MAR 6 1962

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-R265

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

800

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.

Original signed by TMR

for Hugh M. Connors

TMR

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 March 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

April 13, 1959

Donald T. Finch
Donald T. Finch
OME Auditor

NEW QUINCY MINING COMPANY

CONTRACT NO. Idm-E265 DOCKET NO. DMEA 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

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. Idn-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

TRIPLICATE Treasury Department Circular No. 945 - Rev., Supp. 1 (Third Amendment). Promulgated Sept. 11, 1957 by Treasury Department, Fiscal Service.

CERTIFICATE OF DEPOSIT
Standard Form 219

9/2/58 (Date sent)

38 (Deposit No.)

Identification of Accountable Officer Affected

(1) Office Deposit Symbol: 9013

(2) For Consolidated Abstract of Treasury Regional Office at (city and state): Denver, Colo.

Deposited with Federal Reserve Bank of Kansas City, Mo., Denver, Colo.
(Name and location of depositary)

(3) The Sum of $ 0.75

(4) Classification of Deposit

Account Symbol	Amount	Account Symbol	Amount
14X4401	$0.75		$

(6) Department or Agency and address whose accounts are credited, IF OTHER THAN depositing agency.

(5)
14-23-040
Defense Minerals Exploration Administration
224 New Customhouse
Denver 2, Colorado

Depositor's title, Department or Agency and address. If deposit is made for another accounting entity, identify in (6).

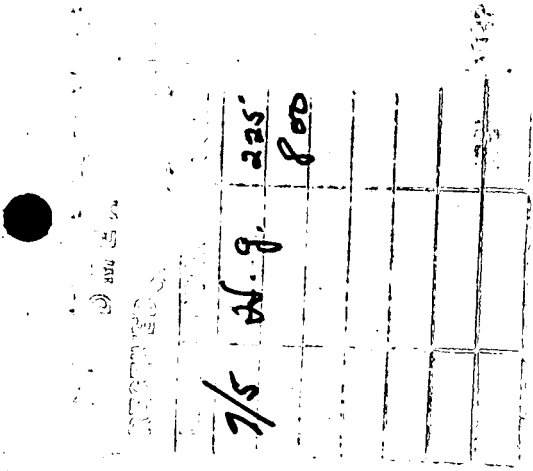
(7) SPACE BELOW TO BE USED BY DEPOSITARY ONLY. I certify that the above amount has been received for credit in the account of the Treasurer of the United States on the date shown, subject to adjustment for uncollectible items included therein.

(Authorized signature)

SEP 2 - 1958
(Date of credit in Treasurer's account)

Depositary will date, sign and forward to depositor for his retained copy.

C-265 New Quincy .75



TRIPLICATE

STANDARD FORM 201 (Formerly Cert. of Deposit, Form 1)
Promulgated Oct. 1949 by Treasury Dept., Fiscal Service

THIS DEPOSIT IS NOT SUBJECT TO CHECK

Denver, Colo.

DEPOSIT NO. 14-23-040-152

For credit of 9013 Treasury Regional Office, Denver, Colo. 5/8/57
(Name, title, and disbursing officer identification symbol of accountable officer) (Date sent)

deposited with Federal Reserve Bank of Kansas City, Mo. Denver, Colo.
(Name and location of depositary)

$ 18.61

for accounts listed below. SCHEDULE NOS.

ACCOUNT SYMBOL	TITLE OF ACCOUNT TO BE CREDITED	AMOUNT
14X4401		18.61

(Depositor will insert below his name, title, Department or Agency concerned, and his address)

Defense Minerals Exploration Administration
224 New Custom House
Denver 2, Colorado

SPACE BELOW TO BE USED BY DEPOSITARY ONLY

I certify that the above amount has been received for credit in the account of the Treasurer of the United States on the date shown, subject to adjustment for uncollectible items included therein.

(Authorized signature)

5/8/57
(Date of credit in Treasurer's account)

DEPOSITARY WILL DATE, SIGN, AND RETURN THIS TO DEPOSITOR FOR HIS RETAINED COPY

16—59686b-1 GPO

E-265 New Quincy 18.61

Denver, Colo.

THIS DEPOSIT IS NOT SUBJECT TO CHECK

For credit 413 Treasury Regional Office, Denver, Colo. 2/19/57
of
(Name, title, and disbursing or other identification symbol of accountable officer) (Date)

Federal Reserve Bank of Kansas City, Mo. Denver, Colo.
deposited with
(Name and location of depositary)

DEPOSIT NO. 14-23-010-112

$ 8.98

for accounts listed below. SCHEDULE NOS.

ACCOUNT SYMBOL	TITLE OF ACCOUNT TO BE CREDITED	AMOUNT
14X4401		8.98

(Depositor will insert below his name, title, Department or Agency concerned, and his address)

Defense Minerals Exploration Administration
224 New Custom House
Denver 2, Colorado

SPACE BELOW TO BE USED BY DEPOSITARY ONLY

I certify that the above amount has been received for credit in the account of the Treasurer of the United States on the date shown, subject to adjustment for uncollectible items included therein.

Bennett
(Authorized signature)

2/19/57
(Date of credit in Treasurer's account)

DEPOSITARY WILL DATE, SIGN, AND RETURN THIS TO DEPOSITOR FOR HIS RETAINED COPY

16—59686b-1 GPO

TRIPLICATE

STANDARD FORM 201 (Formerly Cert. of Deposit, Form 1)
Promulgated Oct. 1949 by Treasury Dept., Fiscal Service

E-265 New Quincy Mine	4.42
E-921 Betasso Bros,&Prime	4.56
	8.98

RECEIVED
1957 FEB 19 PM 12 38
MAIL DEPT.

TRIPLICATE

STANDARD FORM 201 (Formerly Cert. of Deposit, Form 1)
Promulgated Oct. 1949 by Treasury Dept., Fiscal Service

THE DEPOSIT IS NOT SUBJECT TO CHECK

For credit of 413 Regional Treasury Office, Denver, Colo. July 21, 1955
(Name, title, and disbursing or other identification symbol of accountable officer) (Date sent)

deposited with Federal Reserve Bank of Kansas City, Mo., Denver, Colo.
(Name and location of depositary)

for accounts listed below. SCHEDULE NOS.

DEPOSIT NO. 14-23-040-10

$ 1,012.84

ACCOUNT SYMBOL	TITLE OF ACCOUNT TO BE CREDITED	AMOUNT
14X4401		1,012.84

(Depositor will insert below his name, title, Department or Agency concerned, and his address)

Defense Minerals Exploration
Administration
224 New Customhouse
Denver 2, Colo.

SPACE BELOW TO BE USED BY DEPOSITARY ONLY

I certify that the above amount has been received for credit in the account of the Treasurer of the United States on the date shown, subject to adjustment for uncollectible items included therein.

Bob Fuccomozzi
(Authorized signature)

JUL 21 1955
(Date of credit in Treasurer's account)

DEPOSITARY WILL DATE, SIGN, AND RETURN THIS TO DEPOSITOR FOR HIS RETAINED COPY

16—59686b-1 GPO

E 660	Southwest Mang	293.25
E 265	New Quincy	35.66
E 703	Lowell Griffith	683.93

DEPT

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	$67.03	
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	833.33	$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 $1.86 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 Examining 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	549.02	608.05
Stoper		25.00	25.00
Tugger 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. These 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 MF-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	$52,844.96	$52,844.96	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

Form MF-10[illegible] (Rev.)
(April 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.4
Approval expires 6-30-53

RECEIVED
MAY 26 1954

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of January, 1954 Docket No. DMEA 113 Contract No. 10m-5365
Operator's Name New Quincy Mining Company Minerals Lead-Zinc
Address Salt Lake City, Utah.
Contract Amount, $50,700.00 Government Participation: 50 % Amount, $25,350.00

ITEMS OF COSTS		FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:							
Drilling							
Bulldozing							
Crosscutting							
Drifting	A	1220.00	13,484.73	14,704.73			
Raising			4,172.00	4,172.00			
(2) Labor and Supervision:							
Labor			716.75	716.75			
Supervision		250.00	4,787.50	5,037.50			
Technical Services			1,225.00	1,225.00			
Bookkeeping		70.00	1,330.00	1,400.00			
(3) Operating Mat'ls. and Supplies:							
Timber	B	9.76	3,021.28	3,031.04			
Explosives	C	228.13	1,678.02	1,906.15			
Pipe	D	15.51	996.88	1,012.39			
Track	E	24.60	153.67	178.27			
Miscellaneous	F	6.69	1,138.03	1,144.72			
Drill Steel & Bits	G	15.45	621.92	637.37			
Vent Pipe			1,362.11	1,362.11			
(4) Operating Equipment:							
Rental	H	89.90	3,507.45	3,600.95			
Purchase			5,124.52	5,124.52			
Depreciation	I	202.27	3,032.85	3,235.12			
(5) Initial Rehabilitation and Repairs							
(6) New Bldgs., Improvements, etc.							
(7) Miscellaneous:							
Repairs to Equipment	J	23.76	197.66	221.32			
Sampling and Analysis			62.50	62.50			
Payroll Taxes	K	61.74	1,072.84	1,134.58			
Liability Insurance	L	54.87	1,110.09	1,164.96			
Sundries			49.97	49.97			
(8) Contingencies (specify):							
Air Power C				Nov	2580.87		
				Dec	2587.62		
Charge Panels	H	116.33	1,526.60	1,643.01			
				1.	203.68		
TOTALS		2382.01	50,462.35	52,844.96	2582.61	45,294.36	50,177.25
				2.		203.68	

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 5/27/54 *Payee NEW QUINCY MINING COMPANY
Per [signature] Title President

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

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

(Instructions on reverse)

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

7754.28
2667.05 45,090.68 *
5087.25 $2543.62

Signature Rendel R. Cooper
(Authorized Certifying Officer)

Date 8-23-54 Vou. No. DMA-55-14
(See other side)

*See November Report
1. Reinstatement as per attached audit difference statement
2. Previous disallowance
3. Property liquidation $2,600.00 — disallowance by DMEA Auditor $67.08

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idn-E265 in accordance with the terms of the contract.

Signature M. H. Howes JRW Title Mining Engineer Date June 2, 1954

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W H King Title Executive Officer Date AUG 19 1954

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.1
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of January 1954 Docket No. DMEA 113 Contract No. Idn 1269
Operator's Name New Quincy Mining Company Minerals Lead-Zinc
Address Salt Lake City, Utah

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	Foot	2302.61	76	30,020.78	1010'	295.76		
Crosscutting								
Raising				11,603.57	153'	75.90		
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS				47,624.35				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased				5,020.61				
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		2302.61		52,644.96				

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

Date 5/27/54 Operator NEW QUINCY MINING COMPANY

Per [signature] Title

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

REMARKS:

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

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

224 New Customhouse
Denver 2, Colorado

August 25, 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 County, Utah.

Enclosed are two copies of the Operator's Monthly Progress Report, Form MF-104 and MF-104A, Operator's Narrative Report, Inspecting Engineer's Narrative Report and other supporting data pertaining to work under the subject contract for the months of November and December 1953 and January 1954.

Also enclosed are two copies of a memorandum to Mr. T. A. Christensen dated August 19, 1954 relative to final payment under the terms of the subject contract.

Final payment to the Operator in the amount of $2,543.62 has now been made in conformance with the Certificate and Report of Audit by the Contract Administration and Audit Division, dated June 23, 1954.

W. H. King

W. H. King

Enclosures

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

Administrative Audit Difference Statement

Date: August 24, 1954
Payee's Reference: Final Payment

Contract No. Idm E-285

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

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

Amount Claimed for Nov. Dec. & Jan.	$	7,550.00
Difference 1.	$	203.68
2.		~~2,607.03~~
Amount Approved	$	5,087.25

The reason for the difference was due to:

1. The amounts of $5.54, $70.40 and $127.69 totalling $203.68 were disallowed by this office on your reports for August, 1953, September, 1953 and October, 1953 and should not have been deducted again on your claim for the month of November supplemental report. Total amount to be reinstates - $ 203.68

2. Liquidate of property in which the Government has an interest - - 2,600.00
   Disallowances by the DEEA Auditor in his final report - - - - - - 67.03

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

Very sincerely yours,

N.E.Stokes
Audit Section

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

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

224 New Customhouse
Denver 2, Colorado

August 19, 1954.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket No. DMEA-113 (Lead-Zinc), Contract No. Idm-E265, New Quincy Mining Company, Wasatch County, Utah.
FINAL PAYMENT

Enclosed are the original and four copies of Forms MF-104 and MF-104A, Operator's Narrative Report and Engineer's Report for the month of November 1953, Supplemental Report for November 1953, for the month of December 1953 and January 1954, which have been combined to form a single report to facilitate final payment of the account.

Also attached to each set of the combined report are data relative to the liquidation of the jointly-owned property acquired under the contract.

Work has been accomplished as authorized in the contract and the Operator has complied with all requirements. Final payment is recommended as follows, which is 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. Payment has been deferred pending receipt of the Operator's final report which was received August 17, 1954.

Basis for final payment

Total accepted cost	$50,177.93
Government participation at 50%	25,088.96
Total prior payments	22,545.34
Balance due the Operator	$2,543.62

Reconciliation with Operator's
Final Accounting Reports Forms MF-104

Gross amount reported on November Supplemental Report		$2,580.37
Gross amount reported for December 1953		2,587.62
Gross amount reported for January 1954		2,382.61
Reinstatement of amounts deducted by Operator in the November Supplemental Report which are considered in the process of the final audit		203.68
		$7,754.28

Deductions

Final audit disallowances	$67.03	
Proceeds from property disposition	2,600.00	
Total		$2,667.03
Balance		$5,087.25
Government participation at 50%		2,543.62
Amount due the Operator		2,543.62

W. H. King

W. H. King

Enclosures

JWT:cwm

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

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

124 New Customhouse
Denver 2, Colorado

June 17, 1954

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

Re: Docket No. DMEA 113 (Lead-Zinc), Contract No. Idm-E265

Dear Mr. Floor:

Consistent with the authority delegated to this office under Order No. 2684 from the Office of the Secretary, Department of the Interior, the United States of America acting through the Department of the Interior, Defense Minerals Exploration Administration does hereby accept your bid and proposal dated April 24, 1954 in the amount of $2,600.00 in the liquidation of the property and unexpended portion of materials and supplies acquired under Contract No. Idm-E265.

The sum of $2,600.00, reflecting both yours and the Government's interest in the property liquidation, will be deducted from the gross amount of claims by you held pending in this office for reimbursement under the terms of the contract, thereby automatically making a deduction of the amount of $1300.00 due the Government in the transaction.

Final payment to you under the terms of the contract will be processed upon receipt of your final engineering and geologic report in conformance with Article 16 of the contract, and upon release to this office of a Certificate and Report of Audit of the Contract Administration and Audit Division.

Very truly yours,

W H King

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

JWT:es
cc: Contract
Chron.
Wilson
Koschmann (2)
MF-104 (5)
Townsend

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

May 4, 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 Ida-8265, New Quincy Mining Co., Wasatch County, Utah

Attached are six copies of a letter received from New Quincy Mining Company, together with letters from two machinery houses, concerning salvage of equipment jointly owned by the Government and the operator. The two machinery companies are not interested in bidding on the equipment.

A memorandum prepared by M. H. Howes outlines the purchase costs of the several items and describes conditions affecting the salvage value. Although it is believed that New Quincy Mining Company's offer of $2,600 for the jointly owned equipment is low, it is recommended that the bid be accepted. Because of the dormant condition of much of the mining in this area and preferred use of other types of equipment, the demand for the listed items is not great.

Stephen R. Wilson

Stephen R. Wilson

Enclosure

S. R. Wilson May 3, 1954

M. N. Howes

Docket No. DMEA-113 (Lead-zinc), Contract Idm-E265, New Quincy Mining Co., Wasatch and Summit Counties, Utah. Memorandum report on salvage of material and equipment jointly owned by the Government and the New Quincy Mining Co.

On April 8, 1954, the New Quincy Mining Co. sent letters to J. J. Coan Co. and Cate Equipment Co. requesting bids for the mining material and equipment jointly owned by the Government and the New Quincy Mining Co. Both companies declined to make bids.

The New Quincy Mining Co. has submitted a bid of $2,600.00 for the jointly owned property.

A list of the material and equipment follows:

Item	Purchase Price
1 Mancha trammer	$4,764.26
1 6-foot drill column	183.00
1 drifter	912.90
1 fan (air driven)	298.94
Pipe	946.72
Track	234.79
Drill steel and bits	621.92
Hoses and fittings	238.54
Vent pipe	996.45
Total	$9,197.52

Due to limited activity in the mining industry, the market for used material and equipment is very poor at the present time. As a consequence, the used equipment dealers contacted are not interested in bidding on the New Quincy list.

The Mancha trammer is the only item on the list that seems to have any substantial reclaimable value. Most of the active operators in this area are now using jackhammers with pneumatic legs, so there is no demand for drifters. There should be some demand for the air-driven fan at approximately 50 percent of purchase price. Drill steel and bits, hoses and fittings, are expendable and the value of the remainder at hand would be small. Included in the purchase price for pipe is the item of 95 feet of 36-inch culvert pipe at a cost of $562.93, which is not recoverable. The purchase price for the remainder of the pipe is $433.95. The pipe, track and vent pipe are all installed

underground. The cost of salvage and transportation to the surface would cut the reclaimable value of the above items to a very low amount.

Under normal conditions the offer of $2,600.00 for the jointly-owned material and equipment by the New Quincy Mining Co. would be low, but because of the present curtainment in the mining industry, the price appears to be fair. It is therefore recommended that the Government accept the above offer.

M. H. Howes

M. H. Howes

April 24, 1954

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

Dear Mr. Wilson:

On April 8, 1954 we sent to you copies of a letter to the J. J. Conn Company and Cate Equipment Company requesting bids for the mining equipment jointly owned by our company and the United States Government, located as follows:

> One battery Mancha Tramer located at the loading station of United Park City Mines Ontario drain tunnel.
>
> One Liner, one Blower for ventilation, and 1300 feet of 12" mine vent flexible tubing located on New Quincy Mining property.

Both companies answered our letter but declined to make a bid for the equipment. Five copies of the letter from J. J. Conn Co. are enclosed herewith, and copies of the Cate Equipment Co. letter were delivered to you personally.

In view of the refusal to bid by the above mentioned companies, and after a discussion with Mr. Crandall, Secretary of our company, I hereby bid in the interest of New Quincy Mining Company the sum of $2,600.00 for the following equipment:

> One Mancha Tramer, one Liner (drifter), one Blower fan and flexible vent tubing, all material such as rails, pipes, ties, and all material on hand jointly owned by New Quincy Mining Company and the Government.

The $2,600.00 to be divided equally between the Government and New Quincy Mining Company.

If the foregoing bid be approved, the government may retain $1300.00 for its equity in the equipment, this same amount to be deducted from the balance due New Quincy Mining Company per Doehat Agreement No. DMT-113 (Lead & Zinc) New Quincy Mine, Wasatch and Summit Counties, Utah; amended Contract IDM-E265.

Please advise in the near future.

Very truly yours,

NEW QUINCY MINING COMPANY

Nick Floor

Nick Floor, President

MF:da
Enc.

April 20, 1954

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

Attention: Mr. Nick Floor

Dear Mr. Floor:

I am in receipt of your letter of April 8th regarding certain miscellaneous mining equipment you have for sale at your mining properties in Park City, Utah.

Please be advised that we are not interested in bidding any of the equipment at this time.

Very truly yours,

J. J. COAN COMPANY

T. L. Coan

/tlc

COPY

April 14, 1954

COPY

New Quincy Mining Company
c/o Mick Floor
431 - 8th Avenue
Salt Lake City, Utah

Gentlemen:

Reference your letter of April 8 concerning certain property located at Park City, and owned jointly by you and the Bureau of Mines.

Due to the fact that mining at present is bad, and also, because some of the items you mention are still underground, which would necessitate quite a considerable expense to bring them to the surface, we would not be interested in making you a proposal at this time.

If you decide to sell the Mancha trammer as an individual unit, we might be interested in making you a proposal on this.

Very truly yours,

CATE EQUIPMENT COMPANY

H. A. Christensen, Mgr.
Used Equipment Division

HAC/ec
Six.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

1600 EAST FIRST SOUTH STREET
SALT LAKE CITY 1, UTAH

June 3, 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-M265, New Quincy Mining Co., Wasatch and Summit Counties, Utah. MF-104 forms for January 1954

The attached copies of the subject operator's monthly report list expenditures made during January 1954. Project work was completed during this month, and therefore the present MF-104 forms are the last to be submitted by the operator.

A total of 76 feet of drifting was accomplished during the month. This work was verified by M. M. Howes April 27, 1954. Drifting has followed the Jasmey quartzite horizon, and erratic lead-zinc mineralization has been exposed along the "A" fissure.

Work accomplished during the period is in conformance with the contract. It is recommended that the operator be reimbursed by the reported expenditures, subject to acceptance of the bid of $2,600 for the jointly owned equipment, issuance of final audit statement, and receipt of an acceptable final report from the operator.

The MF-104 forms were received in this office May 28, 1954.

Stephen R. Wilson

Stephen R. Wilson

Enclosure

S. R. Wilson June 3, 1954

M. H. Hawes

Docket No. DMSA-113 (Lead-Zinc), Contract Idm-E265, New Quincy Mining Co., Wasatch and Summit Counties, Utah. Progress report for January 1954

The property was inspected on April 27, 1954, in the company of Nick Floor. It is verified that 76 feet of drifting progress during January, as reported on form MF-104A, is correct, and that the work was performed in accordance with the contract. The January forms are the final forms to be submitted by the contractor.

The last 66 feet of advance in December was actually a flat incline, which followed the top of the Jannay quartzite upward. Because of the heavy, caving condition of the rock encountered, this work was abandoned, and drifting easterly along the "A" fissure on the 1200 level was resumed. Rock in the footwall is Weber quartzite and in the hanging wall is Park City limestone. Jannay quartzite, rising above the floor at plus 20°, was encountered at the face of the drift. About 6 inches of good ore was exposed on this contact. Quartz and manganese oxide, with some scattered galena, sphalerite, and tetrahedrite, occur along the "A" fissure. A few small pods of ore were saved and stockpiled.

The accounts were checked, and it is verified that all charges for services and supplies were necessary and that they do not appear to be excessive, except the charge for supervision, and charges for rental and depreciation under Item (4), which exceed the contract allowable maximum amounts. All charges reported on form MF-104 are supported by the necessary documentation, and the operator's narrative report and map are considered to be adequate.

The project was considered to be terminated during January 1954.. The exact date of termination and the correct amount of progress footage in January cannot be determined until material and equipment, jointly owned by the Government and company, has been liquidated, and final audit has been made.

The total cost of the project, as reported on the January MF-104 forms, is $52,844.96. This exceeds the contract amount of $50,700.00 by $2,144.96. The bid of $2,600.00 by the New Quincy Mining Co. for material and equipment jointly owned by the Government and company has not yet been approved by the Government. Should approval be made,

this amount of $2,600.00 would be deducted from the total cost of $52,844.96, and thus, a balance of $455.04 would remain unspent.

No payment on the January account should be made until jointly owned material and equipment has been liquidated, and final audit statement has been submitted. Complete payment should also await receipt of an acceptable final report from the operator.

M. H. Howes

M. H. Howes

NEW QUINCY MINING COMPANY,
420 Felt Building,
Salt Lake City, Utah.

January 31, 1954.

Schedule A: Drifting.			
Theodore Housel	$458.00		
Floyd Webster	458.00		
Albert Price	304.00		$1,220.00
Schedule B: Timber.			
United Park City Mines Company			9.76
Schedule C: Explosives.			
United Park City Mines Company			228.13
Schedule D: Pipe.			
United Park City Mines Company			15.51
ScheduleE: Track.			
United Park City Mines Company			24.60
Schedule F: Miscellaneous.			
United Park City Mines Company			6.69
Schedule G: Drill Steel & Bits.			
United Park City Mines Company			15.45
Schedule H: Equipment Rental.			
United Park City Mines Company			83.50
Schedule I: Depreciation.			
On Trammer	62.50		
Battery Charger	18.60		
Mine Cars	77.00		
Gardner-Denver Compressor	44.17		202.27
Schedule J: Repairs to Equipment.			
United Park City Mines Company			23.76
Schedule K: Payroll Taxes.			
Labor (Schedule A)	$1,220.00		
Supervision	250.00		
Total	1,470.00	X 4.2%	61.74
Schedule L: Workmens' Compensation.			
Labor 1/4/54	384.00		
" 1/22/54	639.00		
Supervission	250.00		
Total	1,273.00	X .0431	54.87
Schedule M: Power.			
United Park City Mines Company			116.33

NARRATIVE
1200 & 1300 DRIFTS & RAISE
NEW QUINCY MINING CO
DMA - 113
CONTRACT IDME - 265

GENERAL

The last 66 ft. of the December footage was for the most part an upward incline on the bedding. Over this distance the drift developed "weight", so this was abandoned and the Jan.'54 footage of 76 ft. was driven on the main 1200 level beginning at the start of the incline at a point 68 ft from the main raise. The face of the 1200 drift then on Jan. 31, 1954 was 144 ft. from the raise.

