, Utah. Report on application for an amendment to contract for additional funds with which to complete exploration project.

In December the $23,858.00 fund for the New Quincy Mining Co. exploration contract Idm-E265 was depleted and the project has been only partially completed. The company has submitted an application for an amendment for additional money with which to complete the originally proposed exploration project.

The first objective, fault fissure "A", was intersected by the main crosscut at a distance of 420 feet from the starting point. The second objective, contact between the Weber quartzite and the Park City limestone on the hanging wall side of the fissure, was found by 176 feet of subsequent drifting and crosscutting in the footwall and along the fissure. Further objectives not yet reached by the project are the Jenney quartzite horizon on the hanging wall side of the fissure, and the base of the Park City limestone and the Jenney quartzite horizon on the footwall side of the fissure.

The exploratory work to date shows that the Weber quartzite is mineralized with iron and manganese oxide stains, quartz and calcite in a shattered and altered zone 75 feet thick in the footwall of the fissure. The fissure has been exposed in three places over a distance of about 140 feet, first at the main No. 1 crosscut; second, at the No. 2 crosscut, about 60 feet easterly from the main No. 1 crosscut; and third, at the No. 3 crosscut, about 140 feet easterly from the main No. 1 crosscut. The fissure at the main No. 1 crosscut shows weak mineralization, as does the limestone hanging wall. At the No. 3 crosscut, the Weber quartzite-Park City limestone contact was found on the hanging wall side of the fissure. Mineralization at this point is fairly strong. At the No. 2 crosscut, very strong mineralization was encountered. A picked sample from 18 inches of vein material carried 0.02 ounce gold, 25.3 ounces silver, and 32.6 percent lead. The mineralization appears to be stronger in the bottom than the top of the drift and is largely confined to the fissure. The hanging wall limestone at this place is very close to the base of the Park City limestone, and although it shows only weak mineralization when exposed, further exploration of this place is indicated and should be carried on. The area in general has geological features so favorable to possible ore deposition that it should not be ignored.

The New Quincy Mining Co. proposes the following work to complete the exploration project: To drive 200 feet of drifts, 25 feet westerly along the fissure from both the No. 2 and No. 3 crosscuts to further

explore ore showings; to drive a drift westerly 150 feet from the main No. 1 crosscut to explore the fissure enroute to a raise site; and to drive a raise 265 feet up the fissure to explore the favorable Jenney quartzite horizon in the hanging wall, and the base of the Park City limestone and Jenney quartzite horizon in the footwall. The company proposes that the raise site be chosen at the most favorable spot found by the above-described drifting.

Alternate proposals by the Bureau of Mines field engineer are as follows: To drive 200 feet of drifts and crosscuts along the fissure or in favorable horizons encountered on the present 1300 level and at higher levels in the proposed raise, at places where geological conditions indicate the best possibility of discovering ore bodies, as agreed upon by company and Government representatives; and to drive 235 feet of raise on the fissure to intersect the Jenney quartzite horizon in the hanging wall, and the base of the Park City limestone and the Jenney quartzite horizon in the footwall, the raise to be started on the 1300 level at a point agreed upon by company and Government representatives.

A discussion of the differences between the company proposals and the Bureau of Mines alternate proposals follows. Both parties recommend the same amount of drifting and essentially the same amount of raising. The difference lies in the location of the work. The company wishes to further explore the present ore showings by driving drifts 25 feet westerly from both the No. 3 and No. 2 crosscuts. It also wishes to find a raise site by driving a drift westerly 150 feet from the main No. 1 crosscut, and to explore the fissure enroute. Beds in this area generally strike north-south and dip from 5° to 25° westerly; therefore, the farther west the raise is started, the shorter will be the distance to the favorable horizons above. The Bureau of Mines alternate drifting proposal has been worded so that work can be done wherever favorable geological conditions are encountered. At the present time, the mineral showings at both the No. 3 and No. 2 crosscuts should be further explored. It is believed that from this new exploratory work, and from workings already completed, a favorable raise site can be agreed upon somewhere between the main No. 1 crosscut and the No. 3 crosscut to the east, by the company and Government representatives. A raise at this location would require approximately 20 feet longer drive to reach its objectives than the location proposed by the company, 150 feet westerly from the main No. 1 crosscut.

Contingencies	Per foot
Power	$ .90
Total drifting cost per foot	$42.29

Raising - 285 feet (4½ months at 65 feet per month)

Labor and Supervision

Labor	$21.50
Supervision, $250.00 per month	3.85
Technical services, $100.00 per month	1.54
Bookkeeping, $70.00 per month	1.08

Operating Materials and Supplies

Timber	10.00
Explosives	3.00
Pipe	.50
Drill steel and bits	1.00
Ventilation pipe	2.75
Other	1.10

Operating Equipment

Rental

Stoper, $75.00 per month	1.15
Hoist, $75.00 per month	1.15
Battery charger, $38.50 per month	.59
Ventilation fan, $65.00 per month	1.00

Purchase - None.

Depreciation

Mancha trammer, $62.50 per month	.96
Battery charger, $18.16 " "	.27
37 mine cars, $77.00 " "	1.18
Compressor, $44.17 " "	.68

Miscellaneous	Per foot
Repairs to equipment	$ .50
Sampling and analysis	.50
Payroll taxes	2.85
Contingencies	
Power	1.30
Total raising cost per foot	$58.45

SUMMARY

200 feet drifting and crosscutting at $42.29 per foot	$ 8,458.00
285 feet raising at $58.45 per foot	16,658.25
Total estimated cost	$25,116.25
Government participation, 50 percent	$12,558.12

It is recommended that the Government act favorably on the application for an amendment to contract Idm-E265, for additional funds in the amount of $25,116.25.

M. H. Howes

M. H. Howes

January 12, 1953

U. S. Bureau of Mines
1600 East 1st South
Salt Lake City, Utah

Attn: S. R. Wilson
DMRA 113

Dear Mr. Wilson:
With reference to the New Quincy Mining Company, you have been advised monthly, as well as various other times, as to our operations. We have driven the crosscut drift and have found the proposed South Fissure in a faulting position. We then continued drifting along the side by the fissure some 67 feet, then we turned south again and cut into the fissure. First, we took an assay and it appeared to have a fair value with 10% lead and 11 oz. of silver. By turning east on the fissure, which was 51 inches wide and was very well saturated with manganese and very black, we thought it was good shipping ore. But after we took a general assay we only had 2% lead. We have driven east with a curve into the fissure and found the fissure without much value. We then went back to where we first found ore of value and opened it up. We found the fissure to be about 18 inches wide with some high grade ore assaying 32.60 lead and 25.30 oz. of silver. It appears that the fissure will get wider as it goes down.

In order to continue operations, we thought to hire the miners by the day as their contract was finished, but the union refused to let miners work at the rate of $12.05, plus whatever the Park Utah Mine would settle for as they are on strike; we have been forced to close operations, therefore. Now, in order to continue operations, we must decide what to do in order to enter into a new contract to put up a raise. I have discussed the matter with our engineer, Mr. E. A. Hewitt, and his advice is that we must follow the ore to determine where we must start the raise. I have asked Mr. Hewitt to submit to us the details and an estimate of the cost for such a raise. Enclosed, please find copies of his report and estimate. We hope the government will grant the New Quincy Mining Company additional funds so we can enter into a contract for such a project on more drift and raise. As you know, good miners are hard to get and we are trying to hold these three men for further contract, therefore, we would greatly appreciate your quick action in this matter so that we can start operations as soon as possible.

As soon as we receive an answer from the government about this next loan, we intend to levy an assessment to raise our half of the expenses for the future project for a raise.

Very truly yours,

Nick Floor

NICK FLOOR, President
New Quincy Mining Company

NF/dMcM
Encl.

Park City, Utah.
Jan. 10, 1953.

Mr Nick Floor, Pres.;
New Quincy Mining Co,
831 8th Ave.,
Salt Lake City, Utah.

re: DMA-113
Contract IMF-265
Proposed Additional work

Dear Mr Floor:

Herewith find copies of sketch map showing work already done in this project amounting to 622'. There is also shown in dashed lines what additional work appears necessary to complete the project; viz. 200' of drift and 265' of raise. You will note a proposed drift of 150' to the west of the main crosscut to get a site for the raise. This will shorten the raise and not interfere with operations to the east in #2 and #3 drifts. Also I have indicated a 25' drift west from both #2 and #3 crosscuts, this to follow out ore showings which may lead to an ore body.

ESTIMATED COSTS

200' drift @ 80' per month

Labor at face	15.00	per ft.
Motorman	6.00	" "
Supervision	5.40	" "
Ind. Ins.& Soc. Sec.	3.65	" "
Operating Materils & Supplies		
Timber (½ timbered)	2.30	" "
Explosives	2.00	" "
Pipe- 2" air and 1" Water pipes	.42	" "
Track- 16# rail,4"X6"-2½' apart	2.50	" "
Hose- air & water	.25	" "
Steel & bits	.40	" "
Other	.25	" "
Operating Equipment		
2 Leyner Drills & Column,dep.	.45	" "
2 Manchu Trammers & 1 Charger,dep.	2.50	" "
1 Charger rental 38.50 per mo.dep.	.30	" "
1 Eimco Mucker, dep.	.65	" "
Compressor, dep. 44.17 per mo.	.55	" "
37 Mine cars,dep. 77.00 per mo.	.95	" "
Miscellaneous		
Repairs to equipment,$25 per mo.		
Sampling & assaying,$35 permo.		
Power for Comp. $85 "		
$145 "	1.80	" "
Total	44.37	" "

ESTIMATED COSTS Cont.

265' of Raise @ 65' per month	Per Ft.
Labor at face	16.50
Motorman	6.00
Supervision	6.50
Ind. Ins. & Soc. Sec.	2.90
OPERATING MATERIALS & SUPPLIES	
Timber, 8"x8" & 3" chute lagging-$92/M	10.20
Explosives	3.00
Pipe, 2" air & 1" water	.42
Steel & bits	.40
Hose	.25
Others	.25
OPERATING EQUIPMENT	
Tugger hoist & 400' cable 3/8", dep.	.25
2 stoper drills, dep.	.45
2 Manchu trammers & 1 charger, dep.	3.00
1 Charger rental 38.50 per mo., dep.	.60
37 Mine cars - dep. 77.00 per mo.	1.20
Air-driven blower & 850' sucker pipe, dep.	.50
Compressor, dep. $44.17 per mo.	.70
MISCELLANEOUS	
Repairs to Equipment, $25 per mo.	
Sampling & Assaying ; $35 " "	
Power for compressor, $85 " "	
$145 " "	2.25
Total	56.07

GRAND TOTAL ESTIMATED COSTS

200' drift @ 44.37	8874.00	
265' Raise @ 56.07	14,859.00	23,735.00

Of the above "operating equipment" the following are still to be purchased and at current prices will cost as follows;

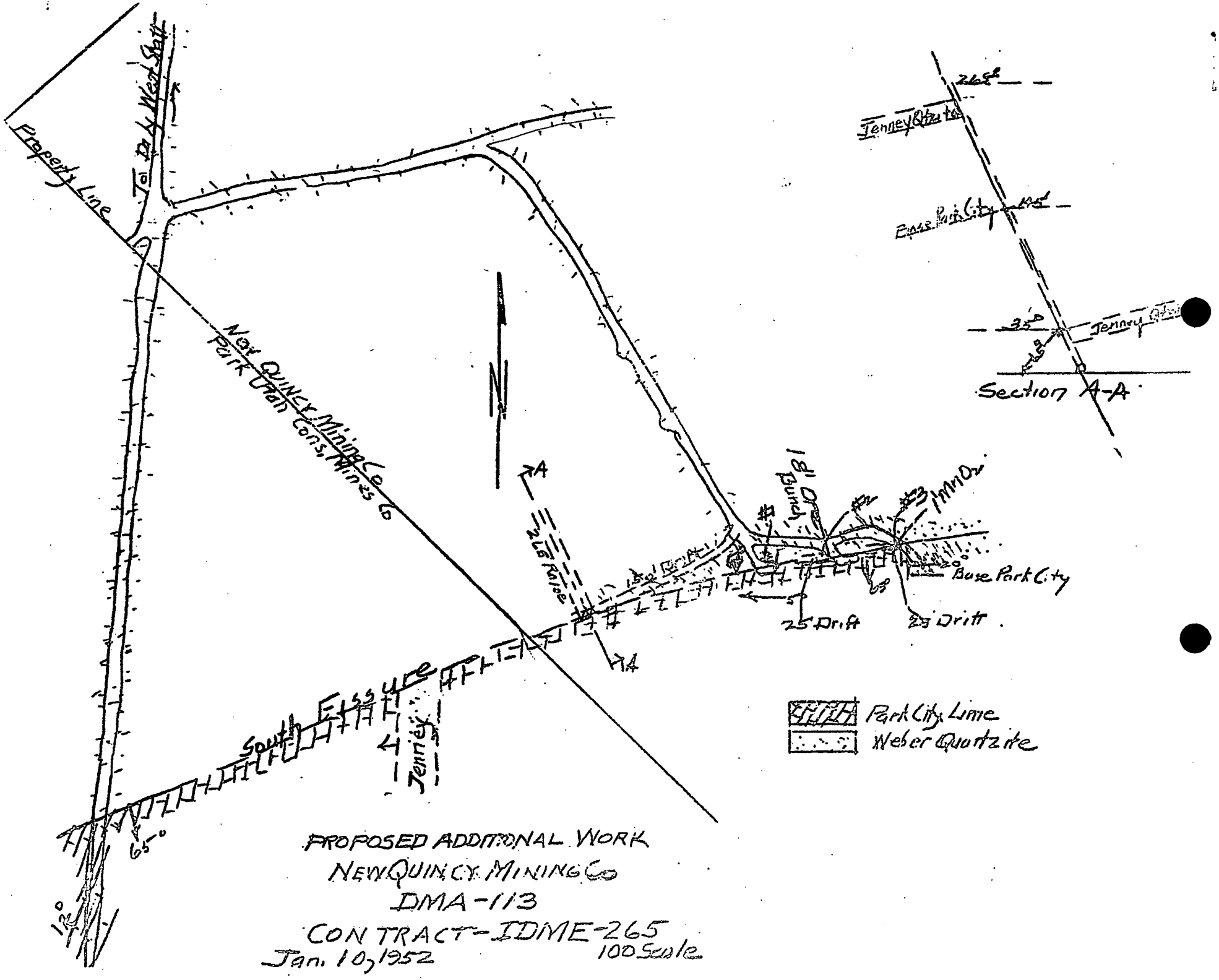
1 Air-driven blower	455.00	
850'-8" sucker pipe @1.50	1275.00	1730.00
1 Self rotating stoper		836.00
1 Tugger hoist	980.00	
400' 3/8" wire rope	56.00	1036.00
		3602.00

In the estimate these along with the equipment on hand have been depreciated over a 5 yr. life.

In the estimated costs of drifting, the costs are given perhaps 15% high to cover delays anticipated in following out ore streaks in the drifts.

Yours truly,

E A Hewitt
Mining Engineer.



PROPOSED ADDITIONAL WORK
NEW QUINCY MINING CO
DMA-113
CONTRACT-IDME-265
Jan. 10, 1952
100 Scale

Park City, Utah.
Jan. 14, 1953.

Mr M. H. Howes, Mining Eng., re: DMA# 113
Bureau of Mines, Contract IDME-265
Salt Lake City, Utah. Proposed Additional Work

Dear Mr Howes:

In regard to New Quincy Mining Co's application for an extension of this contract due to exhaustionof funds, it is evident from our telephonic conversation yesterday that I should further justify my recommendation of a 150' drift westward from the main crosscut.

In my letter of Jan. 10,1953 to Mr Nick Floor giving data for this application for renewal, I stated "This(the 150' drift) will shorten the raise and not interfere with operations to the east in #2 and #3 drifts." I should have added that in addition to getting a site for a shorter raise this drift will also explore the fissure enroute. In this connection your statement that the sketch shows the drift mostly in the footwall of the fissure is well taken. I too think we should see more of the fissure enroute to the raise site either by a short crosscut or two or if feasible by drifting more of the distance on the fissure.

You will note the raise from this 150' drift should cut the Jenney quartzite bed at 35'on the hanging wall side. This is close enough to the favorable bed so that some ore should show in the fissure if ore does exist at the Jenney horizon above.

In #2 drift to the east there is a good showing of ore a little above the base of the Park City lime which shows in #3 crosscut. This ore appears to be going downward toward that favorable horizon. It is unlikely this ore will lead up the fissure nearly 100' to the Jenney quartzite so it might be necessary to raise here 100' in waste to prove the Jenney horizon.

Sincerely yours,

Ed Hewitt

Mining Engineer.

cc- Mr Nick Floor

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

224 New Customhouse
Denver 2, Colorado

January 9, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 1 2 1953

Memorandum

To: C.O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMA 113, Contract Idm-E265, New Quincy Mining Company

Enclosed are two copies of a report by M.H. Howes, Bureau Engineer, recommending that additional funds be granted to complete Contract Idm-E265. The operating costs have increased considerably since the application was made. The strike at the Park Utah Consolidated Mines forced this operator to provide his own compressed air at an increased cost.

This office has not yet received the operator's request for additional funds, however it is estimated that he will require 100 feet of drifting at $35.00 per foot, 300 feet of raising at $45.00 per foot, and 150 feet of sublevel drifting at $35.00 per foot. We would like to prepare an amendment to provide for the additional funds promptly so that there will not be any interruption in the work. Another shutdown would be costly to the operator.

The total amount of Government participation will be less than $25,000. When this amendment is signed by the operator can we provide for the allocation of additional funds by teletype so that there will not be any interruption in the operation?

W. H. King

W. H. King

Enclosures

Contract 23858
11929.00
Amend 15500
7750
11929.00
7750.00
19679

RECEIVED
JAN 19 1953
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

January 9, 1953

Memorandum

To: W. H. King, Executive Officer, DMEA Field Team, Region IV

From: M. H. Howes, Mining Engineer, Utah-Wyoming Branch, Mining Division

Subject: DMEA 113, Contract Idm-E265, New Quincy Mining Company, Wasatch and Summit Counties, Utah. Memorandum Report on application for additional funds to complete exploration project.

The $23,858.00 fund set up for contract Idm-E265 has been exhausted as of December 1952, and the exploration project has not been completed. The New Quincy Mining Company is in the process of preparing an application for an amendment to the contract allowing additional funds to complete the project. Since a possible delay caused by the usual routine of processing these applications may result in the loss of the trained New Quincy Mine crew, it is urged that immediate action be taken in this case.

Thus far in the exploration project, crosscutting has intersected fault fissure "A," and the contact between the Park City limestone and the Weber quartzite on the hanging wall side of the fault has been found by subsequent drifting and crosscutting. The Weber quartzite under the fault fissure is shattered and mineralized. The fault fissure, so far exposed, is strongly mineralized. At apoint about 70 feet west of the Park City limestone-Weber quartzite contact 18 inches of lead-silver ore has been encountered in the fissure.

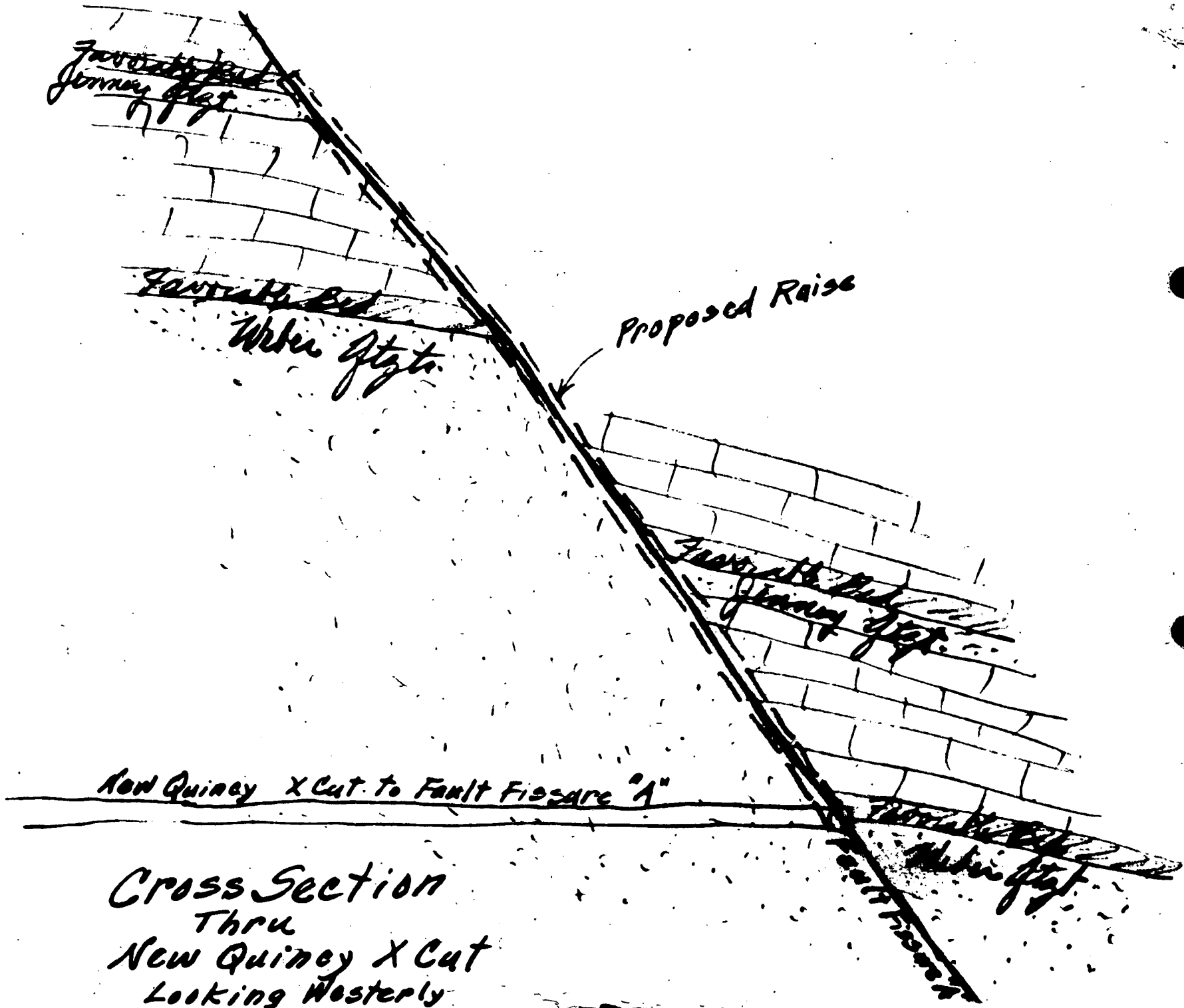
The New Quincy Mining Company proposes to drive approximately 285 feet of raise to intersect favorable horizons on both foot wall and hanging wall sides of the fissure. It also proposes to drive approximately 200 feet of drifts to explore the present ore showing and any future ore showings that may be encountered.

Cost estimates, as shown on contract Idm-E265, were made early in 1951. Since then both labor and material costs have increased considerably. Delays caused by the strike and subsequent shut-down at Park Utah Cons. Mines Co. were costly to the exploration project. The Park Utah shut-down caused the New Quincy Mining

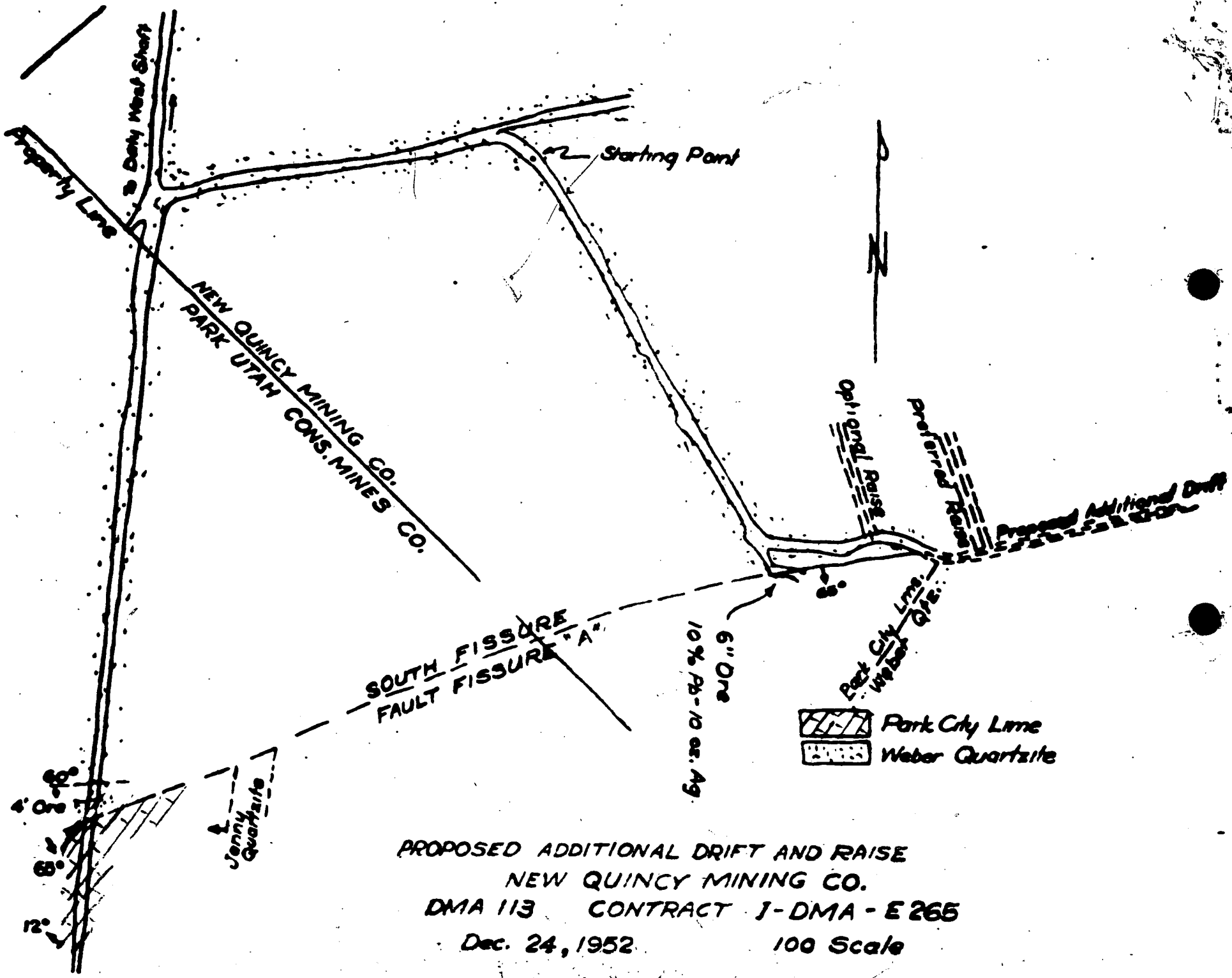
Company to provide its own compressed air at a higher cost than when buying it from Park Utah. As a consequence, the funds in the amount of $23,858.00 as provided by the contract, have been depleted without completing the exploration project. To finish the proposed project, the New Quincy Mining Company estimates the cost to be in the neighborhood of $22,000.00. Since the detailed cost estimate has not yet been completed, the above figure is necessarily only an approximation, but is thought to be reasonably close.

Indications that commercial ore bodies may be found by completing the proposed exploration project are so favorable, in the opinion of the field engineer, that the Government cannot afford to refuse additional aid.

M. H. Howes



Cross Section
Thru
New Quincy X Cut
Looking Westerly



PROPOSED ADDITIONAL DRIFT AND RAISE
NEW QUINCY MINING CO.
DMA 113 CONTRACT J-DMA-E 265
Dec. 24, 1952 100 Scale

Docket Copy

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
5 ~~1952~~ 1953

224 New Customhouse
Denver 2, Colorado

December 29, ~~1952~~

Memorandum

To: C. O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Amendment No. 5 to Contract Idm-E265, Docket DMEA 113, New Quincy Mining Company

Enclosed are the original and two copies of Amendment No. 5 to Contract Idm-E265. Copies of this amendment have been given to the operator, the Fiscal Officer, Region IV, and a copy has been retained for our files.

Also enclosed are three copies of a letter from the operator requesting this amendment and three copies of a memorandum by a Bureau of Mines engineer recommending this amendment.

W. H. King

W. H. King

Enclosures

RECEIVED
JAN 15 1953
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

cc 1/2/53

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

224 New Customhouse
Denver 2, Colorado

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 22 1952

December 18, 1952

Memorandum

To: Secretary to the Operating Committee

From: Executive Officer, Field Team, Region IV

Subject: Form MF-104, DMEA Docket 113, Contract Idm-E265 (Lead-Zinc)
New Quincy Mining Company, Wasatch and Summit Counties, Utah -

Enclosed are two copies of the Operator's Monthly Progress Report MF-104 and 104A, Operator's Narrative Report, Inspecting Engineer's Narrative Report, and other supporting data for the month of September, 1952, pertaining to DMEA Docket 113, Contract Idm-E265, New Quincy Mining Company.

John F. Shaw for
W. H. King

Enclosures

December 3, 1952

Memorandum

To: Mrs. Hazel Berry, Secretary to the Operating Committee

From: Anne M. Alley, Contract Administration and Audit Division

Subject: Contract Amendments.

* * * * *

There is returned amendment No. 4 to Idm-E265, DMEA-113, New Quincy Mining Company, on which this Division raises a question as to whether Mr. King obtained a legal opinion as expressed in the memorandum dated November 13, 1952, from the Chief, Utah-Wyoming Branch, to Mr. King.

/s/ Anne M. Alley

RECEIVED
DEC 5 - 1952
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

Docket Copy

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

224 New Customhouse
Denver 2, Colorado

November 26, 1952

Case 12-1

Memorandum

To: C. O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Amendment No. 4 to Contract Idm-E265, New Quincy Mining Company, Docket DMEA 113

Enclosed are the original and two copies of Amendment No. 4 to Contract Idm-E265. Copies of this amendment have been given to the operator, the Fiscal Officer, Region IV, and a copy has been retained for our files.

Also enclosed are three copies of a letter from the operator requesting this amendment and three copies of a memorandum from a Bureau of Mines Engineer recommending this amendment.

W. H. King

W. H. King

Enclosures

RECEIVED
DEC 5 - 1952
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

November 24, 1952

Memorandum

To: W. H. King, Acting Chief, Mining Division, Region IV

From: Chief, Utah-Wyoming Branch, Mining Division

Subject: DMEA-113, Contract Idm-E265, New Quincy Mining Co., Wasatch and Summit Counties, Utah

Enclosed are six copies of a letter received from the subject company concerning an amendment request to the existing contract. The inspecting engineer, M. H. Howes, has commented on the request in a memorandum dated November 21, 1952, copies of which are attached.

The proposed amendment asks approval of a prior purchase of a 6-foot drilling column complete with safety clamp and standard arm and saddle. The cost is $183.00. The equipment is needed to properly conduct the project work and should be included, in some way, in the project cost.

Stephen R. Wilson

Stephen R. Wilson

Enclosures

S. R. Wilson November 21, 1952

M. H. Howes

DMEA-113, Contract Idm-E265, New Quincy Mining Co., Wasatch and Summit Counties, Utah. Memorandum report on request for contract amendment.

Application has been made by New Quincy Mining Co. for an amendment to contract Idm-E265, which would allow the purchase of a 6-foot SS column, complete with safety clamp, standard arm and saddle, in the amount of $183.00.

The above drill column is a part of the drilling equipment necessary to accomplish the exploration project, and the cost of this item should be included in the contract.

M. H. Howes

M. H. Howes

20 Felt B.

November 17, 1952

U.S. BUREAU OF MINES
1600 East 1st South
Salt Lake City, Utah

Attn: Mr. S.R. Wilson

Dear Mr. Wilson:

Application is hereby made to have our Contract No. Ide-E-265 amended to include purchase of one 6 foot S S Column, complete with safety clamp, standard arm and saddle, in the amount of $183.00. This item was carried on Gardner-Denver Company's invoice #29-58159, dated July 11, 1952.

At the time the contract was drawn up we did not foresee the need for this column, but it is now necessary to the operation of the mine.