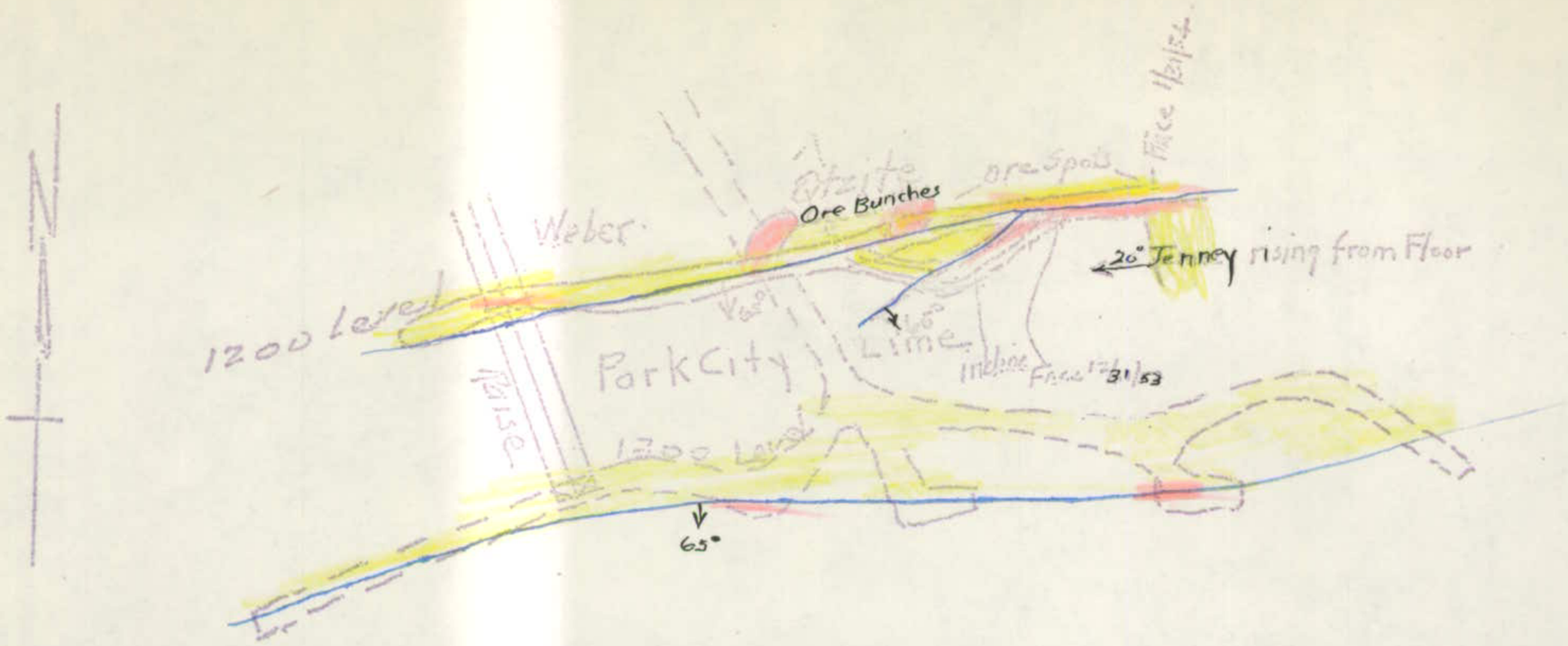
GEOLOGY

The advance for Jan. was driven on the main south-dipping fissure having Weber quartzite on the footwall and Park City lime on the hanging wall, the position in the latter, except the last few feet, being under the Jenney.

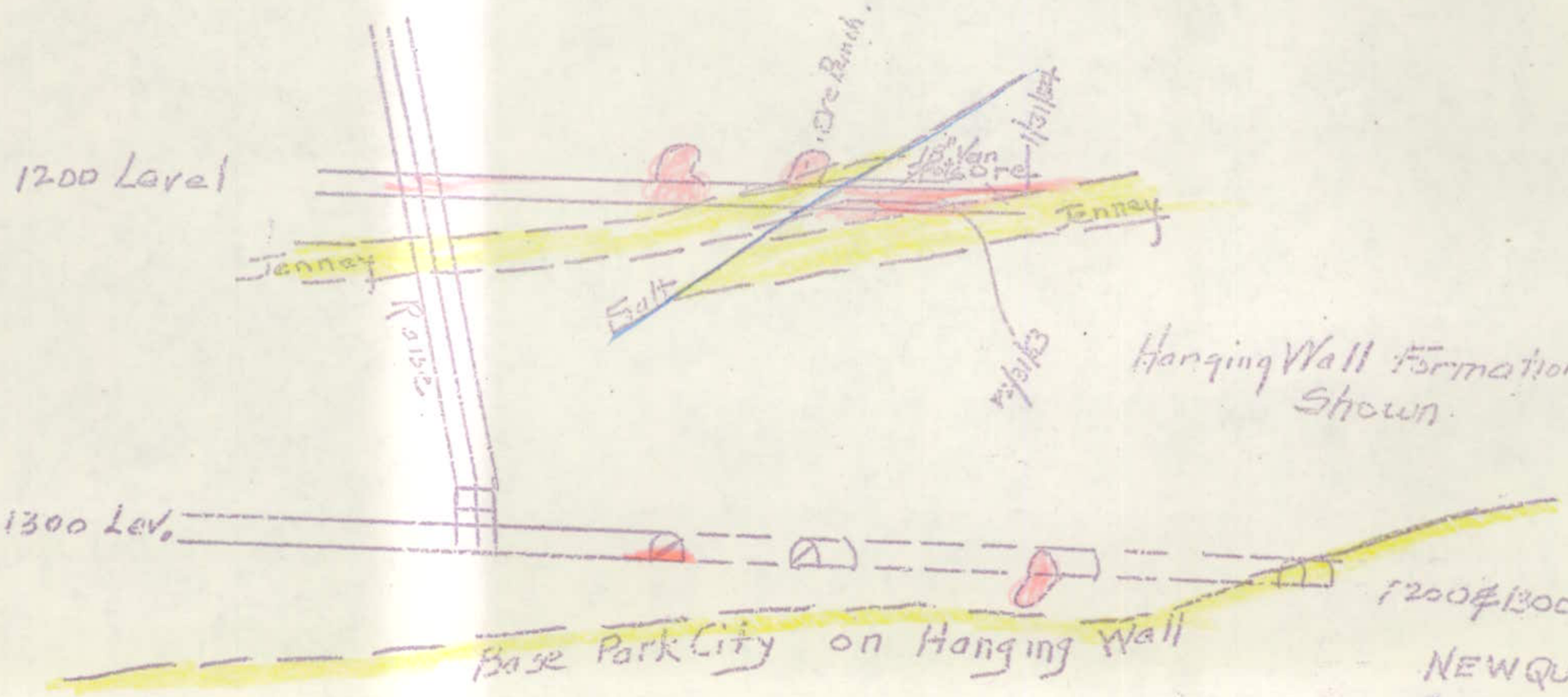
For most part the advance showed quartz and manganese oxide on the fissure with an accasional showing of galena, sphalerite and tetrahedrite, some of which was concentrated enough to permit saving as ore. At the face the Jenney quartzite bed was found rising from the floor in the hanging wall and on it occurs 6" or more of good grade ore. Any further advance must be an upward incline on the top of the Jenney. Any favorable structural change, such as a curve in the main fissure, a junction of fissures, or a roll in the hanging wall beds, might result in a volume concentration of ore, al ways assuming the ore-bearing solutions were in sufficient volume.

Park City, Utah.
Jan. 31, 1954.

E A Hewitt
Geologist



PLAN



LONG SECTION
Looking North

1200 & 1300 DRIFTS & RAISE
NEW QUINCY MINING CO
DMA-113
CONTRACT IDME-265
Jan. 31, 1954

Form MF[illegible] (Rev.)
(April 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.4
Approval expires 6-30-53.

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of December, 1953 Docket No. DMEA 113 Contract No. Idm-2265
Operator's Name New Quincy Mining Co. Minerals Lead - Zinc
Address Salt Lake City, Utah
Contract Amount, $ 50,700.00 Government Participation: 50 % Amount, $ 25,350.00

ITEMS OF COSTS Schedule		FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:							
Drilling							
Bulldozing							
Crosscutting							
Drifting	A	1068.00	12,416.73	13,484.73			
Raising			4,172.00	4,172.00			
(2) Labor and Supervision:							
Labor			716.75	716.75			
Supervision		250.00	4,537.50	4,787.50			
Technical Services		100.00	1,125.00	1,225.00			
Bookkeeping		70.00	1,260.00	1,330.00			
(3) Operating Mat'ls. and Supplies:							
Timber	B	34.44	2,986.64	3,021.08			
Explosives	C	56.97	1,621.03	1,678.00			
Pipe	D	12.70	984.18	996.88			
Track			153.67	153.67			
Miscellaneous	E	5.25	1,132.78	1,138.03			
Drill Steel Bits	F	11.27	610.65	621.92			
Vent Pipe			1,362.11	1,362.11			
(4) Operating Equipment:							
Rental	G	83.30	3,513.95	3,597.45			
Purchase	H	103.91	5,020.61	5,124.52			
Depreciation	I	202.27	2,830.58	3,032.85			
(5) Initial Rehabilitation and Repairs							
(6) New Bldgs., Improvements, etc.							
(7) Miscellaneous:							
Repairs to Equipment	J	35.64	161.92	197.56			
Sampling and Analysis	K	5.00	57.50	62.50			
Payroll Taxes	L	55.36	1,017.48	1,072.84			
Liability Insurance	M	66.63	1,043.46	1,110.09			
Sundries			49.97	49.97			
(8) Contingencies (specify):							
Air Power & charge penalo	N	426.68	1,100.00	1,526.68			
TOTALS		2537.62	47,874.73	50,412.35			

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 3/29/54 *Payee New Quincy Mining Co.
Per [signature] Title President

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

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

(Instructions on reverse)

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

$

Signature
(Authorized Certifying Officer)

Date Vou. No.
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. IdmE 265 in accordance with the terms of the contract.

Signature M. H. Howes Title Mining Engineer Date Apr. 30, 1954

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE

Signature W. H. King Title Executive Officer Date AUG 19 1954

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form M[illegible]104A
(April 1952)

Budget Bureau No. 42-R1151.1
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

U. S. Bureau of Mines
RECEIVED
APR 5 1954
Salt Lake City, Utah

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of December 195 3 Docket No. DMEA 213 Contract No. 12-[illegible]265
Operator's Name New Quincy Mining Co. Minerals Lead - Zinc
Address Salt Lake City, Utah

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	feet	2507.62	66	33,830.17	934	36.23		
Crosscutting								
Raising				11,603.57	153	75.90		
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		2507.62		45,433.74				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased				5,020.62				
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		2507.62		50,453.35				

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

Date 3/29/54 Operator New Quincy Mining Co.

Per [illegible] Title President

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

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

May 3, 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 County, Utah. MF-104 forms for December 1953

Enclosed are the necessary copies of the subject operator's MF-104 form report for December 1953. M. M. Noves inspected the property April 27, 1954, and verified the reported progress by measurement. A total of 66 feet of drifting was accomplished during the month.

The subdrift was driven in an easterly direction along the upper contact of the Jennsy quartzite. The relationship between the quartzite and the "A" fissure is somewhat confused. A small body of high-grade ore was found along the fissure. A small tonnage of ore has been stockpiled for future shipment.

Work accomplished during the reporting period is in conformance with the contract. It is recommended that the operator be reimbursed by 50 percent of the amount listed, subject to final audit and liquidation of the jointly owned equipment. MF-104 forms to be submitted for part of January 1954 will be the final forms from the operator.

The MF-104 forms were received in this office April 5, 1954. Delay in processing the forms resulted from the work load of the inspecting engineer and the interpretation of certain questionable items clarified by the recent audit.

Stephen R. Wilson

Stephen R. Wilson

Enclosure

S. R. Wilson

April 30, 1954

M. H. Howes

Docket No. DMEA-113 (Lead-zinc), Contract Idm-E265, New Quincy Mining Co., Wasatch and Summit Counties, Utah. Progress report for December 1953

The property was inspected on April 27, 1954, in the company of Nick Floor. It is verified that 66 feet of progress in drifting during December, as reported on form MF-104A, is correct, and that the work was performed in accordance with the contract.

The subdrift was driven easterly along the upper contact of the Jenney quartzite in the hanging wall of the "A" fissure on the 1200 level. The drift encountered a small fault, about 20 feet from the "A" fissure, which swung the heading to the left and eventually back to the "A" fissure. A small lens of high-grade ore was encountered on the fissure.

The accounts were checked, and it is verified that all charges for services and supplies were necessary and that they do not appear to be excessive, except the charge for miscellaneous materials and supplies (described below).

Item (3). Miscellaneous - The rental charge of $5.00 for battery lamp by United Park City Mines Company should be disallowed because there is no such allowance in the contract.

Item (4). Purchase - The charge of $103.91 from Gardner-Denver Co. for drill machine parts should be placed under Item (7). Repairs to Equipment.

All charges reported on form MF-104 are supported by the necessary documentation, and the operator's narrative report and map are considered to be adequate.

Payment is approved for $1,291.31, which is 50 percent of the total cost for December of $2,582.62, after disallowance of $5.00 for battery lamp.

M. H. Howes

M. H. Howes

NEW QUINCY MINING CO.
Salt Lake City, Utah

December 1953

SCHEDULE A - Drifting					
Theodore Housel	68 feet @ 6.00/ft.	$408.00	*Less 7.50		$400.50
Floyd Webster	68 feet @ 6.00/ft.	408.00	*Less 7.50		400.50
Albert Price	68 feet @ 4.00/ft.	272.00	*Less 5.00		267.00
Total					1068.00
*Deducted for not mucking					
SCHEDULE B - Timber					
United Park City Mines Co.					34.44
SCHEDULE C - Explosives					
Western Powder Co.				2.75	
United Park City Mines Co.				54.22	
Total					56.97
SCHEDULE D - Pipe					
United Park City Mines Co.					12.70
SCHEDULE E - Miscellaneous					
United Park City Mines Co.					5.25
SCHEDULE F - Drill Steel & Bits					
United Park City Mines Co.					11.27
SCHEDULE G - Rentals					
United Park City Mines Co.					83.50
SCHEDULE H - Equipment Purchased					
Gardner-Denver Co.					103.91
SCHEDULE I - Depreciation					
Trammer				62.50	
Battery Charger				18.60	
Mine Cars				77.00	
Gardner-Denver Compressor				44.17	
Total					202.27
SCHEDULE J - Repairs to Equipment					
United Park City Mines Co.					35.64
SCHEDULE K - Sampling & Analysis					
Crismon & Nichols					5.00
SCHEDULE L - Payroll Taxes					
Labor - Schedule A				1068.00	
Supervision				250.00	
Total				1318.00 x 4.2% =	55.36

NEW QUINCY MINING CO.
Salt Lake City, Utah

December 1953

SCHEDULE M - Workman's Compensation			
Labor Dec. 9	576.00		
Labor Dec. 22	720.00		
Supervision	250.00		
Total	1546.00 x .0431		66.63

SCHEDULE N - Power		
United Park City Mines Co.	113.54	
Add: From supplemental Report Nov. 1953:		
September Power	70.40	
October Power	127.98	
November Power	114.85	
Total		426.68

NARRATIVE
1200 & 1300 DRIFTS & RAISE
NEW QUINCY MINING CO
DMA - 113
CONTRACT IDME - 265

GENERAL

On Dec. 3, 1953 the face of the east drift on the 1200 level was 74 ft. east of the raise. On Dec. 31, 1953 the face is 134 ft. east of the raise, making an advance of 60 ft plus 6 ft slabbing round to make a turn or a total of 66 ft of drift to be paid for this month.

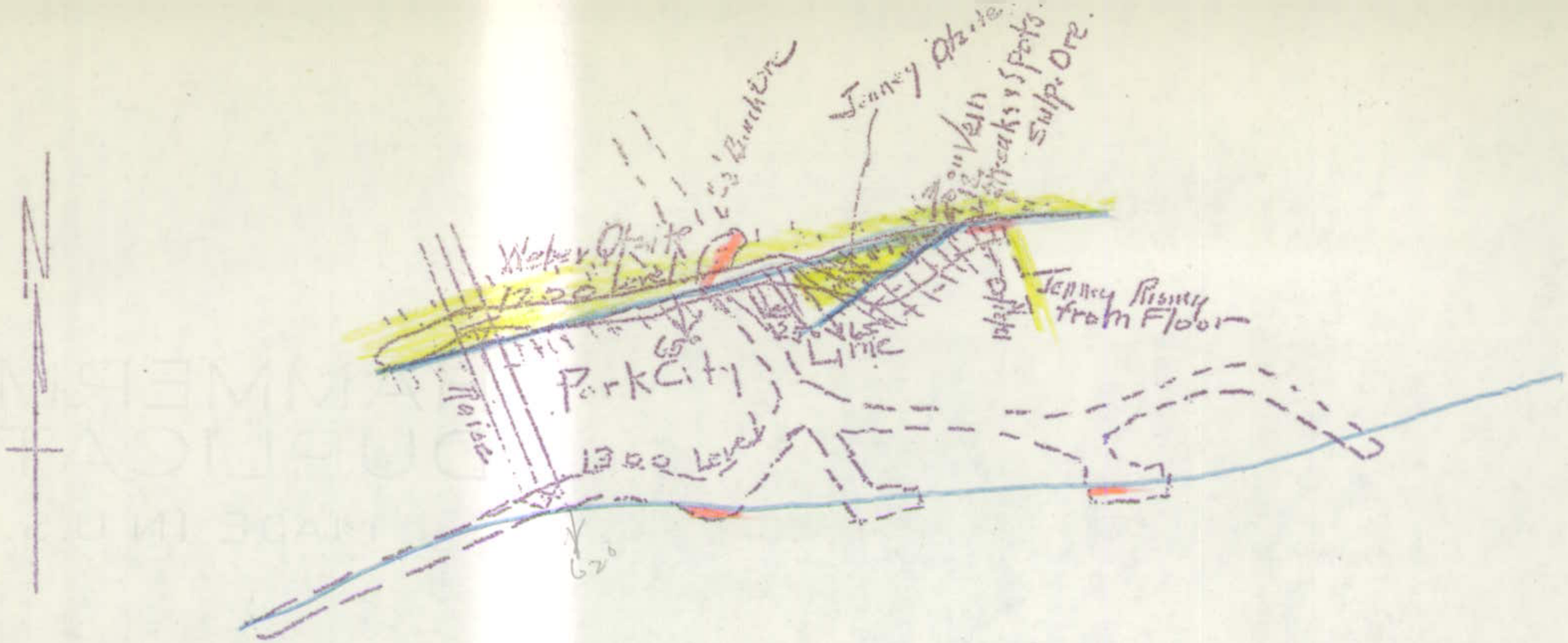
GEOLOGY

At 75 ft. east of the raise the top of the Jenney quartzite was found on the hanging wall side rising from the floor of the drift at about 25 degrees dip to the southwest. As the mineralization here at the top of the Jenney quartzite next to the fissure consisting of a slight copper stain with a foot or so of chlorite was encouraging but carried no ore, it was decided turn out into the hanging wall and roughly follow the top of the Jenney to see if there wasanother fissure in the hanging wall. At 20' such a fissure was found and the Jenney was found to be faulted downward below the level to the east of this fault. The drift was then turned on the fault as shown and in 30' the fault was found at its junction with the main fissure. Here there is quite a showing of typical Park City ore, yellow zinc, galena and tetrahedrite in quartz. This occurs as spots and streaks over a fissure width of 18".

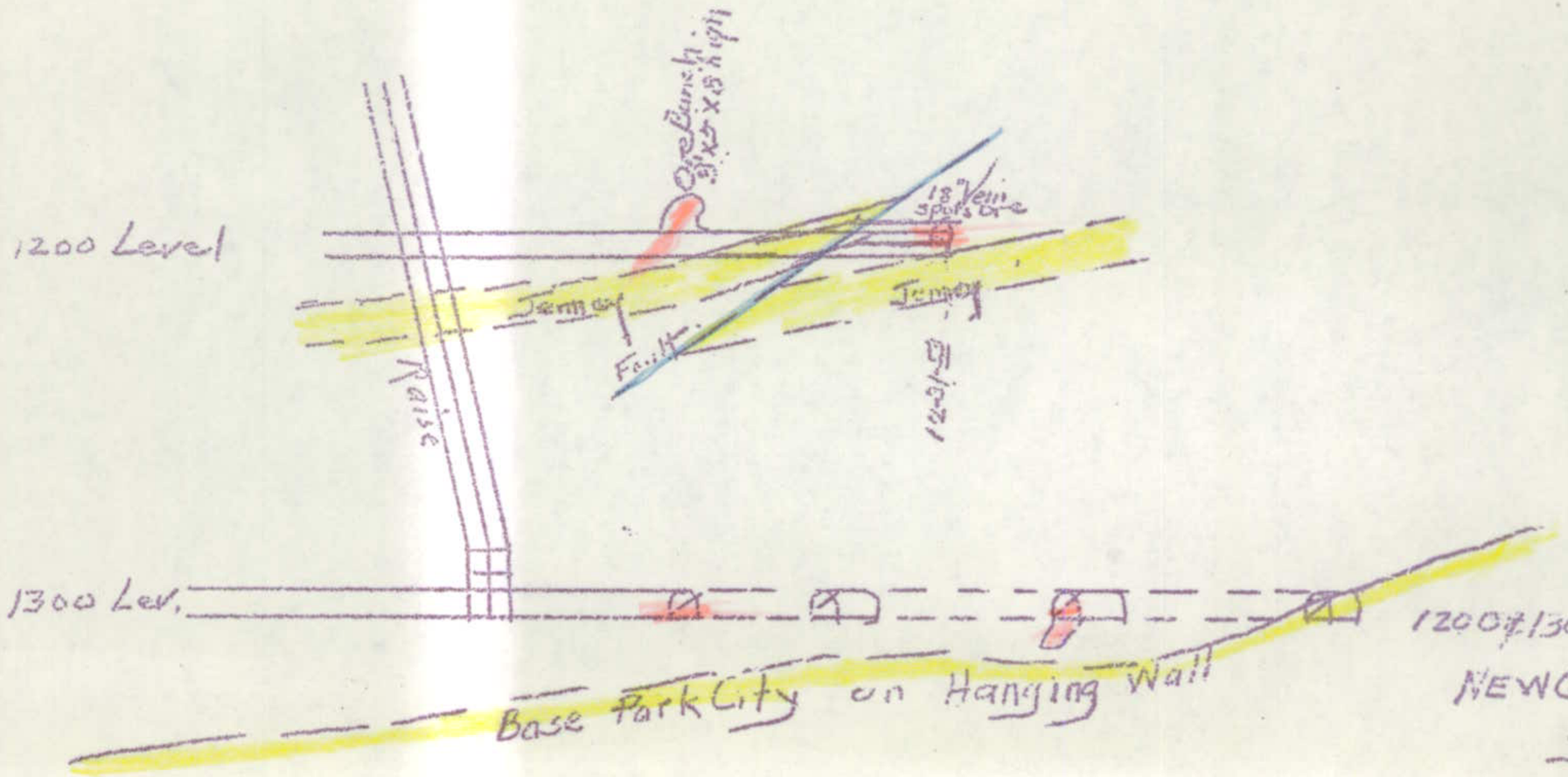
This showing is encouraging as the face of t the drift is still above the Jenney quartzite which should be found rising from the floor in a few rounds.

Park City, Utah.
Dec. 31, 1953.

E A Hewett
Geologist



PLAN



LONG. SECTION
Looking North

1200 & 1300 DRIFTS & RAISE
NEW QUINCY MINING CO
DMA-113
CONTRACT- IDME-26
Dec. 31, 1953
E. A. Hewitt.

Form MF-104 (April 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.4
Approval expires 6-30-53.

OPERATOR'S MONTHLY REPORT AND VOUCHER

Supplemental Report

Month of November, 1953 Docket No. DMEA 113 Contract No. Idm-2265
Operator's Name New Quincy Mining Co. Minerals Lead - Zinc
Address Salt Lake City, Utah
Contract Amount, $ 50,700.00 Government Participation: 50 % Amount, $ 25,350.00

ITEMS OF COSTS		FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
Schedule							
(1) Independent Short Form Contracts:							
Drilling							
Bulldozing							
Crosscutting							
Drifting	A	1480.00	10,928.73	12,416.73			
Raising	B	192.00	3,980.00	4,172.00			
(2) Labor and Supervision:							
Labor			716.75	716.75			
Supervision		250.00	4,287.50	4,537.50			
Technical Services		125.00	1,000.00	1,125.00			
Bookkeeping		70.00	1,190.00	1,260.00			
(3) Operating Mat'ls. and Supplies:							
Timber Aug. '53	D	-(.34)	2,987.18	2,986.84			
Explosives	C	153.79	1,467.26	1,621.05			
Pipe	D	4.86	979.32	984.18			
Track			153.67	153.67			
Miscellaneous	E	1.69	1,131.09	1,132.78			
Drill Steel &Bits	F	15.97	594.68	610.65			
Vent Pipe			1,362.11	1,362.11			
(4) Operating Equipment:							
Rental	G	78.50	3,435.45	3,513.95			
Purchase			5,020.61	5,020.61			
Depreciation	H	202.27	2,628.31	2,830.58			
(5) Initial Rehabilitation and Repairs							
(6) New Bldgs., Improvements, etc.							
(7) Miscellaneous:							
Repairs to Equipment			161.92	161.92			
Sampling and Analysis	I	57.50		57.50			
Payroll Taxes	J	81.06	936.42	1,017.48			
Liability Insurance	K	58.36	985.10	1,043.46			
Sundries			49.97	49.97			
(8) Contingencies (specify):							
Air Power & Charge panel	L	-(198.29)	1,298.29	1,100.00			
TOTALS		2580.37	45,294.36	47,874.73			

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

Date 3/29/54 *Payee New Quincy Mining Co.

Per [signature] Title President

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

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

(Instructions on reverse)

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

$

Signature
(Authorized Certifying Officer)

Date Vou. No.
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. IdM-E265 in accordance with the terms of the contract.

Signature M. H. Howes, Jr. Title Mining Engineer Date Apr. 23, 1954

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. S. King Title Executive Officer Date AUG 19 1954

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-1
(April, 1952)

Budget Bureau No. 42-R1151.1
Approval expires 6-30-53.

U. S. Bureau of Mines
RECEIVED
APR 5 1954
Salt Lake City, Utah

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Supplemental Report

Month of November 1953 Docket No. DMEA 113 Contract No. Idm-8265

Operator's Name New Quincy Mining Co. Minerals Lead - Zinc

Address Salt Lake City, Utah

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	feet	2193.31	63	31,250.55	868	36.00		
Crosscutting	feet	307.06	12	11,603.57	153	75.90		
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		2500.37		42,854.12				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased				5,020.61				
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		~~2500.37~~		~~47,874.73~~				

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

Date March 25, 1954 Operator New Quincy Mining Co.

Per [signature] Title President

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

(Instructions on reverse)

REMARKS: ~~Costs figured @ $32.2546 per ft.~~

~~$2500.37 divided by 80 = 32.2546~~

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

NEW QUINCY MINING CO.
Salt Lake City, Utah

Supplemental Report
November 1953

SCHEDULE B - Aug. 1953

3a - Timber		
Disallowed 12/3/53 - acct. Jack Beck	.34¢	
Total		-(.34¢)

SCHEDULE G - Aug. 1953

4a - Equipment Rental	83.50	
Disallowed 12/3/53 (Battery Lamp not authorized)	5.00	
Total		78.50

SCHEDULE L - November 1953

8a - Air Power, etc.	114.85	
Schedule J, Sept. 1953		
Disallowed, excess of contract	70.40	
Schedule N, Oct. 1953		
Disallowed, excess of contract	127.89	
Schedule L, Nov. 1953		
Adjustment to contract limit	-(114.85)	
Total		(198.29)

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. 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 County, Utah. Supplemental MF-104 forms for the period September through November 1953

Attached are the necessary copies of a supplemental MF-104 form report submitted by the subject operator to cover the period September through November 1953. No claim is made for reimbursement. The forms are submitted merely for the record and to correct disallowances made during the above period.

Stephen R. Wilson /ds
Stephen R. Wilson

Enclosure

April 26, 1954

S. R. Wilson

M. H. Howes

Docket No. DMEA-113 (Lead-zinc), Contract Idm-E265, New Quincy Mining Co., Wasatch and Summit Counties, Utah. Supplemental report of adjustments on forms MF-104 and MF-104A, September through November 1953

The New Quincy Mining Co. has submitted a supplemental report correcting the November 1953 MF-104 and MF-104A forms for disallowances made from September through November 1953.