Very truly yours,

Glen I. Crandall

Glen I. Crandall,
Secretary-Treasurer

GIC/dtoH

November 13, 1952

Memorandum

To: M. H. King, Acting Chief, Mining Division, Region IV

From: Chief, Utah-Wyoming Branch, Mining Division

Subject: DMA-113, New Quincy Mining Co., Wasatch County, Utah. Amendment request submitted by the operator.

Enclosed are an original and five copies of a letter from the subject contractor requesting an amendment to allow purchase of corrugated pipe for a flume in the waste dump area. Copies of a memorandum from the inspecting engineer are also included.

The waste dump is at the portal of the Ontario tunnel on property belonging to Park Utah Consolidated Mines Co. Waste from the New Quincy operation is transported to this dump through arrangement with Park Utah. No question exists concerning the necessity of a flume to protect the area from possible flood damage. It appears the responsibility of flume installation belongs to the New Quincy Mining Co. inasmuch as the present condition has resulted in the existing need for a flume.

Legal opinion is required concerning purchase of pipe to be placed on property other than that included in the contract and interpretation of the proposed amendment as a logical part of exploration.

Stephen R. Wilson

Stephen R. Wilson

Encls.

S. R. Wilson November 13, 1952

M. N. Howes

DMEA-113, Contract Idm-E265, New Quincy Mining Co., Wasatch and Summit Counties, Utah. Memorandum report on request for contract amendment.

The New Quincy Mining Co. has made a request for an amendment to contract Idm-E265, which would allow the company to purchase a pipe flume to be used to eliminate a flood hazard to homes in upper Park City, Utah, caused by New Quincy waste rock disposal.

Waste rock from the New Quincy Mining Co. project DMEA-113 is transported through the Ontario tunnel of the Park Utah Mining Co. to the Ontario waste dump, which is situated in the upper end of Park City. The dump is located in a wash, which carries away part of the runoff waters from the hills above the city. Prior to the New Quincy operation, the dump had not completely filled the wash, and allowed room for a ditch large enough to carry away the runoff water. The New Quincy waste rock has filled the ditch to the extent that it will not carry the runoff water, and has thereby caused a flood hazard to homes in the immediate vicinity of the dump. Park City officials have demanded that this situation be corrected. Installation of a pipe flume, 36 inches in diameter and 75 feet long through the lower edge of the dump is estimated to be adequate to carry away the runoff water. The city has agreed it will make the installation if the pipe is furnished. The Park Utah Consolidated Mines Co. does not contemplate disposing any more waste rock on the Ontario dump, and therefore refuses to be responsible for damage by floods caused by disposal of New Quincy waste rock. It appears that the New Quincy Mining Co. must purchase the pipe. An order has been placed with the Armco Drainage Co. for 75 feet of 36-inch diameter, 14-gauge, corrugated pipe to be delivered on or before November 15, 1952, at the price of $436.98 f.o.b. Park City, Utah.

The present method of New Quincy waste rock disposal is considered to be the most feasible that can be used on the exploratory project, even though it involves the company in the cost of a flume for flood control. The necessity of installing the flume on property other than that included in the contract makes the request for Government aid unusual.

M. N. Howes

M. N. Howes

120 Felt M.

November 4, 1952

Mr. S. R. Wilson
U. S. Bureau of Mines
1600 East 1st South
Salt Lake City, Utah

Dear Mr. Wilson:

As I have already told you, the City Council of the City of Park City, Utah has notified us that at the place where we are dumping waste material from the New Quincy Mining Company, it is blocking the ditch, and unless we fix it by placing a flume to take care of any future flood which might cause damage to the residences of the city, the New Quincy Mining Company will be responsible.

I have checked it and found that it is necessary to fix it. In order to fix it right, a bulldozer should be used to remove part of the dump to make a ditch in which to place the flume pipe necessary to take care of such a flood. The flume will require 75 feet of 36" diameter corrugated pipe. I have discussed this with the Park Utah Mine officials, but they have refused to do anything, claiming they are not using the dump, but that it was up to the New Quincy Mining Company to either fix it or stop dumping.

I have talked with the City officials and they agree that if the New Quincy Mining Company will furnish the 75 feet of pipe, with connections, f.o.b. Park City, Utah, that they will excavate and install the pipe free of charge. Therefore, I have placed an order with the Armco Drainage Company to fix 75 feet of 14 gauge corrugated pipe into three lengths and deliver it to Park City, Utah, with two bends for connections, at the price of $436.98, f.o.b. Park City. The Armco Company stated that it will take fifteen days before they can have this pipe available, claiming they don't have 14 gauge pipe on hand. I have had them order it and it will be delivered on or before November 15th. Upon delivery, New Quincy Mining Company must pay the sum of $436.98.

We, therefore, respectfully ask that an amendment be made to our DMEA Contract #113 to cover the above amount for the necessary work to be done.

Respectfully,

NEW QUINCY MINING COMPANY
Nick Floor, President and
General Manager

NF/dfch

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

224 New Customhouse
Denver 2, Colorado

August 27, 1952

Memorandum

To: C. O. Mittendorf, Acting Administrator
Defense Minerals Exploration Administration

From: Executive Officer, Field Team, Region IV

Subject: Amendment No. 3 to Contract No. Idm-E-265, Docket DMEA 113 (Lead-Zinc), New Quincy Mining Company

Enclosed are the original and two copies of Amendment No. 3 to Contract No. Idm-E-265. Copies of this amendment have been given to the operator, the Fiscal Officer, Region IV, and a copy has been retained for our files.

Also enclosed are three copies of a letter from the operator requesting this amendment and three copies of a memorandum from S.R. Wilson, Bureau of Mines Engineer, recommending this amendment.

W. H. King

W. H. King

Enclosures

RECEIVED
SEP 8 1952
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
1600 EAST FIRST SOUTH STREET
SALT LAKE CITY 1, UTAH

July 31, 1952

Memorandum

To: W. H. King, Acting Chief, Mining Division, Region IV

From: Chief, Utah-Wyoming Branch, Mining Division

Subject: DMA-113, Contract Idm-X265, New Quincy Mining Co., Wasatch County, Utah

Attached are six copies of a letter from the subject company requesting an amendment to the contract to include depreciation on a company-owned compressor. This compressor is presently in operation as a result of a strike at Park Utah Consolidated Mines property.

Stephen R. Wilson

Stephen R. Wilson

Enclosure

U. S. Bureau of Mines
1600 East 1st South
Salt Lake City, Utah

Attn: Mr. S. R. Wilson

Gentlemen:

Application is hereby made to have our contract No. Idm-E0265 amended to include depreciation on a New Quincy owned compressor in lieu of funds for compressed air furnished by Park Utah Consolidated Mines, Inc.

Very truly yours,

Glen I. Crandall

GLEN I. CRANDALL,
Secretary-Treasurer

GIC/dMc

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

224 New Customhouse
Denver 2, Colorado

July 14, 1952

Memorandum

To: Frank E. Johnson, Chairman, Operating Committee
Defense Minerals Exploration Administration

From: Executive Officer, Field Team, Region IV

Subject: Docket DMA 113, Continental Sulphur & Phosphate Corporation (Sulphur), Contract I-DMA-E28

In reply to your letter dated May 14, 1952, we are enclosing two copies of the Operator's Final Report on Contract I-DMA-E28. The amount of money claimed is $44,493.26. We deducted $4,990.25, which was in settlement of the Government equity on equipment purchased.

The contract was approved for $39,503.01. A check for $19,751.50 was paid to Continental Sulphur. The total amount of the contract was $79,410.00. The operator submitted three different sets of monthly progress reports claiming different amounts. Region IV finally agreed to allow $44,493.26. However, this is subject to final audit.

We have received a letter from the operator requesting repayment for expenditures in addition to those allowed. We notified the operator that his account had been placed in line for final audit and any additional payments would be subject to this audit.

All Forms MF-104 have been sent to your office. The Administrative Audit Difference Statement attached to Form MF-104 itemizes the amounts allowed for the various items of equipment in which the Government had an equity.

The objective set forth in the contract was reached. A certification of discovery has been made. The operator spent considerable money in excess of that allowed under the terms of the contract. We believe that the cost of the road construction was excessive and the cost of new buildings and rehabilitation of old buildings was excessive. These items have been a point of controversy and will not be settled until the final audit is completed.

W. H. King
W. H. King

Enclosures
JFS:ld
cc: Contract, chron.
Koschmann
Wilson

H. W. C. PROMMEL
CONSULTING GEOLOGIST AND MINING ENGINEER
731 SOUTH DOWNING STREET
DENVER 9, COLORADO

21 1952

SUNLIGHT BASIN SULPHUR DEPOSITS, PARK COUNTY, WYOMING.
REPORT ON GEOLOGY, SAMPLING, MAPPING AND TONNAGE ESTIMATES.

By H. W. C. Prommel. January, 1952.

INTRODUCTION.

The following data on the Sunlight Basin sulphur deposits in Park County, Wyoming, are based on an examination made during the summer of 1951 for the Continental Sulphur and Phosphate Corporation, 2010 Tower Petroleum Building, Dallas 1, Texas. During the examination the geology was studied, a laboratory for grinding and quartering samples and determination of sulphur content of samples (by the ignition method only) was established on the ground and some of the deposits were mapped, sampled by means of auger drill holes and trenching and their approximate ore as well as free sulphur tonnages were calculated.

A preliminary investigation of the deposits was made during June, 1951. Some time was spent in Denver during July, 1951, assembling and shipping equipment for the more detailed work to be undertaken. Apart from some diamond drilling by other parties during May to July, 1951, field work was started during the latter part of July, 1951. Three summary reports accompanied by plan maps and cross sections were prepared in the field. The field work was finished on September 14th, 1951.

LOCATION.

The sulphur deposits here described are situated in the upper portion of Sunlight Basin, Park County, Wyoming, about 32 miles in direct line northwest of Cody, and some 14 miles east of the east boundary line of the Yellowstone National Park. The district is accessible by a county road from Cody over a

distance of about 52 miles. Between Cody and Sunshine Creek the road passes over Dead Indian Divide about 2000 ft. above the valley floors. The last eight miles of the road, from the forest ranger station to the sulphur camp, crosses Sunshine Creek many times and was often impassable. A new graded road avoiding all but one of the crossings, which now has been bridged, was under construction while the examination was under way and had been completed at the time of its termination.

The sulphur deposits occur in nine isolated groups along a belt about 3½ miles long which crosses the valley of Sunlight Creek in a west-northwest to southeasterly direction. The belt extends from the SW¼ of Section 1, Township 54 North, Range 107 West, through the boundary line of sections 6 and 7 into the SW¼ of section 8 and the SW¼ of section 9, all of Township 54 North, Range 106 West. From the northwest to the southeast the deposits are known as A-1, A-2, A-3, B, C, D, E-1, E-2, and F. Of these, A-2, B, C, D, and E are the largest, most important and with exception of A-2, the most accessible ones. The deposits are covered by placer claims which were being resurveyed for patent during the time of this examination.

SURFACE FEATURES. While the basin of Sunlight Creek is broad and flat, representing the bottom of a glaciated valley, it is surrounded by steep ridges with smooth southern slopes, but exceedingly rugged northern slopes. The upper end of the valley near the sulphur deposits narrows somewhat, but Sunlight creek meanders in the bottom of the valley. Timber line ranges in altitude from 9000 to 9500 feet. The slopes of the ridges are generally smooth below 8,500 feet, but above 9500 feet they are rugged and to the northwest, in the vicinity of deposits A and B, the sloping edges of extrusive volcanic rocks form sharp hogbacks.

The roads leading from the sulphur camp in the valley to the sulphur deposits are steep and narrow and in part impassable to other than

four wheel drive vehicles and caterpillar tractors and dozers. Even these have difficulty negotiating turns in the roads during wet weather.

GEOLOGY.

With one exception, at sulphur deposit A-2 where highly altered limestone and gypsum occur at the surface over a small area, the outcropping rocks belong to the Tertiary early basic series of lavas and breccias. These lavas and breccias very probably rest upon a highly uneven eroded surface of limestones of Devonian or Mississippian or even younger age. The extrusive igneous rocks can be divided into two groups, the upper one being composed of basalt flows interbedded with flow breccias. The lower group which extends from the bottom of the valley of Sunlight Creek upward to an altitude of about 8500 feet, is composed of a number of interbedded andesitic lava flows interspersed with breccias of basic andesite. The sulphur deposits are found within the lower group.

The lavas are cut by numerous dikes varying in width from two to twenty feet. Their strikes and dips are extremely irregular and they cut the lava flows in a most intricate manner. Their rock types vary from greenish to gray andesites to dark basalt and porphyry. They apparently have no bearing on the sulphur depsoits.

SULPHUR OCCURRENCE.

With partial exception of deposit A-2, free sulphur occurs in areas of bleached, highly altered andesitic rocks devoid of vegetation, as a cementing material of surface debris and to a lesser degree as incrustations along minute fractures within the highly altered andesite, diminishing rapidly in extent from the present surface of the ground downward. The deposits generally lie along hillside slopes near the bottoms of gulches and ravines. Impregnation of sulphur is heaviest near the bottoms of such slopes. There has definitely been no replacement of the rock by sulphur.

The color of the highly altered country rock changes from nearly white (yellowish where sulphur is present) at the surface to gray to black downward. In places decomposition extends to depths of 30 ft. and more, while at other places hard, nearly unaltered andesite is found within a foot or two of the present surface. The amount of sulphur present decreases rapidly from the surface downward and highest values are usually found within the upper five feet. An exception to this is deposit A-2 the geological features and sulphur occurrence of which are described in greater detail below. During the drilling campaign a number of deeper holes were drilled to explore the possibility of lower sulphur horizons but none were found. Earlier diamond drilling by other parties is said to have discovered a deeper sulphur horizon at about 100 to 150 ft. below the present surface on deposit A-3 which was not tested during the present drilling campaign. However, a study of surrounding surface features was made. Deposit A-3 is situated in the bottom of a deep gully showing evidence of extensive landslides on both sides. It is therefore plausible that an earlier surface deposit was covered up by landslides, later emanations of H_2S gas from the old surface forming the very small sulphur showings at the present surface in the bottom of the gulch, for hydrogen sulphide and carbon dioxide gases are even now escaping from vents and fractures on all of the sulphur deposits of Sunlight Basin. The average depth of sulphur enrichment on deposits B, D, and E was found to be five feet, below which the sulphur content diminishes rapidly. Laterally, the occurrence of sulphur in the white bleached rock is extremely erratic away from central, or vent points from which hydrogen sulphide and carbon dioxide gases issue in minor, but detectable amounts. In places there appears to be a linear arrangement of such vents, probably along a major fracture in the altered andesite, along certain points of which the gases

escape to the surface causing sulphur enrichment with sulphur content in the surface debris and in minute fractures in the andesite diminishing rapidly away from them, both laterally and vertically. This irregular distribution of sulphur makes tonnage and value calculations somewhat difficult and subject to some error. It is felt, however, that tonnage and value estimates given in this report will tend to be high, rather than low, when compared with actual amounts of sulphur recovered if and when mined.

On deposit A-2 the occurrence of sulphur in somewhat larger amounts and to greater depths centers around a block of highly altered limestone with surface as well as underground presence of considerable amounts of gypsum exhibiting solution cavities and crevices; some of these appear to be entirely filled with sulphur while others show sulphur incrustations along their irregular walls. One of the test holes drilled ran into an open crevice from 7.3 ft. to 15 ft. below the surface from which no returns could be obtained. Gray, semi-liquid mud containing gas was found in one of the holes drilled. This mud, upon ignition, showed a weight loss of 52%. The sample was thoroughly dried before ignition, but some of the weight loss may be due to the presence of fine particles of crystalline gypsum in the sample.

It is possible that considerable subsidence, as much as 100 feet or more, has taken place during the past in the vicinity of the present limestone outcrop and that some of the limestone has been altered to gypsum, with deeper penetration of air into this altered mass and slightly deeper formation of sulphur in some of the cavities and crevices than in the other deposits in Sunlight Basin.

GENESIS.

Under "Genesis" in his paper on the Sunlight Basin sulphur deposits, Hewett[1] believes that, based on features studied in the field, the sulphur deposits have been formed through

1. Hewett, D. F., Sulphur Deposits of Sunlight Basin, Wyoming. United States Geological Survey Bulletin 530-O, 1912.

the decomposition of hydrogen sulphide rising through irregular fractures in the lava flows, and that the decomposition has probably taken place according to the reaction

$$2H_2S \text{ plus } O_2 = 2H_2O \text{ plus } 2S.$$

During the sampling campaign as well as during earlier diamond drilling black and gray mud, often semi-liquid, was almost invariably encountered immediately below rich sulphur showings at the surface, at various depths not corresponding to the height of the underground water table. It is believed that any water liberated by above chemical reaction in part at least mixed with decomposed andesite along fissures, fractures and cavities and represents the mud now encountered below any surface sulphur showings. Samples of such mud encountered in drill holes invariably ran low in sulphur, with exception of some of the mud on Deposit A-2 which contained a large amount of hydrogen sulphide gas, sufficient in amount to raise the dust above the collar of the sample hole when surface material was kicked into the drill hole. The presence of this mud would substantiate Hewett's belief of the formation of sulphur at and near the surface from ascending gases upon their contact with oxygen from the air.

The sulphur deposits are thought to be of relatively recent origin and may be wholly post glacial. Dead roots of cedar trees similar to those now growing nearby are found penetrating cracks in the decomposed andesite. Finely crystalline sulphur is present between the rings of wood of such roots, but the wood itself has not been displaced by sulphur.

Recent drilling has proven that, while the source of the hydrogen and carbon dioxide gases even now escaping at the surface is probably in the sedimentary formations underneath the more recent lava flows, the deposition of free sulphur is distinctly superficial, is even taking

place now and does not extend far below the present surface of the ground.

MAPPING

Plane table mapping of deposits B, D, E, and a part of A-2 was done on a scale of 1:1200 (1 inch equals 100 ft.) The maps of above deposits which accompanied the three summary reports show all surface features, survey stations, locations of some of the earlier diamond drill holes, the Permanco auger drill holes; they show a number of benches and lines along which auger drill holes were spaced, as well as locations of sections later constructed from the plan maps; they also show locations of blocks of sulphur ore as determined from drilling results and cross sections; they also show the edges of timber lines and some change of slope lines. The data presented on the maps is based on 321 plane table survey stations. Major features represented on the maps are shown on the following table:

DATA ON PLAN MAPS

Deposit	Survey Stations	Number of Permanco Auger Drill Holes	Number of Benches	Number of Sections	Number of Blocks of Sulphur Ore
B	172	66	6	18	9
D	104	47	4	16	12
E	32	28	4	7	3
A-2	13	6	3	2	1
Totals	321	147	17	43	25

Mapping, drilling and laboratory results formed the basis for the construction of the 43 sections, the distribution of which is shown in above table. These cross sections also accompanied the summary reports prepared in the field while the test work was going on. The sections show surface profiles, locations and depths of all drill holes, surface observations at each drill hole, channel samples taken and widths (depths) and values (by ignition method only) of all channel and drill hole samples.

Diamond drilling by the Jones Drilling Company of Dallas, Texas, was started on Deposit B on June 30th, 1951, and

discontinued on July 17th, after the Parmanco auger drill arrived on the property. The Parmanco drill started operations on July 23rd and finished drilling on Deposit A-2 on September 4th, 1951. The locations of all holes drilled are shown on the plan maps mentioned above. Where hard ground was encountered near the surface, several holes (not counted in the table below) were drilled near a location to make sure no soft ground was passed up in the drilling campaign. Although it became apparent during the drilling campaign that major sulphur contents did not continue very far below the surface, drilling in each hole was continued, regardless of depth, until hard ground was encountered. Some of the auger holes were drilled to depths of 40 ft. The number of holes drilled and other data pertaining to them is set forth on the following table:

DRILLING

PARMANCO AUGER DRILL HOLE DATA

Deposit	Number of Holes	Total Feet	Number of Channel Samples	Total ft. Channels	Total Samples	No. of Man	Dates	No. of Days
"B"	66	966.8	27	68.79	281	53.5	7/23-8/17	26
"D"	47	750.1	42	116.3	264	27.5	8/18-8/28	11
"E"	28	401.8	19	27.8	137	14.0	8/29-9/2	5
"A-2"	6	144.0	3	8.0	38	1.5	9/3-9/4	2
	147	2162.7	91	220.89	720	96.5		44

Average depth of hole 14.7 ft. Average width of channel samples 2.4 ft.

96.5 - 9 hour man days @ 3 men p. day aver. 32.2 days actual drilling time out of 44 days.

A log of each hole drilled was kept. The log sheet shows the number of the hole, its location with respect to the plan map co-ordinate system, the survey number and the surface elevation, total depth of hole, name of drill operator, dates started and finished, number, descriptions and width of samples and sulphur content of samples. Moving time from hole to hole is carried under "Remarks" on each drill log. The size of the auger hole was 4½ inches in diameter. The hole was collared with a piece of casing about 18 inches in length,

welded to a pan about 18 inches square in which the sample accumulated while the auger drill rotated. Samples were packed in oblong boxes and removed to the laboratory at noon and at the end of each shift.

While the Parmanco drill operated very successfully, the steep slope of the deposits necessitated the digging of benches by caterpillar bulldozer, the time for which is not included in above man-days report. The drill, at all times under the supervision of Mr. E. W. Robbins, Jr., was moved from location to location and from deposit to deposit by Dodge power wagon, but at times, at highly inaccessible places, by the bulldozer. Temporary roads had also to be built by the bulldozer in order to get the equipment to the different deposits. This work, as well as the sketching of formations shown in the banks of benches and roads, as well as timekeeping, pay rolls, hiring and distribution of men, was done under the supervision of Mr. W. H. Knight.

LABORATORY.

During the reconnaissance trip to the properties in June, 1951, it was found that laboratory layout and equipment were entirely inadequate for the drilling and sampling work to be undertaken. Sufficient equipment was therefore assembled in Denver, Colorado, and shipped to Sunlight Basin. Such equipment consisted of a laboratory crusher, Braun pulverizer, both driven through a countershaft by a 5 HP Briggs-Stratton 4 cycle gasoline engine, either independently or jointly; 4 Jones channel samplers of different dimensions, a bucking board and muller; special Jones sampler bins and stands, 100 large sample sacks, 8 tarpaulins, carpenter tools, wrenches, Bunsen burners, axes, shovels, picks, hand auger drill; sample pans and pulp sample envelopes, cardboard boxes for storing samples, pulp scale, and other miscellaneous items. Much of this equipment as well as all plane table surveying equipment was furnished for the job by H. W. C. Prommel. Layout work and setting up of

laboratory, such as completion of building, construction of shelves, lean-to for housing crusher and quartering equipment, storage and drying sample shelves, etc. was done during the last days of July and early in August.

After preliminary air drying on sample shelves, all of each original sample was crushed to about ¼" size, passed over a Jones sampler where one quarter of the sample was cut out for storage and future inspection and reference. This part of the sample was stored in cardboard boxes marked with hole number and sample number and placed in consecutive order on sample box shelves so that each sample can be made immediately available for future inspection if desired. One half of the original sample was then crushed to finer size and quartered over a smaller Jones sampler. The quarter was then passed over a 10 mesh screen, oversize ground in a muller or Braun pulverizer and sample again quartered. After air drying thoroughly near, but not on a stove, the final sample was ground to minus 60 mesh on the bucking board, halved, and each half stored in properly marked pulp envelopes showing assay lab number as well as hole and sample numbers. From one of these, the final sample was weighed out on a pulp scale. Ignition was done over three Bunsen burners using Butane gas.

TONNAGE AND VALUE CALCULATIONS

Tonnage and value calculations are based on the results of above described work and equipment. Details of all calculations have been kept on record for inspection if desired. The weight of a cubic foot of material in place was assumed as 130 lbs., no actual weight tests having been made. Tonnage blocks calculated represent spaces between drill hole sections, with average values of holes and average values of sections determined by geometrical averages. Where more than one hole was present at one point, the average value and depth of such holes was worked out and used at the respective point. The number of blocks, together with ore tonnages

in short tons, average sulphur content in percent, and total amount of free sulphur in long tons contained in each block, are set forth below for each deposit sampled as well as on a summary table.

DEPOSIT "B"

Block No.	Ore, Short tons	Aver.% Sulphur	Free Sulphur Long Tons	Aver. Depth	Free S. Long Tons
1	1801.8	23.0	377	4.0	377.0
2	3705.0	17.3	583	4.75	
3	587.6	11.4	61	5.65	
4	582.86	33.75	178.8	3.5	178.8
5	1043.77	27.3	259.0	5.85	259.0
6	6100.38	30.3	1680.4	6.6	1680.4
7	2209.38	24.7	496.1	5.15	496.1
8	1388.53	14.3	180.5	4.65	
9	836.55	18.7	142.2	4.95	
	18256		3958		2991

DEPOSIT "D"

Block No.	Ore Short Tons	Aver. % Sulphur	Sulphur Long Tons	Aver.Depth Feet
1	260	21.3	50.3	4.0
2	346	23.7	74.5	2.9
3	1542	22.9	321.0	4.9
4	2398	26.5	577.1	5.2
5	2366	30.1	645.0	7.9
6	684	25.6	159.0	8.1
7	964	16.8	147.2	6.3
8	1317	19.9	238.3	5.2
9	1388	21.7	268.0	4.6
10	478	19.9	86.4	4.9
11	429	15.4	60.1	5.5
12	893	29.9	242.8	7.0
	13023		2869.7	

Blocks 1 to 6, and Blocks 9 and 11, sulphur content above 20%
9835 tons of ore (short tons)
2337.7 long tons of sulphur.

Blocks 7, 8, 10, 11, sulphur content below 20%
3188 short tons of ore
532 tons (long tons) sulphur.

DEPOSIT "E"

Block No.	Ore Short Tons	Aver.% Sulphur	Sulphur Long Tons	Aver.Depth Feet
1	1271	25.0	289	3.4
2	2054	25.9	484	4.9
3	1365	19.8	246	4.8
	4690		1019	

DEPOSIT "A-2"

15,647 short tons of ore averaging 34.8% Sulphur, or 4950 long tons of sulphur.

SUMMARY TABLE. ORE TONNAGE AND SULPHUR CONTENT

Deposit	Ore Short Tons	Aver.% Sulphur	Free Sulphur Long Tons	Aver.Depth Feet
"B"	18,256	23.8	3,958	5
"D"	13,023	24.2	2,870	5.5
"E"	4,690	23.9	1,019	4.4
"A-2"	15,647	34.8	4,950	18.1
Totals	51,616	27.3	12,797	

Only six holes were drilled on Deposit A-2 during the time available. Geometrical averages of 5 holes were worked out and these were combined for a geometrical average and tonnage estimate for the drilled up part of the deposit. Due to greater depth of sulphur bearing material and higher sulphur content in some of the holes, Deposit A-2 shows a greater sulphur tonnage than any of the other deposits. It is possible that some additional test drilling around the limestone and gypsum outcrop to the south of the block drilled might double the tonnage figures for Deposit A-2. However, due to the loose character of the ground drilled through, it is also possible that some of the samples obtained were salted due to cavey holes. As much gypsum is present, ignition tests may also show more sulphur than is actually present in the samples.

Deposit A-2 is the hardest deposit of access as it lies within a precipitous cirque which can be reached by four wheel drive vehicles only during dry weather. Additional road construction would be necessary to make this deposit accessible to exploitation.

The above are the closest estimates which can be made on the data available. They may vary to some extent when actual mining of the

ore is undertaken. The occurrence of sulphur is very erratic and far less in amount than one is led to believe by only casual observation of the deposits. Incrustation of minute fractures make much of the rock appear as solid sulphur to the eye, which, however, is not the case. The sulphur content drops off rapidly, laterally as well as vertically, from hydrogen sulphide gas surface vents. In the calculation of tonnages, attempts were made to consider only those holes which would keep the average sulphur content of the tonnage to 20% to 25%. But even lowering this to 15% which would include a slightly larger average, would not increase final tonnage figures by more than 15% to 20%. This is due to the fact that lower value holes have already been used in interpolations for tonnage calculations of some of the blocks.

Respectfully submitted,

Harold W. C. Pressnal

Harold W. C. Pressnal
Consulting Geologist and Mining Engineer
Denver, Colorado

Denver, Colorado
January 26, 1952

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

224 New Customhouse
Denver 2, Colorado

WASHINGTON 25, D. C.

July 10, 1952

Memorandum

To: C. O. Mittendorf, Acting Administrator
Defense Minerals Exploration Administration

From: Executive Officer, Field Team, Region IV

Subject: Amendment to Contract Idm-E-265, Docket DMEA 113, New Quincy Mining Company

Enclosed are the original and two copies of Amendment No. 2 to Contract Idm-E-265. Copies of this amendment have been given to the Operator, the Fiscal Officer, Region IV, and a copy has been retained for our files.

Also enclosed are three copies of a letter from New Quincy Mining Company requesting this amendment and three copies of a memorandum from the Bureau of Mines engineer recommending this amendment.

W. H. King

W. H. King

Enclosures

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 14 1952

JDS 7-14-52

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

OFFICE OF THE ADMINISTRATOR

6/26/52

Dear Bill:

This letter was prepared before I received your recent memorandum commenting on Hofflund's memo. dated June 16 and in which you recognized the error that was made in the subject case. After reading my letter and the attached memorandum from the Base Metals Division, I presume you will wish to prepare a short memo. for the files setting forth the reasons why our exhibit was considered unworkable and commenting on the specific questions raised in my letter.

Mitt

C. O. Mittendorf

FILE COPY
SURNAME:

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

JUN 27 1952

Mr. W. H. King
Executive Officer
DMEA Field Team, Region IV
224 New Customhouse Building
Denver 2, Colorado

Re: New Quincy Mining Co. (Lead-Zinc)
DMEA-113, Contract Idm-E265

Dear Mr. King:

The Chief Counsel, Mr. John Hofflund, has written me a memorandum, dated June 16, which cites an impropriety in the manner in which the subject contract was finalized by the Regional Office. It is noted that a copy of Counsel's memorandum to me was furnished your office, and I shall presume that you are familiar with its content. Since Counsel has placed himself on record as not having examined the contract with respect to legal form or sufficiency for matters of substance, I considered it encumbent upon me to refer the docket to the Base Metals Division for their comment.

It is unfortunate that Mr. Donald Moulds, who personally negotiated the contract with the applicant here in Washington, is no longer with the DMEA and, consequently, we do not know what agreements were reached with respect to the various items of equipment which were to be furnished by the operator, versus those items which were to be purchased under the terms of the contract. We do note, however, that the greatest difference between the exhibit prepared in Washington and that which was redrafted by your office, is for the purchase of a battery locomotive at $4800 in place of a depreciation allowance of $80 per month for a period of ten months, which would total the sum of $800. It is also noted that the total cost of the project as prepared in Washington has remained the same, and that the additional funds for the purchase of the battery locomotive have been met, in part, by reducing the labor cost estimates of the project by $2836. It is further noted that your redraft of Exhibit A included a reduction of $990 to be paid to the Park Utah Consolidated Mining Company for services to be rendered in connection with the tramming and hoisting of muck to the surface.

Without additional information from you setting forth the reasons for making your changes in Exhibit A, we are not in a position to make comment as to whether or not the use of a purchased locomotive could reduce the cost of the services originally intended to be performed by the Park Utah Consolidated Company. Since the cost of those services has been reduced, it would appear that they will be borne in a similar proportion by the operator, which makes it difficult for us to reconcile why the direct labor cost of the project could also be reduced by $2836.

I must presume that the present contract is proper in substance; however, I concur with Counsel that it should have been executed over your own name, in accordance with your delegated authority, and not finalized by a contract bearing my signature without first submitting the changes to me for approval.

Sincerely yours,

C. O. Mittendorf (fw)

Acting Administrator

f.N. 6-27-52

COMittendorf/fw/pa 6-25-52

cc: Admr. Reading File
Mails & Files
Base Metals Div.
Mr. J. L. Hofflund
Mr. Mittendorf
Mr. Thayer
Mr. Hedges
Operating Committee

FILE COPY
SURNAME:

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

June 23, 1952

Memorandum

To: Acting Administrator
Defense Minerals Exploration
Administration

From: H. F. Keller, Acting Chief
Base Metals Division

Subject: Docket No. DMA-113X Contract No. Idm-E265
New Quincy Mining Company

Pursuant to your verbal instructions, I herein present a comparison of the estimated costs of the subject contract drafted in this office and those of the contract which was redrafted by the Field Team of Region IV.