M. H. Howes

M. H. Howes

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.4
Approval expires 6-30-53.

U. S. Bureau of Mines
RECEIVED
DEC 15 1953
Salt Lake City, Utah

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of November, 1953 Docket No. DMEA 113 Contract No. 14-E-268
Operator's Name New Quincy Mining Company Minerals Lead - Zinc
Address Salt Lake City, Utah
Contract Amount, $ 50,700.00 Government Participation: 50 % Amount, $ 25,350.00

ITEMS OF COSTS		FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
Solud.							
(1) Independent Short Form Contracts:							
Drilling							
Bulldozing							
Crosscutting							
Drifting	A	1493.00	10,920.73	12,413.73			
Raising	D	292.00	3,900.00	4,192.00			
(2) Labor and Supervision:							
Labor			716.75	716.75			
Supervision		250.00	4,287.50	4,537.50			
Technical Services		125.00	1,000.00	1,125.00			
Bookkeeping		70.00	1,190.00	1,260.00			
(3) Operating Mat'ls. and Supplies:							
Timber			2,907.10	2,907.10			
Explosives	C	153.39	1,467.26	1,621.65			
Pipe	D	4.80	979.32	984.12			
Track			153.67	153.67			
Miscellaneous	E	1.69	1,131.09	1,132.78			
Drill Steel & Bit	F	15.97	594.68	610.65			
Vent Pipe			2,967.11	2,967.11			
(4) Operating Equipment:							
Rental	G	89.50	3,435.45	3,523.95			
Purchase			5,600.61	5,600.61			
Depreciation	H	202.37	2,628.21	2,830.58			
(5) Initial Rehabilitation and Repairs							
(6) New Bldgs., Improvements, etc.							
(7) Miscellaneous:							
Repairs to Equipment			161.92	161.92			
Sampling and Analysis	I	57.50		57.50			
Payroll Taxes	J	81.06	936.42	1,017.48			
Liability Insurance	K	50.36	985.10	1,035.46			
Sundries			49.97	49.97			
(8) Contingencies (specify):							
Air Power & charge panel	L	114.05	1,299.29	1,413.14			
TOTALS		2890.85	45,954.36	48,193.22			

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 12/11/53 *Payee New Quincy Mining Co.
Per Glen L Crandall Title Sec'y - Treas.

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

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

(Instructions on reverse)

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

$

Signature
(Authorized Certifying Officer)

Date Vou. No.
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E265 in accordance with the terms of the contract.

Signature M. N. Howes JRW Title Mining Engineer Date Dec. 22, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

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

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form M[illegible]-104A
(Apr[illegible]52)

Budget Bureau No. 42-R1151.1
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of November 1953 Docket No. DMEA 112 Contract No. DMEA-265
Operator's Name New Quincy Mining Company Minerals Lead - Zinc
Address Salt Lake City, Utah

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting								
Crosscutting	Foot	2464.62	60	51,522.25	168	36.32		
Raising	Foot	494.00	22	11,661.94	159	70.15		
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		2958.62		63,172.60				Total Costs Authorized by Contract
Operating Equipment Purchased				5,000.61				
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		2958.62		68,173.21				

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

Date December 11'53 Operator New Quincy Mining Co.

Per Glen F. Brandau Title Sec'y - Treas.

Remarks: 0 Costs Charged at 4[illegible].4956 per foot

2958.62 ÷ 60 = 36.2356

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

NEW QUINCY MINING CO.
November 1953

SCHEDULE A - DRIFTING

Theodore Housel	$558.00
Floyd Webster	558.00
Albert Price	372.00
Total	1488.00

SCHEDULE B - RAISING

Theodore Housel - 12' @ 6.00	72.00
Floyd Webster - 12' @ 6.00	72.00
Albert Price - 12' @ 4.00	48.00
Total	192.00

SCHEDULE C - EXPLOSIVES

Western Powder Co.	2.75
United Park City Mines Co.	151.04
Total	153.79

SCHEDULE D - PIPE

United Park City Mines Co.	4.86

SCHEDULE E - MISCELLANEOUS

United Park City Mines Co.	1.69

SCHEDULE F - DRILL STEEL & BITS

United Park City Mines Co.	15.97

SCHEDULE G - RENTAL

United Park City Mines Co.	83.50

SCHEDULE H - DEPRECIATION

Trammer	62.50
Battery Charger	18.60
Mine Cars	77.00
Gardner-Denver Compressor	44.17
Total	202.27

SCHEDULE I - SAMPLING & ANALYSIS

Crismon & Nichols	57.50

SCHEDULE J - PAYROLL TAXES

Labor	Schedule A	$1438.00		
"	" B	192.00		
Supervision		250.00		
Total		1930.00	x 4.2	81.06

SCHEDULE K - WORKMEN'S COMPENSATION

Labor 11/7	400.00		
" 11/18	704.00		
Supervision	250.00		
Total	1354.00	x .0431	58.36

SCHEDULE L - POWER

United Park City Mines Co.	114.85

I certify the above to be true and legitimate payments as stated.

Dated December 11, 1953

Glen I. Crandall

Glen I. Crandall, Sec'y - Treas.

NARRATIVE
1200 & 1500 DRIFTS & RAISE
NEW JUNCY MINING CO
EXA - 115
CONTRACT IRE - 868

GENERAL

On Nov. 3, 1953 the face of the east 1200 drift was 6 ft. from the raise. On Dec. 3, 1953 the face of this drift is 74 ft east of the raise making an advance for the month of 68 ft. In addition in the east drift at 55' to 65' a small raise 12 ft. high was driven up on a streak of ore. This raise was driven without timber except two stulls and is considered the equivalent in labor of a drift and the footage was so paid.

Then the total advance for the month is 68 ft. plus 12 ft or the equivalent of 80 ft. of drift.

GEOLOGY

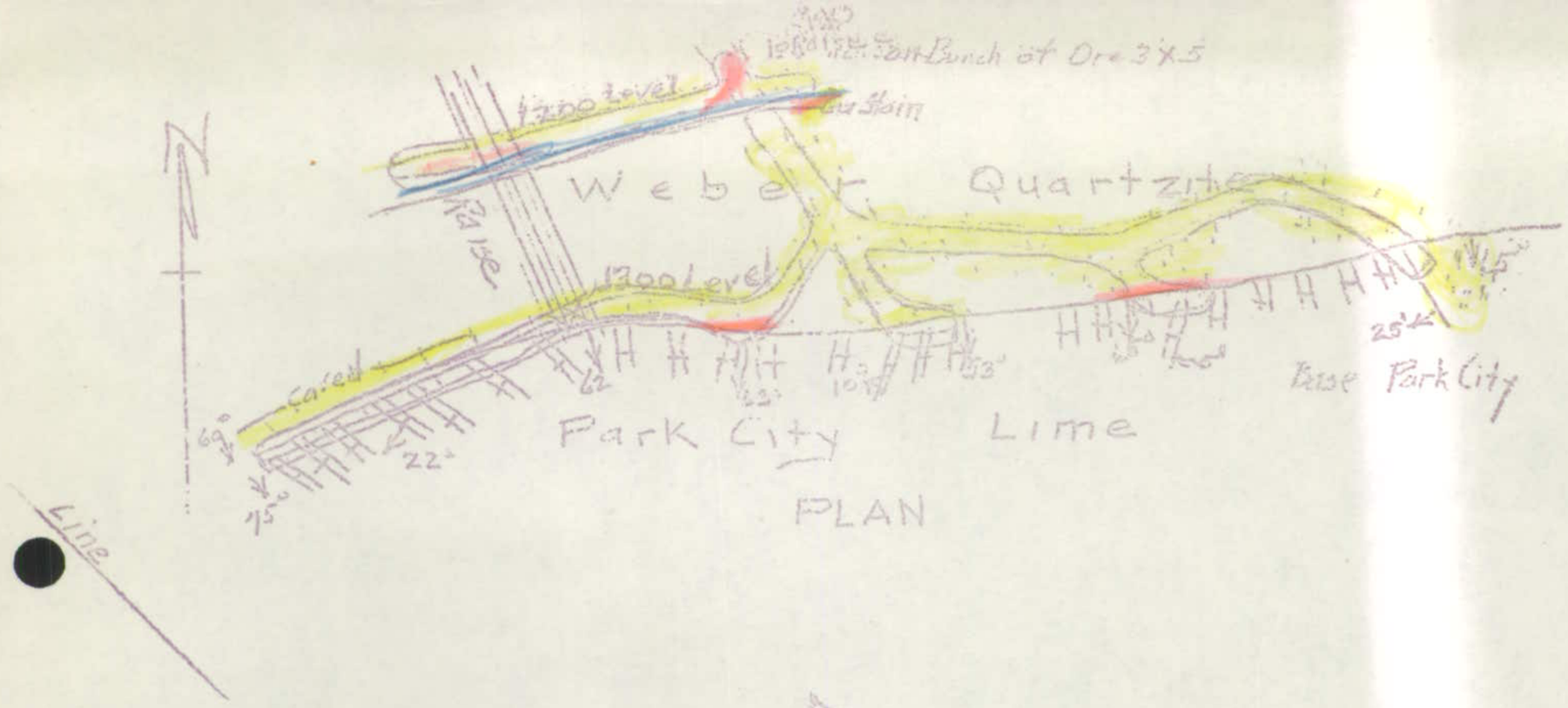
The 68 ft of drift driven on the east 1200 level followed the main fissure having on its footwall Weber quartzite and on its hanging wall Park City lime at about the Jonney quartzite horizon.

From 55' to 65' east of the main raise a small raise was driven 18' high on a streak of sulphide ore up to 3' wide. This sulphide carries much tetrahedrite and a specimen assayed 166 oz. Ag., 21.80% Pb., 10.45% Zn and 2.30% Cu. Some ton cars have been set aside for sampling but it is questionable.

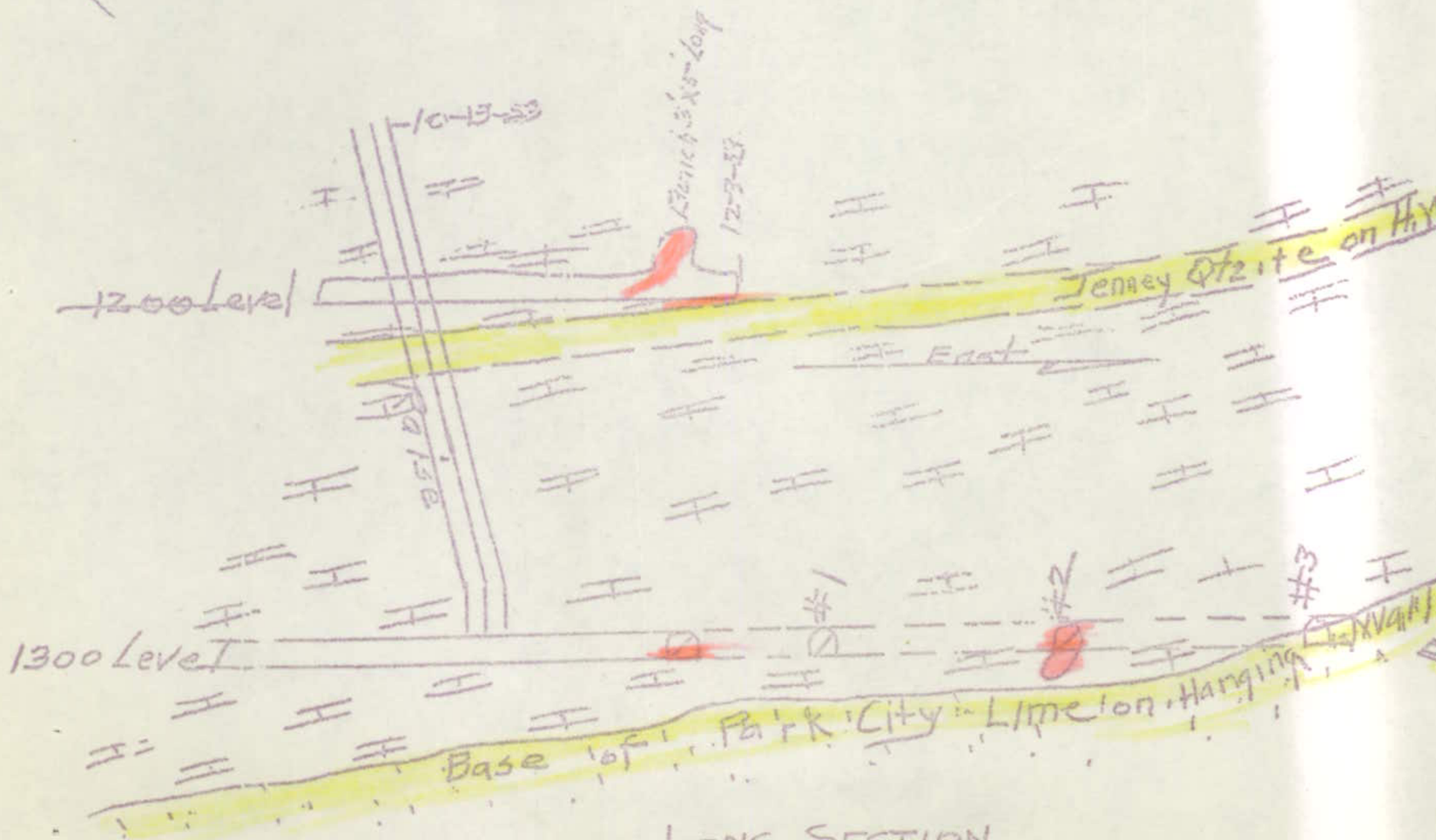
At the top of this 12' raise the ore pinched out and the drift continued ahead on the 1200 level. Near the face a quartzite bed is seen rising from the floor in the hanging wall. This is probably the Jonney and at its top there is a gouge bedding plane on which there is some 6" of copper carbonate which is a good prospect to follow out as an incline drift upward if necessary.

Park City, Utah.
Dec. 3, 1953.

E A Hewitt
Geologist



1200 & 1300 DRIFTS & RAISE
NEW QUINCY MINING CO
DMA-113
CONTRACT - IDME-265
Dec 3, 1953 50 Scale
E. A. Hewitt



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

December 24, 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. MF-104 forms for November 1953

Transmitted herewith are the necessary copies of the operator's report covering work accomplished under the subject contract during November 1953. An inspection of the property was made by M. H. Howes December 7, 1953. Work reported on the MF-104 forms was verified by measurement.

Advance during the month totaled 68 feet of drifting and 12 feet of raising. A small body of sulfide ore was intersected at a point approximately 55 feet east of the main raise. On the sublevel drift an attempt is being made to follow the Jenney quartzite. A bed believed to be the Jenney quartzite was intersected at a point approximately 40 feet from the raise.

Work reported by the operator is in conformance with the contract and it is recommended that repayment be made in the manner described in the inspecting engineer's report.

The MF-104 forms were received from the operator December 21, 1953.

Stephen R. Wilson

Stephen R. Wilson

Enclosures

S. R. Wilson

Dec. 23, 1953

M. H. Howes

Docket No. DMEA-113 (Lead-zinc), Contract Idm-8265, New Quincy Mining Co., Wasatch and Summit Counties, Utah. Progress report for November 1953.

The property was inspected on December 7, 1953, in the company of Nick Floor. It is verified that 12 feet of progress in raising and 68 feet of progress in subdrifting during November, as reported on form MF-104A, is correct, and that the work was performed in accordance with the contract.

The subdrift was driven easterly along the "A" fissure during November. A small pod of sulphide ore was encountered from 55 to 65 feet east of the main raise. This ore was followed upward 12 feet above the top of the drift, where it pinched out. The pod averaged 2 feet in thickness and 5 feet in length. A selected sample assayed 166 ounces Ag, 21.8 percent Pb, 10.45 percent Zn, and 2.5 percent Cu. About 10 tons of rock from the raise has been stockpiled for possible ore. The footwall continues to be Weber quartzite and the hanging wall is Park City limestone. At a point about 40 feet east of the raise, quartzite rises from the floor on the hanging wall side of the drift. This appears to be the Jenney quartzite. On top of the quartzite is about 6 inches of copper-stained, gouge material. The drift was driven easterly 14 feet beyond the ore pipe. There is no ore in the face.

The accounts were checked and it is verified that all charges for services and supplies were necessary and that they do not appear to be excessive, except the charge for power, which should be disallowed because it is in excess of the contract allowable maximum.

Payment is approved for $1,392.00, which is 50 percent of the total cost for November of $2,898.85, less disallowance of $114.85 for power.

M. H. Howes

M. H. Howes

Form M[illegible]104 (Rev.)
(A[illegible]952)

U. S. Bureau of Mines
REC[illegible]
DEC 3 1953

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of October 3 195[illegible] Docket No. DMEA [illegible] Contract No. [illegible]
Operator's Name New Quincy Mining Company Minerals Lead - Zinc
Address Salt Lake City, Utah
Contract Amount, $50,700.00 Government Participation 50 % Amount, $25,350.00

ITEMS OF COSTS	Schd.	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:							
Drilling							
Bulldozing							
Crosscutting							
Drifting	A	312.00	10,616.73	10,928.73			
Raising	A	745.50	3,234.50	3,980.00			
(2) Labor and Supervision:							
Labor			716.75	716.75			
Supervision		250.00	4,037.50	4,287.50			
Technical Services			1,000.00	1,000.00			
Bookkeeping		70.00	1,120.00	1,190.00			
(3) Operating Mat'ls. and Supplies:							
Timber	B	271.86	2,715.32	2,987.18			
Explosives	C	60.30	1,406.88	1,467.26			
Pipe	D	3.71	975.61	979.32			
Track			153.67	153.67			
Misc.	E	42.39	1,088.70	1,131.09			
Drill Steel & Bit	F	43.44	551.24	594.68			
Vent Pipe	G	993.95	368.16	1,362.11			
(4) Operating Equipment:							
Rental	H	63.50	3,371.95	3,435.45			
Purchase	I	298.94	4,721.67	5,020.61			
Depreciation	J	202.27	2,426.04	2,628.31			
(5) Initial Rehabilitation and Repairs							
(6) New Bldgs., Improvements, etc.							
(7) Miscellaneous:							
Repairs to Equipment	K	8.74	153.18	161.92			
Sampling and Analysis							
Payroll Taxes	L	55.65	880.57	936.42			
Liability Insurance	M	57.15	927.93	985.10			
Sundries			49.97	49.97			
(8) Contingencies (specify):							
Air Power & Chg. Panel	N	127.89	1,170.40	1,298.29	00	1,170.40	1,170.40
					3,479.70	41,686.77	45,166.47
						- 70.40	- 70.40
TOTALS		3,607.59	41,686.77	45,294.36			

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 11/30/53 *Payee New Quincy Mining Company **
Per [signature] Title Sec'y - Treas.

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

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
3,479.70 41,611.03 45,090.73
$1739.85

Signature [signature]
(Authorized Certifying Officer)
Date 12/29/53 Vou. No. 54-66
(See other side)

* Disallowed for power in September
** Previous Disallowance

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E265 in accordance with the terms of the contract.

Signature M. H. Howle GRW Title Mining Engineer Date Dec. 10, 1953

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

Signature W. H. Kung Title Executive Officer Date DEC 18 1953

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.1
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of October 1953 Docket No. DMEA 113 Contract No. Idm-E-265
Operator's Name New Quincy Mining Company Minerals Lead - Zinc
Address Salt Lake City, Utah

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting	foot	1,421.03	25	29,057.24	800	36.32		
Raising	foot	1,057.62	13½	11,216.51	161	70.55		
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		3,300.65		40,273.75				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased		250.94		5,020.61				
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		3,551.59		45,294.36				

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

Date 11/30/53 Operator New Quincy Mining Company

Per Glen L Brandell Title Sec'y - Treas.

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

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

Administrative Audit Difference Statement

Date: December 30, 1953
Payee's Reference: Progress Report
October, 1953

New Quincy Mining Co.,
421 Felt Building
Salt Lake City 1, Utah
10a-3265

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

Amount Claimed $ 3,607.59

Difference $ 127.89

Amount Approved $ 3,479.70

The reason for the difference was due to:

Allowable Maximum of Amended Contract for Power is $1200.00 Power claimed in this voucher is $1293.29 in "Totals to Date" column which is an excess of $70.10 for September and which was disallowed on September report and $127.89 disallowed in this report for October.

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

Very sincerely yours,

N. E. Stokes
Audit Section

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

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

224 New Customhouse
Denver 2, Colorado

December 18, 1953.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 113, Contract Idm-E265 (Lead-Zinc), New Quincy Mining Company, Wasatch and Summit Counties, Utah. Operator's Monthly Progress Report for the period ~~September 1953~~. October 1953.

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

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

Power Power is specified as an allowable maximum in the Amended Contract at $1,100.00.	$127.89

Remarks:

Date of Report	November 30, 1953.
Date Received in Field Office	December 3, 1953.
Date Received in Region Office	December 17, 1953.

W H King
W. H. King

Enclosures

RDB:cwm

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

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

December 15, 1953

Memorandum

To: W. M. 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 Ida-8265, New Quincy Mining Co., Wasatch and Summit Counties, Utah. MF-104 forms for October 1953

Five copies of MF-104 forms listing subject contract expenditures for October 1953 are herewith transmitted. M. H. Howes inspected the property and prepared the enclosed progress report.

After reaching the barren base of the Park City limestone in the footwall at 141 feet, the raise was stopped and subdrifting was started in the mineralized zone at a point 93 feet above the drift. The subdrift was driven 19 feet west of the raise, where the mineralization greatly diminished, and 6 feet east of the raise. It is planned to continue the east drift because ore possibilities are stronger in that direction, and the chance of encountering the Jennay quartzite is greater to the east.

Vent pipe and fan have been installed, and the forced ventilation system is operating satisfactorily.

Project work accomplished during the period is in conformance with the contract. Payment to the operator should be made as recommended by the inspecting engineer.

The MF-104 forms were received from the operator on December 3, 1953. A total delay of seven working days in transmitting the forms to Denver was caused by the heavy work load of the inspecting engineer and the necessity of waiting for proper documentation for certain cost items from the operator. The latter delay was four days.

Stephen R. Wilson

Stephen R. Wilson

Enclosures

S. R. Wilson Dec. 14, 1953

M. H. Howes

Docket No. DMEA-113 (Lead-zinc), Contract Ida-K265, New Quincy Mining Co., Wasatch and Summit Counties, Utah. Progress report for October 1953

The property was inspected on November 13, 1953, in the company of George N. Floor. It is verified that 13.5 feet of progress in the raise and 25 feet of progress in the subdrift during October, as reported on form MF-104A, is correct, and that the work was performed in accordance with the contract.

The raise was stopped at 141 feet after encountering the barren base of the Park City limestone in the footwall. A subdrift was started at a point 93 feet above the main drift, where strong ore mineralization occurs. This point is believed to be at or near the Jenney horizon in the hanging wall. The subdrift was driven 19 feet west of the raise and 6 feet east of the raise along the mineralized "A" fissure. Mineralization diminished as the drift was driven westerly. The east drift will be pursued from now on, as evidence of possible ore is stronger in that direction. Also, since the beds are dipping westerly, depth is being gained by driving to the east, and thereby the chance of finding the Jenney quartzite is greater to the east.

Installation of fan and vent pipe has been completed and the ventilation system is now being successfully operated.

The accounts were checked and it is verified that all charges for services and supplies were necessary and that they do not appear to be excessive. All charges reported on form MF-104 are supported by the necessary documentation, and the operator's narrative report is considered to be adequate.

Payment is approved for $1,803.80, which is 50 percent of the total cost for October of $3,607.59.

M. H. Howes

M. H. Howes

NEW QUINCY MINING COMPANY

October 1953

	TOTAL	RAISING	DRIFTING
SCHEDULE A - LABOR:			
Theodore Housel	$442.46	$329.00	$113.46
Floyd Webster	428.27	329.00	99.27
Dean Boyle	87.50	87.50	
Albert Price	99.27		99.27
Total	1,057.50	745.50	312.00
SCHEDULE B - TIMBER:			
Jack Beck	12.60	6.30	6.30
United Park City Mines Co.	259.26	129.63	129.63
Total	271.86	135.93	135.93
SCHEDULE C - EXPLOSIVES:			
United Park City Mines Co.	60.38	30.19	30.19
SCHEDULE D - PUMP:			
United Park City Mines Co.	3.71		3.71
SCHEDULE E - MISCELLANEOUS:			
George Floor - Cash Purchases	8.31	4.16	4.15
United Park City Mines Co.	34.08	17.04	17.04
Total	42.39	21.20	21.19
SCHEDULE F - DRILL STEEL & BITS:			
United Park City Mines Co.	43.44	21.72	21.72
SCHEDULE G - VENT PIPE:			
American Brattice Cloth Co.	993.95	496.98	496.97
SCHEDULE H - RENTAL:			
United Park City Mines Co.	63.50	31.75	31.75
SCHEDULE I - EQUIPMENT PURCHASE:			
Coppus Engineering Co.	287.03	143.52	143.51
Transport Clearings of Utah	11.91	5.95	5.96
Total	298.94	149.47	149.47

NEW QUINCY MINING COMPANY

October 1953

		TOTAL	RAISING	DRIFTING
SCHEDULE J - DEPRECIATION:				
Trammer		$ 62.50	$ 31.25	$ 31.25
Battery Charger		18.60	9.30	9.30
Mine Cars		77.00	38.50	38.50
Gardner-Denver Compressor		44.17	22.08	22.09
Total		202.27	101.13	101.14
SCHEDULE K - REPAIRS TO EQUIPMENT:				
George Floor		1.50	.75	.75
Gardner-Denver Co.		7.24	3.62	3.62
Total		8.74	4.37	4.37
SCHEDULE L - PAYROLL TAXES:				
Labor (A)	$1,057.50			
Timber Cutting (B)	12.60			
Supervision	250.00			
Total	1,320.10			
Tax Rate 4.2		55.44		
United Park City Mines Co.		.41		
Total Payroll Taxes		55.85	37.03	18.82
SCHEDULE M - WORKMEN'S COMPENSATION:				
Labor (A)	$1,057.50			
Timber Cutting (B)	12.60			
Supervision	250.00			
Total	1,320.10			
Rate .0431		56.90		
United Park City Mines Co.		.27		
Total		57.17	37.88	19.29
SCHEDULE N - POWER:				
United Park City Mines Co.		127.89	63.94	63.95

I certify the above to be true and legitimate payments as stated.

Dated November 30, 1953

Glen I. Crandall

Glen I. Crandall, Sec'y - Treas.