Drafted in Washington

Labor, supervision, engineer and bookkeeper (part time)	$10,950.00	
Analysis	125.00	
Contingencies	975.00	
Allowance for use of Operator's Equipment	888.00	
Allowance for Equipment to be Rented	1,700.00	
Equipment to be purchased	1,825.00	
Supplies	5,145.00	
Tramming and hoisting to surface by Park-Utah Consolidated	2,250.00	
TOTAL		$23,858.00

Redrafted by Field Team

Labor, supervision, (including Engineering and Accounting)	$8,114.00
Analysis	125.00
Contingencies	500.00
Allowance for use of Operator's Equipment	700.00
Allowance for Equipment to be Rented	2,184.00
Equipment to be purchased	5,490.00

Supplies and Materials	$5,485.00	
Power to Park-Utah Consolidated	1,260.00	
TOTAL		$23,858.00

Differences in the Contracts using Washington as a base.

	PLUS	MINUS
Labor		$2,836.00
Analysis		0.00
Contingencies		475.00
Allowance for use of Operating Equipment		188.00
Allowance for Equipment to be Rented	$ 484.00	
Allowance for Equipment to be Purchased	3,665.00	
Supplies	340.00	
Services and Supplies from Park-Utah Consolidated		990.00
TOTAL VARIANCE	$4,489.00	$4,489.00

The greatest difference in the contract is the provision in the Field Team estimate, for the purchase of a Battery Locomotive at $4,800.00. To provide for this additional item of equipment to be purchased, the Field Team has reduced estimated costs of labor and payments to the Park-Utah Consolidated for services and supplies. The use of this locomotive could easily reduce the cost of those items of expenditure in the proportions estimated by the Field Team.

We recommend the following procedure:

1. That the contract as redrafted by the Field Team be approved.

2. That the Executive Officer of DMEA Field Team Region IV be requested to explain the impropriety of the action of the Field Team, in redrafting Exhibit "A" to a contract which had been signed by the Administrator. If the contract had to be redrafted by the Field Team of Region IV to meet the Operator's approval it should had been redrafted in its entirety. This could have been done as the total estimated cost of the contract is $23,858.00, of which the Government would contribute one-half. This amount falls

within the delegated authority of the Field Team which permits the Executive Officer of Region IV to enter into and finalize contracts in which the government participation does not exceed $25,000.00.

H. F. Keller

HFKeller/mb
cc to: Adm. R. File
Opp. Comm.
Docket
Keller
Chron

C
O
P
Y

June 23, 1952

Memorandum

To: Acting Administrator
Defense Minerals Exploration
Administration

From: H. F. Keller, Acting Chief
Base Metals Division

Subject: Docket No. DMA-113X Contract No. Idm-E265
New Quincy Mining Company

Pursuant to your verbal instructions, I herein present a comparison of the estimated costs of the subject contract drafted in this office and those of the contract which was redrafted by the Field Team of Region IV.

Drafted in Washington

Labor, supervision, engineer and bookkeeper (part time)	$10,950.00	
Analysis	125.00	
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TOTAL		$23,858.00

Redrafted by Field Team

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Equipment to be purchased	5,490.00	
Supplies and Materials	5,485.00	
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TOTAL		$23,858.00

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Labor		$2,836.00
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Allowance for use of Operating Equipment		188.00
Allowance for Equipment to be Rented	$ 484.00	
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Services and Supplies from Park-Utah Consolidated		990.00
TOTAL VARIANCE	$4,489.00	$4,489.00

The greatest difference in the contract is the provision in the Field Team estimate, for the purchase of a Battery Locomotive at $4,800.00. To provide for this additional item of equipment to be purchased, the Field Team has reduced estimated costs of labor and payments to the Park-Utah Consolidated for services and supplies. The use of this locomotive could easily reduce the cost of those items of expenditure in the proportions estimated by the Field Team.

We recommend the following procedure:

1. That the contract as redrafted by the Field Team be approved.

2. That the Executive Officer of DMEA Field Team Region IV be requested to explain the impropriety of the action of the Field Team, in redrafting Exhibit "A" to a contract which had been signed by the Administrator. If the contract had to be redrafted by the Field Team of Region IV to meet the Operator's approval it should had been redrafted in its entirety. This could have been done as the total estimated cost of the contract is $23,858.00, of which the Government would contribute one-half. This amount falls within the delegated authority of the Field Team which permits the Executive Officer of Region IV to enter into and finalize contracts in which the government participation does not exceed, $25,000.00.

H. F. Keller

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
1600 EAST FIRST SOUTH STREET
SALT LAKE CITY 1, UTAH

Mining Division
Date Rec'd.
JUN 25 1952
BUREAU OF MINES
Denver, Colorado

June 23, 1952

Memorandum

To: W. H. King, Acting Chief, Mining Division, Region IV

From: Chief, Utah-Wyoming Branch, Mining Division

Subject: DMA-113, New Quincy Mining Co., Summit and Wasatch Counties, Utah. Amendment requests submitted by operator.

Enclosed are the original and 5 copies of a letter from the subject contractor requesting amendments to the present contract.

The contract allows miners' wages at $12.05 per shift. The operator has been unable to employ competent miners on a day's pay basis, partly because of the surrounding mining companies. These companies offer more permanent employment, and New Quincy Mining Co. does not wish to "pirate" men from the other operators. Accordingly, New Quincy has attempted to obtain a subcontractor to perform the crosscutting under the project. An agreement has been made with two men as per attached copy. No arrangement has been made for subcontracting the raise work.

The present contract allows purchase of a battery locomotive to be used on the Ontario tunnel level for transportation of waste to the surface. The operator also owns a second locomotive which is used on the 900 level to transport waste to the raise from which it is drawn on the Ontario level. The original plan called for charging both batteries at the charging panel on the 900 level. This panel is owned by New Quincy, but power is purchased from Park Utah for operation. It has developed that the Park Utah Consolidated Mines Co. is unable to permit New Quincy to use their shaft and cage for moving the battery from the Ontario level to the 900 level for charging. Park Utah is too busy with company work to allow use of the cage. New Quincy, therefore, has deemed it advisable to rent a charging panel from Park Utah on the Ontario level. The rate established by Park Utah is $38.50 per month for the charger and $7.50 for power.

It is recommended that an amendment to permit a subcontractor to perform the crosscutting, as per attached agreement, be granted to New Quincy Mining Co. This should provide a more satisfactory method than labor at day's pay rate. The amendment should be retroactive to the start of the project. It is also recommended that an amendment be granted to permit rental of the charging panel on the Ontario level and a power allowance for operation. This amendment will mean monthly power and charging panel allowances as follow:

Compressed air	$200.00
Electric power for 2 charging panels	15.00
Rental of 1 charging panel	38.50

The $210 monthly power item in the contract includes an estimate of $10 for electricity for one panel. Park Utah has agreed on a figure of $7.50 per month for the rental panel; thus $15 per month will cover the two panels.

The contract allows rental of a mucking machine at $296 per month. The operator has obtained a machine for a rental of $150 per month. The rental of the charging panel may be taken from this item.

Stephen R Wilson
Stephen R. Wilson

Enclosure

June 19, 1952

U. S. Bureau of Mines
1600 East 1st South
Salt Lake City, Utah

Attention: S. R. Wilson

Dear Mr. Wilson:

We are enclosing herewith a copy of our contract with Arthur Workman and Ken Hunter, dated June 12, 1952. It was necessary to make a sub-contract as it is impossible to employ any workmen from Park Utah. It is also impossible to hire men by the day and take them in and out through the Park Utah cage as it is in constant use by themselves.

Messrs. Hunter and Workman promised to work overtime and maybe on Sundays, so therefore, we thought the contract was the best method.

At the time we received our original contract we thought we could charge our trammer on the 900 level, but late it developed that the cage wasn't at our disposal at all times, making it difficult to transport the trammer to be recharged, so we have decided to rent a charger from Park Utah which will cost $38.50 per month for rental and $7.50 per month for the power charge. This will make two chargers available. One at the 900 level and the other at the Ontario Tunnel entrance.

For these reasons we respectfully request an amendment in our contract to cover these additions and changes.

Respectfully yours,

Nick Floor

NICK FLOOR, President

by Ken Brandell

NF/dmc
Enc.

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

224 New Customhouse
Denver 2, Colorado

June 20, 1952

JUN 23 1952

Memorandum

To: C. O. Mittendorf

From: Executive Officer, DMEA Field Team, Region IV

Subject: New Quincy Mining Company, Docket DMEA-113, Contract Idm-E265

We have copy of a letter from Chief Counsel to you concerning the contract with the New Quincy Mining Co.

The contract was entirely unsuited for the work to be done and required considerable alteration, which we proceeded to do.

We now realize that we should have prepared a completely new contract and submitted it to Mr. East for signature. He should have returned all signed copies of the original contract to you for disposal.

It seems that we must learn by experience and there will probably be other errors that must be corrected. However, we hope it will not be too serious.

W. H. King

W. H. King

[Copy filed "Field Problems"]

Noted

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

140

& I agree

June 16, 1952

Com

Memorandum

To: Acting Administrator

From: Chief Counsel

Subject: New Quincy Mining Co. - DMEA-113 - IdmE-265

The subject contract was drafted in this office on February 20, and under date of February 28 was sent by the Operating Committee, bearing your signature and my surname, to the Executive Officer, DMEA Field Team, Region IV. The transmitting letter to the Executive Officer contains this paragraph:

"If the proposed contract is not satisfactory to you, or to the applicant, it is suggested that you process a contract under your delegated authority."

Exhibit "A" was entirely redrafted in the Regional Field Team office, but instead of redrafting the contract form (MF-200) the new Exhibit "A" was simply attached to the contract forms that had been drafted here, bearing your signature and my surname. This seems to me like an obvious impropriety. It seems to me that no contract should be put out over the signature of the Administrator, which the Administrator has never seen.

For the sake of the docket and the record, I am writing you this memorandum, and designating a copy thereof for the docket, and a copy to go to the Executive Officer, DMEA Field Team, Region IV.

I have not examined or do I make any comments upon the contract with respect to legal form or sufficiency or matters of substance. The contract is within the delegated powers of the Executive Officer of Region IV, and I presume it is in good form and proper in substance.

J. A. Hoffman

Chief Counsel

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

224 New Customhouse
Denver 2, Colorado

May 29, 1952

Memorandum

To: C. O. Mittendorf, Acting Administrator
Defense Minerals Exploration Administration

From: Executive Officer, Field Team, Region IV

Subject: Amendment to Contract IdmE-265, Docket DMEA 113, New Quincy Mining Company

Enclosed are the original and two copies of an amendment to Contract IdmE-265. Copies of this amendment have been given to the Operator and to the Fiscal Officer, Region IV, and a copy has been retained for our files.

W. H. King
W. H. King

Enclosures

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
[illegible]
JUN 2 1952

305

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

224 New Customhouse
Denver 2, Colorado

May 12, 1952

REGISTERED MAIL

Memorandum

To: C. O. Mittendorf, Acting Administrator
Defense Minerals Exploration Administration

From: Executive Officer, Field Team, Region IV

Subject: Contract Idm-E-265, Docket DMEA 113, New Quincy Mining Company

Enclosed are the original and three copies of Contract Idm-E-265. All copies have been signed by the Acting Administrator, DMEA, and by Nick Floor, President, New Quincy Mining Company, and the corporate seal has been affixed.

One copy has been given to the operator and a copy has been retained for our files.

J. H. East, Jr.

Enclosures

DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration
MAY 15 1952

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

224 New Customhouse
Denver 2, Colorado

March 28, 1952

Memorandum

To: C. O. Mittendorf, Acting Administrator, Washington, D.C.

From: Executive Officer, Field Team, Region IV

Subject: DMEA-113, New Quincy Mining Co. and our memorandum to Field Chiefs dated March 28, 1952

I have a copy of your letter addressed to Senator Watkins dated March 25, 1952 regarding the New Quincy Mining Company, DMEA Docket 113. Attached is a copy of the letter sent to the various Field Chiefs, which I believe will clear up the misunderstanding which apparently existed.

J. H. East, Jr.

J. H. East, Jr.

Attachment

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 31 1952

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

224 New Customhouse
Denver 2, Colorado

March 28, 1952

Memorandum

To: W. R. Storms
S. R. Wilson
W. M. Traver
R. Roberts
C. A. Anderson
A. H. Koschmann
J. B. Clemmer

From: Executive Officer, Field Team, Region IV

Subject: Authority to amend contracts up to $25,000

While in Washington last week, C. O. Mittendorf, Acting Administrator, and John Hofflund, General Counsel, advised me that it is within my delegated authority to amend contracts requiring additional funds up to the point where the government participation amounts to less that $25,000.

In other words, it is within the delegated authority for me to sign amendments to contracts that have exhausted their funds on the original contract providing the gross amount does not exceed $25,000.

J. H. East, Jr.

J. H. East, Jr.

cc: C. O. Mittendorf
Acting Administrator

FILE COPY
SURNAME:

Watkins

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

March 25, 1952

Hon. Arthur V. Watkins
United States Senate
Washington 25, D.C.

Was stripped in R. & R.

Re: DMEA-113 - New Quincy Mining Co.

My dear Senator Watkins:

Reference is made to several recent telephone conversations between Mr. Cardall, of your office, and myself concerning the proper procedural steps to be taken in order to resolve certain points which have arisen in the subject case.

As I have explained to Mr. Cardall, a contract was prepared by the Washington office which followed the recommendations made by the DMEA Field Team. That contract involved a project estimated to cost $23,858, of which amount the Government would contribute one-half. It was also pointed out that the Executive Officer of Region IV, at Denver, Colorado, has been delegated authority to enter into and finalize all exploration contracts in which the Government participation does not exceed $25,000. The fact that the subject contract, which falls within the delegated authority of the Field Office, was processed in Washington, is explained by the fact that this office had already done considerable preparatory work in the case and it was therefore considered expeditious to draft the contract here and forward it to the Regional Office for their approval, rather than to return the entire docket to the field for their draft of contract. In our transmittal of the proposed contract to the field we suggested to the Executive Officer that he process a new contract under his delegated authority provided the terms of the draft submitted were not satisfactory to either the Field Office or to the applicant.

It is my understanding that the applicant, Mr. Nick Floor, has since reviewed the contract draft which was prepared in Washington and now wishes to include certain additional underground work as well as to increase the cost of other work over the figure which he originally estimated. Mr. Floor has contacted this office for the purpose of acquiring an amendment to the proposed contract which will include these changes. We have explained to him that any additional work proposed, which was not approved in the original recommendations of the Field Team, would necessitate a further field referral. It was also pointed out that, since the changes which Mr. Floor has requested, if approved, would increase the cost of the project to approximately $36,000, it would still fall within the delegated authority of the Field Team to process. It was suggested,

therefore, that Mr. Floor conduct all subsequent negotiations with Mr. J. H. East, Jr., Executive Officer of the DMEA Field Team, at 224 New Customhouse Building, Denver, Colorado.

As I have been informed by Mr. Cardall today, Mr. Floor is confused by a telegram he received from Mr. S. R. Wilson, a member of the DMEA Field Team, stationed at Salt Lake City, Utah. In this telegram it was suggested that Mr. Floor discuss with the Washington office the changes he desires to make in the contract, because the Denver office is permitted to amend contracts in force only in cases where the total sum of money involved is not increased.

It is quite apparent to me that Mr. Floor would be confused by the conflicting advice he has received from this office and that in the telegram. It is also clear to me now that the Salt Lake office of DMEA is perhaps confused as the result of instructions they have received as to the general authority for amending contracts versus a restricted delegation to execute contracts. Steps have been taken to immediately clear any misunderstandings which might exist.

The purpose of this letter is to assure you that all necessary authority has been delegated to the Field Office to negotiate a new contract with Mr. Floor and that, in the circumstances, where additional work is proposed by the applicant, it is my opinion that the case can be finalized more quickly and satisfactorily by direct contact with the Field Office.

Sincerely yours,

C. O. Mittendorf (fw)

Acting Administrator

COMittendorf/fw

cc: Admr. Reading File
Field Team, Reg. IV
Docket file
Mr. Moulds

Copy of telegram. (Dictated over phone Mr. Cardall, Sen. Watkins' office, March 24, 1952.)

Mr. Nick Floor
Washington, D.C.

Denver office is permitted to amend DMEA contract in force but the total money involved is not increased. Any additional work proposal not on present contract will require examination by Field Team unless already approved in contract drawn in Washington. Suggest you discuss all items and exploratory objectives you want in the contract.with DMEA in Washington. With information you obtain we will be able to prepare satisfactory contract here.

S. R. Wilson

March 21, 1952

Mr. Nick Floor was in today and discussed the necessity for a ventilation raise as indicated in previous correspondence. The raise to be approximately 120' in length and situated at the location of a previous raise of 60' in height which will have to be enlarged to permit extension. He also advised that the costs previously furnished by mr. Hewitt to support his previous application were entirely too conservative and would not provide for the timber work which will be required. Also that he desires to revise the tramming procedure due to the indicated delay if the Park Utah had to handle the material as indicated in the contract. He was told that the contract had been sent to the Region to present to him for approval and that any further action on the contract would have to be initiated from the Salt Lake office. It was suggested that he get in touch with this office and present his reasons for disapproval of the proposed contract. This contract comes within the delegation of Region 1V and as noted in the letter of transmittal, was sent to them for approval and transmittal to the applicant. If it did not meet with their approval they were to formulate the contract themselves. Mr Floor was escorted to this office under the ample wing of Mr. Flannagan who is the personall attached of Cong. Bassone.

500
FILE COPY
SURNAME:

J. W. Alt
Moulds

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

FEB 28 1952

Mr. J. H. East, Jr.
Executive Officer, Region IV
DMEA Field Team
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMEA-113, Lead-Zinc
New Quincy Mining Company
Exploration Project Contract

Dear Mr. East:

We are enclosing the original and five copies of the above subject contract, signed by this office for the Government, together with Exhibit "A" (3 pages) and 2 maps.

The application and Field Team report were reviewed by the Commodity Group here in Washington. As a result of this review the Commodity Group have agreed on an Exploration Project in the amount of $23,858. Although a project of $23,858 would normally fall within the authority delegated to you, in order to expedite its completion, a contract has been prepared in this office.

If the terms and conditions of this contract meet with your approval and are satisfactory to the Operator, all six copies are to be signed a duly authorized official of the company. One copy is to be given to the Operator, one copy retained by your office and the original and three copies returned to this office.

If the proposed contract is not satisfactory to you, or to the applicant, it is suggested that you process a contract under your delegated authority.

Sincerely yours,

2/28

(signed) FRANK E. JOHNSON (JHB)

Chairman, Operating Committee
Defense Minerals Exploration
Administration

Enclosures-6
APPROVED:

J. H. Hedges (JHB)

Member, Bureau of Mines

L P Thayer (JHB)

Member, Geological Survey

JWAlt/hmj
2-21-52

CC to: Adm. Reading File
Docket File Copy
Mr. Bishop
Mr. McKnight
Region IV
Mr. Moulds
Mr. Alt

New Quincy Mining Company

MINING PROPERTIES
IN PARK CITY, UTAH

February 15, 1952

OFFICE
ROOM 421 Felt Bldg
~~15 EAST 1st SOUTH~~
TELEPHONE 5-9174
SALT LAKE CITY 1, UTAH

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 18 1952

Frank E. Johnson
Acting Deputy Administrator
Defense Mineral Exploration
Washington 25, D. C.

Re: Docket No. DMEA 113

Dear Mr. Johnson:

As per our letter to you of February 5th we would like to further advise you that yesterday we mailed the assessment notices. We also are enclosing a notice for your inspection.

We also advertised in the Park Reporter, of Park City, Utah, for experienced miners to do the work under contract. We have two men ready to discuss the contract now. We are also ready to purchase our materials and equipment and are anxious to start operations as soon as your administration approves of the operations and our agreement.

We have on hand about $5,000.00 and will soon have the balance of the assessment. We want to emphasis to you that the full assessment will be collected and will have our share of the match money ready. We want to start operations as soon as we can, or we may loose our mining man, and they are very hard to find.

Please act for this decision as soon as possible.

Yours truly,

NEW QUINCY MINING COMPANY

Nick Floor

Nick Floor

cc: R. S. Wilson
U. S. Bureau of Mines
Salt Lake City, Utah

December 31, 1951

ASSETS

Current Assets:		
First Security Bank	371.72	
Due from Wiley-Brown, Lessees	4078.70	
Due from M.B. & R.S. Johnson (#40 assessment)	6737.96	
Due from Park Utah Mining Co. (advanced for Lessees purchase account)	275.06	
Due from Lucky Bill Mining Company	20.00	
State Insurance Fund Deposit	200.00	
Total current assets		11,683.44
Fixed Assets:		
Mining claims	236494.55	
Net Mine development costs	127826.69	
Total	364321.24	
Less reserve for depletion	90386.30	
Buildings, Machinery, and equipment	41643.53	
Less reserve for depreciation	36511.35	
Total fixed assets		279,067.12
Other Assets:		
Investment in subsidiary	26830.18	26,830.18
Total Assets:		317,580.74

LIABILITIES

Current Liabilities:		
Notes payable	4300.00	
Accounts payable	1250.00	
Total current liabilities		5,550.00
Other Liabilities:		
See Note 1, Proxy Statement		
Net Worth:		
Capital Stock	150000.00	
Treasury Stock	33707.20	116,292.80
Earned surplus (deficit)	217194.75	
Paid-in surplus	412932.69	195,737.94
Total liabilities, capital, and surplus		317,580.74

AUDITORS CERTIFICATE

I have examined the balance sheet of the New Quincy Mining Company as of December 31, 1951. In connection therewith, I have examined the system of internal control and the accounting procedures of the Company, and without making a detailed audit of the transactions, have examined or tested accounting records by methods and to the extent I deemed necessary and appropriate.

In my opinion, subject to the limitations stated herein, the Financial Statement presents fairly the position of New Quincy Mining Company as of December 31, 1951.

(Signed A. Elden Ball)
Independent Public Accountant

NOTICE OF ASSESSMENT

NEW QUINCY MINING COMPANY, a Utah Corporation, principal place of business 420-421 Felt Building, Salt Lake City, Utah.

Notice is hereby given that at a meeting of the Board of Directors, held on the sixth day of February, 1952, an assessment of two cents (2c) per share was levied on all outstanding stock of the corporation payable immediately to the Secretary, Glen I. Crandall, 420 Felt Building, Salt Lake City, Utah.

Any stock upon which this assessment remains unpaid on the 18th day of March, 1952, will be delinquent and advertised for sale at public auction, and unless payment is made before, will be sold at the office of the Company, Room 420 Felt Building on the 15th day of April, 1952, at the hour of 2 o'clock P. M. of said day, to pay the delinquent assessment, together with the cost of advertising and expense of the sale.

Glen I. Crandall, Secretary
New Quincy Mining Company,
420 Felt Bldg.
Salt Lake City, Utah

NEW QUINCY MINING COMPANY
420-1 Felt Building - Salt Lake City, Utah

To the Stockholders of New Quincy
Mining Company:

At the annual meeting of the stockholders of New Quincy Mining Company held January 22, 1952, the following were elected to serve as your Directors: NICK FLOOR, JACOB A. KAHN, JOHN CAIRO, ERIK T. GRASS, WILLIAM N. FLOOR, GLEN I. CRANDALL and WAYNE D. HOLMBERG. Your present management was represented by 670,904 votes held by 119 stockholders of the 1,162,968 outstanding shares.

At a directors meeting held later, your directors voted in favor of continuing the project outlined in the proxy statement mailed to you January 2, 1952. This project will be made with the assistance of the Defense Minerals Administration, who have expressed their willingness to further process our loan application upon our assurance that we are in a position to match funds which they will furnish under the Defense Production Act of 1950.

In order to furnish these funds it is necessary to levy an assessment on the outstanding stock of the Company, and your Directors voted for such an assessment. This assessment will be two cents (2¢) per share and will be payable immediately.

The funds from this assessment will be used to pay off current indebtedness of $4300.00 representing notes to stockholders and $1250.00 to attorneys who represented your Company in law-suits brought by certain other stockholders. The balance will be used for current operation funds to buy equipment and to operate the mine in cooperation with the Defense Minerals Administration. None of the funds from this assessment will be used to pay any contingent liabilities to other stockholders.

As your present management we are striving to reactivate your mining property and we thank you for the confidence expressed by you at the stockholders meeting.

Enclosed you will find a formal notice of this assessment along with a Financial Statement as of December 31, 1951.

Very truly yours,

Nick Floor

Nick Floor, President

New Quincy Mining Company

MINING PROPERTIES
IN PARK CITY, UTAH

February 5, 1952

OFFICE
ROOM 420
~~15 EAST 4th SOUTH~~ Felt Bld
TELEPHONE 5-9174
SALT LAKE CITY 1, UTAH

Mr. Frank E. Johnson
Acting Deputy Administrator
Dfense Mineral Exploration Administration
Washington 25, D. C.

Re: Docket No. DMEA 113

Dear Mr. Johnson:

We wish to acknowledge receipt of your letter dated January 10th, 1952. As per your request enclose please find an engineers map covering our additional exploration work, in which we have designated the Wiley Raise No. 1. Also find designated Drift No. 2 to cross out South beginning about 35 feet South East from Raise No. 2 to run South about 375 feet to reach the South fissure.

We intend to eliminate the proposed Drift No. 3, which is sketched in the map, beginning about 225 feet West from Wiley Raise No. 1, and to run South East about 425 feet to reach the South fissure. We believe these two explorations will do. We also believe that the No. 1 for a Raise and No. 2 for a Drift should be given to one party on a contract basis to do the complete job for both. It is essential to start the Raise, and as soon as it is connected with the 1200 level for air circulation, to start Driff No. 2. By doing so the Company will receive a better deal and the developement will be completed sooner.

We purchased a charger on February 1st and the seller promised us to deliver the charger before February 10th in Park City, Utah. Upon receiving the said charger we will immediately install it at the 900 level close to Daly West Shaft on the property which is owned by the Park Utah Consolidated Mining Company, from which New Quincy Mining Company have easement to go in and out. We have a little Mancha trammer which has been taken care of by Park Utah Consolidated Mining Company since our leasors quit operations. We also own a compressor which was installed in 1949 at the top of Daly West Shaft in the same compressor building with Park Utah Consolidated Mining Company, but we have found that it is cheaper to buy our air from the Park Utah Consolidated Mining Company, and there is a four inch pipe line to our property.

We are ready and will have the match money by assessment in a short time. It is essential to have the Raise completed immediately for two reasons. One is that there is a chute of ore about 250 feet up. Second we

DEPARTMENT OF THE INTERIOR
Defense [illegible]
FEB 6 1952

need to have a circulation of air for the Drift no. 2.

We would like to start operations immediately and do not wish to delay any longer.

Together with the map you will also find two assay reports covering assays taken in the years 1946 1948 in about 250 feet above the proposed Raise No. 1, which place has caved in since then. Also a report and figures given by Engineer E. A. Hewitt for his estimination of cost for future operations. These items will cover the cost for Raise No. 1 and Drift No. 2

Yours truly,

Nick Floor

Nick Floor

cc: S. R. Wilson

New Quincy Mining Company

February 5, 1952

MINING PROPERTIES
IN PARK CITY, UTAH

OFFICE
ROOM 420
Felt Bld.
TELEPHONE 5-9174
SALT LAKE CITY 1, UTAH

Mr. Frank E. Johnson
Acting Deputy Administrator
Defense Mineral Exploration Administration
Washington 25, D. C.

Dear Mr. Johnson:

In as much as the letter we mailed February 4th had some errors we would appreciate your discarding it and replacing this letter.

Yours truly,

Nick Floor

Nick Floor

DMEA 113

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

-of-

NEW QUINCY MINING COMPANY

* * * * * * * * *

Notice is hereby given that the annual meeting of the stockholders of the New Quincy Mining Company will be held at the office of the Company, 421 Felt Building, Salt Lake City, Utah, on Tuesday, January 22, 1952, at 3:00 o'clock P.M., for the following purposes:

1. To hear and discuss the annual report of the President;

2. To vote for the election of seven directors, to hold office until the next annual meeting of the company;

3. To transact such other business as may properly come before the meeting or any adjournment thereof.

All stockholders of record at 2:00 o'clock P.M., on January 15, 1952, will be entitled to vote at such meeting, with one vote for each share of stock held.

You are respectfully urged to attend the meeting in person if it is possible for you to do so, in order that the corporation may have the benefit of your advice and counsel.

To insure that your stock may be represented at the meeting if you should be unable to attend in person, you are invited to complete, sign and return the enclosed proxy, herewith submitted to you, with proxy statement attached, on behalf of the present management of the company.

Respectfully,

GLEN I. CRANDALL,

Secretary

PROXY STATEMENT

RESPECTFULLY SUBMITTED BY THE MANAGEMENT OF THE NEW QUINCY MINING COMPANY

To the Stockholders of the New Quincy Mining Company:

The management respectfully solicits your proxy for use at the annual meeting of the stockholders, to be held at the office of the Company, 421 Felt Building, in Salt Lake City, Utah, on Tuesday, January 22, 1952, at 3:00 P.M. In justification of our request for your continued support, we, as your Board of Directors for the past year, submit the following report of the progress of the Company during that time.

On May 14, 1951, we advised you in respect to the passing away of one of our leasers, Mr. Wiley. We also advised you that your Directors had stopped operations in the mine because of this. At that time we had asked for a straight loan under the Defense Production Act of 1950 from the Lead-zinc Branch of the Defense Minerals Administration in the amount of $36,000.00. Since then we have had a reply denying our request for a straight loan with the notation that if we desired to raise an equal amount to that advanced by the Defense Minerals Administration, known as match money, the loan would be reconsidered. Soon thereafter a telephone call came from a Mr. F. L. Knouse of the Defense Minerals Administration, Interior Building, Washington, D. C., asking us if we had made any decision on the Loan. In that conversation we explained that the reasons for our delay were the pending law suits mentioned below, on which we had received no decision. He suggested we write him a formal letter stating those reasons and asking him to hold further processing of the loan until we are able to raise our match money. On November 18, 1951, a letter to that effect was sent to Mr. Knouse.

The suits brought by R. S. Johnson and M. B. Johnson versus the New Quincy Mining Company were tried by Judge Keller from Price, Utah in the District Court with the trial lasting for nine days. Decisions have now been made in both suits. In the one by R. S. Johnson versus New Quincy Mining Company, the Judge decided in the favor of R. S. Johnson and awarded him an offset in the amount of $1,314.46 against Assessment #40 on 65,723 shares of stock, plus an item in the amount of $50.01 together with interest at the rate of 6% from the 31st day of December, 1946. In the case of M. B. Johnson versus New Quincy Mining Company, Judge Keller awarded M. B. Johnson a sum of $2,100.00 to be applied against his Assessment #40 but disallowed the balance of the $6,300.00 for which Mr. Johnson was suing your Company for back wages. If an appeal is to be made in both cases, such appeal must be made within thirty days of such decision. M. B. Johnson has filed two additional suits against the New Quincy Mining Company, one in the City Court for $500.00 which is an amount he claims he advanced to Park Utah Mining Company for an option, and the other in the District Court in the amount of $1457.37. $600.00 is for office rental for the year 1946 and $857.37 is for checks made to Mr. Johnson which were never cleared through the bank. These cases are both pending with no trial date having been given on the one in the City Court, and January 22, 1952 for the one in the District Court.