NEW QUINCY MINING COMPANY

October 1953

ITEMS OF COST	RAISE	DRIFT	TOTAL
Labor	$745.50	$312.00	$1,057.50
Supervision	125.00	125.00	250.00
Bookkeeping	35.00	35.00	70.00
Timber	135.93	135.93	271.86
Explosives	30.19	30.19	60.38
Pipe		3.71	3.71
Miscellaneous	21.20	21.19	42.39
Drill Steel & Bits	21.72	21.72	43.44
Vent Pipe	496.98	496.97	993.95
Rental	31.75	31.75	63.50
Purchase	149.47	149.47	298.94
Depreciation	101.13	101.14	202.27
Repairs to Equipment	4.37	4.37	8.74
Payroll Tax	37.03	18.82	55.85
Workmen's Compensation	37.88	19.29	57.17
Power	63.94	63.95	127.89
Total for October 1953	$2,037.09	$1,570.50	$3,607.59

NARRATIVE
1200 & 1300 DRIFTS & RAISE
NEW QUINCY MINING CO
DMA - 113
CONTRACT IDME - 265

GENERAL

On Sept. 30, 1953 the raise was driven 127½ ft. above the sill caps and on Oct. 13, 1953 the back of the raise was 141 ft. above the sill caps or an advance of 13.5 ft for the period mentioned. At this point the raise was stopped.

A station was cut off the raise at 93 ft. above the sill caps and a drift started in either direction on the fissure. These drifts are at about the 1200 level so will be called 1200 drifts. On Nov. 3, 1953 the 1200 west drift was driven 19 ft. from the raise and the east drift was advanced 6 ft. from the raise.

The advance then for the period Sept. 30, 1953 to Nov. 3, 1953 is
Raise 13.5 ft. and the two drifts 25 ft.

GEOLOGY

At about the point where the raise was stopped the base of the Park City appears in the footwall side of the raise. This is an objective sought in the raise work and there being no mineralization of consequence, the raise was stopped and work started at the 1200 level off the raise.

At the 19 ft point west of the raise the 1200 west drift was stopped and work started to the east. In the west drift there was some scattered ore sulphides but it is thought the better prospect is in the east drift over the ore showings found on the 1300 level at about 40' and 140' eastward.

These showings on the 1300 level just above the base of the Park City are significant could well indicate ore deposition in quantity on the Jenney quartzite horizon in the east 1200 drift. Over similar showings ore has sometimes been found elsewhere in this district.

Park City, Utah.
Nov. 3, 1953.

E. A. Hewitt
Geologist

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

Budget Bureau No. 42-R1036.4
Approval expires 6-30-53.

U. S. Bureau of Mines
RECEIVED
DEC 3 1953

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of September 1953 Docket No. DMEA 113 Contract No. Idm-E-265
Operator's Name New Quincy Mining Company Minerals Lead - Zinc
Address Salt Lake City, Utah
Contract Amount, $ 50,700.00 Government Participation: 50 % Amount, $ 25,350.00

ITEMS OF COSTS	Schod.	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:							
Drilling							
Bulldozing			10,616.73	10,616.73			
Crosscutting							
Drifting							
Raising	A	630.00	2,604.50	3,234.50			
(2) Labor and Supervision:							
Labor			716.75	716.75			
Supervision		250.00	3,787.50	4,037.50			
Technical Services		50.00	950.00	1,000.00			
Bookkeeping		70.00	1,050.00	1,120.00			
(3) Operating Mat'ls. and Supplies:							
Timber	D	344.26	2,931.06	3,275.32			
Explosives			1,400.00	1,400.00			
Pipe	C	19.94	955.67	975.61			
Track			153.67	153.67			
Misc.	D	65.57	1,023.13	1,088.70			
Drill Steel & Bits			551.24	551.24			
Vent Pipe	D	360.16		360.16			
(4) Operating Equipment:							
Rental	F	63.50	3,308.45	3,371.95			
Purchase			4,721.67	4,721.67			
Depreciation	G	202.27	2,223.77	2,426.04			
(5) Initial Rehabilitation and Repairs							
(6) New Bldgs., Improvements, etc.							
(7) Miscellaneous:							
Repairs to Equipment			159.20	159.20			
Sampling and Analysis							
Payroll Taxes	H	54.19	826.44	880.57			
Liability Insurance	I	68.29	839.64	907.93			
Sundries			49.97	49.97			
(8) Contingencies (specify):							
Air Power & Chg. Panel	J	122.75	1,048.65	1,170.40	51.35	1048.65	1100.00
TOTALS		2,341.47	39,345.30	41,686.77	2,271.07	39,345.30	41,616.37

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

Date 11/30/53 *Payee New Quincy Mining Company

Per Geo. A. Crandall Title Sec'y - Treas.

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

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

(Instructions on reverse) #Previous Deductions

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

5.34 5.34

2,271.07 39,339.96 41,611.03

$11,335.53

Signature
(Authorized Certifying Officer)

Date 12/29/53 Vou. No. DMA 54-66

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E 265 in accordance with the terms of the contract.

Signature M. H. Howes JRW Title Mining Engineer Date Dec. 10, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W H Kung Title Executive Officer Date DEC 18 1953

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form ME-104A
(April 1952)

Budget Bureau No. 42-R1151.1
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of September 1953 Docket No. DMEA 123 Contract No. 10-E-265
Operator's Name Dow Quincy Mining Company Minerals Lead - Zinc
Address Salt Lake City, Utah

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting								
Crosscutting	feet			27,636.21	775	35.66		
Raising	feet	2,342.47	25	9,330.09	127	73.17		
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		2,342.47		36,966.30				Total Costs Authorized by Contract
Operating Equipment Purchased				4,721.67				
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		2,342.47		41,686.77				

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

Date 11/30/53 Operator Dow Quincy Mining Company

Per Glen L Crandell Title Coo'dy - Accts.

Remarks:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

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

Administrative Audit Difference Statement

Date: December 30, 1953
Payee's
Reference: Progress Report

September, 1953

New Quincy Mining Co.,
421 Felt Building
Salt Lake City, Utah
Km-3265

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

Amount Claimed $ 2,341.47

Difference $ 70.40

Amount Approved $ 2,271.07

The reason for the difference was due to:

Allowable maximum for Power in Amended Contract of March 26, 1953 is $1100.00 Amount claimed for Power in this report is $121.75 which makes the "Totals to Date" for power $1170.40 or an excess of $70.40

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

Very sincerely yours,

N. E. Stokes
Audit Section

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

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

224 New Customhouse
Denver 2, Colorado

December 18, 1953.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 113, Contract Idm-E265 (Lead-Zinc), New Quincy Mining Company, Wasatch and Summit Counties, Utah. Operator's Monthly Progress Report for the period September 1953.

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

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

Power $70.40
Power is specified as an allowable maximum in the Amended Contract at $1,100.00.

Remarks:

Date of Report	November 30, 1953.
Date Received in Field Office	December 3, 1953.
Date Received in Region Office	December 17, 1953.

W H King
W. H. King

Enclosures

RDB:cwm

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

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

December 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. MF-104 forms for September 1953

Transmitted herewith are five copies of MF-104 forms listing subject contract expenditures during September 1953. An inspection of the progress work was made by M. H. Howes.

The raise has been advanced to a distance of 127½ feet above the drift, following the "A" fissure, with Park City limestone in the hanging wall and Weber quartzite in the footwall. The Jenney horizon has not yet been positively identified, but is believed to be in the vicinity of the zone of strong mineralization about 93 feet up the raise. The raise will be continued until the base of the Park City limestone is reached in the footwall.

Clearing of powder smoke and bad air by natural ventilation is becoming more difficult as the raise progresses. Since it is now necessary to prepare for forced ventilation, vent pipe and fan have been ordered for early delivery, and the installation of vent pipe hangers has been made.

Work accomplished during the reporting period is in conformance with the contract. It is recommended that the operator be reimbursed in the manner listed in the inspecting engineer's report.

The MF-104 forms were received from the contractor December 3, 1953. A delay of three days in transmitting the forms to Denver resulted from the heavy work load of the inspecting engineer, and a four-day delay was caused by the necessity of waiting for proper documentation for certain cost items to be sent in by the operator.

Stephen R. Wilson

Stephen R. Wilson

Enclosures

S. R. Wilson

Dec. 11, 1953

M. H. Howes

Docket No. DMEA-113 (Lead-zinc), Contract Idm-2265, New Quincy Mining Co., Wasatch and Summit Counties, Utah. Progress report for September 1953

The property was inspected on November 13, 1953, in the company of George N. Floor. It is verified that 25 feet of progress in the raise during September, as reported on form MF-104A, is correct, and that the work was performed in accordance with the contract.

The face of the raise is 127½ feet above the top of the drift. The raise continues to be driven along the "A" fissure with Park City limestone in the hanging wall and Weber quartzite in the footwall. Although no quartzite has been found in the hanging wall, it is still believed that the Jenney horizon is at or close to the strong mineralization about 93 feet up the raise. It is planned to continue the raise until the base of the Park City limestone in the footwall is reached.

The raise has arrived at a point where ventilation is necessary. Vent pipe and fan have been ordered for early delivery. Installation of vent pipe hangers has been accomplished, so the actual installation of the pipe and fan will require very little additional work.

The accounts were checked and it is verified that all charges for services and supplies were necessary and that they do not appear to be excessive. All charges reported on form MF-104 are supported by the necessary documentation, and the operator's narrative report is considered to be adequate.

<u>Item (3), Vent Pipe</u>, is a labor charge for work preparatory to the installation of the vent pipe and is considered to be an indirect cost of the vent pipe.

Payment is approved for $1,170.74, which is 50 percent of the total cost for September of $2,341.47.

M. H. Howes

M. H. Howes

NEW QUINCY MINING COMPANY

September 1953

SCHEDULE A - RAISING:

Theodore Housel	$236.25
Floyd Webster	236.25
Dean Boyle	157.50
Total	630.00

SCHEDULE B - TIMBER:

Jack Beck	23.50
United Park City Mines Co.	360.76
Total	384.26

SCHEDULE C - PIPE:

United Park City Mines Co.	13.54

SCHEDULE D - MISCELLANEOUS:

Mine & Smelter Supply Co.	13.52
United Park City Mines Co.	52.05
Total	65.57

SCHEDULE E - VENT PIPE:

Theodore Housel	184.08
Floyd Webster	184.08
Total	368.16

SCHEDULE F - RENTAL:

United Park City Mines Co.	63.50

SCHEDULE G - DEPRECIATION:

Trammer	62.50
Battery Charger	18.60
Mine Cars	77.00
Gardner-Denver Compressor	44.17
Total	202.27

SCHEDULE H - PAYROLL TAXES:

Raising	(A)	$630.00	
Vent Pipe	(E)	368.16	
Timber Cutting		23.50	
Supervision		250.00	
		1,271.66 x 4.2	53.41
United Park City Mines Co.			.72
Total			54.13

NEW QUINCY MINING COMPANY

September 1953

SCHEDULE I - WORKMEN'S COMPENSATION:

Raising	(A)	$630.00	
Vent Pipe	(E)	368.16	
Timber Cutting		23.50	
Supervision		250.00	
		1,271.66 x .0497	$ 63.20
United Park City Mines Co.			5.09
Total			68.29

SCHEDULE J - POWER:

United Park City Mines Co.	$121.75

I certify the above to be true and legitimate payments as stated.

Dated November 30, 1953

Glen I. Crandall

Glen I. Crandall, Sec'y - Treas.

NARRATIVE
1300 DRIFTS & RAISE
NEW QUINCY MINING CO
DMA - 113
CONTRACT IDME - 265

GENERAL

On August 31, 1953 the raise was driven 102½ ft. above the sill caps. On September 30, 1953 the back of the raise is 127½ ft. above the sill caps so the advance for the month of September is 25 ft.

GEOLOGY

The fissure walls continue to be Park City lime in the hanging wall and Weber quartzite in the footwall. It now appears the raise passed through the Jenney quartzite bed in the hanging wall at 80' to 93'. Since some interbedded lime occurred with the quartzite, the identity of the Jenney was not clear; but now that the raise is well past the 93' point without finding further quartzite, there is little doubt this favorable bed is just below the 93' point. Since the best ore showings also occur around the 93' point, that is further of the Jenney horizon being just below.

It is thought best to continue the raise to disclose the top of the Weber on the footwall as this is also a fertile horizon in some places in the district.

Park City, Utah.
Sept. 30, 1953

E A Hewitt
Geologist.

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

Budget Bureau No. 49-R1036.3.
Approval Expires 6-30-53.

U. S. Bureau of Mines
RECEIVED
OCT 14 1953
Salt Lake City, Utah

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Defense Minerals Administration
RECEIVED
DEC 28 1953

Month of ....., 195.... Docket No. DMEA 113 Contract No. Ion-E-265

Operator's Name 3 Minerals Lead-Zinc

Address New Quincy Mining Company, Salt Lake City, Utah

Contract Amount, $ 50,700.00 Government Participation: 50 % Amount, $ 25,350.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting		10,616.73	10,616.73			
~~Lifting Raising~~	~~1274.50~~	~~11,946.73~~	~~13,221.23~~			
Raising Sch. A.	1,274.50	1,330.00	2,604.50	1,260.00	1,330.00	2,590.00
(2) Labor and Supervision:						
Labor		716.75	716.75			
Supervision						
Technical Services	250.00	3,537.50	3,787.50			
(3) Operating Mat'ls. and Supplies:	75.00	875.00	950.00			
Timber	70.00	980.00	1,050.00			
Explosives Sch. B	387.98	1,943.08	2,331.06	402.14	1,943.08	2,345.22
Pipe Sch. C	34.37	1,372.51	1,406.88			
Track Sch. D	165.92	796.15	962.07			
		153.67	153.67			
Misc. Sch. E	34.94	988.19	1,023.13			
Drill Steel & Bits Sch. F	13.53	537.71	551.24			
(4) Operating Equipment:						
Rental						
Purchase Sch. G	43.50	3,260.95	3,304.45	38.50	3,264.95	3,303.45
Depreciation						
(5) Initial Rehabilitation and Repairs Sch. H	202.27	2,021.50	2,223.77			
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment Sch. I	56.99	96.19	153.18			
Sampling and Analysis						
Payroll Taxes						
Liability Insurance Sch. J	64.03	762.41	826.44			
Comp. Ins. Sch. K	75.77	783.87	859.64			
Sundries		49.97	49.97			
(8) Contingencies (specify):						
Air Power & Charg. Panel Sch. L	109.55	939.10	1,048.65			
				2,858.35	36,486.95	39,345.30
				* - 5.34		- 5.34
TOTALS	2,858.35	36,486.95	39,345.30	2,853.01	36,486.95	39,339.96

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

Date 10/5/53 *Payee NEW QUINCY MINING COMPANY,

Per Glen S. Crandall Title Secty-Treas.

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

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

(Instructions on reverse)

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

$1426.50

Signature [illegible]
(Authorized Certifying Officer)

Date 12/8/53 Vou. No. 54-56

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E265 in accordance with the terms of the contract.

Signature M. H. Howes JRW Title Mining Engineer Date Oct. 29, 1953

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

Signature W. H. King Title Executive Officer Date DEC 2 1953

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

DEPARTMENT OF THE INTERIOR
Defense Minerals
DEC 28 1953

Month of August 1953 Docket No. DMEA 113 Contract No. [illegible]
Operator's Name New Quincy Mining Company Minerals Lead-Zinc
Address Salt Lake City, Utah

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting								
Crosscutting	feet	-	-	27,690.21	775	35.66		
Raising	"	2,858.35	48	6,907.42	102	68.22		
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		2,858.35		34,623.63				Total Costs Authorized by Contract
Operating Equipment Purchased				4,721.67				
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		2,858.35		39,345.30				

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

Date October 5, 1953 Operator New Quincy Mining Company

Per Glen L. Crandall Title Sec'y-Treas.

Remarks:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 28 1953

Administrative Audit Difference Statement

Date: 12/2/53
Payee's
Reference: [illegible]

[illegible] 1953

[illegible]

[illegible] Mining Co.
[illegible]
[illegible] City 1, Utah
[illegible]

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

Amount Claimed $ [illegible]

Difference $ [illegible]

Amount Approved $ [illegible]

The reason for the difference was due to:

[illegible] claimed for [illegible] [illegible] [illegible]

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

Department of the Interior
Defense Minerals Administration
RECEIVED
DEC 28 1953

224 New Customhouse
Denver 2, Colorado

December 2, 1953.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 113, Contract Idm-E265 (Lead-Zinc), New Quincy Mining Company, Wasatch and Summit Counties, Utah. Operator's Monthly Progress Report for the period August 1953.

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

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

Labor $0.34
Maximum day's pay rate allowed by Amended contract $14.16. Amount claimed $14.50.

Equipment Rental $5.00
No provision for battery lamp rental in contract.

Remarks:

Date of Report	October 5, 1953.
Date Received in Field Office	October 14, 1953.
Date Received in Region Office	November 25, 1953.

Delay in Field Office due to Operator not submitting required documentation with report. Documentation not submitted until November 16, 1953.

W. H. King
W. H. King

Enclosures

RDB:cwm

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

1600 EAST FIRST SOUTH STREET
SALT LAKE CITY 1, UTAH

November 24, 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. MF-104 forms for August 1953

The original and four copies of MF-104 forms listing expenditures made during August 1953 under the subject contract are herewith transmitted. The property and accounts were inspected by M. H. Howes August 31, 1953.

An advance of 48 feet was made in the raise on the "A" fissure during August. Although the Jenney quartzite has not yet been discovered, sulphide mineralization encountered 90 to 100 feet up the raise in the fissure may indicate the presence of the Jenney horizon.

Recommendation is made that the expenditures be approved for payment as noted in the progress report.

The MF-104 forms were received from the operator October 14, 1953. Documentation for certain expenditures was lacking and was not submitted by the company until November 16, 1953. This caused a delay of 33 days in transmitting the forms to Denver.

Stephen R. Wilson

Stephen R. Wilson

Enclosures

S. R. Wilson Nov. 24, 1953

M. H. Howes

Docket No. DMEA-113 (lead-zinc), Contract Idm-E265, New Quincy Mining Co., Wasatch and Summit Counties, Utah. Progress report for August 1953

The property was inspected on August 31, 1953, in the company of George M. Floor. It is verified that 48 feet of progress in the raise during August, as reported on form MF-104A, is correct, and that the work was performed in accordance with the contract.

The "A" fissure is being followed upward with Weber quartzite in the footwall and Park City limestone in the hanging wall. From 90 to 100 feet up in the raise an occurrence of sulphide mineralization, within the fissure, consisting of pyrite, galena and sphalerite, may indicate the presence of the Jenney horizon. The Jenney quartzite has not yet been found.

The accounts were checked and it is verified that all charges for services and supplies were necessary and that they do not appear to be excessive, except the charge for rental of battery lamp in Item (4), Rental. All charges reported on form MF-104 are supported by the necessary documentation, and the operator's narrative report is considered to be adequate.

<u>Item (4), Rental</u> - The charge of $5.00 by United Park City Mines Co. for rental of battery lamp should be disallowed because there is no such allowance in the contract.

Payment is approved for $1,426.68, which is 50 percent of the total cost for August of $2,853.35, less disallowance of $5.00 for battery lamp rental.

M. H. Howes

M. H. Howes

NEW QUINCY MINING COMPANY,
Salt Lake City, Utah.
August, 1953.

Schedule A - Raising.		
Theodore Housel		$ 472.50
Floyd Webster		472.50
Dean Bells		315.00
Jack Deck		14.50
		1,274.50
Schedule B - Timber		
United Park City Mines Co.		327.98
Schedule C - Explosives		
United Park City Mines Co.		34.37
Schedule D - Pipe		
Armco Drainage & Metal Products, Inc.		125.95
United Park City Mines Co.		39.97
		165.92
Schedule E - Miscellaneous		
United Park City Mines Co.		34.24
Schedule F - Drill Steel & Bits		
United Park City Mines Co.		13.53
Schedule G - Rental		
United Park City Mines Co.		43.50
Schedule H - Depreciation		
Tramer		62.50
Battery Charger		18.60
Mine Cars		77.00
Gardner-Denver Compressor		44.17
		202.27
Schedule I - Repairs to Equipment		
Nanoba Storage Battery Locomotive		52.49
Untical Park City Mines Co.		4.50
		56.99
Schedule J - Payroll Taxes		
Raising	$1,274.50	
Supervision	250.00	
	$1,524.50 x 4.2	64.03
Schedule K - Workmen's Compensation		
Raising	$1,274.50	
Supervision	250.00	
	$1,524.50 x .0497	75.77
Schedule L - Power		
United Park City Mines Co.		100.55

I certify the above to be true and legitimate payments as stated.

Dated, October 5, 1953

Glen I. Crandall

Glen I. Crandall, Sec'y-Treas.

NARRATIVE
1300 DRIFTS & RAISE
NEW QUINCY MINING CO
DMA - 113
CONTRACT IDNT - 265

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 28 1953

GENERAL

On July 31, 1953 the raise was driven 54½ ft. above the sill caps. On August 31, 1953 the back of the raise is 102½ ft above the sill caps so the advance for the month of August is 48 ft.

GEOLOGY

The sketch sheet herewith showing the workings in plan, longitudinal section and in cross-section, will illustrate the geological conditions in relation to the raise. The fissure walls continue to be Park City lime formation on the hanging wall and Weber quartzite in the footwall. In the upper set or so some quartzite occurs in the hanging wall lime beds which may indicate the raise is entering the Jenney bed.

In the last two sets there has also been quite a few spots of sulphide ore consisting of galena, sphalerite and tetrahedrite in quartz and calcite. An assay indicates the ratio of silver oz. to lead per cent is about 5 to 1 assuring good silver values when the ore is reached.

Park City, Utah.
August 31, 1953.

E A Lewis
Geologist

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

OCT 30 1953

Mr. [illegible] King, Executive Officer
[illegible] Field Team, Region [illegible]
[illegible] Warehouse Building
Denver 2, Colorado

Re: Docket No. [illegible]
[illegible] Mining Company
[illegible] and [illegible] Counties,
[illegible]
Contract No. [illegible]

Dear Mr. King:

Reference is made to your memorandum to me of October 19 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 [illegible] would be under the category (3) Operating materials and supplies or the category (4) Operating equipment. They would not be allowed under the first category which is for purchase as a cost of more than $50 each. They might have been allowed under the category "(6) Miscellaneous" except that the word items 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 [illegible] when the contract was written, it would seem that this cost should be allowed.

Sincerely yours,

C. O. Mittendorf

Administrator

JLChambers/JLHofflund/emd
10/28/53
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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION 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

MF-500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE 10-21-53

REFERRED TO:

1. Mr. Jay Chambers
2.
3.
4.

FOR:

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

REMARKS: Jay: You will recall this deal. Their argument sounds kind of silly to me- how on earth any argument can be advanced against lamp rental being a proper charge is beyond my comprehension.

Check (X) before the items needing attention.

W. B. Griswold

Initials of sender.

GPO 16—63815-1

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

Defense Minerals Exploration Administration
RECEIVED
OCT 16 1953

original to Docket

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
John F. Shaw
For W. H. King

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. Hofflund

J. L. Hofflund
Chief Counsel

Attachment

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION 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.

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 Idm-E265

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.

July 1953
MF-104

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

Administrator

JLChambers/wb
October 12, 1953

Copy to: Docket
Admr. Reading File
Mr. Griswold
Mr. Chambers
Oper Comm.

Form MF-1[illegible] (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.2.
Approval expires 3-31-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
AUG 25 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of July 1953 Docket No. DMEA 215 Contract No. Salt Lake City, Utah
Operator's Name [illegible] Minerals [illegible]
Address [illegible]
Contract Amount, $ [illegible] Government Participation: 50 % Amount, $ [illegible]

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting	[illegible]	[illegible]	[illegible]			
Drifting						
(2) Labor and Supervision:						
Labor		734.50	734.50			
Supervision	250.00	[illegible]	[illegible]			
Technical Services	75.00	[illegible]	675.00			
[illegible]	70.00	[illegible]	[illegible]			
(3) Operating Mat'ls. and Supplies:						
Timber	[illegible]	[illegible]	[illegible]			
Explosives	[illegible]	[illegible]	[illegible]			
Pipe	2.37	[illegible]	[illegible]			
Track		[illegible]	[illegible]			
[illegible]	[illegible]	[illegible]	[illegible]			
[illegible]	[illegible]	[illegible]	[illegible]			
(4) Operating Equipment:						
Rental	237.00	[illegible]	[illegible]	63.50	3204.25	3266.75
Purchase		[illegible]	[illegible]			
Depreciation	[illegible]	[illegible]	[illegible]			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	[illegible]	49.66	95.19			
Sampling and Analysis	[illegible]	[illegible]	[illegible]			
Payroll Taxes	[illegible]	[illegible]	[illegible]			
Liability Insurance	[illegible]	[illegible]	[illegible]			
[illegible]		[illegible]	[illegible]			
(8) Contingencies (specify):						
[illegible]	[illegible]	858.98	939.10			
TOTALS	3,038.01	33,622.76	36,660.76	2883.81	33622.75	36506.56
					- 1463.89	- 1463.89

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

Date 9/10/53 *Payee [illegible]

Per [illegible] Title [illegible]

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

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

(Instructions on reverse)

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

2883.81 32159.86 35042.67

$ 1,441.90

Signature [illegible]
(Authorized Certifying Officer)

Date 9-17-53 Vou. No. DMA-54-28
(See other side)

*Previous Deductions

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E265 in accordance with the terms of the contract.

Signature M. H. Howes ARW Title Mining Engineer Date Aug. 28, 1953

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

Signature W. H. King Title Executive Officer Date SEP 15 1953

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 2 1953

Month of July 1953 Docket No. DMEA 113 Contract No. Idm-2365
Operator's Name New Quincy Mining Co. Minerals Lead-zinc
Address Salt Lake City, Utah

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting	feet	—	—	27,648.71	775	35.68		
Raising	feet	3,038.01	37	4,290.38	54	78.72		
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		3,038.01		31,939.09				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased				4,721.67				5,637.26
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		3,038.01		36,660.76				50,700.00

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

Date 8/21/53 Operator New Quincy Mining Co.

Per Glen L. Crandall Title Sec'y.-Treasurer

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

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

DEPARTMENT OF THE INTERIOR
Bureau of Mines Administration
RECEIVED
OCT 2 1953

Administrative Audit Difference Statement

Date: Sept. 17, 1953
Payee's
Reference: Expense Report
July, 1953

Dow Quincy Mining Company
401 Felt Building
Salt Lake City, Utah
[illegible]

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

Amount Claimed $ 303.01

Difference $ 150.20

Amount Approved $ 153.81

The reason for the difference was due to:

Rental of Dictaing Machine not used in Delaing	150.00	
Rental of Battery Lamps, not in contract	0.20	150.20

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

Very sincerely yours,

N. E. Stokes
Audit Section

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

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

224 New Customhouse
Denver 2, Colorado

September 15, 1953

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 113, Contract Idm-E265 (Lead-Zinc), New Quincy Mining Co., Wasatch and Summit Counties, Utah-Operator's Monthly Progress Report, for the period July, 1953.

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

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

Equipment Rental	
Mucking Machine from Eimco Corp. (Not used in raising operations)	$150.00
Battery Lamps from United Park City Mines	4.20
(No allowance made for lamp rental in the contract)	
Total Disallowances	$154.20

Remarks:

Date of Report----------August 20, 1953
Date Received in Field Office---August 25, 1953
Date Received in Region Office--September 10, 1953

Eight day delay in Field Office, three day delay due to returning forms to Operator for corrections, and five day delay due to work load of Inspecting Engineer.

W. H. King

W. H. King

Enclosures

RDB:es
cc: Contract, Sec. to the Oper. Comm. (2)
Chron., Wilson

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

1600 EAST FIRST SOUTH STREET
SALT LAKE CITY 1, UTAH

September 8, 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 Ida-E265, New Quincy Mining Co., Wasatch and Summit Counties, Utah. MP-104 forms for July 1953.

Transmitted herewith are the original and four copies of MP-104 forms listing expenditures made during July 1953 under the subject contract. M. H. Howes inspected the project work and prepared the enclosed narrative of progress.

Work during the reporting period consisted of an advance of 37 feet in the raise being driven in the "A" fissure. The objective, the Jenney quartzite, has not been reached. A small amount of finely divided pyrite and occasional crystals of galena and sphalerite may be seen on both sides of the fissure. No ores have been found to date.

Work accomplished during the period is in conformance with the contract. Payment to the operator should be made in the manner listed in the inspecting engineer's report.

The MP-104 forms were received from the operator August 25, 1953. A total delay of eight working days in transmitting the forms to Denver resulted from the heavy work load of the inspecting engineer and the necessity of returning the forms to the operator for correction. This latter delay was three days.

Stephen R. Wilson
Stephen R. Wilson

Enclosures

S. R. Wilson Sept. 1, 1953

M. H. Howes

Docket No. DMEA-113 (Lead-Zinc), Contract Idm-8265, New Quincy Mining Co., Wasatch and Summit Counties, Utah. Progress report for July 1953

The property was inspected on August 6, 1953, in the company of George H. Floor. It is verified that 37 feet of progress in the raise during July, as reported on form MF-104A, is correct, and that the work was performed in accordance with the contract.

The raise continues to follow the "A" fissure, which contains more than a foot of sticky gouge. In the back the fissure contains about 8 inches of brownish altered rock. The hanging wall for the last 20 feet is a shattered gray limestone containing streaks of calcite and quartz. The footwall is Weber quartzite, which is greatly shattered next to the fissure. Fine pyrite is disseminated throughout the rock on both sides of the fissure and occasionally specks of galena and sphalerite are to be seen.

The accounts were checked and it is verified that all charges for services and supplies were necessary and that they do not appear to be excessive, except for the charges for rental of mucking machine and battery lamp in Item (4), Rental. All charges reported on form MF-104 are supported by the necessary documentation, and the operator's narrative report is considered to be adequate.

Item (4) Rental - The charge of $150.00 by Kimco Corp. for rental of mucking machine should be disallowed because this piece of machinery is not being used in raising.

The charge of $4.20 by United Park City Mines Co. for rental of battery lamp should be disallowed because there is no such allowance in the contract.

Payment is approved for $1,441.90, which is 50 percent of the claimed $3,038.01, less disallowances of $150.00 for mucking machine rental and $4.20 for battery lamp rental.

M. H. Howes

M. H. Howes

Schedule A. - Raising		
Dean B[illegible]		168.00
Floyd Webster		388.50
Theodore Housel		388.50
Eddie Hendrinson		91.00
		1,036.00
Schedule B. - Timber		
United Park City Mines Co. 137-J		683.90
Schedule C. - Pipe		
United Park City Mines Co. 137-J		2.37
Schedule D. - Mine.		
United Park City Mines Co. 137-J		33.13
Gardner Denver Co. 29-43100		15.69
Mine & Smelter Supply Co. 25096		3.18
General Electric Supply Co. SDD 05799		2.19
		54.19
Schedule E. - Drill Steel & Bits		
United Park City Mines Co. 137-J		8.20
Schedule F. - Rental		
United Park City Mines Co. 137-J		67.70
Elmco Corp. 41621A		150.00
		217.70
Schedule G. - Payroll taxes		
Raising	1,036.00	
Supervision	250.00	
	1,286.00 x 4.2%	54.01
Schedule H. - Workmans Compensation		
Raising	1,036.00	
Supervision	250.00	
	1,286.00 x .0497%	63.91
Schedule I - Power		
United Park City Mines Co. 137-J		80.12
Schedule J. - Depreciation		
Tawner		62.50
Battery charger		18.60
Mine cars		77.00
Gardner-Denver Compressor		44.17
		202.27
Schedule K. - Explosives		
United Park City Mines Co. 137-J		149.55
Western Powder Co. 3026		45.13
		194.68
Schedule L. - Repairs to Equipment		
Gardner-Denver Co. 29-27882		30.96
Gardner-Denver Co. 29-43100		13.20
S. Lorenz 7/22/53		1.50
		45.66

I certify the above are true and legitimate payments made as listed.

NEW QUINCY MINING COMPANY

August 21, 1953 Per Glen H Grandee
Sec'y-Treasurer

NARRATIVE
1300 RAISE & DRIFTS
NEW QUINCY MINING CO
DMA - 113
CONTRACT IDME - 265

RECEIVED

GENERAL

On July 1, 1953 the raise was driven 17½ ft. above the sill caps. On July 31,1953 the back is 54½ ft. above the sill caps so the advance for the month of July is 37 ft.

GEOLOGY

As shown in raise section the first 15' shows chloritic blue lime in the hanging wall of the fissure while the upper 22' is Gray lime streaked with calcite and quartz. The fissure itself carries better than a foot of gummy gouge with lime fragments while on the footwall side there is another foot of quartzite breccia which near the back also includes about 8" of rusty porphyry. Throughout the fissure material and to some extent in the lime hanging wall there is a scattering of pyrite with an occasional speck of galena and sphalerite. Some manganese and iron oxides are noted in the quartzite breccia.

On the whole the ensemble of rocks, minerals and fissuring appears to be quite a favorable showing. The Jenney quartzite bed should be reached in the next period.

Park City, Utah.
July 31, 1953.

Ed Hewitt
Geologist

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

U. S. Bureau of Mines
RECEIVED
AUG 25 1953
Salt Lake City, Utah

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of June, 1953 Docket No. DMEA 113 Contract No. Idm-E-265
Operator's Name New Quincy Mining Company Minerals Lead-zinc
Address Salt Lake City, Utah
Contract Amount, $ 50,700.00 Government Participation: 50 % Amount, $ 25,350.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Contractors:						
Drilling						
Bulldozing						
~~Crosscutting~~ Raising Sch. A	294.00	10,616.73	10,910.73			
Drifting						
(2) Labor and Supervision:						
Labor Sch. D.	500.66	233.88	734.56	495.37	233.88	729.25
Supervision	250.00	3,037.50	3,287.50			
Technical Services	75.00	725.00	800.00			
Bookkeeping	70.00	840.00	910.00			
(3) Operating Mat'ls. and Supplies:						
Timber Sch. C.	495.57	763.61	1,259.18			
Explosives		1,177.83	1,177.83			
Pipe Sch. D.	3.14	790.64	793.78			
Track		153.67	153.67			
Misc. Sch. E.	38.75	895.25	934.00			
Drill Steel & Bits	20.20	509.31	529.51			
(4) Operating Equipment: Sch. F						
Rental Sch. G	190.30	3,012.95	3,203.25	190.50	3012.95	3201.45
Purchase		4,721.67	4,721.67			
Depreciation Sch. K	202.27	1,616.96	1,819.23			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment		50.58	50.53			
Sampling and Analysis						
Payroll Taxes Sch. H.	45.15	663.25	708.40			
Liability Insurance						
Comp. Ins. Sch. I	50.95	669.01	719.96			
Sundries		49.97	49.97			
(8) Contingencies (specify):						
Air Power & Charg.		774.08	858.98			
Panel Sch. J.	84.90	~~744.08~~	~~828.98~~			
		30,301.84	33,622.75			
TOTALS	2,320.91	~~31,271.84~~	~~33,592.75~~	2313.80	31301.84	33615.64
					1456.78	1456.78
				2313.80	29845.06	32158.86
					$1,156.90	

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

Date 8/21/53 *Payee NEW QUINCY MINING COMPANY

Per Glen L. Brandell Title Sec'y-Treasurer

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

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

(Instructions on reverse) *Previous Deductions

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

Signature
(Authorized Certifying Officer)

Date 9-17-53 Vou. No. DMA 54-28
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idw-E265 in accordance with the terms of the contract.

Signature M. H. Howes JRW Title Mining Engineer Date Aug. 28, 1953

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

Signature W. D. King Title Executive Officer Date SEP 15 1953

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 2 1953

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

Month of June 1953 Docket No. DMEA 113 Contract No. Idm-2265
Operator's Name New Quincy Mining Company Minerals Lead-zinc
Address Salt Lake City, Utah

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting	feet	1,068.56	—	27,648.71	775	35.68		
Crosscutting								
Raising	feet	1,252.37	17½	1,252.37	17½	71.56		
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		2,320.91		28,901.08				Total Costs Authorized by Contract
Operating Equipment Purchased				4,721.67				5,637.26
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		2,320.91		33,622.75				50,700.00

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

Date 8/21/53 Operator New Quincy Mining Co.

Per Glen S. Crandall Title Sec'y.-Treasurer

Remarks: Seven (7) feet held back from miner's pay. Raising only pays for 10½ feet of total footage.

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT - 2 1953

Administrative Audit Difference Statement

Date: Oct 27, 1953
Payee's
Reference: Progress Report
June, 1953

Dow Chemical Mining Co.,
[illegible] Bldg.,
Salt Lake City, Utah
[illegible]

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

Amount Claimed $ 8320.02

Difference $ 7.11

Amount Approved $ 8313.00

The reason for the difference was due to:

Overcharge of rates for labor above contract rates	5.91	
Battery lamp rental, not authorized by contract	1.20	7.11

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

Very sincerely yours,

N. E. Stokes
Audit Section

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

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 2 1953

224 New Customhouse
Denver 2, Colorado

September 15, 1953.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 113, Contract Idm-E265 (Lead-Zinc), New Quincy Mining Company, Wasatch and Summit Counties, Utah. Operator's Monthly Progress Report for the period June 1953.

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

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

Labor (Overcharge of rates established in contract)	$5.31
Equipment Rental (Rental of battery lamps not authorized by contract. Amendment required)	1.80

Remarks:

Date of Report	August 21, 1953.
Date Received in Field Office	August 25, 1953.
Date Received in Region Office	Sept. 10, 1953.

Delay in Field Office. Five days due to work load of inspecting engineer; three days to necessity of returning forms to operator for corrections.

W. H. King
W. H. King

Enclosures

RDB:cwm

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

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

September 8, 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. MF-104 forms for June 1953

Enclosed are the necessary copies of MF-104 forms and supporting data listing expenditures made by the subject contractor during June 1953. The project was inspected by M. H. Howes August 6, 1953. A narrative of progress is attached.

Advance in the raise on the "A" fissure during the reporting period totaled 17½ feet. The raise is being driven in the limestone hanging wall to insure intersection of the objective bed, the Jenney quartzite. This quartzite bed is believed to be approximately 50 feet above the drift level. No ores have been encountered in the raise to date.

Work accomplished during the reporting period is in conformance with the contract. It is recommended that the operator be reimbursed for the Government's share of expenditures as listed in the inspecting engineer's report.

The MF-104 forms were received from the contractor August 25, 1953. A three-day delay in transmitting the forms to Denver resulted from the necessity of returning the forms to the operator for correction. A five-day delay was caused by the heavy work load of the inspecting engineer.

Stephen R. Wilson
Stephen R. Wilson

Enclosures

S. R. Wilson Sept. 1, 1953

M. H. Hewes

Docket No, DMEA-113 (Lead-Zinc), Contract Idm-R265, New Quincy Mining Co., Wasatch and Summit Counties, Utah. Progress report for June 1953

The property was inspected on August 6, 1953, in the company of George H. Floor. It is verified that 17½ feet of progress in the raise during June, as reported on form MF-104A, is correct, and that the work was performed in accordance with the contract. A hold-back of pay for 7 feet of raise was made in June to insure completion of the job according to specifications.

The raise is being driven largely in the limestone in the hanging wall of the fissure so that there will be no chance of missing the hanging wall segment of the Jessey quartzite, which is estimated to be about 50 feet above the drift. The fissure is composed of 6 to 12 inches of clayey gouge. Copper, iron, and manganese stains appear in the limestone hanging wall. No ore has been encountered in the raise to date. The Weber quartzite footwall is shattered. So far the raise has not developed water and mining conditions are very favorable. The present mine crew is doing an exceptionally good job of raising.

The accounts were checked and it is verified that all charges for services and supplies were necessary and that they do not appear to be excessive, except miners' wages charged in Item (2), Labor, and battery lamp rental charged in Item (4), Rental. All charges reported on form MF-104 are supported by the necessary documentation and the operator's narrative report is considered to be adequate.

Item (2), Labor. The amended contract allows a maximum payment of $14.16 and $13.66 in wages, respectively, for miners and muckers. Two miners were paid at the rate of $14.35 per day each for 8-7/8 days in the first half of June and 2 days, 3½ hours in the second half of June. Wages paid for labor in June by the company totaled $500.68. Calculated by the maximum allowable rate, the total should be $495.37. Disallowance should be made for $5.31.

The New Quincy Mining Co. had a contract with the original mine crew to drive the drift at a rate of $14.00 per foot for labor. This crew was obliged to timber the drift wherever necessary to maintain an opening of 5 by 7 feet in the clear, and also to excavate and maintain a water ditch at one side of the drift. No ditch was made. Over 50 feet of drift, back from the face, caved because of lack of

timbering, and more of the drift was in danger of caving for the same reason. The crew refused to complete the job by timbering where necessary, cleaning up, and ditching. As a consequence a new crew had to be employed to do this work. The company refused to pay the original crew for the last 21 feet of advance and also for the hold-back for the first 20 feet of advance. The disallowance of pay for 41 feet of advance at $14.00 per foot amounts to $574.00. The new crew completed the work at a total cost of $495.37. This charge should be allowed.

Item (4). Rental. A charge of $1.80 was made by United Park City Mines Co. for battery lamp. Since this is not a charge allowed by the contract, it should be disallowed.

Payment is approved for $1,156.90, which is 50 percent of the claimed $2,320.91, less disallowances for overpayment of $5.31 to labor and rental charge of $1.80 for battery lamps.

M. H. Howes

M. H. Howes

Schedule A. - Raising		
Dean Boyle		$ 73.50
Floyd Webster		110.25
Theodore Housel		110.25
		294.00
Schedule B. - Labor		
Dean Boyle		175.00
Floyd Webster		162.84
Theodore Housel		162.84
		500.68
Schedule C. - Timber		
United Park City Mines Co. 135-J		465.12
Jack Beck		30.45
		495.57
Schedule D. - Pipe		
United Park City Mines Co. 135-J		3.14
Schedule E. - Miscellaneous		
United Park City Mines Co. 135-J		32.39
Gardner-Denver Co. 29-36302		3.81
Western Powder Co. 2911		2.55
		38.75
Schedule F. - Drill Steel & Bits		
United Park City Mines Co. 135-J		20.20
Schedule G. - Rental		
United Park City Mines Co. 135-J		40.30
Eimco Corporation 40471A		150.00
		190.30
Schedule H. - Payroll Taxes		
Raising	294.00	
Labor	500.68	
Supervision	250.00	
Jack Beck-timbering	30.45	
	1,075.13 x 4.2%	45.15
Schedule I. Workman's Compensation		
Raising	294.00	
Labor	500.68	
Supervision	200.00**	
Jack Beck-timbering	30.45	
	1,025.13 x .0497 %	50.95

** $50.00 reporting error will be corrected in August report

Schedule J. - Power	
United Park City Mines Co. 135-J	84.90
Schedule K. - Depreciation	
Depreciation on Trammer	62.50
" " Battery charger	18.60
" " Mine cars	77.00
" " Gardner-Denver Compressor	44.17
	202.27

I certify the above to be true and legitimate payments made as listed.

NEW QUINCY MINING COMPANY

August 21, 1953

per Glen L Brundage
Sec'y-Treasuere

DEPARTMENT OF THE INTERIOR
Bureau of Mines Administration
RECEIVED
OCT 6 1953

NARRATIVE
1300 RAISE & DRIFTS
NEW QUINCY MINING CO
DMA - 113
CONTRACT IDME - 265

GENERAL

On May 31, 1953 the drift to the SW was finished and a site selected for a raise. This raise is located 80' SW of No 1 crosscut in the SW drift as shown on the sketch.

During the month of June this raise was driven 17½ ft. above the sill caps as shown in the section A-A insert on the sketch.

GEOLOGY

As generally known, the first objective of this raise drive is the Jenney quartzite beddingon the hanging wall side of the fissure. It is expected that this horizon may be 50' above the drift. The angle of the raise is now set parallel with the fissure with the fissure near the center of the raise. This angle is 65 degrees and, of course, it may be expected to vary as the raise progresses.

At times the hanging wall lime shows some copper stain associated with considerable chlorite and calcite. The back today also shows some manganese and iron staining on the fissure. There is usually up to a foot of gummy gouge on the fissurewhich indicates considerable faulting inn the plane of the fissure.

No water has so far been opened in the raise and if this condition persists a good advance, perhaps 2.5' per shift, may be expected.

Park City, Utah.
July 1, 1953.

E A Hewitt
Geologist.

Form M[illegible] (Rev.) (April 19[illegible])

U. S. Bureau of Mines
Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

RECEIVED AUG 25 1953

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

SUPPLEMENTAL TO

Month of MAY 31, 1953 Docket No. DMEA 113 Contract No. Salt Lake City, Utah Idn - E 0 265

Operator's Name NEW QUINCY MINING COMPANY Minerals Lead-zinc

Address Salt Lake City, Utah

Contract Amount, $ 50,700.00 Government Participation: 50 % Amount, $ 25,350.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
	corrected totals					
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting		10,616.73	10,616.73			
Drifting						
(2) Labor and Supervision:						
Labor Sch. A	75.00	158.88	233.88	62.50	158.88	221.38
Supervision Sch. B	1,175.00	1,862.50	3,037.50			
Technical Services		725.00	725.00			
Bookkeeping		840.00	840.00			
(3) Operating Mat'ls. and Supplies:						
Timber Sch. E.	41.61	722.00	763.61			
Explosives		1,177.83	1,177.83			
Pipe		790.64	790.64			
Track		153.67	153.67			
Misc.		895.25	895.25			
Drill Steel & Bits		509.31	509.31			
(4) Operating Equipment:						
Rental		3,012.95	3,012.95			
Purchase		4,721.67	4,721.67			
Depreciation		1,616.96	1,616.96			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment Sch. F	50.53		50.53			
Sampling and Analysis						
Payroll Taxes Sch. C.	52.50	610.75	663.25			
Liability Insurance						
Comp. Ins. Sch. D.	62.14	606.87	669.01			
Sundries		49.97	49.97			
(8) Contingencies (specify):						
Air power & Chrg.		774.08	774.08			
panel		~~744.08~~	~~744.08~~			
		29,845.06	31,301.84			
TOTALS	1,456.78	~~29,815.06~~	~~31,271.84~~	1444.28	29845.06	31289.34

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

Date August 20, '53 Payee NEW QUINCY MINING COMPANY

Per Glen L. Bennett Title Sec'y-Treasurer

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

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

(Instructions on reverse)

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

$ 722.14

Signature [illegible] (Authorized Certifying Officer)

Date 9-17-53 Vou. No. DMEA 54-28

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E245 in accordance with the terms of the contract.

Signature M. H. Howes JRW Title Mining Engineer Date Aug. 28, 1953

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

Signature W. H. King Title Executive Officer Date SEP 14 1953

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 2 1953

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

SUPPLEMENTAL TO
MAY 31, 53

Month of MAY 31, 53 Docket No. DMEA 113 Contract No. Idn-E-265
Operator's Name NEW QUINCY MINING COMPANY Minerals Lead-zinc
Address SALT LAKE CITY, UTAH

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting	feet	1,456.78	-	26,580.17 ~~26,550.17~~	775	34.30 ~~34.26~~		
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
				26,580.17				
Total Distributed Costs		1,456.78		~~26,550.17~~				Total Costs Authorized by Contract
				4,721.67				
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.				30,301.84				
		1,456.78		~~31,271.84~~	DMC			
Total Costs								

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

Date 8/20/53 Operator NEW QUINCY MINING COMPANY

Per Glen L Crandall Title Sec'y-Treasurer

Remarks:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT - 2 1953

Administrative Audit Difference Statement

Date: Sept 17, 1953
Payee's
Reference: Progress Report
Supplemental
January thru May, 1953

New Quincy Mining Co.,
421 Felt Bldg.,
Salt Lake City, Utah
I-DMA-C265

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

Amount Claimed $ 1156.78

Difference $ 12.50

Amount Approved $ 1144.28

The reason for the difference was due to:

Dean Doyle paid on footage basis
(no other labor charges allowed) C12.50

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

Very sincerely yours,

N. E. Stokes
Audit Section

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

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

RECEIVED

224 New Customhouse
Denver 2, Colorado

September 14, 1953.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 113, Contract Idm-E265 (Lead-Zinc), New Quincy Mining Company, Wasatch and Summit Counties, Utah. Operator's Supplemental Report for the period January through May 1953.

Enclosed are the original and four copies of Form MF-104 and Form MF-104A, and Engineer's Report for the reclaim of amounts previously disallowed.

Payment is recommended for 50 percent of the amount as reported on Form MF-104, contingent on your verification of the correctness of applicable rates and arithmetical accuracy of computations, except for the following deductions.

Labor (Dean Boyle) Mine crew paid on a footage basis with no other labor charges allowed.	$12.50

Remarks:

Date of Report	August 20, 1953.
Date Received in Field Office	August 25, 1953.
Date Received in Region Office	September 10, 1953.

W. H. King
W. H. King

Enclosures
RDB:cwm

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

1600 EAST FIRST SOUTH STREET
SALT LAKE CITY 1, UTAH

September 8, 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-5265, New Quincy Mining Co., Wasatch and Summit Counties, Utah. Supplementary MF-104 forms for the period January through May 1953

Attached are five copies of MF-104 forms and supporting information concerning discrepancies made on MF-104 forms previously submitted by the contractor to cover work during January through May 1953.

Disallowances were made because of inadequate documentation. Proper documentation has been supplied by the contractor and originals of the Administrative Audit Difference Statements are attached. It is recommended that payment be made to the operator as shown in the enclosed memorandum prepared by M. H. Howes.

The MF-104 forms were received from the operator August 25, 1953. The total delay in transmitting the forms to Denver is eight working days. Five days resulted from the heavy work load of the inspecting engineer. A delay of three days was caused by the necessity of returning the forms to the contractor for correction.

Stephen R. Wilson
Stephen R. Wilson

Enclosures

RECEIVED

S. R. Wilson September 1, 1953

M. H. Howes

Docket No. DMEA-113 (Lead-Zinc), Contract Idm-E265, New Quincy Mining Co., Wasatch and Summit Counties, Utah. Supplemental report of adjustments on forms MF-104 and MF-104A, January through May 1953.

The New Quincy Mining Co. has submitted a supplemental report with corrections on forms MF-104 and MF-104A for allowances and disallowances on statements from January through May 1953.

Item (2), Labor. Proper documentation has been made for labor showing days and hours worked.

Item (2), Supervision. Proper documentation has been made for supervision showing dates worked.

Item (3), Timber. Charges of $23.77 for April and $17.84 for May (total of $41.61) by Park Utah Cons. Mines Co. were erroneously made to "Labor" on the original MF-104 forms and were disallowed. These charges have been made to "Timber" in the present statement because timber handling and transportation, and prefabrication of raise chutes are legitimate parts of the timber cost.

Item (7), Repairs to Equipment. Charges in May by Park Utah Cons. Mines Co., $31.71 to "Labor" and $6.32 to "Equipment Rental," were erroneously made. Both of these charges were for handling and hoisting the electric trammer to the surface for repairs, and have been made to "Repairs to Equipment" on the present statement. The charge of $12.50 by Dean Boyle for cleaning chute in May has been currently made to "Repairs to Equipment." This charge should be disallowed because the mine crew at that time was paid on a footage basis which was to include chute cleaning.

Item (7), Payroll Taxes and Compensation Insurance. Charges of $52.50 for payroll taxes and $62.14 for compensation insurance have been computed from the labor and supervision costs entered in the present statement.

Payment is approved for $722.14 which is 50 percent of the claimed $1,456.78 less $12.50 for cleaning chute.

M. H. Howes

M. H. Howes

Shedule A. - Labor

Ken Kummer - January	$ 7.50
Arthur Workman - January	7.50
Jack Beck - April	60.00
	75.00

Schedule B. - Supervision

Nick Floor - January	175.00
Nick Floor - February	250.00
Nick Floor - March	250.00
George N. Floor - April	250.00
George N. Floor - May	250.00
	1,175.00

Schodule C. - Payroll taxes

Labor -	75.00	
Supervision	1,175.00	
	1,250.00 x 4.2 %	52.50

Schedule D. - Workman's Compensation

Labor	75.00	
Supervision	1,175.00	
	1,250.00 x .0497%	62.14

Schedule E. - Timber

Park Utah Consolidated Mines Co. April & May	41.61

Schedule F. - Repairs to Equipment

Dean Boyle - May	12.50
Park Utah Consolidated Mines Co.	38.03
	$ 50.53

I certify the above to be true and legitimate payments made as listed.

NEW QUINCY MINING COMPANY

August 20, 1953 Per Glen L Brandall Sec'y-Treas.

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

C
O
P
Y

July 7, 1953

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 amedned 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,

s/ C. O. Mittendorf

Administrator

JLChambers:AEK:JLH:ep 7-6-53

Copy to: Mails & Files
Admr. R. File
Oper. Comm.
Mr. Griswold
Mr. Chambers
Mr. Hofflund
Mr. Kane

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

140

DMEA

2919 AFFairs 4687

W. H. King, Executive Officer, DMEA Field Team, Region IV, Bureau of Mines, Denver, Colorado

Reurtel re New Guinea Mining Company, Docket No. DMEA-113, response to your letter of June 19 is in the mail.

C. O. Mittendorf
Administrator, DMEA
~~O. C. Aldridge, 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
Gibson.
pending

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

800

July 2, 1953

Memorandum

To: Mr. John L. Hofflund
Chief Counsel

From: Jay L. Chambers, Chief (Signed) J. L. Chambers
Contract Administration and Audit Division

Subject: Docket No. DMEA-113 (Lead-Zinc), Contract No. Idm-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.