When we levied this Assessment #40, it was to raise funds to finish a project to reach the location where a chute of ore had been known to be. Because of the Johnsons' failure to pay their assessments, your Directors were forced to change their plans and give a lease to Messrs. Wiley and Brown for a section of the ground. We also advanced to the Park Utah Mining Company for the credit of Messrs. Wiley and Brown a sum of money to be used for the purchase of supplies and materials from the Park Utah Mining Company. The agreement with Messrs. Wiley and Brown was that the advances for the purchase of supplies and materials were to be repaid through their share of the receipts on ore shipped from their leased property. Messrs. Wiley and Brown drove a tunnel over 300 feet and made two raises of 150 feet. They did ship some ore from a small fissure while they drifted and raised but it was not in large enough quantity to repay the advances made by your Company. Out of the sums advanced to Park Utah Mining Company, there is still a balance of $275.06 due us from them and a balance of $4,078.70 due us from Messrs. Wiley and Brown. Please be advised that we want to start again on this project. The raise which Messrs. Wiley and Brown started was to reach a high grade chute of ore which was exposed about 250 feet above the 1300 foot level. This ore chute is shown running through a tight quartzite for a distance of 200 feet and is about six inches wide. It then increases to a width of about 12 inches with showings of sulphide ore and assays indicate it can be mined around 106 oz. of silver with 20% lead. Also, the same place assays 161.3 oz. of silver with 13.3% lead in the foot wall. In continuing with this project, you must realize that it will cost your company nearly twice as much to do it now as it would have cost at the time we levied Assessment #40. It will now cost around $36,000.00, of which your Company will be required to raise

one-half. Such things as wages and materials were conveniently at hand at the time the Park Utah Mining Company was on strike; we had access to their cars and they also had a motor charger in the 900 foot level. We must now buy our own as they have moved theirs to a lower level. All this is caused by the refusal of the Johnsons to pay their assessment at the time the assessment was levied.

ELECTION OF DIRECTORS

We sincerely urge your attendance at the stockholders meeting. We want the benefit of your experience and counsel in guiding us. In the event you may not be able to attend, we respectfully urge that you send in the proxy on the form attached. You may safely do this even if you expect to be personally present at the meeting, because if you are present, the proxy will not be used and you may vote personally on all questions presented. The Proxy is revocable by you at any time. But the urgency for united action on the part of all stockholders is as great as ever, and we, therefore, urge all to send in their proxies, even though it may later develop that you are able personally to attend the meeting.

In the proxy we have inserted the names of three of the proposed directors, These names are inserted merely for your convenience, because these men are certain to be at the meeting. But there is also a blank space in the proxy in which you may, if you wish, fill in the name of anyone else, in which event you may also, if you wish, strike out the names of the men printed there. If the proxy is signed and sent in without change it will be voted, by any one of the men named therein, in favor of the election of the following men as Directors of the Company for the ensuing year. All of the nominees with the exception of Mr. Holmberg were elected by the stockholders at the annual meeting in January 1951. The Directors proposed are as follows:

Name	Principal Occupation	First became Director	Shares of stock Beneficially owned
Nick Floor	Mining, stocks, real estate	1946	365,600
Jacob A. Kahn	Retired, 27 years Vice Pres. & Gen Mgr., Gen Elec. Supply Corp.	1946	2,000
John Cairo	Retired, Former owner Beehive Confectionery.	1946	10,500
Erik T. Grass	Retired, former owner Grass Feed & Produce	1946	14,000
William N. Floor	Manager Golden Gate Tavern	1948	5,000
Glen I. Crandall	Public Accountant	1950	500
Wayne D. Holmberg	Life Insurance - Group Supr. Occidental Life Ins. Co. of California in the State of Utah for last six months, and for at least five years before that time was Life Ins. agent for the same company.		3,000

STOCK OUTSTANDING

There are outstanding as of December 31, 1951, 1,162,928 shares of stock, all of which is common stock. On January 15, 1952 at 2:00 P.M. prior to the meeting, the books of the Company will be closed for transfer of stock until after the meeting. Each share of stock outstanding, as shown by the stock ledger of the Company, as at January 15, 1952 at 2:00 P.M. will be entitled to one vote at the meeting.

The only persons having an actual or beneficial interest in excess of 10% of the total stock outstanding, as shown by the books as at December 31, 1951, are as follows:

Nick Floor, who, with other members of his family, has a beneficial interest in 365,600 shares of stock representing approximately 32% of all stock outstanding, and

J. C. Johnson, shown by the books of the Company to be the owner of 155,300 shares, representing approximately 13¼% of all stock outstanding.

We have no knowledge of any other person holding an actual or beneficial interest in 10% or more of the outstanding stock of the Company.

CONCLUSION

The management knows of no matters that will be brought before the meeting except the election of Directors. It is anticipated that there will be a discussion, for the guidance of the Board of Directors, as to ways and means of operating and financing the Company, but it is not anticipated that there will be any matters, in this connection, to be voted upon. However, if any other matters are properly brought before the meeting, it is the intention of the persons named in the enclosed form of proxy to vote in accordance with their judgement on such matters.

The proxy statement is prepared and submitted at the expense of the Company. The cost is estimated to not exceed $125.00. The use of your proxy is limited to the next annual meeting of the Company, to be held Tuesday, January 22, 1952, or at any adjournment thereof. The proxy is revocable by you at any time. Unless revoked, it will be voted at the meeeting or at any adjourned meeting thereof, if you do not attend in person, in accordance with your instructions indicated by the proxy.

Again may we urge your personal attendance at the meeting. We earnestly solicit your suggestions and advice in connection with the conduct of the affairs of the Company. If there is any way in which we can be of help to you or the Company, as the management of YOUR Company, please be present in person or by proxy as a majority of the stockholders must be present to constitute a quorum.

By order of the Board of Directors,

Respectfully,

GLEN I. CRANDALL,

Secretary

Please tear proxy here, sign and mail in the enclosed self-addressed envelope.

PROXY

Submitted by the management for use at the Annual Meeting of the Stockholders of New Quincy Mining Company to be held January 22, 1952.

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned stockholder of the New Quincy Mining Company, a Utah Corporation, hereby constitutes and appoints_____, Nick Floor, Jacob A. Kahn, and William N. Floor, or any one or more of them, the true and lawful attorneys, agents and proxies of the undersigned, with full power of substitution and revocation, for and in the name, place and stead of the undersigned to vote upon and act with respect to all of the shares of common stock standing in the name of the undersigned at the annual meeting of the Stockholders of the Company to be held at the office of the Company, 421 Felt Building, Salt Lake City, Utah, Tuesday, January 22, 1952, at 3:00 P.M., and at any and all adjournments thereof, with all the powers the undersigned would possess if then and there personally present, and particularly to vote for the election of a Board of Directors for the coming year.

THE PROXY WILL BE VOTED IN FAVOR OF THE DIRECTORS NOMINATED IN THE PROXY STATEMENT OF THE MANAGEMENT.

The undersigned hereby revokes any proxy or proxies heretofore given to vote or act with respect to such stock, and hereby ratifies and confirms all that said attorneys, agents and proxies, their substitutes, or any of them may lawfully do by virtue hereof.

Witness the hand and seal of the undersigned.

Dated_____ _____

FINANCIAL STATEMENT
AS OF NOVEMBER 30, 1951

A S S E T S

Current Assets:		
First Security Bank	$ 433.84	
Advances (Lessees)	4,078.70	
Due From Stockholder (Johnson)	6,737.96	
Advances (Park Utah)	275.06	
Total Current Assets		$ 11,525.56
Fixed Assets:		
Mining Claims	236,494.55	
Net Mine Development costs	127,989.17	
Total	364,483.72	
Less: Reserve for Depletion	90,386.30	274,097.42
Buildings, Machinery & Equipment	41,643.53	
Less: Reserve for depreciation	36,511.35	5,132.18
Total Fixed Assets		279,228.60
Other Assets:		
Investment in subsidiary	26,830.18	26,830.18
TOTAL ASSETS		$ 317,585.34

L I A B I L I T I E S

Current Liabilities:		
Notes Payable	$ 4,300.00	
Accounts Payable	1,254.60	$ 5,554.60
Other Liabilities:		
See note 1		
Net Worth:		
Capital Stock	150,000.00	
Treasury Stock	33,707.20	116,292.80
Earned Surplus (Deficit)	217,194.75	
Paid-in Surplus	412,932.69	195,737.94
TOTAL LIABILITIES, CAPITAL & SURPLUS		$ 317,585.34

Note 1 -- Your President, Mr. Floor, has served as President and Manager without salary. The Board of Directors recognize his services and the value of such services and have approved a motion to pay him for such services when and if the Company has sufficient funds to pay him. The amount to be determined at that time.

The following schedule reflects the financial transactions of the Company during the calendar year and to November 30, 1951.

Cash on Hand, January 1, 1951		$ 1,140.95
Receipts:		
Sale of scrap iron	$ 680.48	
Refund State Ins. Fund	37.46	
Total		717.94
Funds Available		1,858.89
Disbursements:		
Directors Fees	25.00	
Rent (office)	220.00	
Office supplies and Expense	446.14	
Miscellaneous	241.77	
Legal	86.29	
Advanced to Lucky Bill	20.00	
Cost of selling scrap iron	340.24	
Telephone	7.87	
Taxes	37.72	
Total		1,425.05
Cash on Hand November 30, 1951		$ 433.84

Park City, Utah.
Jan. 27, 1952.

Mr Nick Floor,
New Quincy Mining Co,
421 Felt Building,
Salt Lake City 1, Utah.

Dear Mr Floor:

I am enclosing sketch showing the proposed Development on the Harrington fissure by extending the Wiley raise another 155' after first enlarging the 85' already driven to two-compt and timbering the manway compt. only. Besides this I have shown a 35' crosscut from this raise to connect with the old 1200 level drift. As shown in plan and cross-section, this raise will come up under an old stope in the bottom of which for over 100' long and from 1' to 3' wide there is shown high grade ore. Some 4 or 5 samples taken in this floor range from 63 oz. to 216 ozs. per ton and from 11% to 21% Pb. with good values in zinc , but not assayed for that metal. As shown in section the old stope is about 10' above the Jenney quartzite. While it is problematical how thick this ore left in the floor of the stope may be but usually the ore occurs immediately on top of the Jenney quartzite, so it could be 10' or more thick. Ore sometimes extends up to 200' out on the bed away from the fissure, as shown in dotted red. There is also the probability that on the quartzite bed the ore may be found much longer than 100'.

On the same sheet I have also shown the development proposed on the South fissure as heretofore submitted.

You have some equipment to buy which is listed below. However you now have

A compressor	Worth	$5000	
A Manchu Trammer	"	$3750	
Some 30 cars	"	$2500	
A mile of track & pipe	"	$2250	
Hose , old drills & steel		$ 500	$14,000

I hope you can carry out this program on the Harrington fissure for you will not only develop the Jenney quartzite horizon but also the base of the Park City lime, both of which have been very productive else where. Also the Harrington fissure to the westward has been proved highly productive, so this structure is a known ore channel.

Vry truly yours,

E. A. Hewitt

E. A. Hewitt, Mining Engineer
& Geologist.

NEW QUINCY MINING COMPANY
COST ESTIMATE FOR
PROPOSED DEVELOPMENT

HARRINGTON FISSURE DEVELOPMENT

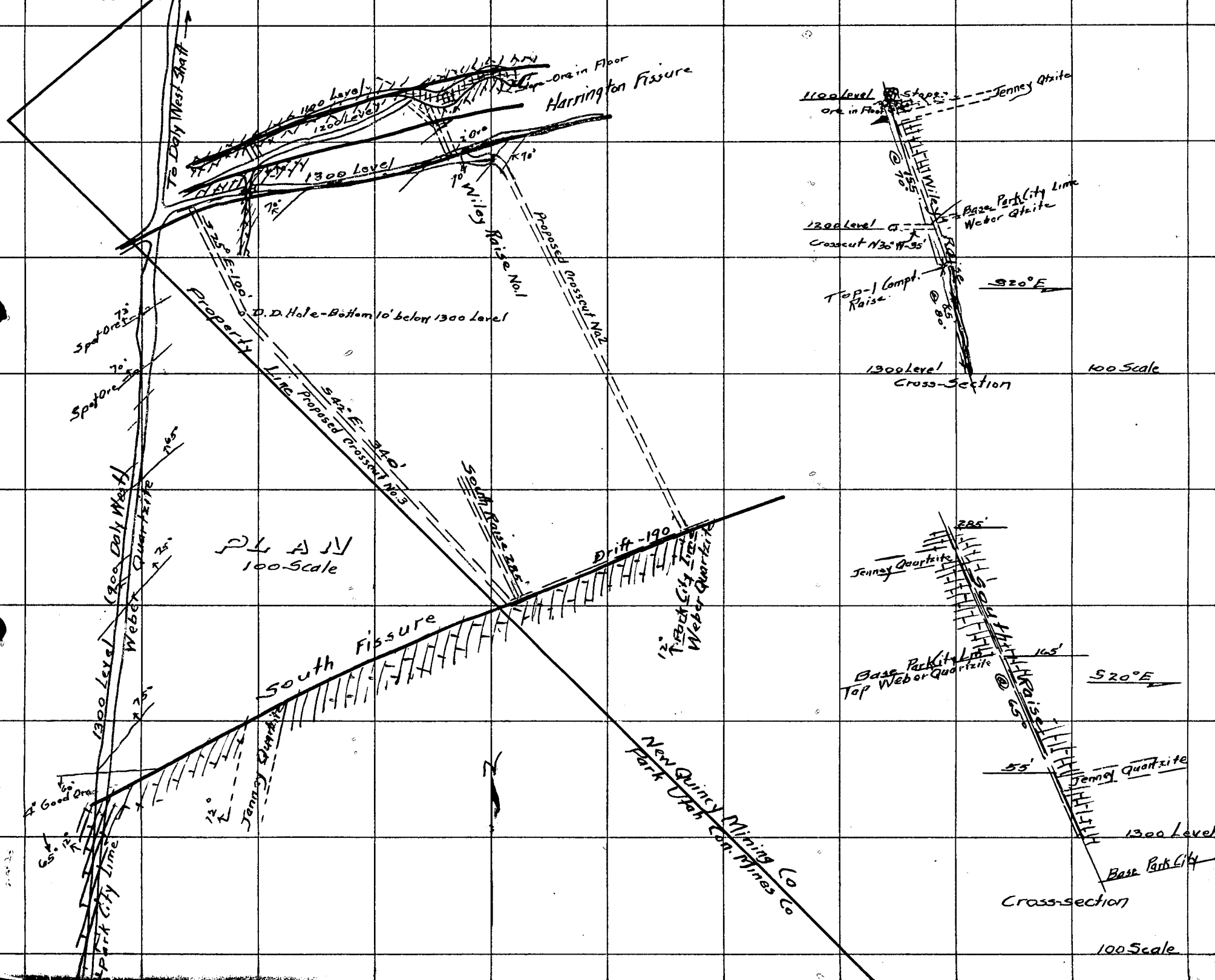
Wiley Raise

Enlarging the 85' and timbering manway only

85' @ $22.00 per foot			1870.00	
As follows:				
Labor at face	9.00			
Motor man	5.00			
Ind. Ins & Soc. Sec	1.50			
Supplies	3.00			
Equipment	1.50			
Supervision 10%	2.00	22.00		
155' @ 33.00			5115.00	
As follows:				
Labor at face	15.00			
Motorman	5.00			
Ind. Ins & Soc.Sec.	2.00			
Supplies	5.00			
Equipment	3.00			
Supervision 10%	3.00	33.00		7832
35' Crosscut on 1200 level @ 24.20			847.00	7832.00
As follows:				
Labor at face	12.00			
Motorman	3.00			
Ind. Ins.& Soc.Sec	1.50			
Supplies	3.50			
Equipment	2.00			
Supervision 10%	2.20	24.20		
SOUTH FISSURE DEVELOPMENT				
630' Crosscut & drift @ 22.00			13860.00	
As follows:				
Labor at face	8.00			
Motorman	3.00			
Ind.Ins.&Soc.Sec.	1.25			
Supplies	5.75			
Equipment	2.00			
Supervision 10%	2.00	22.00	10,345.50	24205
285' Raise @ 36.30			10345.00	24205.00
				32 037.00
As follows:				32,037.00
Labor at face	15.00			
Motorman	5.00			
Ind. Ins.&Soc.Sec.	2.00			
Supplies	8.00			
Equipment	3.00			
Supervision 10%	3.30	36.30		
Cost of new equipment needed				
1 Mechanical mucker		2960.00		
2 Stoper drills @ 565		1130.00		
Jack Hammer & Leg ? → 2 Leyner Drills @ $990		1980.00		
1 Charger set		1050.00	7120.00	

Total $39,157.00

E A Hewitt


To Doly West Shaft
1100 Level
1200 Level
1300 Level
Stope-Ore in Floor
Harrington Fissure
Wiley Raise No.1
Proposed Crosscut No.2
S 25° E-100'
D.D. Hole-Bottom 10' below 1300 Level
Spot Ore
Property Line
S 42° E-340'
Proposed Crosscut No.3
South Raise 285'
Drift-190'
Park City Lime
Weber Quartzite
PLAN
100 Scale
1300 Level
Doly West
Weber Quartzite
South Fissure
Jennay Quartzite
Good Ore
Park City Lime
New Quincy Mining Co
Park Utah Con. Mines Co
1100 Level
Stope
Ore in Floor
Jennay Qtzite
Wiley Raise
Base Park City Lime
Weber Qtzite
1200 Level
Crosscut N30° W-95'
Top-1 Compt. Raise
S 20° E
1300 Level
Cross-Section
100 Scale
285'
Jennay Quartzite
South Raise
Base Park City Lime
Top Weber Quartzite
165'
S 20° E
55'
Jennay Quartzite
1300 Level
Base Park City
Cross-section
100 Scale

FILE COPY
SURNAME:

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

JAN 10 1952

Mr. Nick Floor
New Quincy Mining Company
Room 421
Felt Building
Salt Lake City 1, Utah

Re: Docket No. MMA 113
New Quincy Mining Company
Exploration Project
Application

Dear Mr. Floor:

We wish to acknowledge receipt of your letter with a map attached dated December 17, 1951.

We note that you propose to add some more exploration work to your application which you described as follows: "commencing about 75 feet west from Project #1 and raising in a vertical fissure to reach a shoot of ore which is exposed about 250 feet above and located in the Kilkinney claim, Lot No. 2 and Lot No. 4616, as indicated by a pencil mark." In order for us to process your application to include this additional work a detailed description of the proposed work will be required. The detailed information we will require is as follows:

1. A map in plan and section showing the existing ore body with sample results, geology, the vertical fissure, and the proposed work. If all the work covered by the application could be plotted on the same map it would simplify the contract.

2. The extent of the work - length and size of the raise, crosscut or drift.

3. Detailed cost of the work to include a breakdown of labor, supervision, supplies, and equipment. A description of the equipment units to be used, if to be purchased, rented or furnished by the company. The price of each equipment unit, if it is to be purchased, rental rate on units to be rented, and fair market value of units to be furnished by the company.

BL

Upon receipt of this information, with your advise that you have your share of the matching funds, we will proceed to process your application.

Sincerely yours,
(signed) FRANK E. JOHNSON
~~C. O. Mittendorf~~ (fw)

Acting Deputy Administrator
Defense Minerals Exploration
Administration

1-10-52

FLKnouse:mp 1/9/52
cc to: Adm. Reading File
Field Team, Region IV (2)
Mr. Knouse
Docket File Copy

FILE COPY
SURNAME 500

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

F L Knouse

DEC 29 1951

Mr. Nick Floor
New Quincy Mining Company
Room 421, Felt Building
Salt Lake City, Utah

Re: Docket No. DMEA 113
Exploration Project Contract

Dear Mr. Floor:

We wish to acknowledge receipt of your letter of November 19, 1951. As you requested, we are delaying the processing of your application until you advise us that you are able to furnish your share of the funds required for this project.

Sincerely yours,

Signed S.H.
12-29

Acting Administrator,
Defense Minerals Exploration
Administration.

FLKnouse/hmj
12-28-51

cc to: Adm Reading File
Mails and Files
Mr. Mittendorf
Mr. Mote
Mr. McKnight
Region IV (2)
Docket
Mr. Knouse

bd

GSA FORM 14
1-25-50

GENERAL SERVICES ADMINISTRATION

ROUTING SLIP

TO NAME	BUILDING, ROOM NUMBER, ETC.
1. ~~Lead Bill Br.~~	~~Rm. 7008~~
2. C O Mittendorf	Rm. 4640 New Interior
3.	
4.	
5.	

FOR

- [ ] APPROVAL
- [ ] AS REQUESTED
- [ ] CORRECTION
- [ ] FILING
- [ ] FULL REPORT
- [ ] HANDLE DIRECTLY
- [ ] PREPARE REPLY FOR SIGNATURE OF: _____
- [ ] IMMEDIATE ACTION
- [ ] INITIALS
- [x] NECESSARY ACTION
- [ ] NOTE AND RETURN
- [ ] READ AND DESTROY
- [ ] _____
- [ ] RECOMMENDATION
- [ ] SEE ME
- [ ] SIGNATURE
- [ ] YOUR COMMENT
- [ ] YOUR INFORMATION
- [ ] _____

ANSWER OR ACKNOWLEDGE BEFORE _____

FROM Cernocle

DATE 12-20-57

REMARKS

GPO—O—GSA 952556 - 152

51-3164

NAME: New Quincy Mining Co.

ADDRESS: Salt Lake City 1, Utah
Hick Floor, Pres, Gen.Mgr.
(Mining Prop., Park City, Utah

CONTROL NUMBER: 235471

DATED: 12/17/51

RE: Docket DMA-113. Reply to ltr 12/5 re appli. for govt. loan. Enc. sketch with Lot numbers covering area.

FILE: Johnson

PLEASE ACKNOWLEDGE WITHIN DAYS

REFER TO:
1.
2.
3.
4. 12/20/51

DATE

TYPE OF CORRESPONDENCE

REG. MAIL	AIR MAIL	SPEC. DEL.	REG'S'TD	TEL'GR'M	N. A. R.
•	•	•	•	•	•

CORRESPONDENCE CONTROL RECORD

FWA - E 366

New Quincy Mining Company

MINING PROPERTIES
IN PARK CITY, UTAH

OFFICE
ROOM ~~300~~ 421
~~15 EAST 1 to SOUTH~~ Felt Bldg
TELEPHONE 5-9174
SALT LAKE CITY 1, UTAH

DMPA
RECEIVED
DEC 19 1951

December 17, 1951

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 19 1951

Mr. C. O. Mittendorf
Acting Administrator
Defense Minerals Exploration Administration
Washington 25, D. C.

Re: Docket No. DMA-113

Dear Mr. Mittendorf:

In reply to your letter of December 5, 1951 with regard to our application for a government loan and in compliance with your request to explain the area containing our intended projects, I took a photostatic copy of the map wich was mailed to Mr. Knouse, together with our tax notice list which covers the patented mining numbers of all our claims and your letter to the Bureau of Mines office and had their mining engineers insert the patent claim numbers.

Our application will be the same as before with the addition of another project commencing about 75 feet West from Project #1 and raising up in a vertical fissure to reach a ~~sheet~~ chute of ore which is exposed about 250 feet above and located in the Kilkenny Claim, Lot #2 and Lot #4616, as indicated by a pencil mark. That piece of ground was leased out last year and the raise started by the two leasers. That was the reason this project was not included in our first application. Since that time, one of the leasers has passed away and the other has been prohibited from working underground by his doctor. The ~~three~~ original projects are located in Sunday Lot 154 and run South to cross cut the South Fissure. The new project will be a raise in a fissure at Kilkenny, Lot 3 and Lot 4616.

We are preparing an annual stockholders letter of proxy solicitation and in a few days it will be ready to mail. A copy will be sent to you which will explain itself with regard to our intentions in raising our match money.

Enclosed you will find a sketch with the Lot numbers covering this area. We sincerely hope this meets with your request.

RECEIVED
DEC 21 1951
Lead Zinc Branch

cc: Mr. S. R. Wilson
U. S. Bureau of Mines

Very truly yours,

Nick Floor

NICK FLOOR,
President, General Mgr.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 19 1951

12/20

255478

FILE COPY
SURNAME:

100

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

DEC 5 1951

Mittendorf (fw)

Mr. Nick Floor, President
New Quincy Mining Company
Room 421
Felt Building
Salt Lake City 1, Utah

Re: Docket No. DMA-113
New Quincy Mining Co.
Summit and Wasatch Counties, Utah
Exploration Project Application

Dear Mr. Floor:

Upon my return to Washington, Mr. Knouse discussed with me his telephone conversation with you of November 5 regarding the above application. I understand that the first point discussed concerned a request for a legal description of the property that would be involved in the proposed exploration project, and that in response thereto you furnished a claim map of the general area in which the project is located. An examination of the claim map which you furnished shows two relatively large groups of claims outlined with red and green borders which we assume comprise the holdings of your company. There is ample reason to believe that only a small portion of these claims will be involved in the proposed exploration program; however, we have no means of identifying the exact claims which will be so involved. It becomes necessary, therefore, that you furnish us with a legal description of the exact claims upon which the proposed work is to be done.

A review of the file in this case reveals considerable evidence of your inability to finance your share of any exploration project which might be approved. It is my further understanding that Mr. Knouse also discussed this point with you during the recent telephone conversation and that you were unable to resolve the point at that time and preferred to leave your application pending until we were advised further in the matter. The purpose of this letter is to advise you that your case is being held in abeyance until we receive the information requested concerning the legal description of the claims, as well as information with respect to your ability to finance your share of the exploration project.

An early reply would be appreciated.

Sincerely yours,

C. O. Mittendorf (fw)
Acting Administrator
Defense Minerals Exploration Administration

N.S
R+R

BH

FLKnouse/COMittendorf/meb/fw
12/5/51
cc: Adm.Reading File Mr. Knouse
Reports & Records Mr. Mittendorf
Field Team, Reg.IV
Docket

Read Sec

DEFENSE MINERALS ADMINISTRATION WASHINGTON, D.C.

NOV 23 2 PM '51

New Quincy Mining Company

MINING PROPERTIES
IN PARK CITY, UTAH

OFFICE
ROOM ~~301~~ 421
~~15 EAST 1st SOUTH~~ Felt B.
TELEPHONE 5-9174
SALT LAKE CITY 1, UTAH

November 19, 1951

Mr. F. L. Knouse
Defense Minerals Administration
Interior Building
Washington D. C.

RECEIVED
NOV 2 1951

DMA A - 113

Dear Mr. Knouse:

As per your telephone call of November 5, 1951 and your request to advise you of our decision regarding the application which we placed for a government loan by New Quincy Mining Company, please hold our processing until we are able to raise our match funds.

The New Quincy Mining Company is awaiting a court decision which is under advisement. The New Quincy Mining Company, in the year 1949, declared a 2¢ assessment for all outstanding stock, but one M. B. Johnson claims the company owes him the sum of about $8,000 and as a result he did not pay the assessment on over 335,000 shares, plus advertising expenses. He also served the officers of the company with an injunction, thereby stopping them from selling his 335,000 shares. Last Spring he filed suit to collect. Mr. Johnson was a former secretary for New Quincy Mining Company and in the election of 1946, in order to outvote the opposition, issued the sum of 200,000 shares of fraudulent stock, for which we filed a law suit and tried it in the District Court and through the Supreme Court. He was found guilty and lost the case. The 200,000 shares were ordered by the Court to be returned to the treasury.

When Mr. Johnson filed suit a year ago, we also filed a counter claim for a like amount to cover attorneys' fees and court expenses in the previous trial. This suit was tried in the District Court last July and has been taken under advisement. As soon as the judge decides the validity of the 335,000 shares, the company intends to levy an assessment on the outstanding shares to raise money for operation.

At the time we filed application for loan from the government a lease had been given for a block of ground in the vicinity of the Kilkenny Claim, 800 feet long by 400 feet wide, to Mr. Wiley and Mr. Brown. These Lessees started a raise from 1300 feet, our level (or 900 feet level by Park Utah Mine) without man-way and with stalls only, and went up some 85 feet on a vertical fissure. That was the reason we did not include it in our application for loan, but since then Mr. Wiley has passed away and Mr. Brown has been prohibited by his doctor to work under ground and their lease has expired.

4

As soon as we raise the money by assessment, we intend to start operation and want to add this piece of ground to our formal application for loan. The raise which Wiley and Brown started was to reach a high grade chute of ore which was exposed about 250 feet above the 1300 foot level. This ore chute is shown running through a tight quartzite for a distance of 200 feet and is about 6 inches wide. It then increases in width to about 12 inches with showings of sulphide ore and assays indicate it can be mined around 106 oz. of silver and 20% lead with a (trace of zinc.) Not Assayed for zinc. Also, the same place assays 161.3 oz. of silver with 13.3% lead in the foot wall. One piece of rock assayed 216 oz silver with 11.0% lead. This ore was discovered by the Lessees in early days and they were carrying the ore in gunny sacks. Same was unworkable by carrying it through the Harrington raise. This raise has since been tipped over and timber cannot be run through it. Where the ore has widened it has caved in and can only be reached from below.

As per your request to send you the patent numbers of the claims the New Quincy owns, we mailed to you, under separate cover, a photostatic copy covering the property which is owned by New Quincy Mining Company. The property is indicated by a border around our lines, namely the Little Bell Mining Company. The New Quincy Mining Company also owns a controlling interest in the Luckey Bill Mining Company, adjoining New Quincy parallel on the eastern side, as you will observe. The Patent numbers are Safe Guard 150, Clift 149, Home Station 121, and Luckey Bill 57.

The New Quincy property is located in two counties, namely Summit and Wasatch Counties. In Wasatch County you will note a line which also states 38 acres. This map was made by Park Utah Mine in the year 1943 to cover a loan of $12,500, plus interest, and a deed was made to Park Utah Mine Co. to be renewed in five years. Such loan was paid by New Quincy Mining Co. and the property of 38 acres deeded back to New Quincy and filed making the property clear and owned by New Quincy Mining Company.

Would you please advise us as to what our next step should be in order to enable us to acquire this loan.

Thanking you in advance, we remain

Yours very truly,

NEW QUINCY MINING COMPANY

Nick Floor

President and General Mgr.
NICK FLOOR

cc: Mr. S. R. Wilson
U.S. Bureau of Mines
1600 East First South
Salt Lake City, Utah

Defense Minerals Administration

OCT 30 1951

Review of Application for Exploration Assistance

Docket No. DMA-113

To: Production Expansion Division

Commodity Lead, zinc

From: Director, Supply Division

Total Amount $36,000 requested $23,750 recommended

Govt. Participation 50% ($11,875)

1. Name and Address of Applicant Nick Floor, President, New Quincy Mining Company, Room 421 Felt Building, Salt Lake City 1, Utah

2. Location of Property New Quincy mine, Summit and Wasatch Counties, Utah. See claim map, field team report for specific claims

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

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 See attached draft

b) Poor

c) None

d) Don't know—needs field examination

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

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

6. If applicant is a lessee, is a copy of the lease attached? Does not apply

Does the lease have sufficient time to run to cover a future productive period? Does not apply

*question numbers are those of MF-103

Nov 5, 1951

Telephoned
W. High. Floor, Mrs.
They do not have funds
yet but will release
other funds as
available. Mrs Ho
will send legal
description of
property.

J C

4. (a) The New Quincy Mine is located in the Park City District, Utah. In that District the ore deposits occur at the intersections of northeast-trending fissures with favorable horizons, such as the Weber quartzite and the Park City limestone.

From about 1927 to 1930, 54,410 tons of ore averaging 12.1% Pb, 13.66% Zn and 21.2 oz. Ag per ton and having an approximate value of $1,500,000 were mined from the Jenny bed of the Park City limestone adjacent to the northernmost or "B" fissure of the New Quincy mine. The Little Bell property which is adjacent to the New Quincy mine on the east, and which was acquired by the New Quincy Mining Company in 1929, had a reported production of $1,000,000. The nearby Ontario Mine yielded about $35,000,000 in smelter returns from ores mined from the Weber quartzite.

Two northeast-trending fissures cross the New Quincy Mining Co. property. The northern one, called the "B" or Harrington fissure, has produced most of the ore. The "A" or South fissure is about 400 feet from the "B" fissure and is the one involved in the proposed exploration.

Although there has been little production from the "A" fissure, there are favorable evidences of mineralization. The Little Bell Mine has produced some ore from the base of the Park City limestone, adjacent to the "A" fissure on the 700 level east of the proposed exploration. Four inches of good ore were found where the Daly West 900 crosscut, equivalent to the New Quincy 1300 level, intersected the "A" fissure about 390 feet west of the New Quincy property. This showing was above the favorable producing horizon.

The proposed work is to explore the base of the Park City limestone and the Jenny member of the Park City limestone, which are two of the more favorable horizons of the Park City District, on both the hanging and footwall sides of the "A" fissure.

Past production from the "B" fissure, a short distance to the north, in addition to the favorable geologic evidence, would indicate that this exploration has a good possibility of finding additional tonnages of lead and zinc ore.