Mr. W. H. King
Executive Officer
DMEA Field Team, Region IV
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. [illegible]-113 (Jack-Line)
Contract No. Idm-265
New Quincy Mining Company
Wasatch and Summit Counties

Dear Mr. King:

Reference is made to your memorandum of June 19, 1953, in regard to the effective date of the amended contract for the above-cited project.

The amended contract stipulates in the first numbered paragraph of Annex I that it is effective as of February 25, 1952, which is the date of the original contract. Therefore, any reimbursements authorized in the amended contract may be paid beginning February 25, 1952, until the contract is either completed or terminated, provided that in discontinuing the contract work in December, 1952, it was not the intention of the field team to disallow any expenses incurred prior to the execution date of the amended contract.

If there was an understanding between the Government and the Operator that the Government would not contribute to any costs incurred prior to the execution date of an contract, then such costs should not be reimbursed. If this was not the understanding, then such costs may be reimbursed provided they are authorized in Exhibit "A" of the amended contract.

Sincerely yours,

Administrator

JIChambers/wb
June 29, 1953

Copy to: Docket
Admr. Reading File
Mr. Chambers
Mr. Griswold

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

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

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

Month of May 3 1953 Docket No. DMEA 113 Contract No. Idn-E-265
Operator's Name New Quincy Mining Company Minerals Lead-zinc
Address Salt Lake City, Utah
Contract Amount, $ 50,700.00 Government Participation: 50 % Amount, $ 25,350.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent / Short Form Contracts:						
Drilling						
Bulldozing Sch. A	644.00	9,972.73	10,616.73			
Crosscutting						
Drifting						
(2) Labor and Supervision Sch. B	62.05	489.65	551.70			
Labor	250.00	2,787.50	3,037.50	00	489.65	489.65
Supervision	100.00	625.00	725.00	00	2,787.50	2,787.50
Bookkeeping Technical Services	70.00	570.00	640.00			
(3) Operating Mat'ls. and Supplies: Sch. C	474.23	247.77	722.00			
Timber		1,177.83	1,177.83			
Explosives Sch. D.	12.97	777.67	790.64			
Pipe		153.67	153.67			
Misc. Sch. E.	75.11	913.10	988.21			
Drill Steel & Bits Sch. H	5.61	503.70	509.31			
(4) Operating Equipment Sch. F	194.22	2,824.45	3,019.27	188.50	2,824.45	3,012.95
Rental		4,721.67	4,721.67			
Purchase Sch. G	202.27	1,414.69	1,616.96			
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis Sch. H	35.97	628.10	664.07	27.04	628.10	655.14
Payroll Taxes						
Liability Insurance Comp. Ins. Sch. I	40.06	632.23	672.31	29.67	632.23	644.73
Sundries		49.97	49.97			
(8) Contingencies (specify): Air power & charge panel Sch. J	78.48	695.60	774.08			
TOTALS	2,245.59	29,385.33	31,630.92	1,907.88	29,385.33	31,293.21
					*-1,448.15	*-1,448.15
				1,907.88	27,937.18	29,845.06

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

Date 6/18/53 *Payee NEW QUINCY MINING COMPANY

Per Glen L. Crandall Title Sec'y-Treasurer

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

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

(Instructions on reverse)

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

$ 953.94

Signature (Authorized Certifying Officer)

Date 7/21/53 Vou. No. 54-8

(See other side)

* Previous Disallowances

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E265 in accordance with the terms of the contract.

Signature M. H. Moore Title Mining Engineer Date June 29, 1953

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

Signature W. H. King Title Executive Officer Date JUL 15 1953

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-194A
(April 1952)

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

RECEIVED

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of May 1953 Docket No. DMEA 113 Contract No. 265

Operator's Name New Quincy Mining Company Minerals Lead-zinc

Address Salt Lake City, Utah

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting	foot	2,245.59	67	26,909.25	775	34.72		
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		2,245.59		26,909.25				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased				4,721.67				
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		2,245.59		31,630.92				

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

Date 6/10/53 Operator New Quincy Mining Company

Per Glen H. Crandall Title Sec'y-Treasurer

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

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

JUL 27 1953

Administrative Audit Difference Statement

Date: July 20, 1953
Payee's
Reference: Progress
Report - [illegible], 1953

New Quincy Mining Co.
621 Felt Bldg.
Salt Lake City 1, Utah
[illegible]

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

Amount Claimed $ 2,245.59

Difference $ 337.71

Amount Approved $ 1,907.88

The reason for the difference was due to:

Installing Chute (labor)	17.84	
Coisting (4 men)	31.71	
Dean Boyle (cleaning drain)	12.50	62.05
Amended contract includes all labor except Supervision and Engineering. Supervisor not documentation as to hours, dates worked.		250.00
Taxes applicable to above		0.93
Comprehensive Insurance applicable to above		10.61
Equipment Rental (should be charged to labor and disallowed as above first item)		6.32
		337.71

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

Very sincerely yours,

N. E. Stokes
Audit Section

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

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

224 New Customhouse
Denver 2, Colorado

July 15, 1953

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 113, Contract Idm-E265 (Lead-Zinc), New Quincy Mining Company, Wasatch and Summit Counties, Utah-Operator's Monthly Progress Report, for the period May, 1953

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

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

Labor - $62.05 - Mine crew paid on footage basis. The $14.00 per foot is to include all labor exclusive of supervision and engineering as per Amended Contract.
Supervision - $250.00 - Not supported by certified copy of payroll showing dates worked.
Payroll Taxes - $8.93 - applicable to above disallowances.
Compensation Insurance - $10.41 - Applicable to above disallowances.
Equipment Rental - $6.32 - Labor charge distributed in error to Equipment Rental but still disallowed for reason stated above under Labor.

Remarks: Date of Report----------June 18, 1953
Date Received in Field Office----------June 19, 1953
Date Received in Region Office----------July 2, 1953
Date Processed for Payment----------July 15, 1953

Held up pending decision by Washington Office as to allowability of charges made for months of January, February, and March, 1953.

W. H. King

W. H. King

Enclosures

RDB:es
cc: Contract, Chron., Wilson, Sec. to the Oper. Comm. (2)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

1600 EAST FIRST SOUTH STREET
SALT LAKE CITY 1, UTAH

June 30, 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-8265, New Quincy Mining Co., Wasatch and Summit Counties, Utah. MF-104 forms for May 1953

Transmitted herewith are the required copies of MF-104 forms and related data pertaining to expenditures under the subject contract during May 1953. The property and accounts were inspected by M. H. Howes June 25, 1953.

The contract was amended to allow more funds, effective March 24, 1953. Actual advance was started by the operator March 26, 1953, after an idle period since January 1953, awaiting approval of the request for additional funds.

Drifting during May totaled 67 feet as reported on the MF-104 forms. Total footage to date is 795 feet, but the company has withheld 20 feet of payment to the subcontractor, as reported on the March 1953 forms, and has also withheld payment for 21 feet of advance during May, although the footage is included on the MF-104A forms, but costs for only 46 feet of advance are shown. This latter payment withholding is the result of a dispute between the company and the subcontractor concerning the caved ground described below.

After completion of the drifting and crosscutting to the southwest, as shown on the plan attached to the May MF-104 forms, a raise site was chosen near the face and one raise round was blasted June 2, 1953. Caving started soon after the raise round was blasted and continued to a point approximately 50 feet from the face. It was determined that the probable cost of timbering the caved section would be too great to be feasible; thus a second raise site was chosen approximately 75 feet from the face. Raising at this location was started in late June.

Work for which repayment is requested is in conformance with the contract, and it is recommended that the operator be reimbursed as shown in the inspecting engineer's report.

The MF-104 forms were received from the operator June 19, 1953.

Stephen R. Wilson

Stephen R. Wilson

Enclosure

S. R. Wilson June 29, 1953

M. H. Howes

DMEA-113, Contract Idm-E265, New Quincy Mining Co., Wasatch and Summit Counties, Utah. Progress report for May 1953

The property was inspected on June 25, 1953, in the company of George N. Fleur. It is reported that 67 feet of progress was made in the southwest drift and that a 4-foot raise round was shot 5 to 15 feet from the face of the drift during May. Due to negligence of the miners in timbering where necessary, the drift caved for a distance of about 50 feet back from the face. It was not possible to inspect this portion of the drift. However, it is reported that southeasterly advance along the fissure showed bleached white limestone with streaks of copper-stained quartz and calcite and considerable chlorite and magnesium minerals. Because the miners failed to fulfil their part of the labor contract with the company, they have forfeited the initial 20-foot holdback and have only been paid for 46 feet of the 67-foot drift advance for May.

A new raise site was selected, 70 to 80 feet back from the face, because of the high cost of opening up the caved area to the point of the original site. Good mineralization, showing streaks of lead and zinc sulphides, appears in the hanging wall at this place. It is estimated that the Jenney quartzite bed will be found within 50 feet of the level on the hanging wall side.

The accounts were checked, and it is verified that all charges for services and supplies were necessary and that they do not appear to be excessive. All charges reported on form AF-104 are supported by the necessary documentation, and the operator's narrative report is considered to be adequate.

Payment is approved for $1,122.79, which is 50 percent of the claimed $2,245.59.

M. H. Howes

M. H. Howes

NEW QUINCY MINING COMPANY

Schedule A - Crosscutting		
Ken Kummer		$ 230.00
Arthur Workman		230.00
Dean Boyle		184.00
		644.00
Schedule B - Labor		
United Park City Mines Co. 132-J		49.55
Dean Boyle		12.50
		62.05
Schedule C - Timber		
Park Utah Cons. Mines Inc. 131-J		75.25
United Park City Mines Co. 132-J		398.98
		474.23
Schedule D - Pipe		
Park Utah Cons. Mines, Inc. 131-J		12.97
Schedule E - Miscellaneous		
Park Utah Cons. Mines, Inc. 131-J		1.99
United Park City Mines Co. 132-J		26.95
Mo-Mar Battery Co.		25.00
Western Fuler Co.		3.83
Gardener-Denver Co.		17.34
		75.11
Schedule F - Rental		
Park Utah Cons. Mines, Inc. 131-J		8.88
United Park City Mines, Co. 132-J		35.94
Eimco Corporation		150.00
		194.82
Schedule G - Depreciation		
Depreciation on Trammer		62.50
" " Battery Charger		18.60
" " Mine cars		77.00
" " Gardner-Denver Compressor		44.17
		202.27
Schedule H - Payroll taxes		
Kummer, Workmnn & Boyle	644.00	
Dean Boyle	12.50	
George N. Floor	200.00	
	856.50 x 4.2%	35.97
Schedule I - Compensation Insurance		
Kummer, Workman & Boyle	644.00	
Dean Boyle	12.50	
George N. Floor	200.00	
	856.50	
Less correction for over-payment in March, 1953	50.00	
	806.50 x .0497%	40.08
Schedule J - Air Power		
Park Utah Cons. Mines, Inc. 131-J		13.91
United Park City Mines, Co. 132-J		64.57
		78.48
Schedule K - Drill Steel & Bits		
United Park City Mines, Co. 132-J		5.61

I Certify the above to be true and legitimate payments made as listed.

Dated June 18, 1953

NEW QUINCY MINING COMPANY

Per [signature] Sec'y-Treasurer

NARRATIVE
1300 CROSSCUTS & DRIFTS
NEW QUINCY MINING CO
DMA - 113
CONTRACT IDMB - 265

GENERAL

On April 30, 1953 the face of the SW drift was 63.0' from the SW crosscut. On May 31, 1953 the face of this drift was 130.0' from the SW crosscut, making an advance for the month of May of 67.0'. In addition to the drift footage a 4' raise round was shot at a point 5' to 15' back from the face.

GEOLOGY

As stated in last report, the drift was advanced with the thought that at the prevailing dip of the lime beds, the Jenney quartzite bed in the lime might be found at the level. At 130', this objective not having been attained, the drift was stopped and a raise started. The advance on the fissure in the drift showed bleached white lime with streaks of copper-stained quartz and calcite with considerable chlorite and magnesium minerals present. This character of vein has been found under ore horizons in this district.

Due to failure of the battery locomotive for a day as well as to the inertia of the miners there was nearly a week's delay in getting the timber in place, causing considerable sloughing at the raise and for some 50' back therefrom. It is now decided it is less costly to start a new raise about 70' to 80' back from the face, mucking up some 25' ahead for tail track.

At the new raise site there is considerable mineralization in the hanging wall lime, the mineral being lead and zinc sulphides in streaks. This was reported last month. Within 50' in this raise the Jenney quartzite should be exposed. While one cannot be certain of the ultimate results, it can be said the conditions are favorable and the similar mineralization elsewhere have ment there was ore above at the favorable bed.

Park City, Utah.
May 31, 1953.

Geologist

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of April, 1953 Docket No. DMEA 113 Contract No. Idm-E-205
Operator's Name Hon Quincy Mining Company Minerals Lead-zinc
Address Salt Lake City, Utah
Contract Amount, $ 50,700.00 Government Participation: 50% Amount, $ 25,350.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent ~~Sub-Contr.~~ Contracts:						
Drilling						
Bulldozing						
Crosscutting Sch. A.	1,204.00	8,768.73	9,972.73			
Drifting						
(2) Labor and Supervision:						
Labor Sch. B.	83.77	405.88	489.65	00	405.88	405.88
Supervision	250.00	2,537.50	2,787.50	00	2,537.50	2,537.50
Technical Services	100.00	525.00	625.00			
(3) Operating Mat'ls. and Supplies:	70.00	700.00	770.00			
Timber Sch. C.	154.50	93.27	247.77			
Explosives Sch. D.	136.29	1,041.54	1,177.83			
Pipe Sch. E.	11.55	766.12	771.67			
Track		153.77	153.77			
Misc. Sch. F.	112.77	800.33	913.10	19.81	800.33	820.14
Drill Steel & Bits	74.39	429.31	503.70			
(4) Operating Equipment: Sch. G						
Rental Sch. H.	201.40	2,623.05	2,824.45			
Purchase		4,721.67	4,721.67			
Depreciation Sch. I.	202.27	1,212.32	1,414.59			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes Sch. J.	61.49	566.61	628.10	48.47	566.61	615.08
Liability Insurance						
Comp. Inc. Sch. K.	72.76	559.47	632.23	57.35	559.47	616.82
Sundries		49.97	49.97			
(8) Contingencies (specify):						
Air power & charg. panel Sch. L.	104.00	591.52	695.60			
				2,384.11	26,546.06	28,930.17
					*-992.99	*-992.99
TOTALS	2,639.27	26,546.06	29,185.33	2,384.11	25,553.07	27,937.18

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

Date 5/18/53 *Payee Hon Quincy Mining Company

Per Glen Hornsacc Title Secty-treasurer

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

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

(Instructions on reverse)

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

$1192.05

Signature (Authorized Certifying Officer)

Date 7/21/53 Vou. No. DMA 54-8

(See other side)

* Previous Disallowances

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Fm-E265 in accordance with the terms of the contract.

Signature M. H. Weaver Title Mining Engineer Date June 29, 1953

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

Signature W. H. King Title Executive Officer Date JUL 15 1953

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of April 1953 Docket No. DMEA 113 Contract No. Ida-2-265
Operator's Name New Quincy Mining Company Minerals Lead-zinc
Address Salt Lake City, Utah

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting	foot	2,039.27	66	24,663.66	700	34.67		
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		2,039.27		24,663.66				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased				4,721.67				
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc								
TOTAL COSTS				29,385.33				

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

Date 6/18/53 Operator New Quincy Mining Company

Per Glen S. Grindall Title Sec'y-treasurer

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205676

NEW QUINCY MINING COMPANY

Schedule A - Crosscutting		
Ken Kummer		$ 430.00
Arthur Workman		430.00
Dean Boyle		344.00
		1,204.00
Schedule B-Labor		
Jack Beck		60.00
Park Utah Cons. Mines, Inc. 127-J		23.77
		83.77
Schedule C - Timber		
Park Utah Cons. Mines, Inc. 127-J		154.50
Schedule D.- Explosives		
Park Utah Cons Mines, Inc. 127-J		136.29
Schedule E - Pipe		
Park Utah Cons. Mines, Inc. 127-J		2.17
Gardner-Denver Co.		9.38
		11.55
Schedule F. - Misc.		
Park Utah Cons. Mines, Inc 127-J		112.77
Schedule G. - Drill Steel & Bits		
Park Utah Cons. Mines, Inc. 127-J		74.39
Schedule H. - Rental		
Eimco Corp.		150.00
Gardner-Denver Company		12.90
Park Utah Cons. Mines, Inc. 127-J		38.50
		201.40
Schedule I. - Depreciation		
Depreication on Tramner		62.50
" " Battery Charger		18.60
" " Mine Cars		77.00
" " Gardner-Denver Compressor		44.17
		202.27
Schedule J. - Payroll taxes		
Nick Floor	200.00	
Jack Beck	60.00	
Kummer, Workman & Boyle	1,204.00	
	1,464.00 x 4.2%	61.49
Schedule K. - Workmens' Compensation Insurance		
Nick Floor	200.00	
Jack Beck	60.00	
Kummer, Workman, & Boyle	1,204.00	
	1,464.00 X .0497%	72.76
Schedule L.-Power		
Park Utah Cons. Mines, Inc. 127-J		$ 104.08

I certify that the above are true and legitimate payments made as listed.

June 18, 1953

NEW QUINCY MINING COMPANY

Per Glen A Brandall Se'y-Treasurer

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

DEPARTMENT OF THE INTERIOR
Bureau of Mines Administration
RECEIVED
JUL 21 1953

Administrative Audit Difference Statement

Date: July 20, 1953
Payee's Reference: Progress Report - April, 1953

New Quincy Mining Co.
621 Felt Bldg.
Salt Lake City 1, Utah
[illegible]-265

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

Amount Claimed $2,039.27

Difference $ 455.16

Amount Approved $2,324.11

The reason for the difference was due to:

Hoisting Engineer 3.99 4 Men Hoisting timber 19.82	23.77	
Jack Bolt, leveling and resetting	60.00	83.77
Awarded contract includes all labor except Supervisor and Engineering - Supervisor does not show dates and hours worked.		250.00
Payroll taxes applicable to above		13.02
Comprehensive Insurance		15.41
Replacing wheels on mine cars should be absorbed by the depreciation allowance		92.96
		455.16

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

Very sincerely yours,

N. E. Stokes
Audit Section

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

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

224 New Customhouse
Denver 2, Colorado

July 15, 1953

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 113, Contract Idm-E265 (Lead-Zinc), New Quincy Mining Company, Wasatch and Summit Counties, Utah-Operator's Monthly Progress Report, for the period April, 1953

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

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

Labor - $83.77 - Mine crew paid on footage basis. This $14.00 per foot to include all labor exclusive of supervision and engineering as per Amended Contract.

Supervision - $250.00 - Not supported by certified copy of payroll showing dates worked.

Payroll Taxes - $13.02 - Applicable to above disallowances.

Compensation Insurance - $15.41 - Applicable to above disallowances.

Operating Materials & Supplies Miscellaneous - $92.96- Replacement of wheels on mine cars - Considered as a major repair which should be absorbed by the depreciation allowance.

Remarks: Date of Report----------June 18, 1953
Date Received in Field Office----------June 19, 1953
Date Received in Region Office----------July 1, 1953
Date Processed for Payment----------July 14, 1953

Held up pending decision by Washington Office as to allowability of charges made for months of Jan., Feb., and March, 1953.

W. H. King

W. H. King

Enclosures

RDB:es, cc: Contract, Chron., Wilson, Sec. to Oper Comm. (2)

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

June 25, 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. MF-104 forms for April 1953.

Transmitted herewith are copies of MF-104 forms pertaining to expenditures made under the subject contract during April 1953. An inspection of the property was made by M. H. Howes, May 7, 1953.

Advance during April totaled 86 feet. All work was accomplished in crosscutting toward the south fissure and driving along the fissure zone. Work performed during the month is in conformance with contract terms.

The expenditures were checked by the inspecting engineer and found to be reasonable. A questionable expenditure appears under schedule F, in an amount of $92.96 for replacement of four wheels on a mine car. The car is one of 37 cars for which the contract allows depreciation. An amount of $24.75 for rental of a D-35 Leyner from Park Utah Consolidated Mines Co. was not included in the MF-104 forms. This charge is listed on the statement attached to the original of the MF-104 forms but is not allowed by contract.

It is recommended that the operator be reimbursed for the Government's share of expenditures, subject to interpretation of the above mentioned questionable expenditure.

The MF-104 forms were received from the operator June 19, 1953.

Stephen R. Wilson

Stephen R. Wilson

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 24 1953

S. R. Wilson

June 24, 1953

M. H. Howes

DMEA-113, contract Idm-E265, New Quincy Mining Co., Wasatch and Summit Counties, Utah. Progress report for April 1953.

The property was inspected on May 7, 1953, in the company of George N. Floor. It is verified that 86 feet of progress for April, as reported on form MF-104A, is correct, and that the work was performed in accordance with the contract.

The crosscut reached the south fissure 43 feet southwest of the starting point. Park City limestone on the hanging wall side of the fissure dips about 30 degrees to the southwest, and being very gougey, wet, and shattered, required timber. A small lenticular spot of oxidized ore, which assayed 9 percent lead and 109 ounces silver per ton, appeared in the fissure. The fissure was followed for about 15 feet, then the drift turned slightly into the footwall and returned to follow the fissure for the last 15 feet.

The accounts were checked, and it is verified that all charges for services and supplies were necessary and that they do not appear to be excessive. All charges reported on form MF-104 are supported by the necessary documentation, and the operator's narrative report is considered to be adequate.

Payment is approved for $1,419.64, which is 50 percent of the claimed $2,839.27.

M. H. Howes

M. H. Howes

NARRATIVE
1300 CROSSCUTS & DRIFTS
NEW QUINCY MINING CO
DMA - 113
CONTRACT - IDME - 265

GENERAL

All the work done this year beginning the latter part of March and continuing through April is to the west ward of the main No 1 crosscut. As shown, the S.W. Crosscut is driven at about 60 degrees from the course of the main crosscut a distance of 43.0' and the S. W. Drift is driven therefrom a distance of 63.0'. The total then driven for March and April is 106.0'

GEOLOGY

As shown, the S. W. Crosscut cut the main South Fissure at 43' exposing Park City lime on the hanging dipping 30 degrees to the southwest. This lime is quite wet and gouggy making it necessary to timber. On the fissure here there is a lenticular ore vein 8" thick and 2⅓' in both horizontal and vertical sections. This is carbonate ore assaying 9% Pb and 109 oz. Ag. per ton. After following the fissure about 15' the drift was turned slightly into the footwall quartzite a short distance. At the face the fissure is again exposed over a length of 15'. Here there is quite a favorable change in the character of the lime. It is much harder and should offer no great difficulty now in staying directly on the fissure. The lime here is bleached white and carries streaks of galena and sphalerite in quartz, calcite, chlorite and magnesium minerals.

The character of the lime seems to indicate the Jenney quartzite may be just ahead. As a check on this, if the lime beds average 25 degrees dip, the Jenney should appear on the level about 20' ahead. It therefore seems that from the standpoint of both formation and of mineralization the prospects for finding ore on the level is very good.

Park City, Utah.
April 30, 1953.

E A Hewitt
Geologist

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

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

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

Month of [illegible], 195[illegible] Docket No. DMEA [illegible] Contract No. [illegible]
Operator's Name [illegible] Minerals [illegible]
Address [illegible]
Contract Amount, $[illegible] Government Participation: [illegible]% Amount, $[illegible]

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting		[illegible]	[illegible]			
Drifting						
(2) Labor and Supervision:						
Labor		[illegible]	[illegible]			
Supervision	[illegible]	[illegible]	[illegible]	00	2,287.50	2,287.50
Technical Services	[illegible]	[illegible]	[illegible]			
(3) Operating Matls. and Supplies:						
Timber		[illegible]	[illegible]			
Explosives		[illegible]	[illegible]			
Pipe	[illegible]	[illegible]	[illegible]			
Track		[illegible]	[illegible]			
[illegible]	[illegible]	[illegible]	[illegible]			
[illegible]	[illegible]	[illegible]	[illegible]			
(4) Operating Equipment:						
Rental	[illegible]	[illegible]	[illegible]			
Purchase		[illegible]	[illegible]			
Depreciation		[illegible]	[illegible]			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes	[illegible]	[illegible]	[illegible]	00	558.21	558.21
Liability Insurance						
[illegible]	[illegible]	[illegible]	[illegible]	00	547.04	547.04
[illegible]		[illegible]	[illegible]			
(8) Contingencies (specify):						
[illegible]						
[illegible]	[illegible]	[illegible]	[illegible]			
				423.22	25,852.01	26,275.23
TOTALS	[illegible]	[illegible]	[illegible]		*-722.16	722.16
				423.22	25,129.85	25,553.07

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

Date [illegible] *Payee [illegible]

Per Glen Hernandez Title [illegible]

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

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

(Instructions on reverse)

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

$211.61

Signature [illegible]
(Authorized Certifying Officer)

Date 7/21/53 Vou. DMA 54-8
(See other side)

* Previous Disallowances

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E265 in accordance with the terms of the contract.

Signature M. H. Lower SRW Title Mining Engineer Date June 10, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: R.S.R.

Signature W. H. King Title Executive Officer Date JUL 14 1953

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of [illegible] 195[illegible] Docket No. DMEA [illegible] Contract No. [illegible]
Operator's Name [illegible] Minerals [illegible]
Address [illegible]

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting	[illegible]	[illegible]	-	[illegible]	[illegible]	[illegible]		
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
								TOTAL COSTS AUTHORIZED BY CONTRACT
TOTAL DISTRIBUTED COSTS		[illegible]		[illegible]				
Operating Equipment Purchased				[illegible]				
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		[illegible]		[illegible]				

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

Date [illegible] Operator [illegible]

Per Glen H. Brandell Title [illegible]

REMARKS:

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

(Instructions on reverse)

(For Government use only)

S. R. Wilson

June 10, 1953

M. H. Howes

DMEA-113, Contract Ida-E265, New Quincy Mining Co., Wasatch and Summit Counties, Utah. Progress report for March 1953

The amended contract, allowing additional funds to complete the proposed exploratory project, was signed and took effect on March 24, 1953. Work was resumed on the project on March 26, 1953.

The property was inspected on May 7, 1953, in the company of George N. Floor. Progress in the amount of 20 feet was made during March, and since this footage is to be withheld from the contractor's payment until completion of the drifting and crosscutting, no footage report is made on form MF-104A for March.

The crosscut was started about 42 feet from the face of the main No. 1 crosscut and driven southeasterly in slightly shattered Weber quartzite toward the south fissure.

The accounts were checked, and it is verified that all charges for services and supplies were necessary and that they do not appear to be excessive. All charges reported on form MF-104 are supported by the necessary documentation, and the operator's narrative report is considered to be adequate.