(e) The examining engineer suggested two alternative proposals which were modifications of that offered by the applicant. In both of these proposals it is recommended that the crosscut to the "A" fissure be located farther east than suggested by the applicant in order to shorten its length to 370 feet and to eliminate 190 feet of drifting on the "A" fissure. It is further recommended by the examining team, that from the

4. (e) Cont'd.

intersection of this crosscut with the "A" fissure, either a raise be driven 330 feet, or that two diamond drill holes be drilled to investigate the favorable horizons.

Because it is felt that diamond drilling would not produce as satisfactory results as raising and as the cost of raising exceeds that of drilling by only a moderate amount, it is recommended that the examining team's proposal of crosscutting and raising be approved. This recommendation coincides with that of P. T. Allsman in his transmittal letter of April 16.

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? Has been checked

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? Has been checked

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

a) Is the project adequately described? Yes. See field team report and attached note.
If not, are there sufficient data given so that you can describe the project? Yes If so, attach a draft.

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

Supplement to Review of Application on the New Quincy Mine, Summit and Wasatch Counties, Utah

10. Exhibit "A"

(a) Description of project: DMA field team examined the applicant's proposal and recommended a similar project accomplishing the same ends at less cost. Revised program was approved by the applicant. It follows:

1) Crosscut (nominal section $5\frac{1}{2}$ x 7) distance of approximately 420 ft. from a stub drift 290 ft. east of intersection of 900 level of Daly West and 1300 level of New Quincy to the intersection of fault fissure A with approximate contact of Park City formation and the underlying Weber quartzite.

2) Raise approximately 330 ft. so as to cut the favorable Jenney quartzite horizon of the Park City formation on the H.W. side of the fault and the base of the Park City limestone, and the Jenney quartzite horizon on the FW side.

Estimate of total time required = 8 to 10 months.

(d) Summary of Cost Estimates:

Crosscutting 420 ft. at $28.60/ft.	$ 12,012
Raising 330 ft. at $28.60/ft.	9,438
Analyses of samples 50 at $2.50	125
	$ 21,575
Allowance for contingencies	2,175
	$ 23,750

Is this part a worthwhile exploration project?_____

d) Are the cost estimates detailed? Yes, see field team report

Can they be summarized, as on page 2 of Procedural Instruction 5-A, from the available data? Yes 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?_____

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

a) Is it applicable? Yes

b) Sufficient data? Yes If so, attach a draft.

c) Are rents and charges reasonable? Yes

d) Is a field check needed? No

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

a) Are there sufficient data? No. Estimate is attached

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

c) Is the schedule excessive for the work proposed?_____

d) Are the proposed wages and salaries reasonable? Contract rate is reasonable.

e) Is a field check needed? No

approved
Tom Lyon

11. Exhibit B - Not applicable

12. Exhibit C

Cost of items equipment to be purchased

750 ft. 2-inch air pipe at $0.32.....	$ 240.00
750 Ft. 1-inch water pipe at $0.18.....	135.00
750 ft. 10-inch vent. pipe at $0.95.....	712.50
1 only electric or air-powered fan (est.)..	500.00
640 ft. 12 lb. rail with accessories.....	238.00
Hand tools.....	75.00
	$1,900.00

Rental cost of equipment which operator will rent

3-inch Drifter - 4 months at $75.....	$ 300
Self-rotating stoper 4 months at $75.....	300
Mucking machine 4 months at $275.....	1,100
	$1,700

Rental value of owner's equipment

1 285 c.f.m. G-D Compressor 8 mos.at $220..	$1,760
* 1 Mancha little trammer and *40 Mine cars at $250/mo. for 8 months.....	2,000
	$3,760

*This item seems low in terms of rental per unit of time, but in terms of use, i.e., amount paid per ton of rock hauled it approaches $0.80 to $0.90/ton.

13. Exhibit D

Labor: It is proposed to contract all mining, tramming and other mine labor at an estimated $12.00 a foot. At this rate four miners would jointly do all the work involved, in all probability.

Supervision: It is believed Park Utah Company will supply supervision on a part time basis of about $5/day or roughly $1.00 per foot of rock broken.

O. M. Bishop 10-22-51

14. Exhibit E (question 23-c)*

a) Is it applicable? No

b) Sufficient data?

c) Reasonable?

d) Field check needed?

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 See 4 (e). Previously examined by field team.

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: Erwin J. Lyons, GA 9-20-51

O.M. Bishop

Returned herewith are:

1 copy of Form NSRB-146 with attached exhibits
1 " " report by E. A. Hewitt
1 " " " " John I, Kasteler
2 copies of field team report
correspondence

Date 10-23-51

97692

6/5/51

Defense Minerals Administration

Review of Application for Exploration Assistance

Docket No. DMA-113

To: Production Expansion Division

Commodity Lead, zinc

From: Director, Supply Division

Total Amount $36,000 requested $23,750 recommended

Govt. Participation 50% ($11,875)

1. Name and Address of Applicant Nick Floor, President, New Quincy Mining Company, Room 421 Felt Building, Salt Lake City 1, Utah

2. Location of Property New Quincy mine, Summit and Wasatch Counties, Utah. See claim map, field team report for specific claims

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

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 See attached draft

b) Poor

c) None

d) Don't know—needs field examination

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

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

6. If applicant is a lessee, is a copy of the lease attached? Does not apply

Does the lease have sufficient time to run to cover a future productive period? Does not apply

*question numbers are those of MF-103

4. (a) The New Quincy Mine is located in the Park City District, Utah. In that District the ore deposits occur at the intersections of northeast-trending fissures with favorable horizons, such as the Weber quartzite and the Park City limestone.

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4. (e) Cont'd.

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b) MF-202 _____

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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? Has been checked

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

_____

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

a) Is the project adequately described? Yes. See field team report and attached note.
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b) Is there an adequate map or sketch of the proposed work? Yes. See field team report.

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If not, what part of it is? _____

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	$ 21,575
Allowance for contingencies	2,175
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a) Is it applicable? No

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

c) Is a field check needed?_____

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

a) Is it applicable? Yes

b) Sufficient data? Yes If so, attach a draft.

c) Are rents and charges reasonable? Yes

d) Is a field check needed? No

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a) Are there sufficient data? No. Estimate is attached

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c) Is the schedule excessive for the work proposed?_____

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Cost of items equipment to be purchased

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Rental cost of equipment which operator will rent

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Mucking machine 4 months at $275.....	1,100
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Rental value of owner's equipment

1 285 c.f.m. C-D Compressor 8 mos.at $220..	$1,760
* 1 Mancha little trammer and *40 Mine cars at $250/mo. for 8 months.....	2,000
	$3,760

*This item seems low in terms of rental per unit of time, but in terms of use, i.e., amount paid per ton of rock hauled it approaches $0.80 to $0.90/ton.

13. Exhibit D

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Supervision: It is believed Park Utah Company will supply supervision on a part time basis of about $5/day or roughly $1.00 per foot of rock broken.

O. M. Bishop 10-22-51

14. Exhibit E (question 23-c)*

a) Is it applicable? No

b) Sufficient data?

c) Reasonable?

d) Field check needed?

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 See 4 (e). Previously examined by field team.

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: Erwin J. Lyons, GS 9-20-51

O.M. Bishop

Date 10-23-51

Returned herewith are:

1 copy of Form NSRB-146 with attached exhibits
1 " " report by E. A. Hewitt
1 " " " " John I, Kasteler
2 copies of field team report
correspondence

97692

113

New Quincy Mining Company

FELT BUILDING

MINING PROPERTIES
IN PARK CITY, UTAH

OFFICE
ROOM 300
TELEPHONE 5-9174
SALT LAKE CITY 1, UTAH

May 18, 1951

United States Department of the Interior
Defense Mineral Administration
Washington 25, D. C.

Attention Mr. Lyon

Dear Mr. Lyon: Re: Docket DMA-113

In reply to your inquiry regarding our ability to match funds with the government for an exploration loan on Docket DMA 113 under the Defense Production Act.

We have recently decided that we would like to participate in an exploratory program with the government. We are planning to provide our 50% of the funds for exploration by a stock assessment.

We prefer exploration proposal "A" described in our report submitted to the DMA April 16, 1951 because it will provide better drainage. However, if the government engeneers feel that the recommendation under exploration proposal "B" is to our advantage, we will be glad to follow it.

Another exploration project should also be considered at this time. Just west of the Bureau of Mines proposed x-cut on the 1300 level there is a 100 foot raise reported to contain ore. We should like to enlarge the raise for a manway, put in a chute at 100 feet level, and than raise the added 20 feet to the 1200 level to explore the reported occurence and then continue the raise by following the fissure to about 150 feet above the 1200 feet level using one chute for dropping down the ore, and one for the muck, which is located at the Harrington raise about 200 feet North from the proposed raise at the 1200 level.

Should there be any further investigation necessary we shall be glad to cooperate in any way possible.

Very truly yours
NEW QUINCY MINING COMPANY

Nick Floor

Nick Floor, President

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 2 51951

LANDON F. STROBEL
Executive Secretary

MAY 25 1951

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

May 9, 1951

Memorandum

To: Executive Secretary, D. M. A.

From: Director, Supply Division, D. M. A.

Subject: Denial of Exploration Loan
New Quincy Mining Company
Summit and Wasatch Counties, Utah

Re: Docket DMA-113
Commodity: Lead,zinc

The subject docket and field team report have been reviewed by the Lead-Zinc Branch. The field examiners state that the New Quincy Company is not financially able to enter into a "matching fund" project. Apparently this statement is based upon information received orally from the company officials. Since the rules for the exploration program require a 50 per cent participation by the applicant and since they are unable to provide their share, it is mandatory that the application be denied.

The Lead-Zinc Branch, therefore, recommends that the application be denied.

It should be noted that the field team recommends that the project be approved if the company can match funds. The field examiners have already determined that the applicant is unable to provide their share of the money. Furthermore, the field examiners, on the basis of geologic conditions, rate the proposal very low as an exploration project. The fact that it is in a productive area does not necessarily indicate that any project has merit. This applies conversely also. It would seem that the field team recommendation should not be followed in this instance.

Tom Lyon

Tom Lyon, Director
Supply Division

FILE COPY
SURNAME:

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

alBrokaw
McKnight
Mote
Strobel

May 9, 1951

Re: Docket DMA-113

Mr. Nick Floor, President
New Quincy Mining Company
Room 421, Felt Building
Salt Lake City 1, Utah

Dear Mr. Floor:

Your application has been reviewed by the Defense Minerals Administration as a possible exploration project. Since you have indicated that the company is unable to share the costs of the exploration it is mandatory that the application be denied. Under the rules governing exploration projects, it is necessary that, for lead and zinc, the applicant provide 50 per cent of the funds.

If in the future the company is financially able to enter into such a program, the Defense Minerals Administration will be able to reconsider your application.

Very truly yours,

Tom Lyon
ad
Tom Lyon, Director
Supply Division

ALBrokaw:emp
G 5/9/51
Copies to: J. H. East, Jr.
Region IV
Chief, Lead-Zinc Br.
E. T. McKnight 4204 GSA
L. B. Moon
R. H. Mote
L. F. Strobel
T. Lyon
Files

Docket 113

856

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

REGION IV

OFFICE OF
REGIONAL DIRECTOR

224 NEW CUSTOMHOUSE
DENVER 2, COLORADO

April 19, 1951

Memorandum

To: Landon Strobel, Executive Secretary, Defense Minerals Administration

From: DMA Field Team, Region IV

Subject: DMA Docket 113, New Quincy mine, Summit and Wasatch counties, Utah

We are attaching the original and two copies of the report of our investigation of DMA Docket 113.

It is recommended that (1) the operators be urged to try to provide 50 percent of the requested funds in order to conduct the proposed exploration; (2) the crosscut be relocated as proposed by the Bureau of Mines; (3) raising be done on the fissure instead of diamond drilling as proposed in the Bureau of Mines report, in spite of the higher cost, because of the extreme uncertainty of being able to follow the fissure by diamond drilling, and finally, if the operator agrees to these terms, (5) the project be approved since any exploration under the conditions existing in the area of the Park City district has sufficient merit to justify the risk.

The original brochure of the New Quincy Mining Company is returned.

Paul T. Allsman

P. T. Allsman, Alternate

A. H. Koschmann

A. H. Koschmann

Attachments

On Site
Exam

APR 25 1951 P

NEW QUINCY MINE
SUMMIT AND WASATCH COUNTIES, UTAH

CONFIDENTIAL

DEFENSE MINERAL ADMINISTRATION REPORT

DOCKET 113

APPROVED:

J. H. East, Jr.

A. H. Koschmann

U. S. DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
James Boyd, Administrator

Mining Division
Region IV

April 16, 1951

Memorandum

To: DMA Field Team, Region IV

From: Chief, Mining Division

Subject: DMA Docket 113, New Quincy mine, Summit and Wasatch counties, Utah

The report of the Bureau of Mines by W. A. Young has been reviewed. It is recommended that (1) the operators be urged to try to provide 50 percent of the requested funds in order to conduct the proposed exploration; (2) the crown cut be relocated as proposed by the Bureau of Mines; (3) raising be done on the fissure instead of diamond drilling as proposed in the Bureau of Mines report, in spite of the higher cost, because of the extreme uncertainty of being able to follow the fissure by diamond drilling, and finally, if the operator agrees to these terms, (5) the project be approved since any exploration under the conditions existing in the area of the Park City district has sufficient merit to justify the risk.

P. T. Allsman

Attachments

NEW QUINCY MINE, SUMMIT AND WASATCH COUNTIES, UTAH

REPORT ON PROPOSED DEVELOPMENT UNDER DEFENSE PRODUCTION ACT

~~By W. R. Young~~ 1/

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~~1/ Mining engineer, Bureau of Mines, Salt Lake City, Utah~~

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

The New Quincy mine in the Park City district, Summit and Wasatch Counties, Utah was investigated by the Federal Government under the DMA program during February and March 1951. Personnel of the Bureau of Mines and Geological Survey examined the property and discussed the proposed project with representatives of the New Quincy Mining Co.

Ores valued at approximately $2,500,000 have been mined from property owned by the company since discovery in 1927. More recent activity has been confined principally to leasing operations.

Mineralization in the New Quincy mine occurs in the Weber and Park City formations adjacent to two northeasterly trending fissure systems, the "A" and "B." The "A" fissure, where exposed, consists of a highly brecciated zone 10 to 15 feet wide. A small amount of sulfide mineralization and considerable manganese oxide are present.

The mine has been developed by 15,000 feet of drifts, shafts, and raises, but at present only the 1300 level is accessible. This level is reached through the Daly-West shaft and drifts on the 900 level of the Daly-West property. The New Quincy Mining Co. has arranged for all ores and waste mined from company property to be transported to the surface by Park Utah Consolidated Mines Co., owner of Daly-West. New Quincy Mining Co. has proposed exploration in the Park City formation along fissure "A" by crosscutting to reach the fissure, drifting on the fissure and raising to favorable horizons. The Bureau of Mines has suggested two alternate proposals, the one involving crosscutting and raising and the second crosscutting and diamond drilling. The objective of each alternate is the same as that of the company's proposal.

New Quincy Mining Co. has requested a loan of $36,000 for the proposed exploration. The Bureau of Mines alternate proposals total $23,700 for crosscutting and raising and $19,950 for crosscutting and diamond drilling.

The Bureau of Mines investigation on the New Quincy property indicates that the proposal as submitted by the company could be accomplished at less cost by one of two alternate proposals suggested by the Bureau of Mines. No technical difficulties are present which would prevent completion of the project, but the New Quincy Mining Co. at present is not financially able to provide funds on a matching basis with the Federal Government. It appears that the company would make an honest effort to complete the project if funds were provided.

It is recommended that this project be given low priority because of insufficient evidence in the exposed areas to indicate the presence of commercial ore bodies. If a more critical need for lead and zinc arises, it is suggested that consideration again be given to the property in view of the location adjacent to highly productive areas in the Park Utah Consolidated Mines Co. property.

New Quincy Mine
Summit and Wasatch Counties, Utah

By W. A. Young1/

Engineering Report

1/ Mining engineer, Bureau of Mines, Salt Lake City, Utah

Engineering

INTRODUCTION

During December 1950 the New Quincy Mining Co. of Salt Lake City, Utah requested an exploration loan from the Defense Minerals Administration. The request includes a proposal for exploring a mineralized fault zone in favorable sedimentary beds on company property in the Park City district, Summit and Wasatch Counties, Utah.

This report was prepared as a result of examination of the property as requested by the Field Committee, Region IV. The merit of the property and recommendations concerning the company proposal are presented in the report. The New Quincy Mining Co. proposes crosscutting and drifting on the 1300 level to the intersection of the south, or "A" fissure, with the base of the Park City limestone and underlying Weber quartzite, and then raising to investigate the favorable horizons in the hanging wall and footwall of the fissure. The company has asked for $36,000 to finance the proposed exploration. Alternate proposals by the Bureau of Mines include possible diamond drilling in addition to crosscutting and raising, at a maximum estimated cost of $23,700.

ACKNOWLEDGMENTS

Acknowledgment is made to Nick Floor, president of New Quincy Mining Co., for his cooperation during the period of field examination and preparation of this report. Acknowledgment also is made to E. A. Hewitt, geologist for the Park Utah Consolidated Mines Co., for information concerning geology, costs, and operating conditions as the New Quincy mine.

LOCATION, TOPOGRAPHY, AND CLIMATE

The New Quincy mine is near the head of Empire Canyon in the south-central part of the Park City mining district. Park City, 2 miles northeast of the property, is the railhead and source of many mining supplies and manpower for the area. Salt Lake City, Utah, 35 miles northwest of Park City, is the chief supply source and headquarters of the company (fig. 1).

The mine is in an area of high relief with altitudes of more than 10,000 feet in the western part of the district, and 7,000 feet in lower Park City. The altitude at the collar of the West Quincy shaft is approximately 8,880 feet.

Winters in the vicinity of the mine are severe with abundant snow and frequent periods of sub-zero temperatures. Access can be made to the mine through the lower levels during the entire year. Summers are cool and pleasant.

HISTORY AND PRODUCTION

New Quincy Mining Co. was organized in 1915, but little mining was accomplished until 1927 when ore was found in the Jenney bed of the Park City formation adjacent to fissure "B." From this date until 1930 ores valued at approximately $1,500,000 were mined. A total of 54,410 tons of ore was mined having an average assay value of 12.1 percent lead, 13.66 percent zinc, and 21.2 ounces of silver per ton. The area from which the ore was mined, consisting of some 120 acres, was sold to the Park Utah Consolidated Mines Co. in 1943 for approximately $80,000.

The New Quincy Mining Co. acquired control of the Little Bell and Lucky Bill properties during 1929. The two properties adjoin the New Quincy, the Little Bell having a reported production of ores valued at $1,000,000. Operations have been confined to various leases since 1934, but at present no work is being conducted and the company does not maintain an active mining organization.

OWNERSHIP

New Quincy Mining Co. owns 135 acres of patented mining claims in the Snake Creek mining district, Wasatch and Summit Counties, Utah (fig. 2). The company also owns a controlling interest in the Lucky Bill Mining Co., which property, comprising 77 acres of patented claims, adjoins the New Quincy ground on the south side.

During recent years considerable litigation has resulted from a leasing operation on New Quincy property, and the ownership of a large block of stock is in doubt. Details of the litigation are shown in a "Proxy Statement" to the stockholders for the year 1949. The "Proxy Statement" is included in the appendix.

DESCRIPTION OF DEPOSITS

The Weber quartzite and Park City limestone formations are present in the workings of the New Quincy mine.[2/] Both are prominent host rocks for ore deposits found in the Park City area. Most deposits occur in favorable beds adjacent to northeast trending fault zones.

Two northeast fault systems, the "A" and "B," cut the Park City and Weber formations on New Quincy property (fig. 4). These systems parallel the productive faults to the north but belong to a subordinate group of faults that have been productive only locally elsewhere in the Park City district. The southernmost fault, the "A," was encountered on Park Utah ground along the 900 level extension (New Quincy 1300 level). Easterly on the 700 level of the Little Bell mine ore was developed at the base of the Park City limestone where cut by a fissure which appears to be a projection of the "A" fissure (stope 709, figs. 3 and 4).

2/ Taken from "Geologic Report on New Quincy Mine, Park City, Utah" by R. W. Osterstock," U. S. Geological Survey.

The "A" fissure, where exposed, consists of a zone 10 to 15 feet wide in thoroughly brecciated quartzite and a few fragments of limestone. A small amount of sulfide mineralization and considerable manganese oxide staining are present. The footwall on the north side is Weber quartzite and the hanging wall is Park City limestone.

The Judge 1227 crosscut, on a unit of the Park Utah Consolidated Mines Co., intercepted the "A" fissure approximately 1,000 feet west of the Daly-West 900 level intercept. No ore bodies of minable size or grade were encountered in drifting and raising on the fissure.

ORE RESERVES

Mineralized exposures on the New Quincy property are insufficient for estimating ore reserves.

DEVELOPMENT

The New Quincy property has been developed by 15,000 feet of drifts, shafts, and raises (fig. 3). At present only the 1300 level is accessible. Approximately 700 feet of drifting on this level has been completed on New Quincy ground.

Access to the 1300 level is made through the Daly-West shaft and approximately 6,000 feet of drifts southerly on the 900 level of the Daly-West property. An arrangement has been made with Park Utah Consolidated Mines Co., owner of the Daly-West, for transportation of all ores and waste through the Park-Utah workings at a cost of approximately $1.00 per ton. The Park Utah Co. has also agreed to furnish the New Quincy mine with available mine supplies at cost. This agreement has been in effect for several years and has worked satisfactorily.

The most extensive underground workings on property controlled by New Quincy have been driven from the Little Bell shaft near the northeast boundary of the property. The shaft is 700 feet deep with levels at 100-foot intervals from depths of 300 to 700 feet. Ores valued at approximately one million dollars have been mined from workings on the Little Bell fissure.

A small amount of exploratory work was done and some ore mined from the 1100 and 1200 levels of the New Quincy on fissure "B," also referred to as the Harrington.

The Park Utah Consolidated Mines Co. recently extended their 900 level (1300 of the New Quincy) in a southerly direction, and fissure "A" was cut at a point about 390 feet from New Quincy property line (fig. 4). Fissure "A" also has been explored to the east by a drift on the 700 level of the Little Bell and to the west from the 1200 level of the Judge mine, (1150 level of the New Quincy). The only known production was a few carloads of ore mined from the 709 stope, a small stope in the hanging wall of the "A" fissure on the 700 level. A sample obtained from a 6-inch breccia bed assayed 0.06 ounce gold and 57.4 ounces silver per ton. The sample was not assayed for lead or zinc. Another sample of iron and manganese oxides from the bed at the top of the Weber quartzite carried approximately one ounce of silver per ton.[3/]

PROPOSED EXPLORATION

The company has proposed that favorable horizons in the Park City formation along fissure "A" be explored by crosscutting 440 feet in a southerly direction from a point near the intersection of the 900 level of the Daly-West

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3/ Abstracted from a report by Louis W. Cramer in the R. F. C. files, Docket No. ND 5950, dated April 1944.

and the 1300 level of the New Quincy to fault fissure "A," drifting 190 feet along the fissure to the base of the Park City formation on the hanging wall and raising 285 feet along fissure "A" from a point near the Park Utah property line to the Jenney horizon in the Park City formation on the hanging wall of the fault and to the base of the Park City and Jenney horizon on the footwall of the fault (fig. 4).

Two alternate proposals are suggested by the Bureau of Mines because of lower estimated cost and the possibility that some future survey might show the company's proposed crosscut and raise to be on Park Utah property. The Bureau of Mines proposes that a crosscut be driven southeasterly 370 feet from a stub drift 290 feet east of the intersection of the 900 level of the Daly-West and 1300 level of the New Quincy, to the intersection of fissure "A" with the contact of the Park City formation and the underlying Weber quartzite and then either a raise be driven 330 feet to cut the same favorable horizons as shown in the company's proposed raise or two diamond drill holes be drilled above the level, one 110 feet deep at an angle of 65° in the hanging wall of the fissure to cut the Jenney horizon and the second 330 feet deep at an angle of 65° in the footwall of the fissure to cut the base of the Park City and Jenney horizon (fig. 4). It appears advisable to provide for 300 feet of additional drilling inasmuch as it is not possible to accurately project the position of the fissure.

The company plans to contract the drifting and raising, but if ore is discovered, mining will be conducted either by the company or by lessees. It is estimated that 8 to 10 months will be required to complete the proposed exploration.

ESTIMATED COSTS OF THE PROJECT

Exploration costs of the proposed project as submitted by the mining company and alternate proposals prepared by the Bureau of Mines are shown in the accompanying tables.

Table 1.—Cost of the exploration proposal as submitted by the New Quincy Mining Co.

440 feet of crosscutting at $22.50 per foot	$ 9,900
190 feet of drifting at $20 per foot	3,800
285 feet of raising at $18 per foot	5,130
Tramming to shaft, 915 feet of advance at $3 per foot	2,745
Social security and industrial insurance	1,425
Supervision and overhead	3,000
Miscellaneous	2,500
Total	28,500
New equipment required:	
1 mechanical mucker	$ 2,850
2 Leyner drills at $990	1,980
2 stoper drills at $565	1,130
Pipe, rail, hose, and steel	1,540
Total	7,500
Grand total	$36,000

It does not appear justifiable to purchase the major equipment for 440 feet of crosscutting and 190 feet of drifting. Rental arrangements could be made for the mucking machine, Leynors and stopers.

Costs for the Bureau of Mines alternate proposalswere calculated on the assumption that 420 feet of crosscutting will be necessary. The extra footage is provided in the event the crosscut does not strike the contact of the Park City and Weber formations at the projected location, and also to permit sufficient tail room for loading from the raise or to enlarge the crosscut for diamond drill stations. Compressed air is furnished free to the 900 level of the Daly-West as per agreement with Park Utah Co. Estimated

costs of crosscutting, raising, and diamond drilling for Bureau of Mines alternate proposals are shown in tables 2, 3, 4, 5, and 6.

Table 2.--Crosscutting costs

Labor		$12.00 per foot
Explosives	2.00	
Bits	1.00	
Rails	.60	
Pipe	.50	
Timber	2.00	
Miscellaneous	.50	
Total supplies		6.60
Tramming (removal to surface)		3.00
Supervision (it is assumed Park Utah will supply on part-time basis)		1.00
Mucking machine rental		3.00
Drill rental		1.00
Ventilation		1.50
Overhead		.50
		$28.60 per foot

420 feet at $28.60 ---------- $12,012.00

Table 3.--Raising costs

Labor		$12.00 per foot
Explosives	2.00	
Bits	1.00	
Pipe	.50	
Timber	6.00	
Miscellaneous	.50	
Total supplies		10.00
Tramming		3.00
Supervision		1.00
Drill rental		.60
Ventilation		1.50
Overhead		.50
		$28.60 per foot

330 feet at $28.60 ---------- $9,438.00

Table 4.--Diamond drilling costs

Diamond drilling 740 feet at $7	$5,180.00
Supervision (2 months)	200.00
Sampling	600.00
	$5,980.00

Summation of the costs of the two alternate proposals are given in tables 5 and 6.

Table 5.--Crosscutting and raising

Crosscutting 420 feet at $28.60----	$12,012
Raising 330 feet at $28.60----------	9,438
Sample analyses, 50 at $2.50--------	125
	$21,575
Contingencies----------	2,175
	$23,750

Table 6.--Crosscutting and diamond drilling

Crosscutting 420 feet at $28.60----	$12,012
Diamond drilling 740 feet at $7----	5,180
Supervision (2 months)----------	200
Sampling (labor)----------	600
Sample analyses, 50 at $2.50--------	125
	$18,117
Contingencies----------	1,833
	$19,950

Mining equipment available on the property and additional needed to conduct the proposed exploration are shown in tables 7 and 8.

Table 7.--Equipment on property

1	50 h.p. Gardner-Denver compressor, 285 c.f.m. (air is furnished by Park-Utah to 900 level)
1	Mancha trammer with new battery
40	mine cars
200 ft.	12 lb. rail

Table 8.--Additional equipment required

1	mucking machine (rental)
1	Leyner drill (rental)
1	stoper drill (rental)
750 ft.	2" pipe
750 ft.	1" pipe
750 ft.	6" vent pipe
1	blower fan
640 ft.	12 lb. rail
	miscellaneous hand tools

PROPOSED FINANCING

New Quincy Mining Co. has requested a Government loan of $36,000 for underground exploration, the loan to be repaid from net earnings from ores discovered by the proposed project. It has been suggested by the president of the company, Nick Floor, that any loan money be repaid on a royalty basis of 20 percent of the net smelter returns. The company is not financially able to provide funds on a matching basis.

A financial statement of the company is shown in a "Proxy Statement" to the stockholders for the year 1949. The "Proxy Statement" is shown in the appendix. No financial transactions of any consequence have taken place since this statement was issued.

CONCLUSIONS

The Bureau of Mines investigation on the New Quincy property indicates that the proposal as submitted by the company could be accomplished at less cost by one of two alternate proposals suggested by the Bureau of Mines. No technical difficulties are present which would prevent completion of the project, but the New Quincy Mining Co. at present is not financially able to provide funds on a matching basis with the Federal Government. It appears that the company would make an honest effort to complete the project if funds were provided.

RECOMMENDATIONS

It is recommended that this project be given low priority because of insufficient evidence in the exposed areas to indicate the presence of commercial ore bodies. If a more critical need for lead and zinc arises, it is suggested that consideration be given to the property in view of the location adjacent to highly productive areas in the Park Utah Consolidated Mines Co. property.

APPENDIX

PROXY STATEMENT

RESPECTFULLY SUBMITTED BY THE MANAGEMENT OF THE NEW QUINCY MINING COMPANY

To the Stockholders of the New Quincy Mining Company:

The management respectfully solicits your proxy for use at the annual meeting of the stockholders, to be held at the office of the Company, 421 Felt Building, in Salt Lake City, Utah, on Tuesday, January 24, 1950, at 3:00 o'clock P.M. In justification of our request for your continued support, we, as your Board of Directors for the past year, submit the following report of the progress of the Company during that time.

In the proxy statement submitted for the January 25, 1949 meeting, reference was made to the four law suits in which the company had been involved. To review briefly, these actions involved the following problems:

1. Action brought by Nick Floor, in behalf of himself and the company, to set aside an alleged fraudulent issue of 200,000 shares of stock by the former management.

2. Mandamus action to obtain possession of the books and records of the company.

3. Quo Warranto action to oust the former management and confirm the election of the present management.

4. Action brought by S. B. Tuttle and M. B. Johnson, formerly President and Secretary respectfully, joined by Robert E. Runswick, to set aside a sale by the company to Nick Floor, on July 17, 1947, of 150,000 shares of stock, at 12 cents per share, paid in cash over a period of ninety days.

The first three actions had been tried in the District Court and had all been decided in favor of the present management and against the former management. The latter appealed all of thier cases to the Utah Supreme Court. The Supreme Court affirmed the decisions of the District Court in all three cases.

The fourth case was tried in the District Court, and on May 19, 1948, the Court rendered decision, denying the claims of the former management and confirming as valid the sale of stock to Mr. Floor. This sale brought to the company $18,000.00 cash. The former management appealed this decision, and the Supreme Court affirmed the decision of the lower court in August 1949.

Soon after the Supreme Court decision of the last of the law suits, your Directors set about to start operations at the mine. Two men were hired to clean out the waste which was left in the mine shafts by earlier leasers. This waste blocked the entrance of the Little Bell Raise, or the Harrington Raise, and the cost of cleaning this waste out was approximately $600.00.

After we had cleaned the entrance, connected the air and repaired said raise, we found that the use of the raise was too expensive to be satisfactory, our intention being to go up about 120 feet and then run a drift about 75 feet to the top of the ore fissure to be mined. The other drift which ran through the top of the Little Bell Raise from the old New Quincy ground, which now belongs to Park Utah, has caved in in several placed in the past two years causing, incidentally, the loss of five mining cars and a hoist which belonged to us and had been left in the workings of the earlier leasers.

So, after much consideration, we decided to give a lease to J. H. Wiley and Earl Brown on a block of ground on a fissure beginning about six feet at the bottom of the Harrington raise and running east 800 feet by 200 feet wide along the fissure. The terms of the lease allow the lessees 70%, with a provision charging the Company with half of the expense for hoisting material by Park Utah. The Company agreed also to advance money to pay running expenses such as drill steel, timber, powder, etc., the same to be deducted from ore shipments.