Payment is approved for $347.03, which is 50 percent of the claimed $694.05.

M. H. Howes

M. H. Howes

NEW QUINCY MINING COMPANY

Schedule A. Pipe	
Park Utah Consolidated Mines, Inc. 124-J	$ 53.25
Schedule B. Mine.	
Park Utah Consolidated Mines, Inc. 124-J	3.61
Schedule C. Drill Steel & Bits	
Park Utah Consolidated Mines, Inc. 124-J	16.48
Schedule D. Rental	
Zinco Corp.	150.00
Park Utah Consolidated Mines, Inc. 124-J	23.68
	173.68
Schedule E. Payroll taxes	
Nick Floor 200.00 X 4.2%	8.40
Schedule F. - Corp. Insurance	
Nick Floor 250.00 X .0497%	12.43
(Error in total wage s/b 200.00 - will be corrected in May, 1953)	
Schedule G. Air Power & charging panel	
Park Utah Consolidated Mines, Inc. 124-J	56.00

I certify that the above are true and legitimate payments made as listed.

May 27, 1953 NEW QUINCY MINING COMPANY

For Glen S. Crandall Sec'y-Treas.

NARRATIVE
1300 CROSSCUTS & DRIFTS
NEW QUINCY MINING CO.
DMA - 113
CONTRACT - IDM-E-265

GENERAL:

The amended contract was signed on March 24, 1953 and the men resumed work on the 26th of March, 1953. There was an advance of 20 feet made in the month of March, which was not paid to the miners, being held in reserve until the completion of the contract with them.

Dated March 31, 1953

George D. Wood
GENERAL MANAGER

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

U.S. Bureau of Mines
JUN 3 - 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of February, 1953 Docket No. DMEA 113 Contract No. 7th-B1265
Operator's Name New Quincy Mining Company Minerals Lead-zinc
Address Salt Lake City, Utah
Contract Amount, $ 50,700.00 Government Participation: 50 % Amount, $ 25,350.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Contracts: Short Form						
Drilling						
Bulldozing						
Crosscutting		8,768.73	8,768.73			
Drifting						
(2) Labor and Supervision:						
Labor Sch. A.	232.00	173.88	405.88	00	173.88	173.88
Supervision	250.00	2,037.50	2,287.50	00	2,037.50	2,037.50
Technical Services		475.00	475.00			
(3) Operating Mat'ls and Supplies: Bookkeeping	70.00	560.00	630.00			
Timber		93.27	93.27			
Explosives		1,041.54	1,041.54			
Pipe		712.67	712.67			
Track		153.77	153.77			
Misc.		796.52	796.52			
Drill Steel & Bits		412.83	412.83			
(4) Operating Equipment:						
Rental Sch. B	250.00	2,199.37	2,449.37			
Purchase		4,721.67	4,721.67			
Depreciation		1,212.32	1,212.32			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes Sch. C.	18.14	540.07	558.21	00	540.07	540.07
Liability Insurance						
Comp. Ins. Sch. D.	21.47	525.57	547.04	00	525.57	525.57
Sundries		49.97	49.97			
(8) Contingencies (specify):						
Air Power & Charging Panel		535.52	535.52			
				320.00	25,010.40	25,330.40
TOTALS	841.61	25,010.40	25,852.01		*200.55	*200.55
				320.00	24,809.85	25,129.85

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

Date 5/27/53 *Payee New Quincy Mining Company

Per Glen S. Brankell Title Secy-Treas.

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

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

(Instructions on reverse)

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

$ 160.00

Signature [illegible]
(Authorized Certifying Officer)

Date 7/21/53 Vou. No. DMA 54-8
(See other side)

* Previous Disallowance

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E265 in accordance with the terms of the contract.

Signature M. H. Horner JRW Title Mining Engineer Date June 10, 1953

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

Signature W. H. Kong Title Executive Officer Date JUL 14 1953

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of February 1953 Docket No. DMEA 113 Contract No. Ion E-265

Operator's Name New Quincy Mining Company Minerals Lead-zinc

Address Salt Lake City, Utah

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting	feet	841.61	-	21,130.34	622	33.97		
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		841.61		21,130.34				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased				4,721.67				
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		841.61		25,852.01				

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

Date 5/27/53 Operator New Quincy Mining Company

Per [signature] Title Sec'y Treasurer

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

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

DEPARTMENT OF THE INTERIOR
Business Administration
RECEIVED
JUL 21 1953

Administrative Audit Difference Statement

Date: July 20, 1953
Payee's Reference: Progress Report - February, 1953

New Quincy Mining Co.
421 Felt Bldg.
Salt Lake City 1, Utah
I-DIA-E-265

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

Amount Claimed $ 841.61

Difference $ 521.61

Amount Approved $ 320.00

The reason for the difference was due to:

Supervision not supported by payroll and dates worked	250.00
Labor not covered by contract - Kummer and Workman	232.00
Payroll Taxes	18.14
Comp. Ins.	21.47
	$521.61

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

Very sincerely yours,

N. E. Stokes
Audit Section

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

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

224 New Customhouse
Denver 2, Colorado

July 14, 1953.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 113, Contract Idm-E265 (Lead-Zinc), New Quincy Mining Company, Wasatch and Summit Counties, Utah. Operator's Monthly Progress Report for the period February 1953.

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

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

Labor - Work performed not in conformance with contract	$232.00
Supervision	250.00
Payroll Taxes	18.14
Compensation Insurance	21.47

Supervision charges not supported by certified copy of payroll showing the dates worked.

Remarks:

Date of Report	May 27, 1953
Date Received in Field Office	June 8, 1953
Date Received in Region Office	June 18, 1953
Date Processed for Payment	July 13, 1953.

Held pending ruling from Washington Office as to allowability of charges during shutdown period.

W. H. King
W. H. King

Enclosures
RDB:cwm
cc: Contract; Secretary to the Oper. Comm. (2); SRWilson; Chron.

C
O
P
Y

JUL - 7 1953

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 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 steadby 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 theproject 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,

/s/ C. O. Mittendorf

Administrator

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

June 16, 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. MF-104 forms for February 1953.

Enclosed are five copies of MF-104 forms listing expenditures under the subject contract for February 1953.

Funds under the initial contract were exhausted during December 1952. The company requested additional funds for continuing the exploratory work in a letter dated January 12, 1953. An amended contract was drawn to allow the request. The effective date on the face of the contract form is March 24, 1953.

Actual contract operations on the property were not resumed until March 26,,1953. The present forms include labor expenditures for shaft sinking, which is not chargeable to the contract. It is recommended that the labor for this work, plus applicable payroll taxes and insurance, be disallowed.

The validity of the remaining charges listed on the MF-104 forms is questionable, inasmuch as the amended contract is dated March 24, 1953.

It is recommended that repayment of the Government's share of remaining charges be contingent upon interpretation of the amended contract by your office.

The MF-104 forms were received from the operator June 3, 1953, but no narrative report was included. A request was made to the operator to furnish the proper report, which was received June 15, 1953.

I have initialed the MF-104 form, indicating inspection of the charges contained therein.

Stephen R. Wilson

Stephen R. Wilson

Enclosures

S. R. Wilson

June 10, 1953

M. H. Howes

DMEA-113, Contract Idu-E265, New Quincy Mining Co., Wasatch and Summit Counties, Utah. Progress report for February 1953

No progress was made during February. The application for an amendment to the contract for additional funds was still being processed.

The accounts were checked and some of the items, as listed below, should be charged to company account and not to DMEA. It is verified that all other items of charges for services and supplies were necessary and that they do not appear to be excessive. All charges reported on form MF-104 are supported by the necessary documentation, and the operator's narrative report is considered to be adequate.

Item (2) Labor - The charge of $232.00 for labor should be disallowed, because work done by this labor was not a part of the contract exploration project.

Item (7) Payroll Taxes - A charge of $18.14 was made for payroll taxes. The taxes on the above labor ($232.00 at 4.2 percent, amounting to $9.74), should be disallowed.

Item(7) Compensation Insurance - A charge of $21.47 was made for compensation insurance. The insurance on the above labor (232.00 at 4.97 percent, amounting to $11.53), should be disallowed.

Total charges for February 1953 from form MF-104 ——— $841.61

Disallowances:

Labor	$232.00	
Payroll taxes on labor	9.74	
Compensation Insurance on labor	11.53	
Total		-$253.27

Allowable charges for February 1953 $588.34.

Payment is approved for $294.17, which is 50 percent of the allowable amount of $588.34.

M. H. Howes

M. H. Howes

NEW QUINCY MINING COMPANY

Schedule A. Labor

Putting shaft in #2 Crosscut:	Ken Kummer		$ 116.00
	A. Workman		116.00
			232.00

Schedule B. Rental

Eimco Corp. 36040A		150.00
Gardner-Denver Co.		100.00
		250.00

Schedule C. Payroll Taxes

Nick Floor	200.00	
Kummer & Workman	232.00	
	432.00 X 4.2%	18.14

Schedule D - Compensation Insurance

Nick Floor	200.00	
Kummer & Workman	232.00	
	432.00 X .0497%	21.47

I certify the above are true and legitimate payments made as listed.

Dated May 27, 1953 NEW QUINCY MINING COMPANY

Per Ken Broadbent SEc'y-Treas.

NARRATIVE
1300 CROSSCUTS & DRIFTS
NEW QUINCY MINING CO.
DMA - 113
CONTRACT - IDM-E-265

GENERAL:

There was no footage gained in the month of February, still due to the lack of funds.

Dated February 28, 1953

George J. Wood
GENERAL MANAGER

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of January, 1953 Docket No. DMEA 113 Contract No. 16n E 205
Operator's Name New Quincy Mining Company Minerals Lead-zinc
Address Salt Lake City, Utah
Contract Amount, $ 50,700.00 Government Participation: 50 % Amount, $ 25,350.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Contractors:						
Drilling						
Bulldozing						
Crosscutting		6,760.73	6,760.73			
Drifting						
(2) Labor and Supervision:						
Labor Sch. A.	15.00	158.88	173.88	00	158.88	158.88
Supervision	175.00	1,862.50	2,037.50	00	1,862.50	1,862.50
Technical Services		475.00	475.00			
Bookkeeping	70.00	400.00	500.00			
(3) Operating Mat'ls. and Supplies:						
Timber		93.27	93.27			
Explosives		1,041.54	1,041.54			
Pipe		712.87	712.87			
Track		153.77	153.77			
Misc.		706.52	706.52			
Drill Steel & Bits		412.83	412.83			
(4) Operating Equipment:						
Rental Sch. D	250.00	1,949.37	2,199.37			
Purchase		4,721.67	4,721.67			
Depreciation		1,212.32	1,212.32			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes Sch. C	4.83	535.24	540.07	00	535.24	535.24
Liability Insurance						
Comp. Insurance Sch. D	5.72	519.85	525.57	00	519.85	519.85
Sundries		49.97	49.97			
(8) Contingencies (specify):						
Air power and charg. panel		535.52	535.52			
TOTALS	520.55	24,489.85	25,010.40	320.00	24,489.85	24,809.85

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 5/27/53 *Payee New Quincy Mining Company
Per Glen Kennedy Title Sec'y-Treasurer

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

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
$160.00
Signature (Authorized Certifying Officer)
Date 7/21/53 Vou. No. DMA 54-8
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. IDM-E265 in accordance with the terms of the contract.

Signature M. H. Howes SRW Title Mining Engineer Date June 10, 1953

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

Signature W. H. King Title Executive Officer Date JUL 14 1953

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of January 195 3 Docket No. DMEA 113 Contract No. Idn B 265

Operator's Name New Quincy Mining Company Minerals Lead-zinc

Address Salt Lake City, Utah

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting								
Crosscutting								
Raising	Foot	520.55	-	20,288.73	622	32.62		
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		520.55		20,288.73				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs				4,721.67				
New Buildings, Improvements, etc								
Total Costs		520.55		25,010.40				

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

Date 5/27/53 Operator New Quincy Mining Company

Per Glen Sherardell Title Sec'y-Treasurer

Remarks:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

R.B.

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

DEPARTMENT OF THE INTERIOR
Bureau of Mines
RECEIVED
JUL 24 1953

Administrative Audit Difference Statement

Date: July 20, 1953
Payee's
Reference: Progress Report - January, 1953

New Quincy Mining Co.
421 Felt Bldg.
Salt Lake City 1, Utah
I-DMA-D-265

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

Amount Claimed $ 520.55

Difference $ 200.55

Amount Approved $ 320.00

The reason for the difference was due to:

Insufficient documentation to show hours worked:

Supervisor	175.00
Kummer & Workman	15.00
Compensation Ins.	5.72
Payroll Taxes	4.83
	0200.55

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

Very sincerely yours,

N. E. Stokes
Audit Section

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

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

224 New Customhouse
Denver 2, Colorado

July 14, 1953.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 113, Contract Idm-E265 (Lead-Zinc), New Quincy Mining Company, Wasatch and Summit Counties, Utah. Operator's Monthly Progress Report for the period January 1953.

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

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

Labor	$15.00
Supervision	175.00
Payroll Taxes	4.83
Compensation Insurance	5.72

Charges not supported by certified copy of payroll showing the dates worked.

Remarks:

Date of Report	May 27, 1953
Date Received in Field Office	June 8, 1953
Date Received in Region Office	June 18, 1953
Date Processed for Payment	July 13, 1953

Held pending ruling from Washington Office as to allowability of charges during shutdown period.

W. H. King
W. H. King

Enclosures
RDB:cwm
cc: Contract; Secretary to the Oper. Comm. (2); SRWilson; Chron.

C
O
P
Y

JUL - 7 1953

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 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 theproject 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,

/s/ C. O. Mittendorf

Administrator

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

June 16, 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. MF-104 forms for January 1953

Transmitted herewith are five copies of MF-104 forms listing subject contract expenditures during January 1953.

Funds under the initial contract were exhausted during December 1952, and the company requested additional funds to complete the originally proposed raising, by letter dated January 12, 1953. The contract was amended to allow the requested funds and permit the additional drifting and raising. The effective date on the face of the amended contract form is March 24, 1953.

Actual operations on the property were not resumed until March 26, 1953. The present MF-104 forms include expenditures made for labor for mine cleanup, rental of equipment, supervision, insurance and payroll taxes. A question arises concerning the validity of the charges listed on the MF-104 forms, inasmuch as the amended contract is dated March 24, 1953.

It is recommended that repayment of the Government's share of January expenditures to the operator be dependent upon interpretation of the amended contract by your office.

The MF-104 forms were received from the operator June 3, 1953, but no narrative report was included. The operator was requested to furnish the proper report, which was received June 15, 1953.

I have initialed the MF-104 forms, indicating inspection of the charges contained therein.

Stephen R. Wilson

Stephen R. Wilson

Enclosures

S. R. Wilson

June 10, 1953

M. H. Howes

DMRA-113, Contract Idm-K265, New Quincy Mining Co., Wasatch and Summit Counties, Utah. Progress report for January 1953

No progress was made during January. The exploratory project was temporarily stopped because contract funds had been depleted in December. An application for an amendment to the contract to allow additional funds with which to complete the proposed exploratory project was submitted and is being processed.

The accounts were checked, and it is verified that all charges for services and supplies were necessary and that they do not appear to be excessive. All charges reported on form MF-104 are supported by the necessary documentation, and the operator's narrative report is considered to be adequate.

Payment is approved for $260.27, which is 50 percent of the claimed $520.55.

M. H. Howes

M. H. Howes

NEW QUINCY MINING COMPANY

Schedule A. Labor		
Cleaning mine: Ken Kummer		$ 7.50
Arthur Workman		7.50
		15.00
Schedule B. Rental		
Eimco Corporation 34855A		150.00
Gardner-Denver Co.		100.00
		250.00
Schedule C. Payroll taxes		
Nick Floor	100.00	
Kummer & Workman	15.00	
	115.00 X 4.2%	4.83
Schedule D. Compensation Insurance		
Nick Floor	100.00	
Kummer & Workman	15.00	
	115.00 X .0497%	5.72

I certify that the above are true and legitimate payments made as listed.

Dated May 27, 1953 NEW QUINCY MINING COMPANY

Per Glen Mersdale Sec'y-Treasurer

NARRATIVE
1300 CROSSCUTS & DRIFTS
NEW QUINCY MINING
DMA - 113
CONTRACT - IDM-B0265

GENERAL:

In the month of January work was suspended temporarily due to the lack of funds, although all equipment was inventoried, cleaned, greased and stored, ready for future use.

Date January 31, 1953

George N. Wood
GENERAL MANAGER

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED JUL 1 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

SUPPLEMENTAL TO REPORTS OF 1952

Month of ....., 195.... Docket No. DMEA 113 Contract No. ~~Idm-E-265~~

Operator's Name NEW QUINCY MINING COMPANY Minerals Lead-zinc

Address Salt Lake City, Utah

Contract Amount, $23,858.00 Government Participation: 50 % Amount, $11,929.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting		8,768.73	8,768.73			
Drifting						
(2) Labor and Supervision:						
Labor		158.88	158.88			
Supervision		1,862 .50	1,862.50			
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Bookkeeping		490.00	490.00			
(3) Operating Mat'ls. and Supplies:						
Timber		93.27	93.27			
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(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
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Sampling and Analysis						
Payroll Taxes		535.24	535.24			
Liability Insurance						
Comp. Ins.		519.85	519.85			
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Air power & Chrag. panel		535.52	535.52			
TOTALS	236.44	24,253.41	24,489.85	236.44	24,253.41	24,489.85

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

Date 7/6/53 *Payee New Quincy Mining Company

Per Glen L. Crandall Title Sec'y-Treasurer

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

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

(Instructions on reverse)

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

$ 118.22

Signature [illegible]
(Authorized Certifying Officer)

Date 7/21/53 Vou. No. DMA 54-8
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Tlm-E265 in accordance with the terms of the contract.

Signature W. H. Hoover ARW Title Mining Engineer Date July 7, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: R.DR

Signature W. H. King Title Executive Officer Date JUL 14 1953

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

SUPPLEMENTAL TO REPORTS
Month of OF 1952 195 Docket No. DMEA 113 Contract No. Idm-E-265
Operator's Name NEW QUINCY MINING COMPANY Minerals Lead-zinc
Address Salt Lake City, Utah

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting	feet	236/44	-	19,768.18	622	31.78		
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		236.44		19,768.18				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased				4,721.67				
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		236.44		24,489.85				

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

Date 7/6/53 Operator New Quincy Mining Company
Per Glen L Crandall Title Sec'y-Treasurer

REMARKS: The unit figure is adjusted by 20 feet. Said 20 feet were held out of miners pay until end of December at which time they were paid in full for all work done. Said 20 feet was left out of the December report in error.

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

Schedule A. - Track

Track furnished by New Quincy Mining Company per attached invoice $ 53.44

Schedule B - Purchases

6 Foot column and accessories applied for this date under Amendment #5 183.00

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

NEW QUINCY MINING COMPANY

Dated July 6, 1953 Per Glen L Crandall Sec'y-Treas.

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

224 New Customhouse
Denver 2, Colorado

July 14, 1953.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 113, Contract Idm-E265 (Lead-Zinc), New Quincy Mining Company, Wasatch and Summit Counties, Utah. Operator's Supplemental Report for the reclaim of amounts disallowed from June through December 1952.

Enclosed are the original and four copies of Form MF-104 and Form MF-104A, and Engineer's Report relative to the reclaims.

Payment is recommended for 50 percent of the amount as reported on Form MF-104, contingent on your verification of the correctness of applicable rates and arithmetical accuracy of computations.

Reclaim of Track $53.44 is justified and documentation submitted is considered adequate.

Reclaim of $183.00 for purchase of a Drill Column is allowed by Amendment No. 5 with effective date the date of the contract.

Remarks:

Date of Report	May 27, 1953.
Date Received in Field Office	June 3, 1953.
Date Original Report Received in Region Office	June 11, 1953.
Date Revised Report Received in Region Office	July 9, 1953.
Date Processed for Payment	July 13, 1953.

Delay due to necessity for returning forms to Operator for changes.

W. H. King
W. H. King

Enclosures

RDB:cwm
cc: Contract; Secretary to the Oper. Comm. (2); SRWilson; Chron.

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

June 9, 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. Supplemental MF-104 forms requesting adjustment for disallowances made from June through December 1952

Attached are the original and four copies of MF-104 forms submitted by the operator to request adjustment for disallowances made on the forms during the period June through December 1952. Comments by the inspecting engineer are included in a separate memorandum.

An amount of $53.44 for track was disallowed by Administrative Audit Difference Statement dated December 22, 1952. This disallowance was made because of insufficient documentation. The original of the present MF-104 forms includes documentation for a charge of $53.44 for rails, and a request is made for payment of this amount. No change is made in the total expenditures for track on the present MF-104 forms. The amounts were included in the totals listed on the previous MF-104 forms, and disallowed by audit in Denver.

A charge of $183 for purchase of a 6-foot drill column was disallowed October 27, 1952, because no allowance for this item was provided by the contract. Amendment No. 5 permits purchase of this item, and a request is made for reimbursement on the present MF-104 forms. No change has been made in the totals for purchases on the present MF-104 forms as a result of this item. The original forms included the charge, which was disallowed by audit in Denver.

A charge of $42.59 for fabricating a bumper for a company-owned trammer was disallowed by Administrative Audit Difference Statement dated October 27, 1952. This item is not allowable and has been deducted from the totals shown on the present MF-104 forms. The amount was included on the originally submitted forms.

Separate charges of $3.65 and $133.54 for payroll taxes were disallowed September 19, 1952, and October 1, 1952, respectively,

because of insufficient documentation. These charges, in the total amount of $137.19, were allowed December 12, 1952. The company erroneously included the above allowances in the November 1952 MF-104 forms, and they were disallowed February 24, 1953. This amount has been deducted from the totals shown on the present MF-104 forms.

It is recommended that the New Quincy Mining Co. be reimbursed by $118.22, which is 50 percent of the allowable total of $236.44 for rails and 6-foot drill column as described above.

Stephen R. Wilson

Stephen R. Wilson

Enclosures

S. R. Wilson June 8, 1953

M. H. Howes

DMEA-113, Contract Idm-E265, New Quincy Mining Co., Wasatch and Summit Counties, Utah. Supplemental report of adjustments on form MF-104

The New Quincy Mining Co. has submitted a supplemental report with corrections on form MF-104 for allowances and disallowances on statements from June through December 1952.

Item (3) Track - A charge of $53.44 for rails was disallowed on December 22, 1952, because of insufficient documentation. Proper documentation has been attached to the above report and request is made for payment of this item.

Item (4) Purchase - A charge of $183.00 for the purchase of a 6-foot drill column and accessories was disallowed on October 27, 1952, because there was no allowance for this item in the contract. Amendment No. 5 of the contract allows for this purchase, and request is made for payment.

A charge of $42.59 for fabricating a bumper for a company-owned trammer was disallowed on September 19, 1952, because this is not a Government responsibility under the terms of the contract. This item has been deducted from the present MF-104 form.

Item (7) Payroll Taxes - Charges for payroll taxes in the amounts of $3.65 and $133.54 were disallowed on September 19, 1953, and October 1, 1953, respectively, because of insufficient documentation. These charges, in the total amount of $137.19, were allowed on December 12, 1952. The company again included the above charges of $137.19 for payroll taxes in its November 1952 report, and these charges were disallowed on February 24, 1953. This item has been deducted from the present MF-104 form.

Payment is due the New Quincy Mining Co. for $118.22, which is 50 percent of the total allowable charges of $236.44 ($53.44 for rails and $183.00 for 6-foot drill column and accessories).

M. H. Howes

M. H. Howes

Mr. Chambers

[illegible] 1953

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-2265
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

Administrator

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

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

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 27 1953

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

Month of December, 1952 Docket No. DMEA 113 Contract No. Idm-E-265
Operator's Name NEW QUINCY MINING COMPANY Minerals LEAD-ZINC
Address SALT LAKE CITY, UTAH
Contract Amount, $ 23,858.00 Government Participation: 50 % Amount, $ 11,929.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Contracts:						
Drilling						
Bulldozing						
Crosscutting Sch. A	1,960.00	6,808.73	8,768.73			
Drifting						
(2) Labor and Supervision:						
Labor	32.75	126.13	158.88			
Supervision	250.00	1,612.50	1,862.50			
Technical Services	100.00	375.00	475.00			
Bookeeping	70.00	420.00	490.00			
(3) Operating Mat'ls. and Supplies:						
Timber Sch. K.	40.68	52.59	93.27			
Explosives Sch. B	1.69	1,039.85	1,041.54			
Pipe Sch. C	14.02	698.85	712.87			
Track Sch. L	4.59	149.18	153.77			
Misc. Sch. D	30.83	765.69	796.52			
Drill Steel & Bits	45.53	367.30	412.83			
(4) Operating Equipment: Sch. E						
Rental Sch. F.2	288.50	1,660.87	1,949.37			
Purchase		4,764.26	4,764.26			
Depreciation Sch. H	202.27	1,010.05	1,212.32			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes Sch. H J	92.10	580.33	754.60			
Liability Insurance						
Comp. Insur. Sch. I	105.75	414.10	519.85			
Sundries		49.97	49.97			
(8) Contingencies (specify):						
Air power and chg. panel Sch. G	90.89	444.63	535.52			
				3329.60	21340.03	24669.63
TOTALS	3,329.60	21,340.03	24,669.63		*-416.22	*-416.22
				3329.60	20923.81	24253.41

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

Date 1/20/53 *Payee New Quincy Mining Company

Per Glen Bennett Title Sec'y-Treasurer

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

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

(Instructions on reverse)

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

$ 1664.80

Signature [illegible]
(Authorized Certifying Officer)

Date 4/21/53 Voucher DMA 53-123

(See other side)

* Previous disallowances

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. DMA-E265 in accordance with the terms of the contract.

Signature M. H. Howes JRW Title Mining Engineer Date Feb 6, 1953

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

Signature W. H. King Title Executive Officer Date APR 14 1953

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

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

U. S. Bureau of Mines
APPROVED
JAN 20 1953
Salt Lake City, Utah

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

Month of December 195 2 Docket No. DMEA 113 Contract No. Idm-E-265
Operator's Name New Quincy Mining Company Minerals Lead-zinc
Address Salt Lake City, Utah

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting	feet	3,329.60	118	19,905.37	602	33.06		
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		3,329.60		19,905.37				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased				4,764.26				
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		3,329.60		24,669.63				

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

Date 1/20/53 Operator NEW QUINCY MINING COMPANY

Per Glen L Crandall Title Sec'y-Treasurer

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205676

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

224 New Customhouse
Denver 2, Colorado

April 14, 1953.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 113, Contract Idm-E265 (Lead-Zinc), New Quincy Mining Company, Wasatch and Summit Counties, Utah. Operator's Monthly Progress Report for the period December 1952.