Your Company purchased for cash a Trammer and an air compressor which was installed at the top of Daly West at Park Utah property, to furnish air through Park Utah main outlet and to New Quincy ground of operation. We could have used the Park Utah compressor, but due to their mine shut-down, theirs was not available, so we were forced to purchase our own.

The lessees have shipped one car of ore which was a disappointment, the Company receiving only $123.10. Another car will be shipped before the stockholders' meeting and from assay reports, will be very good.

Your Directors borrowed $2500.00 with interest at 5% early in 1949. Later in the spring they levied an assessment of 2 cents per share on the outstanding stock. Through this assessment, the Company received $16,594.04, which included $57.50 of the total cost of publishing the delinquent list as required by law. 8,717 shares of delinquent stock were purchased by bidders at the sale and 72 shares reverted to the treasurey for failure to pay the assessment. Subsequently your Directors found it necessary to borrow an additional $1500.00, and during the year paid off $6500.00 of borrowed money, leaving $1500.00 remaining unpaid as of December 8, 1949.

Mr. M. B. Johnson and his son Richard S. Johnson claimed the right to apply $6714.46 of indebtedness they claimed as owing to them by the Company for unpaid salary, legal fees, money advanced, etc., in payment of the assessment on 335,623 shares claimed by them. Since the existence of the debts claimed are disputed by the Company, thier right to credit the assessment on the stock was denied by the Company. Both M. B. Johnson and R. S. Johnson then brought suit to establish their claimed rights and obtained injunctions restraining the Company from selling the stock for non payment of the assessment. Them suits are still pending and the injunctions are still in effect, and consequently the 335,623 shares will probably be eligible to vote at the meeting. So far as known to your Directors, the total amounts claimed by the two Johnsons and their associates against the Company is $11,515.98 which includes the $6,714.46 above referred to. The Company contests these claims, and claims offsets equal or in excess of these amounts.

The stock of the Company was restored to trading privileges on the Salt Lake Stock Exchange September 12, 1949.

ELECTION OF DIRECTORS

We sincerely urge your attendance at the stockholders meeting. We want the benefit of your experience and counsel in guiding us. In the event you may not be able to attend, we respectfully urge that you send in the proxy on the form enclosed. You may safely do this even if you expect to be personally present at the meeting. because, if you are present, the proxy will not be used and you may vote personally on all questions presented. The proxy is revocable by you at any time. But the urgency for united action on the part of all stockholders is as great as ever, and we, therefore, urge all to send in their proxies, even though it may later develop that you are able personally to attend the meeting.

In the proxy we have inserted the names of three of the proposed Directors. These names are inserted merely for your convenience, because these men are certain to be at the meeting. But there is also a blank space in the proxy in which you may, if you wish, fill in the name of anyone else, in which event you may also, if you wish, strike out the names of the men printed there. If the proxy is signed and sent in without change it will be voted, by one of the men named therein, in favor of the election of the following men as the Directors of the Company for the ensuing year. All of the nominees with the exception of Mr. Arnold were elected by the stockholders at the annual meeting in January, 1949. The Directors proposed are as follows:

Name	Principal Occupation	First Became Director	Shares of Stock Beneficially Owned
Nick Floor	Mining, stocks, real estate	1946	365,600
Jacob A. Kahn	Retired, 27 yrs. Vice Pres. & Gen. Mgr. General Electric Supply Corporation.	1946	2,000
J. Carlos Croft	Owner & Operator Croft Radio Service	1946	5,000
John Cairo	Retired. Former owner Beehive Confectionary.	1946	10,500
Erik T. Grass	Retired. Former owner Grass Feed & Produce.	1946	11,500
William N. Floor	Manager Golden Gate Tavern	1948	5,000
D. Clyde Arnold	Student at University of Utah since 1945. Candidate for degree of Geological Engineering in June 1950. Veteran of World War II, in Engineer Corps U. S. Army.	1950	1,200

STOCK OUTSTANDING

There are outstanding as at December 8, 1949, 1,162,449 shares of stock, all of which is common stock. On January 20, 1950 at 2:00 P.M., prior to the meeting, the books of the Company will be closed for transfer of stock until after the meeting. Each share of stock outstanding, as shown by the stock ledger of the Company, as of January 20, 1950 at 2:00 P.M., will be entitled to one vote at the meeting.

The only persons having an actual or beneficial interest in excess of 10% of the total stock outstanding, as shown by the books as of December 8, 1949, are as follows:

Nick Floor, who, with the other members of his family, has a beneficial interest in 365,600 shares of stock representing approximately 32% of all stock outstanding; and

J. C. Johnson, shown by the books of the Company to be the owner of 155,300 shares, representing approximately 13 1/4% of all stock outstanding.

We have no knowledge of any other person holding an actual or beneficial interest in 10% or more of the outstanding stock of the Company.

NOTE: The 335,623 shares of stock referred to above upon which Mr. M. B. Johnson and R. S. Johnson claim the right to apply the assessment stand in the names of various individuals. The actual ownership of said stock is unknown to the management.

AS OF DECEMBER 31, 1948

A S S E T S

Current Assets:			
First Security Bank		$ 155.67	
Total Current Assets			$ 155.67
Fixed Assets:			
Mining Claims	$236,494.55		

Net Mine Development Costs	$119,258.20		
Total	355,752.75		
Less: Reserve for Depletion	90,064.37		
		$265,688.38	
Buildings, Machinery & Equip.	36,792.46		
Less: Reserve for Depreciation	35,317.35		
		1,475.11	
Total Fixed Assets			$267,163.49

Other Assets:

Investments in Subsidiary (cost)	25,000.00	
Advances to subsidiary	322.51	
Total Other Assets		$5,322.51
Total Assets		$292,641.67

L I A B I L I T I E S

Current Liabilities:

Notes Payable	$ 4,000.00	$ 4,000.00

Other Liabilities, Not Current: None

Net Worth:

Capital Stock - assessable common stock of a par value of 10 cents per share:

	Shares	
Authorized and issued	1,500,000	$150,000.00
Less: Treasury Stock	337,479	33,747.99
Capital Stock Outstanding	1,162,521	116,252.10

Surplus:

Earned Surplus (Deficit)	(217,194.75)		
Paid-In Surplus	389,584.32		
Total Surplus		172,389.57	
Total Net Worth			$292,641.67
			$292,641.67

The following schedule reflects the financial transactions of the Company from January 1, 1949 to December 8, 1949:

Cash on hand - January 1, 1949		$ 155.67
Receipts:		
Assessment No. 40	$ 16,594.04	
Borrowed - Steve N. Floor	4,000.00	
Sale of Equipment	50.00	
Ore Royalties	123.10	
Expense Reimbursement	1.55	
Total		20,768.69
Total Cash Available		$ 20,924.36
Disbursements:		
Directors Fees		200.00
Office Rental		348.33
Office Expenses		761.44

Legal		$ 2,700.33	
Taxes		60.89	
Mining & Development Costs		1,073.36	
Equipment:			
Filing Cabinets	$ 184.49		
Trammer	1,734.00		
Compressor	2,012.50		
Battery	875.08		
Repayment of Loans		$ 6,500.00	
Interest on above		111.39	
Advances on Mining Costs		2,808.71	(1)
Total Disbursements			$ 19,364.52
Cash on Hand - December 8, 1949			$ 1,559.04

Note (1): We have advanced this amount to Park Utah against future ore shipments in behalf of the lessees. There is a balance left to our credit at the present time of $1,197.88. Our agreement with the lessees requires us to advance costs and then apply them against future shipments.

Note (2): The assessment of 2 cents per share was paid on	826,826	shares
Assessment on Johnson stock unpaid on	335,623	shares
Treasury stock as of December 31, 1948	337,479	shares
Reverted to the Company for non payment of assessment - May 5, 1949	72	shares
Total authorized stock	1,500,000	shares

Assessment collected	$ 16,536.52	
Publication costs collected	57.52	
Total cash receipts from assessments		$ 16,594.04
Cost of publication of delinquent notice	67.84	

It will be noted that your officers are serving without salary, save only the Secretary, who receives $30.00 per month salary and $20.00 per month remuneration for rent. The directors are paid a fee of $5.00 per meeting which they attend. Otherwise, they too serve without salary or compensation. With these exceptions, no salaries pensions retirement or other payments are being paid or set aside, directly or indirectly, to or for the credit of any of the officers or directors. The operations of the Company have been managed by your President, Mr. Nick Floor, who has expended many hours of time in behalf of the Company, has been extended a vote of confidence by the Board of Directors and they have agreed to compensate him for this effort if and when the company is in a position to do so out of earnings.

CONCLUSION

The management knows of no matters that will be brought before the meeting, except the election of Directors. It is anticipated that there will be a discussion, for the guidance of the Board of Directors, as to ways and means of operating and financing the operations of the Company, but it is not anticipated that there will be any matters, in this connection, to be voted upon. However, if any other matters are properly brought before the meeting, it is the intention of the persons named in the enclosed form of proxy to vote in accordance with their judgment on such matters.

This proxy statement is prepared and submitted at the expense of the Company. The cost is estimated to not exceed $125.00. The use of your proxy is limited to the next annual meeting of the Company, to be held Tuesday, January 24, 1950, or at any adjournment thereof. The proxy is revocable by you at any time. Unless revoked, it will be voted at the meeting, if you do not attend in person, in accordance with your instructions as indicated by the proxy.

Again may we urge your personal attention at the meeting. We earnestly solicit your suggestions and advice in conducting the affairs of the Company. If there is any way in which we can be of help to you or the Company, as the management of YOUR Company, please let us know. The holders of a majority of the stock of the Company must be present in person or by proxy to constitute a quorum. In any event, WE URGE YOU TO FILL IN, SIGN, DATE AND RETURN THE PROXY ENCLOSED WITH THIS NOTICE, AT YOUR EARLIEST CONVENIENCE.

By order of the Board of Directors.

Respectfully,

GLEN I. CRANDALL,

Secretary.

GEOLOGIC REPORT ON

NEW QUINCY MINE, PARK CITY, UTAH

(Docket DMA-113)

by

R. W. Osterstock

U. S. Geological Survey

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GEOLOGIC REPORT ON

NEW QUINCY MINE, PARK CITY, UTAH

GENERAL GEOLOGY

Introduction

The Park City mining district is on the east-central flank of the N-S trending Wasatch Mountains. The district is in line with the E-W trending Uinta arch although the western portion of the Uinta Mountains does not extend into the district (see fig. 1).

Upper Paleozoic quartzites and limestones with a moderate westerly dip are cut by zones of NE trending faults. Favorable beds where intercepted by the faults contain most of the ore deposits. The New Quincy mine is traversed by a pair of subordinate fissures which may have served to channelize ore solutions toward two historically productive stratigraphic units.

Two formations are encountered in the New Quincy mine workings; the upper Pennsylvanian Weber quartzite which is conformably overlain by the upper Pennsylvanian and Permian Park City limestone.

The Weber quartzite, about 1,750 feet thick, is predominantly a light brownish-gray quartzite at the base with an increasing amount of limy sands nearer the upper contact. Stratigraphically within 20 feet of the top there is a "white lime" which often serves as a marker.

In the nearby Ontario mine, which yielded about $35,000,000 in smelter returns, the Weber formation was the major host rock for ore. Ore bodies in the Weber are localized by fracture and breccia zones resulting from a NE-SW fault system which extends through the entire Park City district.

The Park City formation, about 550 to 600 feet thick, is composed mostly of gray limestone with many thin sandy beds. Some shale is present in the upper middle; one, a phosphatic shale, serves as a marker horizon. There are in the Park City formation five notable ore-host beds; they are the Jenney quartzite about 85 to 100 feet stratigraphically above the base and four higher less productive quartzite beds. In addition, the basal limestone of the Park City, as well as the upper-most quartzite member of the Weber, often have been productive locally as a single unit. In the Park City formation, as in the Weber, the ore localization appears to depend on the proximity of persistent fissures. However, unlike the Weber, ore bodies in the Park City often take the form of bedding replacements. These relatively flat ore bodies are commonly arranged in a rough en echelon pattern with interconnecting stringers. Thus one of the most common targets in ore exploration for the entire district has been the intersection of favorable beds by strong fissures.

There are in the district only two major intrusives; quartz-diorite and a diorite porphyry. The quartz-diorite forms the Clayton Peak stock and is probably slightly older than the diorite porphyry.

Structure

The New Quincy mine is on the western limb of the north-plunging Park City anticline. Both the Park City and the Weber formations have a regional west to northwest dip of 10 to 35 degrees. There are local variations in strikes and dips which result from minor folds superimposed on the major anticline. The folds apparently have not had any appreciable effect on the localization of ore deposits in the district. The rather broad, open type of folding has not created any areas of fracturing or brecciation particularly susceptible to mineralization.

The ore bodies in the Park City district are localized by pre-ore faults. The most productive faults trend northeastward and dip steeply southeastward.

In the New Quincy mine two northeastward trending fissure systems, the "A" system and the "B" system (see fig. 4) cut the Park City and Weber formations. These faults parallel the productive faults to the north, but are a subordinate group of faults that have been productive only locally elsewhere in the Park City district.

The northernmost fault, the "B" fissure (Hewitt's Harrington fissure), has been explored for 350 feet in New Quincy ground. Where last seen the fault zone had become very narrow and several spurs going off at acute angles appeared to become less strong to the east. Hewitt reports that this fissure has a relative normal displacement of approximately 65 feet. No further exploration has been proposed for ore in or near this fissure.

The southernmost fault, the "A" fissure, was cut in Park-Utah ground along the Daly-West 900 level extension (same as New Quincy 1300 level). On the 700 level of the Little Bell mine to the east a drift along a fissure which appears to be the projection of the "A" fissure opened some ore where it crossed the basal Park City limestone (stope 709, see fig. 3 and 4). The "A" fissure appears to be fairly persistent and does extend at least as far eastward as workings on the Little Bell 700 level. Unfortunately, the shaft is caved and examination of this part of the mine was not possible.

The "A" fissure where examined is a zone 10 to 15 feet wide of thoroughly brecciated quartzite containing a few fragments of limestone. A few 2 to 3 inches thick zones of fault gouge were also noted. Hewitt reports that this fault has about 200 feet of relative normal displacement. The footwall on the north side is Weber quartzite and the southern (hanging) wall is Park City limestone.

The extent of the "A" fissure above the 1300 level is not certain; a diamond drill hole in the New Quincy mine should have cut the fault 700 feet above the 1300 level but no evidence of a large fault was recorded in the drill hole log. It must therefore be assumed that the "A" fissure steepens up-dip from the 1300 level or that it simply dies out. In Park-Utah Judge ground the Judge 1227 crosscut intercepted the "A" fissure about 1000 feet west of the Daly-West 900 level intercept. Drifting and raising along the fissure revealed no ore bodies of minable size or grade.

A series of small adjustment faults between the "A" and "B" fissures is interpreted by Hewitt to indicate that the two fissure zones become stronger eastward. These small faults generally strike northeastward, forming acute angles with the major faults. Along the "B" fissure several of these small faults completely cross the main zone and extend into the footwall. A few of the small faults show weak ore mineralization.

Ore Deposits

In the Park City district the major ore producers have been the Weber quartzite and the Park City limestone. Locally the Jenney quartzite member and basal Park City limestone have been the most productive, these two beds are the targets for the exploration program outlined in the loan request.

Ore bodies in the area have ranged in size from about 54,000 tons in the Jenney stope to a few car loads in the 709 stope of the Little Bell mine. The larger ore bodies have been of the bedding replacement variety although small amounts of ore have been mined from irregular breccia zones in the main fissures. Good ground permits easy stoping of the ore with very little timbering necessary even in the fissure zones.

Smelter returns for the most recent mining operations indicate that any ore bodies developed may contain an average of about 8 percent zinc, 5.80 percent lead and a variable amount of silver. The ore taken from the Jenney stope was somewhat higher in grade than the above predicted average, but this ore body was exceptional.

It should be noted that the richest ore bodies in the district derive most of their monetary value from their higher silver content rather than from their higher lead-zinc content. Although lead-zinc production would not be materially increased by the discovery of such new ore bodies, the resultant greater profits would facilitate repayment of the requested loan if granted.

Only primary ore minerals were noted in the mine; the base metal minerals, galena (PbS), and sphalerite (ZnS), and tetrahedrite (silver sulfantimontide), containing most of the silver. The sphalerite is very light amber and is of the type generally considered to have formed at a fairly low temperature. Considerable pyrite and a small amount of chalcopyrite accompany the ore. The gangue minerals are quartz, calcite, and siderite. The only apparent alteration is a slight bleaching of the quartzite.

Within the limits of the New Quincy property ore minerals were seen only along the easternmost workings of the "B" fissure. The grade of the ore is such that profitable mining operations are not possible. In the Daly-West cross cut about 390 feet west of the New Quincy property line the "A" fissure showed a little ore and much manganese oxide stain. The Park-Utah Company which owns this ground has not been sufficiently impressed to drift eastward along the fissure. Several hundred feet west of the New Quincy

property line at about the 1150 level, Park-Utah workings have again intersected the "A" fissure. Short drifts and raises along the fissure revealed no ore bodies of minable size or grade.

A secondary phase of metallization has deposited much iron stain and manganese oxide as thin coatings on fracture surfaces. Manganese is reported to be a reliable ore indicator as it is very often found in rocks immediately surrounding ore bodies. It has been reported that the high manganese zones often assay a fair amount of silver.

Outlook for discovery of new ore bodies

The major controls for the localization of the ore appear to be the intersections of favorable beds by persistent fissures. The base of the Park City limestone and the Jenney quartzite member of the Park City formation are known to be favorable. Exactly why these beds are favorable is not known, but possibly it is because they are somewhat more competent than the rocks above them; they were more highly fractured and thus provided easier access to the ore solutions.

The exploration work proposed in the loan request is designed to intercept the base of the Park City limestone and the Jenney quartzite in the hanging wall and footwall of the "A" fissure. To the east of the proposed exploration a small pocket of ore was mined from the basal Park City (stope 709 in the Little Bell 700 level) in the hanging wall of the "A" fissure. To the west the large body of ore known as the Jenney stope (about the 1200 level) was mined from the hanging wall of the "B" fissure. Neither the "A" fissure nor the Jenney quartzite and basal Park City have produced any appreciable

amount of ore where intersected by the "A" fissure. It is, therefore, statistically unsound to infer ore bodies along the "A" fissure in New Quincy ground.

Ore Reserves

No reliable figure for ore reserves can be given as there is not at present any sound basis for calculation. There are no ore faces in the New Quincy mine that can be extended by inference. No estimated future production figures have been given in Hewitt's report.

The only mineralized rock exposed in the Daly-West crosscut is too narrow and low grade to be mined at present prices.

Conclusions

There is not sufficient geologic evidence to indicate ore in the New Quincy mine. The exploration program as outlined in the loan request appears to be speculative. However, most exploratory work undertaken by operating mines in the district has no target other than the interception of favorable strata by throughgoing fissure systems. Again, it should be emphasized that geologic conditions in the adjacent Park-Utah ground are essentially the same as those in the New Quincy mine, and that the Park-Utah Company has not seen fit to do further exploratory work in the area.

Recommendations

This loan request should not be given high priority at this time. Only in the event of a more serious lead-zinc shortage should this project be reconsidered.

Missent to Tucson office - pb

FEB 19 1951

February 9, 1951

Memorandum

To: P. T. Allsman, Chief, Mining Division, Denver

Ralph Roberts, USGS, Salt Lake City

From: Field Team, DMA, Region IV

Subject: DMA Docket 113, New Quincy Mining Company, Salt Lake City, Utah

We are attaching the application of the New Quincy Mining Company, for your investigation and report. A copy of the Operating Committee instruction, dated February 1, is attached.

We are forwarding the brochure to Mr. Allsman. Please arrange that both the Bureau of Mines engineer and geologist of the Survey have an opportunity to review the brochure before any field work is undertaken.

You will note that a geological examination of the property is necessary and that an engineering appraisal of the loan is desired. Please expedite this work as much as possible

J. H. East, Jr.

A. H. Koschmann

Copies to:

Allsman (2)
Roberts
Koschmann
DMA files
JH/cl

RgR 2/19/51

FILE COPY
SURNAME:

Re: Docket DMA 113

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

Lyons
McKnight for Herres

February 1, 1951

J. F. Gast

Memorandum

To: Executive Officer of Field Team, Region IV

From: Lead-Zinc Branch, DMA

Subject: Docket DMA 113, New Quincy Mining Company
Salt Lake City, Utah.

The application for government assistance filed by the New Quincy Mining Company of Salt Lake City, Utah has been reviewed by the Lead-Zinc Branch, DMA.

The applicant requests $36,000.00 for exploration to be used as follows: $21,575.00 for driving a total of 915 feet of crosscuts, drifts, and raises; $7,500.00 for equipment; $6,925 for insurance, administration, etc.

The Lead-Zinc Branch, DMA recommends that this application be referred to the field for investigation and advice. The review of the application indicates that a geologic examination of the property will be necessary.

OTTO HERRES, Chief
Lead-Zinc Branch, DMA

Approved:
DMA Operating Committee

Chairman

J. H. Hedges

Olaf N. Rove

copy to: Chief, Lead-Zinc Branch
Geological Survey - McKnight
J. H. Hedges
R.H. Mote
2 copies to Executive Officer,
Regional Field Team, Region IV
Strobel
Mittendorf
Files

EJLyons:jeh
G-2/1/51

Docket 113

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FILE COPY
SURNAME:

Strobel

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

9 January 1951

Hon. Reva Beck Bosone
House of Representatives

Subject: DMA-113
New Quincy Mining Company
Salt Lake City, Utah

My dear Mrs Bosone:

Replying to your letter of January 4 inquiring about the loan application of Mr. Nick Floor, President of the New Quincy Mining Company of Salt Lake City, Utah:

This application has been received and given docket No. 113 and is now under consideration by my staff.

As you requested we shall advise you when a decision has been reached on this case.

Sincerely yours,

JAMES BOYD

Administrator

JB:LFS:mec

Copy to: Mr. Herres
Mr. J. H. East, Jr., Denver, Colorado
L. F. Strobel
Files
Administrators read file

DMA-113

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LANDON F. STROBEL

REVA BECK BOSONE
SECOND DISTRICT, UTAH

NEW HOUSE OFFICE BUILDING
ROOM 1416

VIRGINIA RISHEL
ADMINISTRATIVE ASST.

Dept-
Bur Mines

Congress of the United States
House of Representatives
Washington, D. C.

COMMITTEE:
PUBLIC LANDS

SUBCOMMITTEES:
IRRIGATION AND RECLAMATION
TERRITORIES AND INSULAR POSSESSIONS
INDIAN AFFAIRS

January 4, 1951

ans 1-9-51
L J Strachan/pg
mee

Mr. James Boyd, Director
Bureau of Mines
Department of the Interior
Washington, D. C.

Dear Mr. Boyd:

I understand that Mr. Nick Floor, President of the New Quincy Mining Company, Felt Building, Salt Lake City, Utah, has applied for a $36,000 loan to develop his mining properties.

I shall appreciate it very much if you will give this application your serious consideration to see if it has merit, and if you will advise me when a decision is made on it.

Sincerely yours,

Reva Beck Bosone

REVA BECK BOSONE
Member of Congress

RBB:gs

BUREAU OF MINES
WASHINGTON, D. C.
JAN 8 8 03 AM '51

DMA-113

ADMINISTRATOR

New Quincy Mining Company

FELT BUILDING

MINING PROPERTIES
N PARK CITY, UTAH

OFFICE
~~ROOM 300~~
~~46 EAST 1 SOUTH~~
TELEPHONE 5-9174
SALT LAKE CITY 1, UTAH
Felt Building
Room 421
December 26,1950

Mr. James Boyd. Acting Director
Minerals Adm. for Depense
Room 6416, Dept. of Interior Building
Washington 25, D. C.

Dear Mr. Boyd:

We are herewith submitting application for a $36.000.00 loan under the mining Laws passed on the act of 1950 to extend loans to small mines for operation to find Critical Materials. We are forwarding this to you under separate cover along with other pertinent data which explains in detail the geological position of the New Quincy Mine with shetches and maps prepared by two mining engeneers, Mr. E.A. Hewitt and Mr. John Kasteler.

We are also sending copies of smelter returns to show the value of minerals shipped from the mine.

The New Quincy Mining Company's property is located in Summit and Wasatch Counties, Snake Creek District, Park City, Utah, and consists of 115 acres plus 85 acres of the Lucky Bill Mining Company adjoining New Quincy ground from the south side, in which New Quincy owns a controlling interest by stock. Both companies' ground is patended.

New Quincy Mining Company, a Utah Corporation with about 235 stockholders contains over 15,000 feet of drifts, shafts and raises. The Company has a bank balance as of October 1, 1950 of $1395.67; the amount of $3677.15 due from leasers as per advances; Park City Consolidated Mines Company deposit of $480.69, and State Compensation Insurance Fund deposit in the amount of $200.00.

The Company has no mortgages or liens, but does owe $3100.00 in notes to Steve N. Floor, has a book credit of $1200.00 to Lucky Bill Mining Company as well as an undetermined amount to Nick Floor for salaries from the year 1946. Such debts the Company intends to clear up by assessment by the Spring of 1951.

The Company owns a 50HP electric compressor (Gardner) which is installed at the top of Daily West Shaft and is connected with the main

DMA-113

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air pipe of Park City Consolidated Mine; i.e., a 4-inch pipe to within a short distance, then a 2-inch pipe which passes by the proposed starting project. The company also owns an electric trammer (Mancha) and 40 old mining cars. The trammer and cars are presently used on Company ground by the Leasers, whose lease covers a block ground which does not interfere with the proposed operations. It has been agreed by the Company and leasers to share in the usage of the trammer and cars, thereby using either the trammer or the cars at the convenience of both parties.

According to Mr. Hewitt's report of October 19, 1950, which is mentionned above and made part of the data being forwarded under separate cover, it is his estimation that an amount of $36,000.00 will be required for the Gvernment loan. With such money the New Quincy Mining Company will proceed as soon as possible to find a capable mining contractor to contract the drift, and also to purchase and to provide the contractor with mucker machine and a liner as well as the necessary timber, rails and pipes for the operation of the drift.

The Company has easement to do operations through the Park Utah Mining Company's ground, with approval to work all the year round.

Respectfully yours,

NEW QUINCY MINING COMPANY

By Nick Floor
Nick Floor, President

By Glen I. Crandall
Glen I. Crandall, Secretary

BUREAU OF MINES
WASHINGTON, D. C

APR 24 9 41 PM '51

FILE COPY
SURNAME:

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

Note
Herres

December 26, 1950

New Quincy Mining Co.

Park City, Utah

In replying please refer to DMA Docket No. 113

Gentlemen:

Your application for a Government loan under provisions of the Defense Production Act of 1950 has been reviewed by the Lead-Zinc Committee of the Defense Minerals Administration. Before your application can be considered further, certain additional information is required.

Enclosed are five copies of N.S.R.B. form 146, Application for Government Loan. Please supply the data requested and return four of these schedules to Dr. Jance Boyd, Administrator Defense Minerals Administration, Department of the Interior, Washington 25, D. C. The Bureau of Mines regional office in Denver, Colorado will be pleased to assist you in completing form 146 in case you have any questions regarding the information requested. A prompt return of this form will be appreciated.

Very truly yours

OTTO HERRES, Chairman
Lead-Zinc Committee, DMA

Enclosures 5

RHNote/km

DMA 113/42

Copy to: Chairman, Commodity Committee
Geological Survey - McKnight
R. H. Note
2 copies to Executive Officer, Regional Field Team, Region IV
Base Metals Branch
Files

856

FILE COPY
Summary:

December 8, 1950

New Quincy Mining Co.
Park City, Utah

Gentlemen:

Your request for assistance under the Defense Production Act of 1950 has been received and is being considered for eligibility under the Act.

All correspondence relating to your project should be identified with the Docket Number DMA-113.

Very truly yours,

CHARLES W. MERRILL, Chief
Base Metals Branch

CWMERRILL/gng

Copy to - Base Metals
L. B. Moon
Files

DMA 113

856

Mr. Herres

DEFENSE MINERALS ADMINISTRATION

Referral of Applications for Government Aid

Docket No. DMA - 113

Commodity: lead, silver

Name of Applicant: New Quincy Mining Company

Address of Applicant: 421 Felt Building
Salt Lake City, Utah

Name of Property:

Location of Property:

1/3/51- Mr. Herres: Attached are four copies of Form NSRB - 146 and additional reports on the New Quincy Mining Company.

Nature of Application: Loan $36,000

Action Dates

Application: 11/20/50

Received: 12/ 5/50

Acknowledged:

Referred to NONFERROUS METALS Committee: 12/7/50

Park City
Nov. 20, 1950

Mr. J. H. East Jr.
Regional Director Region IV
Bureau of Mines
224 New Customhouse
Denver 2, Colo.

REGIONAL DIRECTOR'S OFFICE
REGION IV
NOV 21 1950
BUREAU OF MINES
DENVER, COLORADO

Dear Sir,

We had Mr. E. A. Hewitt, Mining Engineer & Geologist for the Park Utah Consolidated Mines Co. Prepare two sketches giving his views on our lease I am also sending Smelter returns, on one rail road car and one truck load of ore we shipped. We are doing the labor on this lease our selves. We would like to run this drift 400' to the east then Raise 220' to the Jenny this work to raise would cost $22.50 per foot plus $22.50 per set for timber, we think if we could get $20.000 we could complete this work. We have had 25 years experience in mining

Respt J. H. Wiley
Earl Brown

P.S.
I am sending some assay certificates

FORM C.O. 77-2

FINAL SETTLEMENT 5/7-B

UNITED STATES SMELTING REFINING AND MINING COMPANY

NINTH FLOOR NEWHOUSE BUILDING

Salt Lake City, Utah, SEPTEMBER 21, 1950

Purchased From NEW QUINCY MINING COMPANY

Pay NEW QUINCY MINING COMPANY

SP: PARK CITY, UTAH

Ore CRUDE *Lot No.* 1 (A-502) *Gold License No.*

Sampled by MOVER *Received* 9/7/50 *Sampled* 9/12/50 *Assayed* 9/20/50

Metal Quotations—Gold 34.9125 *Silver* 90.00 *Copper, N. Y.* 25.363 *Lead, N. Y.* 14.80 *Zinc*

ASSAYS	GOLD OZS. PER TON	SILVER OZS. PER TON	PER CENT COPPER WET	PER CENT LEAD	PER CENT INSOLUBLE	PER CENT IRON	PER CENT ZINC	PER CENT SULPHUR	PER CENT LIME	PER CENT
U. S. S. R. & M. Co.	.03	75.70		10.90						
C & N	.04	76.30		11.20						
Umpire				11.05 avg.						
~~Non-Sulphide~~ Loss				1.50						
Settlement Assay	.035	76.00	1.10	9.55	69.30	3.30	3.5	1.60	1.20	

CAR NOS.	WET WEIGHT	METAL VALUE			WORKING CHARGE	
Truck - 1 Lead US 7 Weight to be used for hauling purposes is 21,520		Gold 100% @31.8183	1	11	Treatment Base 30% Lead	5 75
		Silver 95 % @ 0.00	64	98	Credit Acc't Over 30% Pb.	
		Copper	1	22	Debit Acc't Under 30% Pb.	
		Lead	22	00	Insoluble	2 05
		Zinc			Zinc Charge, excess over 6%	6 93
					Sulphur Charge, excess over 2%	
					Arsenic Charge, excess over 2%	
Total Wet Weight						
Sacks					Total Debit	14 73
Net Weight	21,580	Gross Value	89	31	Iron Credit	20
Less H_2O 6.0 %	1,294	Less Working Charge	14	53	Net Working Charge	14 53

Dry Weight, lbs. 23106	Payment for 11.553	tons @	74	78	per ton 863.93
Freight advanced @	per ton				
Handling charge:					
Assay Charges			7.50		
Sampling or Watching Charges			13.00		20 50
Hauling Charges to be paid by shipper.					
		Amount Withheld Pending Receipt of Silver Affidavit			
		Net Payment			843 43

FORM S.L. 247 50M 9-48

AMERICAN SMELTING AND REFINING COMPANY

GARFIELD PLANT

PLANT LOT NO. 113 SALT LAKE CITY, UTAH Jan.25,1950

BOUGHT OF New Quincy Mining Co. MINE New Quincy LOT NO. 2

RECEIVED 1-16-50 SAMPLED BY [illegible] CLASS crude SHIPPING POINT Park City, Utah

QUOTATIONS GOLD 34.9125 SILVER .88 LEAD 12.60 less 6.467 tax on bullion .033 COPPER

ASSAYS	GOLD OZ. PER TON	SILVER OZ. PER TON	LEAD PER CENT	COPPER PER CENT	INSOL. PER CENT	ZINC PER CENT	SULPHUR PER CENT	ARSENIC PER CENT	IRON PER CENT	[illegible]
A. S. & R. CO.	.02	39.2	6.9	.58						78.8
[illegible]	.025	39.63	7.1	.70						
[illegible]										
[illegible]	.0025	39.625	7.0	.64						78.8

PRELIMINARY	NUMBER	WEIGHT
UP	63572	

VALUES PER TON			
GOLD	@	$1,[illegible]	.72
SILVER, 95%	@	.88	32.96
LEAD, LESS [illegible]	@	1.10	3.87
COPPER, LESS	@		
			37.55

DEDUCTIONS PER TON	
BASE	6.10
over 20.00	1.75
LABOR ADJUSTMENT	
INSOLUBLE % @	
ZINC % @	
SULPHUR % @	
DEBIT	
IRON % @	
TOTAL DEDUCTIONS	7.85

WEIGHT OF LOT

WEIGHT OF SACKS

WET WEIGHT 111900

LESS MOISTURE 8.15 % 9.00

LESS TOTAL DEDUCTIONS 7.85

DRY WEIGHT 102700 (Dry, metric @ $ 29.66 PER TON $ 1525.26

(New Quincy Mg.Co., [illegible] 43.43 FREIGHT ADVANCED $ 1.50 77.03

[illegible] apply on advance [illegible] 76.[illegible] ADVANCES fwd.tax on frt.35 2.32

[illegible] 79.95 SAMPLING 79.95

(Denis X.Riley & Earl Green, [illegible] UMPIRE

([illegible] a/c return of silver [illegible] ASSAYING 5.00 140.48

[illegible] 1384.78

Prices accept on contracts, subject to change without notice. Buyer's assays govern if seller fails to make or submit assays prior to acceptance of payment.

NET PROCEEDS $ 1384.78

MIN. [illegible]

C. C. CRISMON
PRESIDENT

P. M. CRISMON
VICE-PRESIDENT

ORRIN FISHER
SECRETARY

R. R. CASTO
TREASURER

PHONE 3-7417

CRISMON & NICHOLS

229-231 SO. WEST TEMPLE ST.

P. O. BOX 1708

CERTIFICATE OF ASSAY

SALT LAKE CITY 12, UTAH June 13, 1949.

New Quincy Mining Co.

WE HAVE ASSAYED YOUR one SAMPLES AND FIND it TO CONTAIN AS FOLLOWS:

DESCRIPTION	NO.	OZS. GOLD PER TON	OZS. SILVER PER TON	PER CENT LEAD	PER CENT COPPER	PER CENT INSOL.	PER CENT IRON	PER CENT ZINC	PER CENT	VALUE OF GOLD PER TON
this is the Hard Stuff that lays in foot wall Side by on the Soft Stuff		0.12	254.20	10.20				11.30		$ 4.20

REMARKS:

CHARGES $ 3.00

CRISMON & NICHOLS

BY C. C. Crismon

C. C. CRISMON
PRESIDENT

J. M. CRISMON
VICE-PRESIDENT

ORRIN FISHER
SECRETARY

R. R. CASTO
TREASURER

PHONE 3-7417

CRISMON & NICHOLS

229-231 SO. WEST TEMPLE ST.

P. O. BOX 1708

CERTIFICATE OF ASSAY

SALT LAKE CITY 12, UTAH June 11, 1949.

New Quincy Mining Co.

WE HAVE ASSAYED YOUR two SAMPLES AND FIND them TO CONTAIN AS FOLLOWS:

DESCRIPTION	NO.	OZS. GOLD PER TON	OZS. SILVER PER TON	PER CENT LEAD	PER CENT COPPER	PER CENT INSOL.	PER CENT IRON	PER CENT ZINC	PER CENT	VALUE OF GOLD PER TON
Face Sample	1	0.02	59.70	8.20	0.82			7.45		70¢
Out of 3 Cars	2	0.07	75.60	5.50						$ 2.45

REMARKS:

CHARGES $ 5.50

CRISMON & NICHOLS

BY [signature]

C. C. CRISMON
PRESIDENT

P. M. CRISMON
VICE-PRESIDENT

ORRIN F[illegible]ER
SECRE[illegible]

R. R. CASTO
TREASURER

PHONE 3-7417

CRISMON & NICHOLS

229-231 SO. WEST TEMPLE ST.

P. O. BOX 1708

CERTIFICATE OF ASSAY

SALT LAKE CITY 12, UTAH August 27, 1949

New Quincy Mining Co.

WE HAVE ASSAYED YOUR two SAMPLES AND FIND them TO CONTAIN AS FOLLOWS:

DESCRIPTION	NO.	OZS. GOLD PER TON	OZS. SILVER PER TON	PER CENT LEAD	PER CENT COPPER	PER CENT INSOL.	PER CENT IRON	PER CENT ZINC	PER CENT	VALUE OF GOLD PER TON
8/26/49 from Cars	1		52.90	11.40				6.35		
from face	2		67.50	17.90				7.00		

REMARKS:

CHARGES $ 5.00

CRISMON & NICHOLS

BY [signature]

Park City, Utah.
Nov. 15, 1950.

Messrs. Wiley & Brown,
Park City, Utah.

Gentlemen: re: New Quincy Lease

Pursuant of our conversation I have prepared two sketches illustrating the geological setting and ore occurrencies in the 300' drift you have driven beginning at the East raise on the 1300 level of this mine.

You have followed the Harrington fissure which above and to the west has produced nearly a million dollars. This ore body occurred in the Park City formation near the Jenney horizon which is about 100' above the base of the Park City lime. It will be noted the easterly part of this ore body rakes downward to the east as though the source of this ore might be in that direction. The ore showings in your two raises are in the line of this rake.

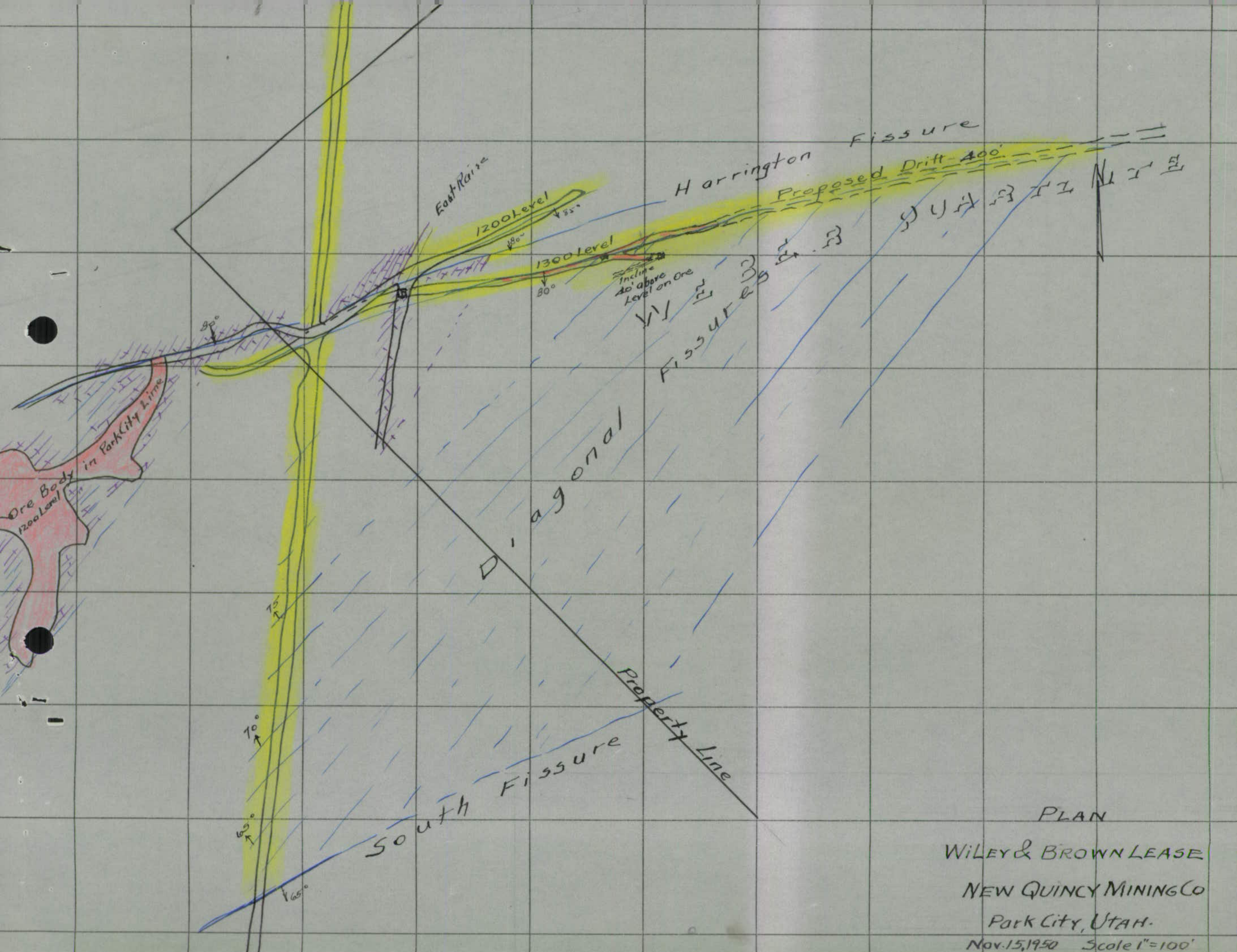
It is quite a common occurrence in this district for ore to pass to the Weber quartzite at the east end of the ore bodies on the Jenney horizon. This passage was noted in the Daly West mine adjoining this property on the north. Also in the Daly, the Ontario and the Park Utah mines immense ore bodies have been found on fissures in Weber quartzite. It is therefore recommended that you drive east ward on the 1300 level on the Harrington fissure at least 400'.

The cost of this work should be around $22.50 per foot or a total of $9000. If you have to buy any new equipment that, of course, will be additional expense.

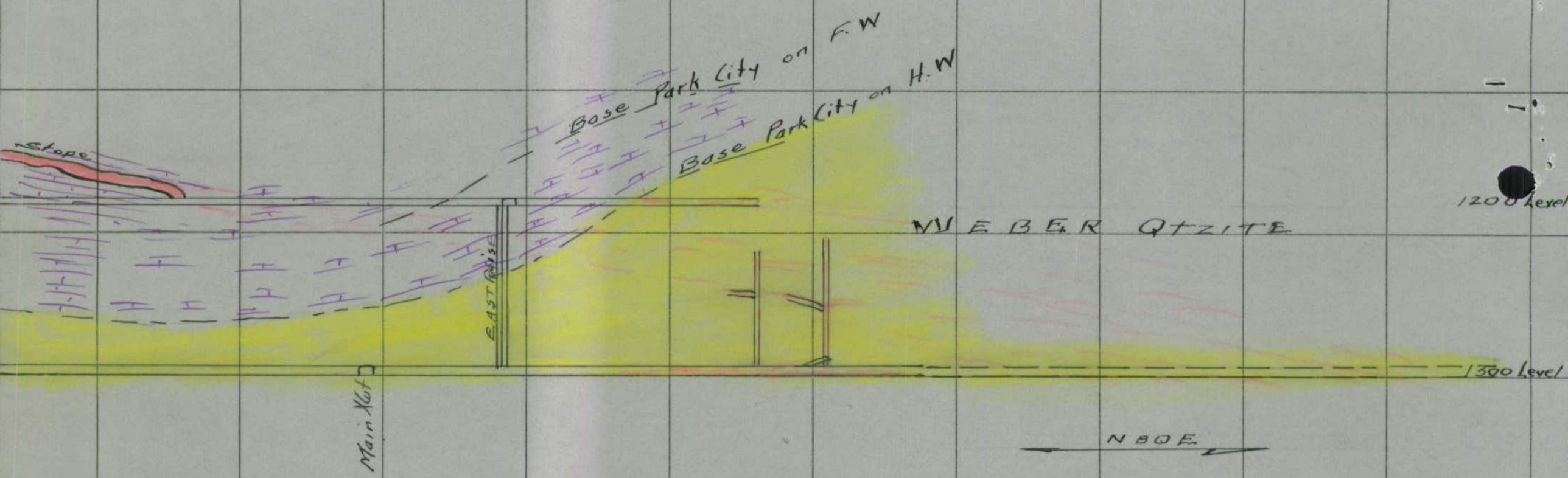
Very truly yours,

E A Hewitt

E. A. Hewitt,
Mining Engineer & Geologist.



PLAN
WILEY & BROWN LEASE
NEW QUINCY MINING CO
Park City, UTAH.
Nov. 15, 1950 Scale 1" = 100'



LONG. SECTION

WILEY & BROWN LEASE

NEW QUINCY MINING CO

PARK CITY, UTAH

Nov 15, 1950 Scale 1" = 100'

Exhibit D

Park City, Utah.
Oct. 19, 1950.

Mr Nick Floor,
New Quincy Mining Co,
421 Felt Building,
Salt Lake City, Utah.

Dear Mr Floor:

In Nov. 1949 I made a report on your property. This report was based on my frequent examinations of your property throughout the last 28 years I have been connected with Park City mining operations. I am now chief engineer and geologist for Park Utah Con. Mines Co.

In view of your intention to apply for financial aid in carrying out the program of development recommended I am adding supplemental data and cost estimates. As per sketch attached the program is slightly changed and now calls for 440' Crosscut, 190' of drift and 285' of raise. I am also adding a surface geolgy map which shows the setting of your property in the district both geographically and geologically. It is seen you are situated favorably on both counts. The report stated there were six horizons in the Park City formation which have been productive but the two lower horizons, the Jenney quartzite bed and the base of the Park City, have been most fertile. As is shown on the sketch, the work recommended will open both horizons on the South Fissure on both walls.

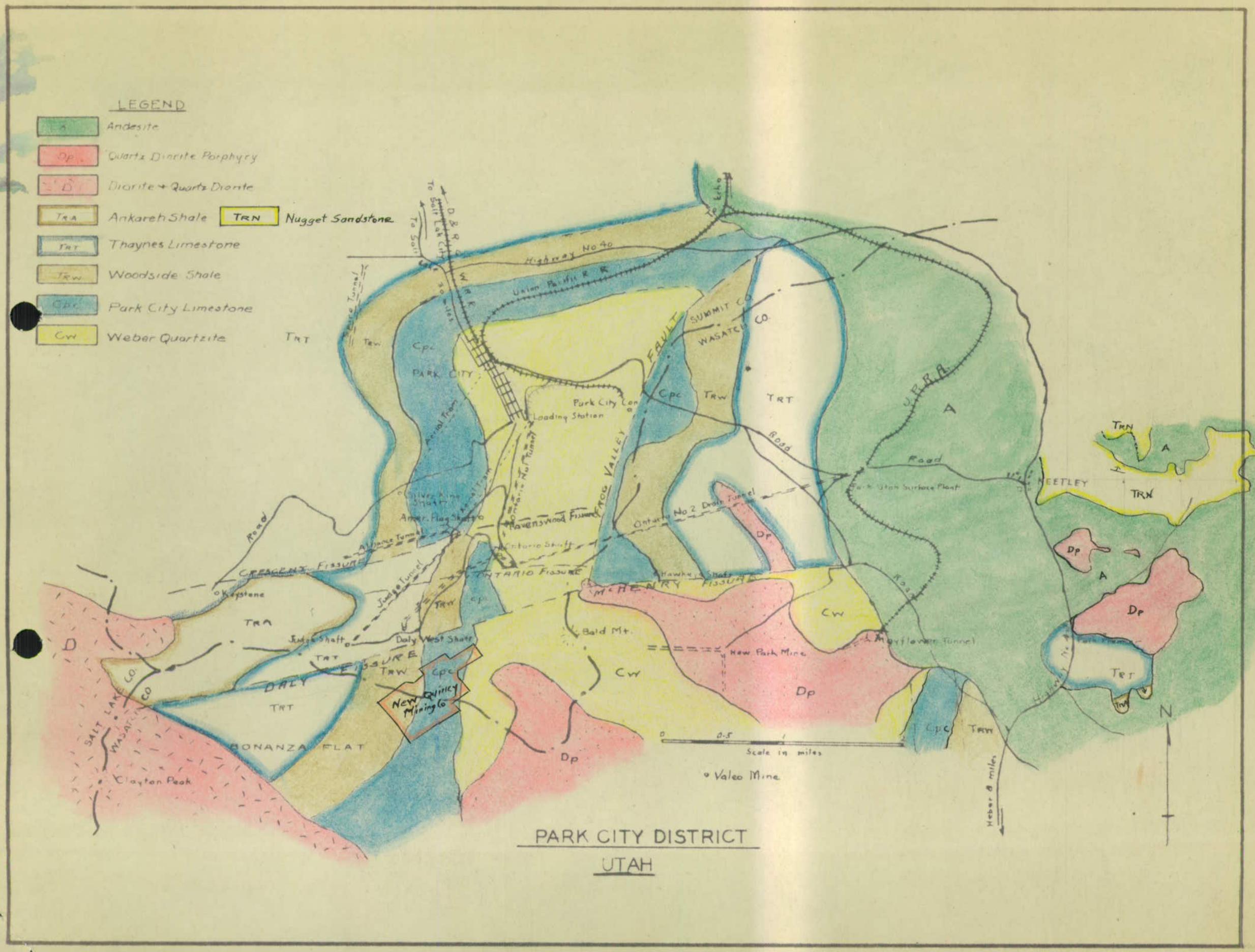
The cost of the proposed operation should about as follows;

440' Crosscut @ $22.50	9900.00		
190' Drift @ $20	3800.00		
285' Raise @ $18	5130.00		
Tramming to shaft, 1 mile at $3 per ft.-915' @ $3	2745.00		
Social Security & Industril Ins.	1425.00		
Supervision & overhead	3000.00		
Miscellaneous 10%	2500.00	28,500.00	
Cost of new equipment needed			
1 Mechanical Mucker	2850.00		
2 Leyner Drills @ $990	1980.00		
2 Stoper Drills @ 565	1130.00		
Pipe, rail, hose & steel	1540.00	7,500.00	36,000.00

Yours

E A Hewitt

PLAN
N
To Daly West Shaft
Weber Quartzite
1300 Level (900 Daly West)
Spot Ore
Spot Ore
Vertical D.D. Hole
Bottom 10' below 1300 Lev.
S 35° E = 100'
S 42° E = 340'
Proposed Raise
285'
Proposed Drift
190'
Park City Lime
Weber Quartzite
Base
SOUTH FISSURE
Jenney Quartzite
Property Line
New Quincy Mining Co
Park Utah Con Mines Co
4" Good Ore
Park City Lime
100'=1"
SECTION
On Raise
285'
Jenney Quartzite
Proposed Raise
Base Park City Lime
165'
S 20° E
35°
65°
Jenney Quartzite
1300 Level
Base Park City Lime
100'=1"



PARK CITY DISTRICT

UTAH

DMR-113

C O P Y

NEW QUINCY MINE

Summit County, Utah

Introduction

The New Quincy mine is located near the head of Empire canyon in the Park City mining district. Early production was obtained principally from the Little Bell section of the property. From 1927 to 1930, a total of 54,410 dry tons of ore was shipped from the New Quincy ground yielding a net smelter return of $1,114,657.27.

At the present time, the Park-Utah Consolidated Co. is driving the 900 level of the Daly West shaft in a southerly direction adjacent to the New Quincy property line. Exposures of mineralization in this drift offer good chances for finding new ore bodies in New Quincy ground although long raises will be required to intersect the best ore-bearing horizons. Faces of ore were observed in the old mine-workings but these are not considered to be as important as the new developments.

General Location and Geology

Adjoining the New Quincy are the Daly West and Daly Judge properties from which approximately 3,500,000 tons of ore has been produced. These mines lie along the southwest extension of the Ontario-Daly fissure system. The immediate area is one of the most productive zones in the Park City district.

The rock formations occur on the west limb of the Park City anticline and trend in a northeast direction. The dip of the strata is to the northwest.

Approximately 60 percent of the district's production has come from the Park City formation which is about 585 feet thick. Underlying this formation is the Weber quartzite which is about 1700 feet thick and has accounted for about 30 percent of the total production. An accompanying sketch shows the intercalated lenses within these two formations that have been highly productive of large bodies of bedded ore. The 'Jenney' quartzite horizon in the Park City lime formation has produced about 40 percent of the ore in the district.

Except for minor production from a lime bed near the top of the formation, the bulk of the ore found in the Weber quartzite has come from highly crushed zones along mineralized fussures.

Detailed Discussion of Geology and Possibilities for Production

A sketch map has been prepared showing the essential features of a mineralized zone intersected about 100 feet west of the New Quincy property line. A 4-inch gouge fissure bounds the zone on the south. Contiguous to this is a large zone of highly crushed quartzite containing disseminations of oxidized minerals. A pocket of ore about 2 by 4 feet in dimensions occurs in the upper, east side of the drift. This assays 136 ounces silver and 16 percent

lead per ton. It is recommended that a drift be driven in this zone eastward until the property line is reached, at which point a two compartment raise is to be started to penetrate the top of the Weber and the lower part of the Park City formations. To complete such a project would require about 400 feet of raise work. Levels could be driven every 100 feet and control gates put on the chutes.

Orderly development of the entire Little Bell property could be conducted from such a raise. From conditions observed on the Daly West 900 level it is possible that enough ore could be mined from the fissure in the quartzite to pay for this work.

All necessary requirements for producing large bodies of high grade ore are found in the proposed plan of operation. The fissure shows high grade mineralization in a breccia zone in the Weber quartzite. Overlying this zone is the Park City formation which contains four siliceous zones in limestone that produce bedded ore bodies where cut by mineralizing fissures. The rich ore bodies mined in Little Bell ground in the early days show the possibilities in this property as new fissures zones are developed.

As the Park-Utah drift is extended southward deeper penetration into the Weber quartzite is attained. This increases the distance to overlying productive beds so that eventually it will not be feasible to raise up from the 900 level.

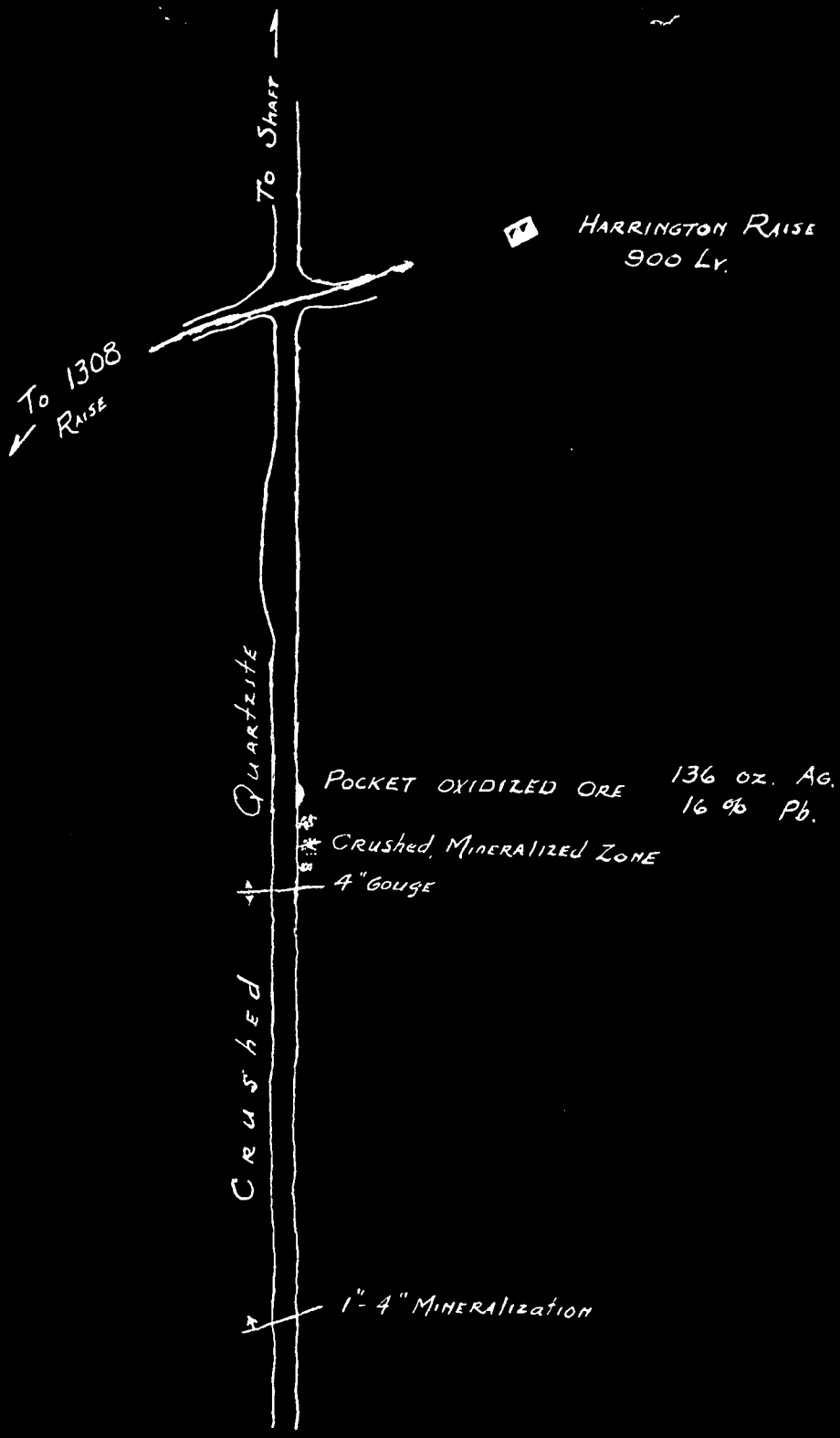
Another possible source of ore exists in developing the Bell fissure from raises already driven. The company map shows the large body of ore found at the intersection of the fissure and 'Jenney' bed. Between this area and the early stoping ground in Little Bell property, a comparatively virgin zone exists. At one point, shown on a sketch map submitted to the company, several assays were taken across the fissure and the adjoining quartzite walls. The fissure samples varied from 18 inches to 3 feet wide over a 6 feet length. The assay showed 69 ounces silver and 6 percent lead per ton. The mineralized quartzite assayed 29 ounces silver per ton. Selected samples of large boulders of ore have assayed over 200 ounces silver per ton. This ore lies about 200 feet about the Daly West 900 level and if followed upward about 170 feet will intersect the lime bed at the top of the quartzite. The caved condition of the upper sub-level requires that a new raise be driven 95 feet to tap this ore.

Conclusions

The New Quincy property is situated in zone that has been highly productive in the Park City district. Several mineralized fissures traverse the property. New fissures are being exposed by the Park-Utah company's development work. The Weber quartzite formation and the Park City limestone horizon are found in New Quincy ground, thus offering the possibilities for both fissure ore and large replacement ore zones.

To reach the areas where bedded ore bodies occur, however, requires the expenditure of considerable amounts of money for long raises from the 900 level of the Daly West shaft.

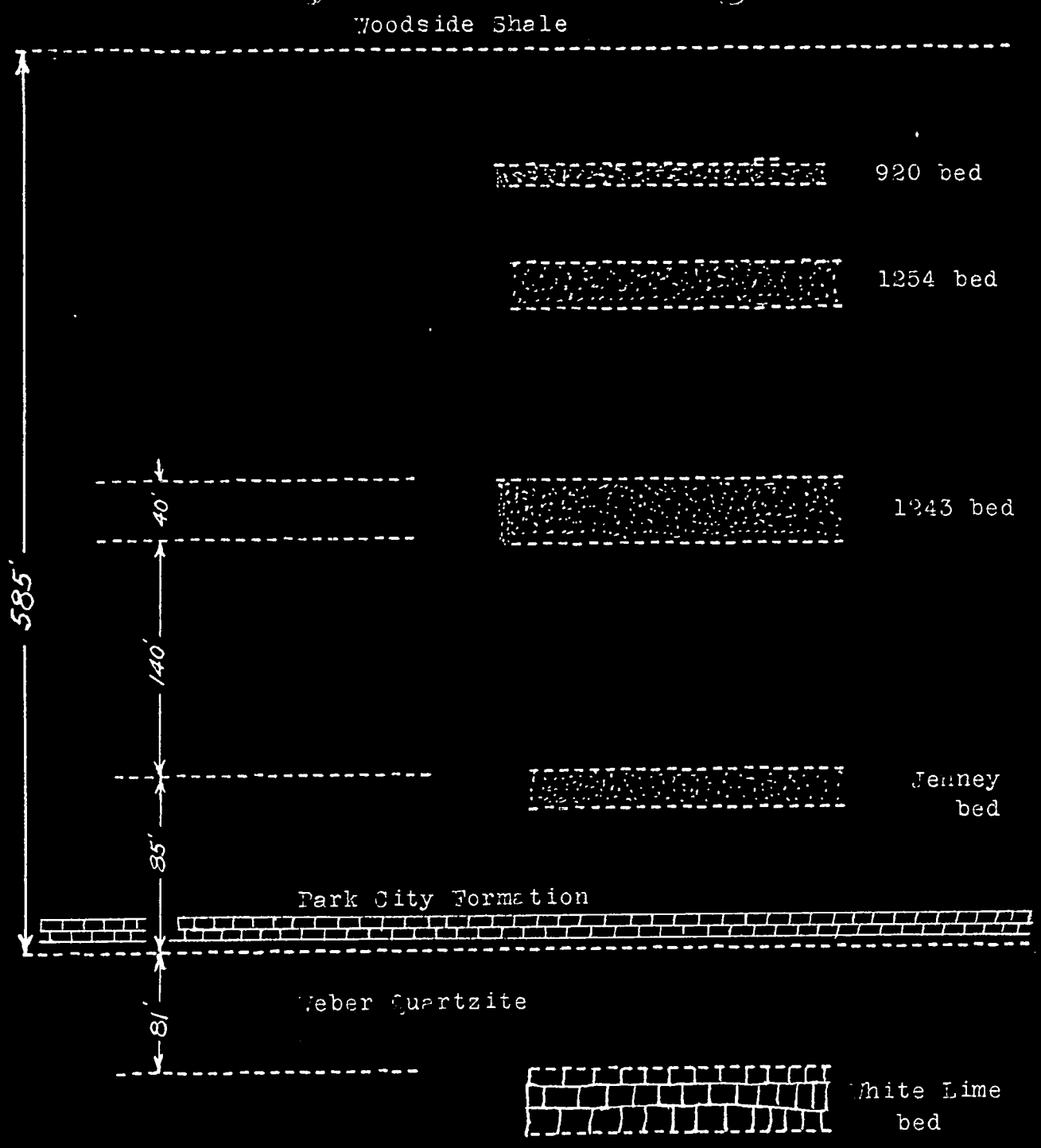
/s/ John I. Kastoler
John I. Kastoler



PLAN VIEW

Daly West 900 Level -- South Drift.

Scale 1" - 50'



IDEAL SECTION

Showing intercalated Lime horizon in Weber quartzite

" " quartzite lenses in Park City formation.

CRISMON
PRESIDENT

P. M. CRISMON
VICE PRESIDENT

ORRIN FISHER
SECRETARY

R. R. CASTO
TREASURER

PHONE 3-7417

CRISMON & NICHOLS

229-231 SO. WEST TEMPLE ST.

P. O. BOX 1708

CERTIFICATE OF ASSAY

SALT LAKE CITY 10, UTAH July 25, 1947

New Quincy Mining Co. By Nick Floor

WE HAVE ASSAYED YOUR one SAMPLES AND FIND it TO CONTAIN AS FOLLOWS:

DESCRIPTION	NO.	OZS. GOLD PER TON	OZS. SILVER PER TON	PER CENT LEAD	PER CENT COPPER	PER CENT INSOL.	PER CENT IRON	PER CENT ZINC	PER CENT	VALUE OF GOLD PER TON
		0.05	63.55	9.7				6.1		$1.75

REMARKS:

CHARGES $ 3.00

CRISMON & NICHOLS

BY R. R. Casto

C. CRISMON
PRESIDENT

P. M. CRISMON
VICE-PRESIDENT

ORRIN FISHER
SECRETARY

R. R. CASTO
TREASURER

PHONE 3-7417

CRISMON & NICHOLS

229-231 SO. WEST TEMPLE ST.

P. O. BOX 1708

CERTIFICATE OF ASSAY

SALT LAKE CITY, UTAH April 20, 1946

Nick Floor (Chairman of New Quincy Stock-holders)

WE HAVE ASSAYED YOUR four SAMPLES AND FIND them TO CONTAIN AS FOLLOWS:

	DESCRIPTION	NO.	OZS. GOLD PER TON	OZS. SILVER PER TON	PER CENT LEAD	PER CENT COPPER	PER CENT INSOL.	PER CENT IRON	PER CENT ZINC	PER CENT	VALUE OF GOLD PER TON
1	Bedding to Left Purposed for Raise		0.06	63.20	21.1						$2.10
2	#2 Little Bell Raise as can be mined		0.05	106.00	20.3						$1.75
3	200 Ft. to Right from Harrington, 10th Level		0.04	161.40	13.3						$1.40
4	On Foot-wall 200 Ft. to Right from Harrington 10th Level		0.04	216.60	11.0						$1.40

REMARKS:

CHARGES $ 6.00

CRISMON & NICHOLS

BY R. R. Casto

1 DMA-113

COPY

New Quincy Mining Co.
City

1/19/40

Kimber-Olsen lease

Park City, Utah

	1/10		UOSCO	Crude		448		7420
.6	6.1	7.1	15.25	.015	57.6	7.0	12.4	
	6.4	7.4	15.55	.0175	57.6	7.4	12.0	
	6.25	7.25	15.4	.01625	57.6	7.2	12.2	

			2 000
1/3	5 500	Cr. UOSCO., Sampling	250
1/3	5 800	Cr. Pb over 5% @ .15	188
1/10	70 625	Cr. Pb under .07	168
	$34 910		

& Cu 81.85%	.017300	1 940	
60%	.02095	1 823	
80%	.70625	8 701	
90%	31.816	465	
		12 929	
		1 394	
		11 535	1 394

48.579 11.535 560 36

UOSCO., Sampling	44 23
C. S. Cowan, assaying	5 00
IS&R CO. invoice, dated 7/10/39	15 00
IS&R CO. Invoice, dated 9/11/39	100 00

UCR 20326

	104080	.75	9.82	39 03

New Quincy Mining Co.

6.65		448 Crude		203 26
	97158	7420 Ag	33625	357 10

Average Zinc 8.14%
Lead 5.80%

472.10
20
94.420

472.10
94.42
377.68
352.68
25

Exhibit "A"

2

COPY

New Quincy Mining Co.
312 McCornick Bldg.
City

3/19/40

Park City, Utah

3/12 UOSCO Crude 449 7647

.76	9.5	14.0	21.6	.025	31.2	3.8	12.6	11.1
.81	9.7	14.2	22.0	.02	30.5	5.0	12.3	
.785	9.6	14.1	21.8	.0225	30.85	4.4	12.45	

3/6	5 250	Chg. a/c payment for 90% of Ag	2 000
3/6	5 750		750
3/12	70 625	Cr. UOSCo. sampling	2 750
	$34 910	Cr. Pb over 5% @ .15	250
		Cr. Pb under 7¢	690
			310
			1 500

& Cu 85.385%	.016568	2 938	
60%	.020669	3 497	
90%	.67125	13 170	
90%	311.816	644	
		20 249	
		1 500	
		18 749	1 500

40.037 18.749 750 65

UOSCO., sampling 36 77
C. S. Cowan, assaying 6 00

Minimum 100,000#
UCR 20282

86520 .90 16.36 45 00

New Quincy Mining Co.

7.45 449 Crude 87 77
80074 7647 Ag 34020 662 88

3

COPY

New Quincy Mining Co.
City

6/4/40

Kimber & Bennett Lease — Park City, Utah

	5/24		UOSCO.	Crude		450				7956
.3	4.2	8.3	17.05	.015	32.0	2.0	7.3	19.2		
	11.7	8.5	17.8	.025	31.2	2.5	5.7			
U.	4.4m		17.38m							
	4.4	8.4	17.38	.02	31.6	2.25	6.5			

			2 000
5/22	5 000	Cr. Pb under 7¢	150
5/22	5 750	Cr. UOSCO., Sampling	250
5/24	70 625		
	$34 910		

& Cu 80%	.011375	855	
60%	.020669	2 083	
80%	.70625	9 820	
90%	31.816	573	
		13 331	
		1 600	
		11 731	1 600

37.485 — 11.731 — 439 74

UOSCO., Sampling	35 40
Union Assay Office, umpire	6 00
Royalty 20% of #360.84 pay New Quincy Mining Co. To apply on amount due IS&RCO.	72 17

Minimum 100,000#
UP 62573

83300 — .75 — 9.56 — 37 50

New Quincy Mining Co.
450 Crude
7956 Ag

10.0 — 74970 — 34606 — 151 07 / 288 67

4

COPY

New Quincy Mining Co.
City

8/12/40

Kimber & Bennett Lease

Park City, Utah

	7/31		UOSCO		Crude		452		8157
.67	4.8	6.4	20.0	.015	66.0	5.5	9.6	1.3	
.75	5.1	6.4	20.25	.015	65.4	6.2	10.4		
.71	4.95	6.4	20.125	.015	65.7	5.85	10.0		

			2 000
7/24	5 000	Chg. a/c payment for 90% of Ag	750
7/24	6 250		2 750
7/31	70 625	Cr. Pb under 7¢	183
	$34 910	Cr. UOSCO., Sampling	250

& Cu 30.66%	.011705	1 069	
60%	.023481	1 803	
90%	.67125	12 158	
90%	31.816	430	
		15 460	
		2 317	
		13 143	2 317

53.473 13.143 702 80

UOSCo., Sampling		33 67
C. S. Cowan, assaying		6 00
Royalty 20% of $621.05	124.21	124 21
to apply on a/c due IS&RCo.	95.60	
New Quincy Mining Co.	28.61	

Vo. 35107

UP 63963

112220 .75 11.82 42 08

New Quincy Mining Co.

4.7 452 Crude 205 96

106496 8157 Ag 35085 496 84

CORRECTION

5

9/10/40

New Quincy Mining Co.
312 McCornick Bldg.
City

Kimber & Bennett lease — Park City, Utah

	9/3	UOSCO		Crude		452-A		8235	
.82	5.1	6.2	23.05	.03	65.0	5.8	8.8	2.8	
.8	5.4	6.5	23.2	.04	64.0	7.0	10.0		
.81	5.25	6.35	23.125	.035	64.5	6.4	9.4		

			2 000
8/28	4 900	Chg. a/c payment for 90% of silver	750
8/28	6 500		2 750
9/3	70 625	Cr. UOSCO., Sampling	250
	34 910	Cr. Pb over 5% @ .15	038
		Cr. Pb under .07	206

& Cu 81.06%	.010905	1 071	
60%	.024888	1 896	
90%	.67125	13 970	
90%	31.816	1 002	
		17 939	
		2 256	
		15 683	2 256

45.012 — 15.683 — 705 92

U.O.S.Col, Sampling	27 97
C. S. Cowan, assaying	6 00
Cash advanced Vo. 35193	150 00
Royalty 20% of $634.45 pay New Quincy Mining Co., 312 McCornick Bldg., City Vo. 35333	126 89

Minimum 100,000#
UP 63718

93240 — .75 — 14.41 — 37 50

New Quincy Mining Co.
452-A Crude
8235 Ag

3.45 — 90024 — 35333 — 348 36
357 56

COPY

6

11/16/40

New Quincy Mining Co.
312 McCornick Bldg.
City

Kimber & Bennett lease — Park City, Utah

	11/8	UOSCO	Crude	453				8366
.56	4.6	8.7	18.45	.01	66.0	4.0	8.9	2.3
.66	4.95	8.5	18.6	.02	65.1	7.1	8.9	
.61	4.775	8.6	18.525	.015	65.55	5.55	8.9	

			2 000
11/6	5 530		
11/6	7 250	Cr. Pb under 7¢	127
11/8	70 625	Cr. U.O.S. Co., sampling	250
	$34 910		

Cu 80.385%	.016868	1 460	
60%	.029106	3 004	
80%	.70625	10 467	
90%	31.816	430	
		15 361	
		1 623	
		13 738	1 623

47.211 — 13.738 — 648.58

U.O.S. Co., sampling	29 40
C. S. Cowan, assaying	6 00
Royalty 20% of $575.68, pay New Quincy Mining Co., 312 McCornick Bldg., City. Vo. 35860	115 14
Cash advanced Vo. 35386	100 00

Minimum 100,000#
UP 63608

98000 — .75 — 12.51 — 37 50

New Quincy Mining Co.
453 Crude
8366 Ag — 35860

3.65 — 288 04
94422 — 360 54

COPY

7

New Quincy Mining Co.
312 McCornick Bldg.
City

1/16/41

Kimber & Bennett Lease — Park City, Utah

	1/7		UOSCO.	CRUDE		454			8514
.45	6.6	10.5	23.3	.025	65.0	3.0	9.1	2.2	
	6.9	10.7	23.9	.03	64.4	4.4	8.0		
B&D			23.7725s						
	6.75	10.6	23.7725	.0275	64.7	3.7	8.55		

1/1	5 500	Chg. a/c payment of 90% of Ag	2 000
1/1	7 250		750
1/7	70 625	Cr. Pb under 7¢	2 750
	$34 910	Cr. Pb over 5% @ .15	178
		Cr. U.O.S.Co., sampling	263
			250

& Cu 82.2%	.017475	2 068	
60%	.029106	3 702	
90%	.67125	14 362	
90%	31.816	787	
		20 919	
		2 059	
		18 860	2 059

40.658 — 18.860 — 766 81

C. S. Cowan, assaying — 5 00

U.O.S.Co., sampling — 25 84

Cash advanced Vo. 36088 — 150 00

Royalty 20% of $690.97, pay New Quincy Mining Co., 312 McCornick Bldg., City. Vo. 36338 — 138 19

Minimum 100,000#
UCR 20155

86140 — .90 — 17.09 — 45 00

New Quincy Mining Co.

5.6 — 454 Crude — 364 03

81316 — 8514 Ag — 36338 — 402 78

COPY 8

3/20/41

New Quincy Mining Co.
312 McCornick Bldg.
City

Kimber & Bennett Lease — Park City, Utah

	3/13	UOSCO.		CRUDE		455		8653	
.6	6.6	10.4	29.6	.02	65.2	3.4	9.7	1.2	
	6.8	10.7	30.1	.02	64.2	4.0	9.6		
	6.7	10.55	29.85	.02	64.7	3.7	9.65		

			2 000
3/12	5 750	Chg. a/c payment of 90% of Ag	750
3/12	7 250		2 750
3/13	70 625	Cr. Pb under 7¢	150
	$34 910	Cr. Pb over 5% @ .15	255
		Cr. U.O.S.Co., sampling	250

& Cu 82.3%	.020025	2 406	
60%	.029106	3 685	
90%	.67125	18 033	
90%	31.816	573	
		24 697	
		2 095	
		22 602	2 095

52.395 22.602 1184 23

U.O.S.Co., sampling		32 73
C. S. Cowan, assaying		5 00
Royalty, 20% of $1,083.77, pay New Quincy Mining Co., 312 McCornick Bldg., City	Vo. 36854	216 75
Cash Advanced	Vo. 36446	100 00

UP 633 69

	109100	1.15	21.02	62 73

New Quincy Mining Co.

3.95		455 Crude		417 21
	104790	8653 Ag	36854	767 02

COPY

9

New Quincy Mining Co.
312 McCornick Bldg.
City

5/23/41

Kimber & Bennett Lease

Park City, Utah

	5/14		U.O.S.Co.	CRUDE		456			8788
.4	4.6	8.5	20.0	.015	72.4	2.6	7.4	1.0	
	4.7	8.6	20.35	.02	71.6	4.0	7.1		
	4.65	8.55	20.175	.0175	72.0	3.3	7.25		

			2 000
5/7	5 850	Chg. a/c payment for 90% of Ag	750
5/7	7 250		2 750
5/14	70 625	Cr. Pb under 7¢	093
	$34 910	Cr. U.O.S.Co., sampling	250

& Cu 80.05%	.019900	1 609	
60%	.029106	2 986	
90%	.67125	12 188	
90%	31.816	501	
		17 284	
		2 407	
		14 877	2 407

50.323	14.877		748 66
U.O.S.Co., sampling		31 72	
C. S. Cowan, assaying		5 00	
Royalty 20% of $672.29, pay New Quincy Mining Co., 312 McCornick Bldg., City	Vo. 37380	134 46	

UP 62661

	105720	.75	13.47	39 65

New Quincy Mining Co.

4.8	100 646	456 Crude		210 83
	100646 X	8788 Ag	37380	537 83

COPY

10

INTERNATIONAL SMELTING AND REFINING COMPANY

7/9/41

New Quincy Mining Co.
312 McCornick Bldg.
City

Kimber & Bennett Lease — Park City, Utah

6/30 UOSCO. Crude 457 8878

.55	6.0	10.1	26.7	.02	64.6	3.1	9.2	2.8
	6.2	10.5	27.0	.02	64.4	3.5	9.1	
	6.1	10.3	26.85	.02	64.5	3.3	9.15	

				2 000
	6/25	5 850	Chg. a/c payment for 90% of Ag.	750
	6/25	7 250		2 750
	6/30	70 625	Cr. Pb under 7¢	125
		$34 910	Cr. Pb over 5% @ .15	165
			Cr. U.O.S.Co., sampling	250

& Cu 81.65%	.020700	2 248	
60%	.029106	3 598	
90%	.67125	16 221	
90%	31.816	573	
		22 640	
		2 210	
		20 430	2 210

	42.532	20.430	868 93
	U.O.S.Co., sampling	26 78	
	C. S. Cowan, assaying	5 00	
	Royalty 20% of $792.15, pay New Quincy Mining Co., 312 McCornick Bldg. City Vo. 37714	158 43	
Minimum 100,000# UP 63442			
89260	.90 18.76	45 00	
	New Quincy Mining Co.		
4.7	457 Crude		235 21
85064	8878 Ag 37714		633 72

C O P Y

//

1/14/42

New Quincy Mining Co.
312 McCornick Bldg.
City

Kimber & Sullivan Lease — Park City, Utah

	1/6	UOSCO.		CRUDE		458			7010
.4	6.3	14.6	20.95	.02	58.4	2.8	11.2	2.3	
	6.5	14.9	21.0	.03	58.8	1.8	11.1		
	6.4	14.75	20.975	.025	58.6	2.3	11.15		

12/31	5 850	Chg. a/c payment for 90% of Ag	2 000
12/31	8 250		750
1/6	70 625	Cr. Pb under 7¢	2 750
	$34 910	Cr. Pb over 5% @ .15	128
		Cr. U.O.S.Co., sampling	210
			250
			2 162

& Cu 81.8%	.020775	2 311	
60%	.034731	6 147	
90%	.70625	12 672	
90%	31.816	716	
		21 846	
		2 162	
		19 684	2 162

29.936 19.684 589 26

U.O.S.Co., sampling 27 06

C. S. Cowan, assaying 5 00

Royalty 20% of $517.41, pay New Quincy Mining Co., 312 McCornick Bldg., City. Vo. 39038 103 48

UCR 20573

63660 1.25 17.51 39 79

New Quincy Mining Co.
458 Crude
7010 Ag

5.95 175 33

59872 39038 413 93

DMA-113

NEW QUINCY MINING COMPANY SHIPMENTS
YEARS 1934 AND 1935

Date	Mine Lot	Dry Tons	ASSAYS % Cu	% Pb	% Zn	Oz.Ag	Oz. Au
1934							
Aug. 24	400	39.9595	1.525	12.85	13.45	31.725	.03
Sept.13	401	48.340			7.23	15.35	.02
Oct. 19	403	51.777	1.925	11.5	16.55	29.85	.0425
Nov. 28	404	30.693	1.12	8.2	11.05	25.1	.03
Dec. 8	405	41.829	1.2425	8.975	11.475	30.575	.0275
1935							
Jan. 3	406	43.127	1.0125	7.9	11.35	25.6625	.02
Jan. 30	407	53.083	1.015	9.5	14.8	41.05	.0315
Mar. 12	408	55.641	1.1125	10.3	15.8	40.575	.025
Apr. 26	409	50.4705 56	.81	6.4	6.95	36.375	.025
May 28	410	57.739	.91	8.1	6.95	36.7	.02
June 25	411	54.528	.855	6.0	5.9	26.275	.016
Aug. 1	412	55.273	.6	5.9	7.0	18.7	.02
Aug. 7	413	52.323	.47	5.2	5.85	17.6	.0225
Aug. 28	415	47.486	1.115	8.2	10.35	33.5	.02
Aug. 30	414	55.693	.475	5.075	5.4	14.05	.015
Aug. 31	416	60.399	.34	4.15	6.55	11.2	.02
Sept.11	417	57.152	.45	5.9	6.85	16.15	.02
Oct. 16	418	55.772	1.095	13.9	22.8	33.15	.0285
Nov. 5	419	32.865	.4	4.55	6.0	16.85	.0125
Nov. 23	420	52.518	.99	10.1	13.15	33.925	.025
Dec. 18	421	34.287	1.66	12.05	12.5	68.025	.0375
		1030.95		159.25	214.97		
				7.57%	10.23%		

Exhibit "B"

Lead

~~12.85~~
~~12.85 *~~

.00 *
12.85
11.05
8.02
8.97
7.09
9.05
10.03
6.04
8.01
6.00
5.09
5.02
8.02
5.07
4.15
5.09
13.09
4.55
10.01
12.05
159.25 *
.00 S

159.25 / 124 = 7.57

7.57 % Lead

Zinc

13.45
7.23
16.55
11.05
11.47
11.35
14.08
15.08
6.95
6.95
5.09
7.00
5.85
10.35
5.04
6.55
6.85
22.08
6.00
13.15
12.85
214.97 *

.00 *

214.97 / 21 = 10.23

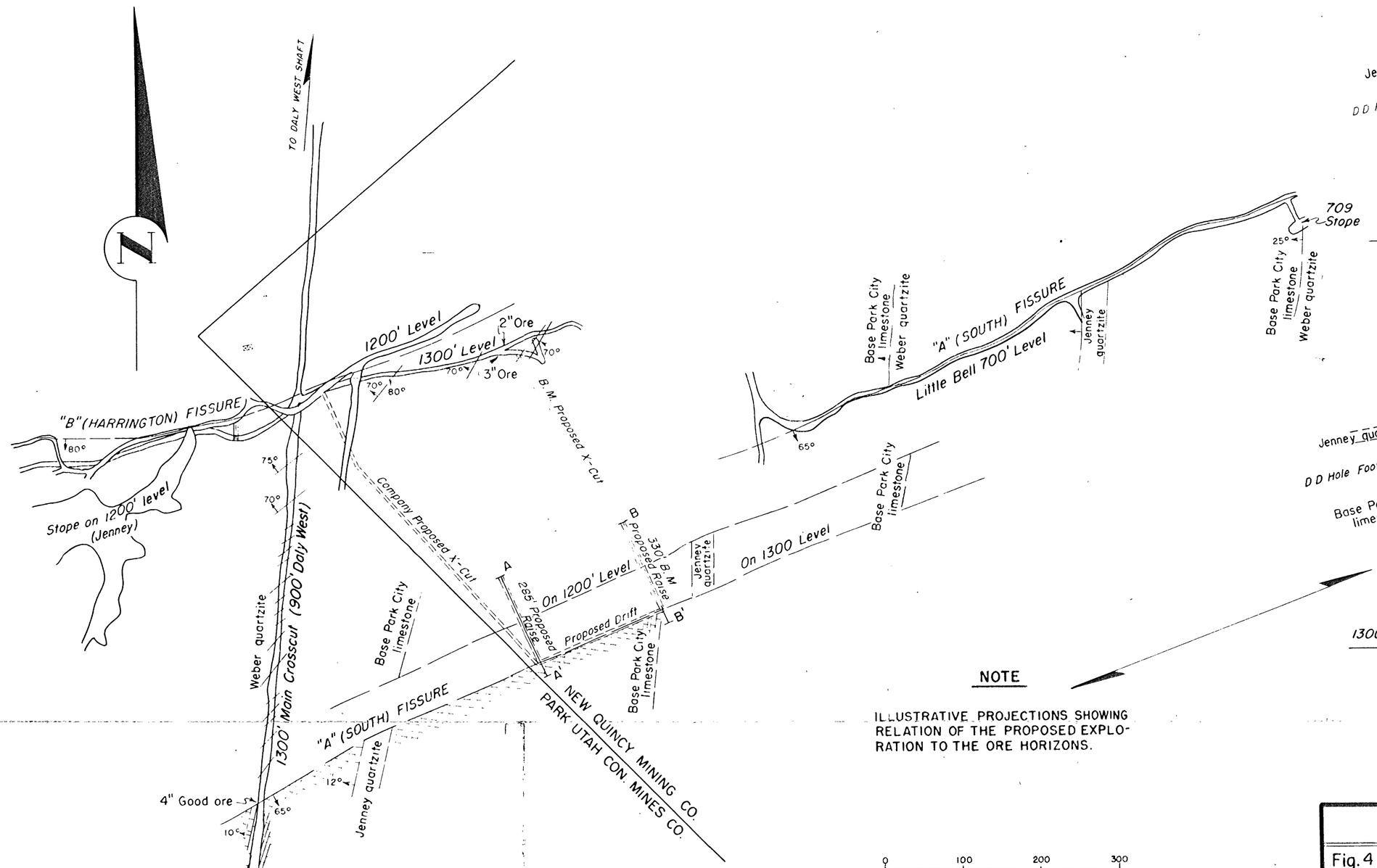
10.23% Zinc.

NEW QUINCY MINING COMPANY SHIPMENTS
YEARS 1934 AND 1935

Date	Mine Lot	Dry Tons	ASSAYS % Cu	% Pb	% Zn	Oz.Ag	Oz. Au
1934							
Aug. 24	400	39.9595	1.525	12.85	13.45	31.725	.03
Sept.13	401	48.340			7.23	15.35	.02
Oct. 19	403	51.777	1.925	11.5	16.55	29.85	.0425
Nov. 28	404	30.693	1.12	8.2	11.05	25.1	.03
Dec. 8	405	41.829	1.2425	8.975	11.475	30.575	.0275
1935							
Jan. 3	406	43.127	1.0125	7.9	11.35	25.6625	.02
Jan. 30	407	53.083	1.015	9.5	14.8	41.05	.0315
Mar. 12	408	55.641	1.1125	10.3	15.8	40.575	.025
Apr. 26	409	50.4705	.81	6.4	6.95	36.375	.025
May 28	410	57.739	.91	8.1	6.95	36.7	.02
June 25	411	54.528	.855	6.0	5.9	26.275	.016
Aug. 1	412	55.273	.6	5.9	7.0	18.7	.02
Aug. 7	413	52.323	.47	5.2	5.85	17.6	.0225
Aug. 28	415	47.486	1.115	8.2	10.35	33.5	.02
Aug. 30	414	55.693	.475	5.075	5.4	14.05	.015
Aug. 31	416	60.399	.34	4.15	6.55	11.2	.02
Sept.11	417	57.152	.45	5.9	6.85	16.15	.02
Oct. 16	418	55.772	1.095	13.9	22.8	33.15	.0285
Nov. 5	419	32.865	.4	4.55	6.0	16.85	.0125
Nov. 23	420	52.518	.99	10.1	13.15	33.925	.025
Dec. 18	421	34.287	1.66	12.05	12.5	68.025	.0375

NEW QUINCY MINING COMPANY SHIPMENTS
YEARS 1934 AND 1935

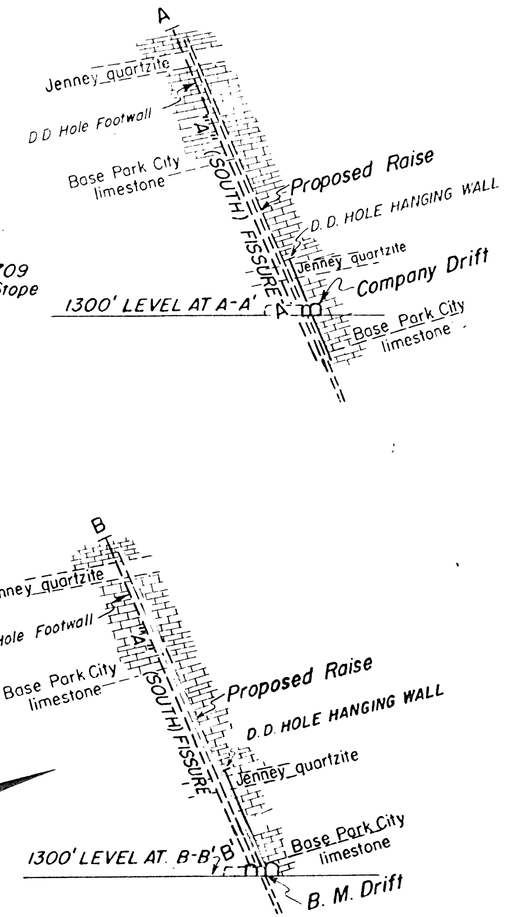
Date	Mine Lot	Dry Tons	ASSAYS % Cu	% Pb	% Zn	Oz.Ag	Oz. Au
1934							
Aug. 24	400	39.9595	1.525	12.85	13.45	31.725	.03
Sept.13	401	48.340			7.23	15.35	.02
Oct. 19	403	51.777	1.925	11.5	16.55	29.85	.0425
Nov. 28	404	30.693	1.12	8.2	11.05	25.1	.03
Dec. 8	405	41.829	1.2425	8.975	11.475	30.575	.0275
1935							
Jan. 3	406	43.127	1.0125	7.9	11.35	25.6625	.02
Jan. 30	407	53.083	1.015	9.5	14.8	41.05	.0315
Mar. 12	408	55.641	1.1125	10.3	15.8	40.575	.025
Apr. 26	409	50.4705	.81	6.4	6.95	36.375	.025
May 28	410	57.739	.91	8.1	6.95	36.7	.02
June 25	411	54.528	.855	6.0	5.9	26.275	.016
Aug. 1	412	55.273	.6	5.9	7.0	18.7	.02
Aug. 7	413	52.323	.47	5.2	5.85	17.6	.0225
Aug. 28	415	47.486	1.115	8.2	10.35	33.5	.02
Aug. 30	414	55.693	.475	5.075	5.4	14.05	.015
Aug. 31	416	60.399	.34	4.15	6.55	11.2	.02
Sept.11	417	57.152	.45	5.9	6.85	16.15	.02
Oct. 16	418	55.772	1.095	13.9	22.8	33.15	.0285
Nov. 5	419	32.865	.4	4.55	6.0	16.85	.0125
Nov. 23	420	52.518	.99	10.1	13.15	33.925	.025
Dec. 18	421	34.287	1.66	12.05	12.5	68.025	.0375



PLAN

NOTE

ILLUSTRATIVE PROJECTIONS SHOWING RELATION OF THE PROPOSED EXPLORATION TO THE ORE HORIZONS.



GEOLOGIC SECTIONS

(NORMAL TO "A" FISSURE)
BEARING: S 20° E, DIP: 65°

U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

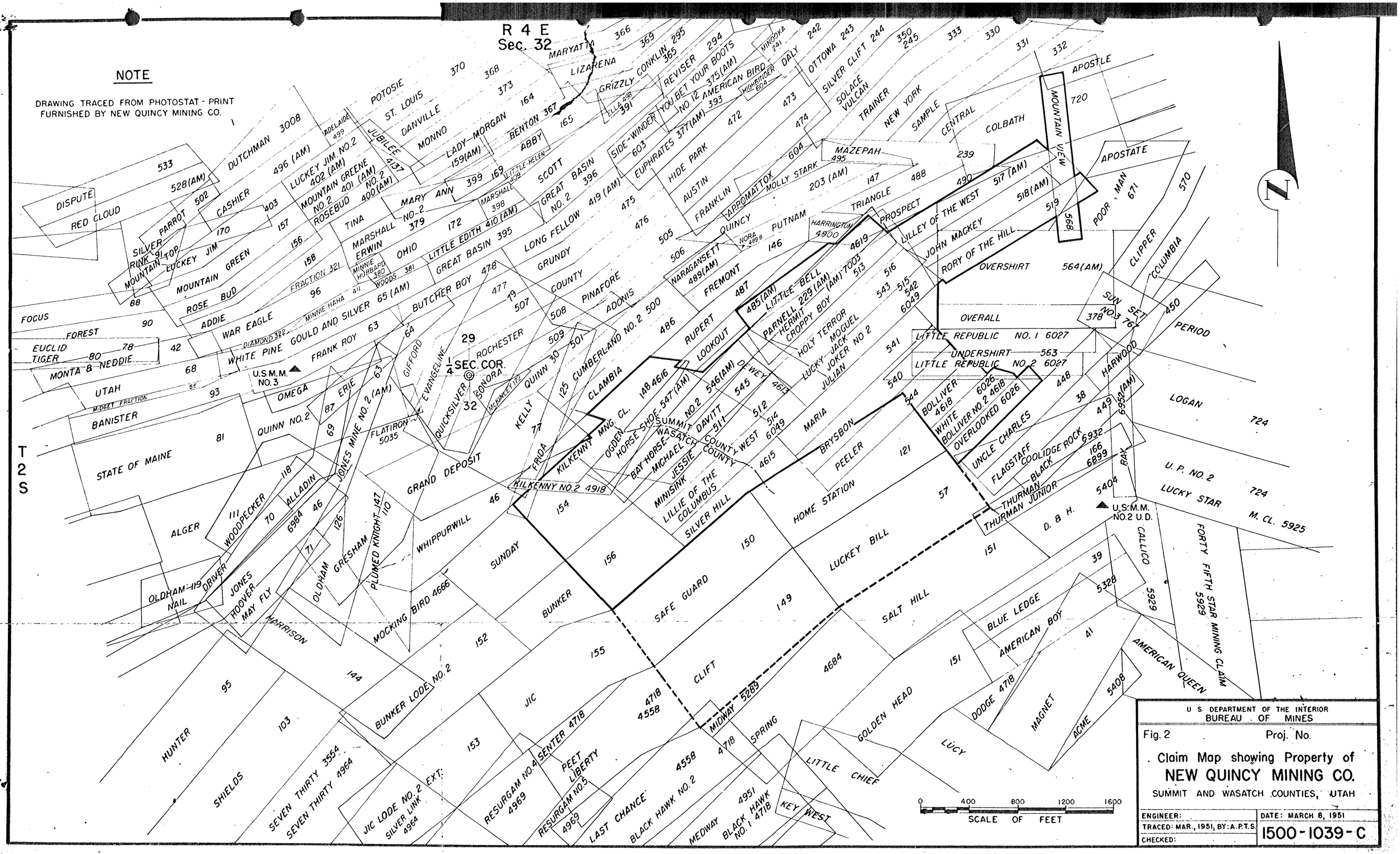
Fig. 4 Proj. No.

Geologic Plan Map
Proposed Exploration

NEW QUINCY MINING CO.

SUMMIT AND WASATCH COUNTIES, UTAH

ENGINEER:	DATE: MAR. 20, 1951
TRACED: MAR., 1951, BY: A. P.T.S.	1500-1041-D
CHECKED:	


NOTE
DRAWING TRACED FROM PHOTOSTAT - PRINT FURNISHED BY NEW QUINCY MINING CO.
R 4 E
Sec. 32
T 2 S
N
1/4 SEC. COR.
U.S.M.M. NO. 3
U.S.M.M. NO. 2 U.D.
SCALE OF FEET
0 400 800 1200 1600
U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
Fig. 2
Proj. No.
Claim Map showing Property of
NEW QUINCY MINING CO.
SUMMIT AND WASATCH COUNTIES, UTAH
ENGINEER:
TRACED: MAR., 1951, BY: A.P.T.S.
CHECKED:
DATE: MARCH 8, 1951
1500-1039-C