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

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

Remarks:

Date of Report	January 20, 1953.
Date Received in Field Office	January 26, 1953.
Date Received in Region Office	February 12, 1953.
Date Processed for Payment	April 14, 1953.

Held up pending revision of contract by the Washington office.

W. H. King
W. H. King

Enclosures

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

February 10, 1953

Memorandum

To: W. H. King, Chief, Mining Division, Region IV

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

Subject: LMEA-113, Contract Idm-E265, New Quincy Mining Co., Wasatch and Summit Counties, Utah. MF-104 forms for December 1952.

Enclosed are the original and four copies of MF-104 forms covering expenditures under the subject contract for December 1952. Copies of a progress report prepared as a result of inspection by H. H. Howes are included.

Expenditures during December exceeded the total allowable under the contract. The company has requested an amendment to permit more funds and additional work. This amendment is in process at present.

Payment of the amount recommended in the progress report should be withheld until clarification of the pending amendment request to allow more funds. The Government has equity in equipment and supplies on the property.

The MF-104 forms were received from the operator January 26, 1953. The property was inspected December 31, 1952.

Stephen R. Wilson

Stephen R. Wilson

Encls.

S. R. Wilson February 9, 1953

M. H. Howes

DMSA-113, Contract Idm-E265, New Quincy Mining Co., Wasatch and Summit Counties, Utah. Progress report for December 1952

The New Quincy mine was inspected on December 31, 1952, in the company of Nick Floor. It is verified that 118 feet of progress for December, as reported on form MF-104A, is correct. The allowable contract amount of $23,858.00 has been exceeded by $769.04. At a unit cost of $32.99, progress for a distance of 23 feet has exceeded the allowable contract footage. Therefore, 118 less 23, or 95 feet of work was performed in accordance with the contract during December.

From the end of the footwall drift, as of December 1, a crosscut was driven to fault fissure "A," where 18 inches of lead-silver ore occurs. The ore is stronger in the fissure in the bottom of the crosscut than in the top, which indicates the possibility of its occurring in the hanging wall bedding at a lower horizon. The fissure was followed easterly for about 10 feet on rather weak mineralization. Park City limestone occurs in the hanging wall with a north-south strike and a dip of 5° west. Because of the heavy condition of the fissure material, it was decided to continue the footwall drift easterly. At 35 feet a crosscut was driven to the fissure, where the Weber quartzite-Park City limestone contact was found in the hanging wall. Mineralization is fairly weak at this point.

The accounts were checked and it is verified that all charges for services and supplies were necessary and that they do not appear to be excessive. However, the contract amount of $23,858.00 was exceeded by $769.04. All charges reported on form MF-104 are supported by the necessary documentation, and the operator's narrative report is considered to be adequate.

Payment is approved for $1,280.28, which is 50 percent of the allowable remainder of the contract amount ($2,560,56).

M. H. Howes

M. H. Howes

Schedule A. - Crosscutting	
Ken Kummer	$ 730.00
Arthur Workman	730.00
Dean Boyle	500.00
	1,960.00
Schedule B - Explosives	
Park Utah Consolidated Mines, Inc. 117-J	1.69
Schedule C - Pipe	
Park Utah Consolidated Mines, Inc. 117-J	14.02
Schedule D - Miscellaneous Supplies	
Gardner-Denver Co. -- 29-4708	1.73
Park Utah Consolidated Mines, Inc. 117-J	29.10
	30.83
Schedule E - Drill Steel and Bits	
Park Utah Consolidated Mines, Inc. 117-J	45.53
Schedule F - Rental	
Eimco Corporation 34031A	150.00
Gardner-Denver	100.00
Park Utah Condolidated Mines, Inc. 117-J	38.50
	288.50
Schedule G.-Power	
Park Utah Consoldiated Mines, Inc. 117-J	90.89
Schedule H - Depreciation	
Trammer	62.50
Battery Charger	18.60
Mine cars	77.00
Gardner-Denver Compressor	44.17
	202.27
Schedule I - Workman's Compensation	
Crosscutting 1,960.00	
Labor 32.75	
Nick Floor 200.00	
2,192.75	
Less- 65.00 - amount over-paid on in Nov.	
2,127.75 X .0497	105.75
Schedule J - Payroll taxes	
Accrued taxes on $2,192.75 X 4.2%	92.10
Schedule K - timber	
New Park Mining Company	39.58
Park Utah Consolidated Mining, Inc. 117-j	1.10
	40.68
Schedule L - Track	
Park Utah Consolidated Mines, Inc. 117-J	4.59

I certify the above to be true and legitimate payments, made as stated.

Dated January 20, 1953

Glen I. Crandall

Glen I. Crandall, Sec'y-Treasurer

NARRATIVE - 1301-02-03 CROSSCUTS & DRIFTS
NEW QUINCY MINING CO
DEA - 113
CONTRACT - DDT - 365

GENERAL

On nov. 29, 1952 No 2 Lateral Drift was driven 67.0 ft. It is now in 105.5 ft. or an advance for Dec. of 38.5 ft.

1302 Crosscut and drift therefrom is driven 33.0 ft. and 1303 Crosscut is driven a total of 46.5 ft. making a grand total for the month of December of 118.0 ft.

GEOLOGY

As the sketch shows, in 1303 crosscut the base of the Park City lime is exposed in the hanging wall of the South Fissure, so as far as formation is concerned our objective has been reached.

It now appears 1301 crosscut is too high in the hanging wall lime and perhaps 1303 crosscut may be too low. It now remains to follow out the ore showing in 1302 Crosscut to determine if the ore beds out into the hanging wall lime. We will also work westward from 1303 crosscut on the manganese oxide to see if that leads to ore as is sometimes the case.

Of course, if the ore is eventually found to be bedding upward to the east ~~mithers~~ then it will be necessary to drive eastward lether on the fissure or in the lateral drift to get positions for raises.

In general, it may be said the ore showing now exposed is quite encouraging.

Park City, Utah.
Dec. 31, 1952.

E. A. Hewitt
Geologist

Form M[illegible]04 (Rev.)
(A[illegible] 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

OPERATOR'S MONTHLY REPORT AND VOUCHER

MAR 2 1953

Month of NOVEMBER 1952 Docket No. DMEA 113 Contract No. Idm E 265
Operator's Name New Quincy Mining Company Minerals Lead-zinc
Address Salt Lake City, Utah
Contract Amount, $ 23,858.00 Government Participation: 50 % Amount, $ 11,929.00

ITEMS OF COSTS		FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:							
Drilling							
Bulldozing							
Crosscutting	Sch. A	1,334.75	5,473.98	6,808.73			
Drifting							
(2) Labor and Supervision:							
Labor	Sch. L.	29.73	96.40	126.13			
Supervision		250.00	1,362.50	1,612.50			
Technical Services		75.00	300.00	375.00			
Bookkeeping		70.00	350.00	420.00			
(3) Operating Mat'ls. and Supplies:							
Timber	Sch. M.	52.59		52.59			
Explosives	Sch. B	266.37	773.48	1,039.85			
Pipe	Sch. C	523.08	175.77	698.85			
Track							
Misc.	Sch. D.	58.04	856.83	914.87			
Drill Steel & Bits	Sch E	18.81	348.49	367.30			
(4) Operating Equipment:							
Rental	Sch. F	288.50	1,372.37	1,660.87			
Purchase			4,764.26	4,764.26			
Depreciation	Sch. H	202.27	807.78	1,010.05			
(5) Initial Rehabilitation and Repairs							
(6) New Bldgs., Improvements, etc.							
(7) Miscellaneous:							
Repairs to Equipment							
Sampling and Analysis							
Payroll Taxes	Sch. J	201.65	378.68	580.33	64.46	378.68	443.14
Liability Insurance							
Comp. Insurance	Sch I	81.96	332.14	414.10			
Sundries	Sch. K	3.00	46.97	49.97			
(8) Contingencies (specify):							
Air power and charging panel	Sch. G	90.89	353.74	444.63			
					3409.45	17793.39	21202.84
TOTALS		3,546.64	17,793.39	21,340.03	*	- 225.59	- 225.59
					3409.45	17567.80	20977.25

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 12/12/52 *Payee NEW QUINCY MINING COMPANY
Per Glen Thorndale Title Sec'y-Treasurer

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

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

(Instructions on reverse)

*Previous Deductions

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
17,514.36 20,923.81 amo
$ 1704.73

Signature [illegible]
(Authorized Certifying Officer)
Date 2/25/53 Vou. No. DMA 53-99
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E265 in accordance with the terms of the contract.

Signature M. H. Howes, JR. Title Mining Engineer Date Dec. 19, 1952

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: R.S.B. G.

Signature W. H. King Title Executive Officer Date FEB 16 1953

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-101A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

U. S. Bureau of Mines
RECEIVED
DEC 16 1952
Salt Lake City, Utah

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of November 195 2 Docket No. DMEA 113 Contract No. Idm E 265

Operator's Name New Quincy Mining Company Minerals Lead-zinc

Address Salt Lake City, Utah

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting								
Crosscutting	feet	3,546.64	94	16,575.77	484	34.24		
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		3,546.64		16,575.77				Total Costs Authorized by Contract
Operating Equipment Purchased				4,764.26				
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		3,546.64		21,340.03				

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

Date December 12, 1952 Operator New Quincy Mining Company

Per Glen I. Crandall Title Sec'y-Treasurer

Remarks:

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

(Instructions on reverse)

(For Government use only)

DEPARTMENT OF THE INTERIOR
Defense Minerals

INSTRUCTIONS

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

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

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

GPO 83-38475

[illegible]

[illegible] Atomic Energy Commission

Date Oct. 24, 1952
Symbol
Reference: Progress Report
November, 1952

New Calcey Mining Co.,
421 Felt Building
Salt Lake City 1, Utah

Upon examination of the above Payee's Reference a difference was found which must be corrected to report your account accordingly:

Account Balance $ 3516.64

Difference $ 197.19

Account Adjusted $ 3707.45

The reason for the difference was due to:

Items covered	June, 1952,	disallowed	Sept. 19, 1952	69.65	
" "	July, 1952,	" "	Oct. 1, 1952	123.54	(137.19

Above amount was reinstated by this office and included in the amount of (1860.32 which was payment of your September, 1952 report.

Any questions or additional data should be submitted by [illegible] number of this form.

Very sincerely yours,

[illegible]
Acting Director

[illegible]

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

224 New Customhouse
Denver 2, Colorado

February 16, 1953.

Memorandum

To : T. A. Christensen

From : Executive Officer, DMA Field Team, Region IV

Subject: DMA Docket 113, Contract Idm-8265 (Lead-Zinc) New Quincy Mining Company, Wasatch and Summit Counties, Utah. Operator's Monthly Progress Report for the period November, 1952.

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

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

Remarks:

Date of Report -December 12, 1952.
Date Received in Field Office - December 16, 1952.
Date Received in Region Office - December 29, 1952.
Date Processed for Payment - February 16, 1953.

Held up pending receipt of December report in order to protect Government equity in jointly-owned property.

W. H. KING

W. H. King

RDB:cwm
cc: Contract
Secretary to the Oper. Comm. (2)
S.Wilson
Chron.

December 23, 1952

Memorandum

To: W. H. King, 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. MF-104 forms for November 1952.

Enclosed are the required copies of MF-104 forms and supporting data covering work under the subject contract for November 1952. The property was inspected by M. H. Howes December 5, 1952, and the attached progress report prepared.

The inspecting engineer has verified that charges for services and supplies during the month were necessary in the conduct of the work and that the work conforms to the contract. Recommendation is made that the expenditures be approved for payment as noted in the progress report.

It is probable that the allotted funds for the project will be expended during December. The operator will submit a request to increase funds under the contract to complete the raising as originally planned. It may be necessary to withhold from payment sufficient funds to cover Government equity in equipment and other inventory until such time as decision is made concerning the additional funds for raising.

The MF-104 forms for November 1952 were received in this office December 16, 1952.

Stephen R. Wilson

Stephen R. Wilson

Encls.

S. R. Wilson

December 19, 1953

M. H. Howes

DMEA-113, Contract Idm-E265, New Quincy Mining Co., Wasatch and Summit Counties, Utah. Progress report for November 1952

The New Quincy mine was inspected on December 5, 1952, in the company of Nick Floor. It is verified that 94 feet of progress for November, as reported on form MF-104A, is correct, and that the work was performed in accordance with the contract.

Fault fissure "A" was encountered at 220 feet from the point of beginning. Park City limestone, striking north-south and dipping about 10 degrees west, occurs on the hanging wall side of the fissure. Since the objective of this part of the project is to cut the contact of the Weber quartzite and Park City limestone in the hanging wall, it was necessary to drift along the fissure in an easterly direction. After progressing 10 feet, the drift caved. It was decided best to abandon the caved drift and to drive a new drift, starting a short distance in the footwall and progressing at an acute angle easterly toward the fissure. This drift was driven 67 feet in November, and remained entirely within the Weber quartzite footwall.

Low values of lead, gold and silver appeared in a gangue of manganese, quartz and calcite about one foot thick in the fissure. The fissure contains a small seepage of water. The Weber quartzite in the new footwall drift is shattered and altered. Iron and manganese stains, together with scattered quartz and calcite, indicates the possibility of finding ore in the favorable Park City limestone above the Weber quartzite in the hanging wall.

The accounts were checked and it is verified that all charges for services and supplies were necessary and that they do not appear to be excessive. All charges reported on form MF-104 are supported by the necessary documentation, and the operator's narrative report is considered to be adequate.

Payment is approved for $1,773.32, which is 50 percent of the claimed $3,546.64.

M. H. Howes

M. H. Howes

Schedule A - Crosscutting	
Dean Boyle	$ 394.75
Ken Kummer	470.00
Arthur Workman	470.00
	1,334.75
Schedule B - Explosives	
Park Utah Consolidated Mines, Inc. 113 J	266.37
Schedule C - Pipe	
Armco Drainage & Metal Products, Inc. 65460	436.98
Park Utah Consolidated Mines, Inc. 113J	86.10
	523.08
Schedule D - Miscellaneous	
Park Utah Consolidated Mines, Inc. 113J	58.04
Schedule E - Drill Steel & Bits	
Park Utah Consolidated Mines Inc. 113J	18.81
Schedule F - Rental	
Eimco Corporation 33005A	150.00
Gardner-Denver Co.	100.00
Park Utah Consoldiated Mines, Inc.	38.50
	288.50
Schedule G - Power	
Park Utah Conidated Mines, Inc.	90.89
Schedule H - Depreciation	
Depreciation on Trammer	62.50
" " " Battery charger	18.60
" " " Mines cars	77.00
" " " Gardner-Denver Compressor	44.17
	202.27
Schedule I - Workman's Compensation	
Total payroll X .0497	81.96
Schedule J - Payroll taxes accrued	
Total payroll X 4.2%	64.46
Taxes accrued June, 1952, disallowed 9/19/52	3.65
Taxes accrued July, 1952, disallowed 10/1/52	133.54
	201.65
Schedule K - Sundries	
Re-imbursed Dean Boyle for paym't to electrician	3.00
Schedule L - Labor	
Park Utah Consolidated Mines, Inc. 113J	29.73
Schedule M - Timber	
Park Utah Consolidated Mines, Inc. 113J	$ 52.59

I certify that the above are true and legitimate payment made as listed.

December 12, 1952

NEW QUINCY MINING COMPANY

Glen I. Crandall

Glen I. Crandall, Sec'y-Treas.

NARRATIVE - 1301 CROSSCUT & DRIFTS
N U QUINCY MINING CO
DMA - 113
CONTRACT - IDME - 265

GENERAL

On October 31, 1952 the face of the crosscut was 212 ft. ahead of point RLP. On Nov. 29, 1952 the face is 227 ft ahead of the same point making an advance of 15 ft. for the month of Nov. In addition 2' was paid for for cutting a 1-car switch making 17 ft. in all paid for in the Crosscut.

At the above point the crosscut was stopped as it had reached the South Fissure. No 1 drift was then driven eastward 10ft from the end of the crosscut on the fissure. At this point the face caved and the drift was abandoned.

Then at a point in the crosscut 32 ft back of the face No 2 Drift was started eastward and driven a total of 67 ft. for the month of Nov.

Then the advance for Nov. is

Crosscut	17.0'	
No 1 Drift	10.0'	
No 2 Drift	67.0'	94.0'

GEOLOGY

As expected, at 220 ft. in the crosscut from point RLP the South Fissure was exposed. In the hanging wall side Park City lime occurs striking about north and south and dipping about 10 degrees west. The objective of the crosscut was to cut the fissure at about the base of the Park City lime on the hanging wall side of the fissure. Due to a flattening of the lime beds the base of the lime will be found somewhat farther east hence No 1 drift was driven eastward.

When No 1 drift caved it was deemed best to drive No 2 drift as a lateral. On Nov. 29 this drift was turned more southerly to again see the fissure.

In the fissure where cut in the crosscut there is better than a foot of nearly pure manganese dioxide with some quartz, calcite and chlorite which assays nearly a percent Pb and fractional values in Au. and Ag. This is considered quite a favorable showing and when the base of the lime is found on the hanging wall side of the fissure it is quite possible some ore may be found there.

Park City, Utah.
November 29, 1952.

E A Lewis
Geologist

Form MF-104 (Rev.)
(April 1932)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 2 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of OCTOBER, 1952 Docket No. DMEA 113 Contract No. Idm-D-265
Operator's Name HIGH QUALITY MINING COMPANY Minerals lead-zinc
Address SALT LAKE CITY, UTAH
Contract Amount, $23,850.00 Government Participation: 50 % Amount, $ 11,929.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting Sch. A	1,750.00	3,723.90	5,473.90			
Drifting						
(2) Labor and Supervision:						
Labor		96.40	96.40			
Supervision	250.00	1,112.50	1,362.50			
Technical Services	75.00	225.00	300.00			
(3) Operating Materials and Supplies:	70.00	280.00	350.00			
Timber						
Explosives Sch. B	197.66	575.82	773.48			
Pipe		175.77	175.77			
Track						
Misc. Sch. C	63.51	793.32	856.83	10.07	793.32	803.39
Drill Steel & Bits	65.97	282.52	348.49			
(4) Operating Equipment: Sch. D						
Rental Sch. B	289.50	1,083.87	1,372.37			
Purchase		4,764.26	4,764.26			
Depreciation Sch. G	202.27	665.51	867.78			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes Sch. I	241.49	137.19	378.68			
Liability Insurance						
Comp. Ins. Sch. H	99.40	232.74	332.14			
Sundries Sch. J	17.10	29.87	46.97			
(8) Contingencies (specify):						
Air power and charge panel Sch. F	90.89	262.85	353.74			
TOTALS	3,411.79	14,361.60	17,773.39	3358.35	14381.60	17739.95
					- 225.59	- 225.59

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

Date 11/10/52 *Payee HIGH QUALITY MINING COMPANY

Per Glen S. Cornwall Title Sec'y-Treasurer

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

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

(Instructions on reverse)

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

3358.35 14156.01 17514.36

$ 1679.17

Signature [illegible]
(Authorized Certifying Officer)

Date 12/23/52 Vou. No. DMA 53-75

(See other side)

* Previous Disallowance

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E265 in accordance with the terms of the contract.

Signature M. H. Lowe JRW Title Mining Engineer Date Nov. 24, 1952

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: R. DB.

Signature J. T. Shaw for W. H. King Title Executive Officer Date 12-19-52

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

U. S. Bureau of Mines
RECEIVED
Defense Minerals Administration
NOV 20 1952
Salt Lake City, Utah

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of OCTOBER 1952 Docket No. DMEA 113 Contract No. [illegible]
Operator's Name [illegible] MINING COMPANY Minerals [illegible]
Address SALT LAKE CITY, UTAH

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting								
Crosscutting	foot	3,411.79	125	13,029.13	390	33.41		
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		3,411.79		13,029.13				Total Costs Authorized by Contract
Operating Equipment Purchased				4,764.26				
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		3,411.79		17,793.39				

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

Date 11/18/52 Operator [illegible] MINING COMPANY

Per Glen L Crandall Title Sec'y-Treasurer

Remarks:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205676

Dec. 22, 1952

Production Report

October, 1952

Ken Caloney Mining Co.,
121 Felt Bldg.,
Salt Lake City, Utah

[illegible] Reference a certificate [illegible]
[illegible] present [illegible]

[illegible] $ 2411.79

[illegible] $ 53.44

[illegible] $ 2358.35

[illegible] [illegible]

Insufficient documentation for mile. (Blue Blue)
3½ feet at 15¢ per foot. 53.44

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

Very sincerely yours,

N. R. Stokes
Audit Section

P-W-B & P Form No. 4
[illegible]

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

New Customhouse
Denver 2, Colorado

December 18, 1952

Memorandum

To: T. A. Christensen

From: Executive Officer, Field Team, Region IV

Subject: DMEA Docket 113, Contract Idm-E265 (Lead-Zinc) New Quincy Mining Co. Wasatch and Summit Counties, Utah - Operator's Monthly Progress Report for the period of October, 1952

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

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

Nick Floor - 334 ft. @ 16¢/ft. - $53.44
Reason - Lack of sufficient documentation

Date of Report - November 18, 1952
Date received in Utah-Wyoming office - November 20, 1952
Date received in Region IV office - December 4, 1952
Date processed for payment - December 17, 1952

Held up one week awaiting return of previous Monthly Report from finance office.

RDB:oc
cc: Contract
Secretary to the Oper. Comm. (2)
SRWilson
Chron.
AHKoschmann (2)

John F. Shaw
John F. Shaw for
W. H. King

Enclosures

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

December 2, 1952

Memorandum

To: W. H. King, Acting Chief, Mining Division, Region IV

From: Chief, Utah-Wyoming Branch, Mining Division

Subject: DMSA-113, Contract Idm-E265, New Quincy Mining Co., Wasatch and Summit Counties, Utah. MF-104 forms for October 1952.

Enclosed are the original and four copies of MF-104 forms and related data covering work and expenditures under the subject contract for October 1952. The property was inspected by M. H. Howes October 31, 1952, and the work verified. Copies of a progress report prepared by the inspecting engineer are attached.

Work accomplished during the month is in conformance with the contract. Recommendation is made that the contractor be reimbursed for the Government's share of expenditures as listed in the progress report.

The MF-104 forms for October were received from the operator November 20, 1952.

Stephen R. Wilson

Stephen R. Wilson

Enclosures 2

S. R. Wilson

November 25, 1952

M. H. Howes

DMEA-113, Contract Idm-E265, New Quincy Mining Co., Wasatch and Summit Counties, Utah. Progress report for October 1952

The New Quincy mine was inspected on October 31, 1952, in the company of Nick Floor. It is verified that 125 feet of progress in the 1301 crosscut for October, as reported on form MF-104A, is correct, and that the work was performed in accordance with the contract.

The crosscut has advanced 386 feet from the point of beginning, and while the face is 6 feet past the estimated position of fault fissure "A", evidence is strong of the close proximity of this objective. The Weber quartzite, for the last 40 feet, is greatly altered and crushed. Quartz and calcite, with considerable iron and manganese stains, are exposed in numerous slips.

The accounts were checked with Glen I. Crandall at the New Quincy Mining Co. office in Salt Lake City. It is verified that all charges for services and supplies were necessary and that they do not appear to be excessive. All charges reported on form MF-104 are supported by the necessary documentation, and the operator's narrative report is considered to be adequate.

Payment is approved for $1,705.89, which is 50 percent of the claimed $3,411.79.

M. H. Howes

M. H. Howes

Schedule A - Crosscutting			
Arthur Workman			$ 625.00
Ken Kummer			625.00
Dean Boyle			500.00
			1,750.00
Schedule B - Explosives			
Park Utah Consolidated Mines 110J			197.66
Schedule C - Misc. Supplies			
Park Utah Consolidated Mines 110J			6.57
Forrest D. Casady			3.50
Nick Floor			53.44
			63.51
Schedule D - Drill Steel and bits			
Park Utah Consolidated Mines 110J			65.97
Schedule E - Rental			
Park Utah Consolidated Mines 110J			38.50
Eimco Corporation #33005A			150.00
Gardner-Denver Corp/			100.00
			288.50
Schedule F - Power			
Park Utah Consolidated Mines 110J			90.89
Schedule G - Depreciation			
Depreciation on Trammer			62.50
" " " Battery Charger			18.60
" " " Mine Cars			77.00
" " " Gardner-Denver Compressor			44.17
			202.27
Schedule H - Workman's Compensation			
.0497% of total payroll of $2,000.00			99.40
Schedule I - Payroll taxes			
1.5% of payroll- social security	30.00		
2.7% of payroll- Utah Unempl.	54.00		84.00
Collector of Internal Revenue		414.10	
Less: Withholding and S. S. Deducted		357.86	56.24
Utah Unemployment Comp. Fund			101.25
			241.49
Schedule J - Sundries			
Forrest D. Casady			2.10
Tom P. Costas			15.00
			$ 17.10

I certify the above to be true and legitimate payment made as listed.

November 18, 1952

NEW QUINCY MINING COMPANY

per Glen I Brandsee Sec'y-Treas.

NARRATIVE - 1301 CROSSCUT
NEW QUINCY MINING CO
BMA - 113
CONTRACT - IDME - 265

GENERAL

On Sept. 29, 1952 the face of this crosscut was 89 ft. ahead of RLP. On October 31, 1952 the face is 212 ft. ahead of this same point. The advance therefor for the month of October is 123 ft. In addition to this footage 2 ft. more was paid for for cutting a one-car switch, making a total of 125 ft. paid for in October.

GEOLOGY

The face of the crosscut is about 30 ft. beyond the estimated footage so we may expect the main South Fissure any time now.

The last 40 ft. has shown quite a change in the character of the quartzite. The rock is much altered showing slips and much crushing making the drilling much easier. The slips show quartz and calcite with a staining of oxides of iron and manganese with perhaps a little magnesium silicate. This is a condition quite common in the wall rock of mineralized fissues in this district.

Park City, Utah.
October 31, 1952.

E A Stewart
Geologist

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

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

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

U. S. Bureau of Mines
DEPARTMENT OF THE INTERIOR RECEIVED
Defense Minerals Administration
RECEIVED NOV 20 1952
DEC 22 1952 Salt Lake City, Utah

Month of September, 1952 Docket No. DMEA 113

Operator's Name NEW QUINCY MINING COMPANY Minerals Lead-zinc

Address SALT LAKE CITY, UTAH

Contract Amount, $23,858.00 Government Participation: 50 % Amount, $11,929.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent ~~Short Form~~ Contracts:						
Drilling						
Bulldozing						
Crosscutting Sch. A	560.00	3,163.98	3,723.98			
Drifting						
(2) Labor and Supervision:						
Labor		96.40	96.40			
Supervision	250.00	862.50	1,112.50			
Technical Services	75.00	150.00	225.00			
bookkeeping	70.00	210.00	280.00			
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives Sch. B	89.32	486.50	575.82			
Pipe Sch. C	11.54	164.23	175.77			
Track						
Misc. Sch. D	11.93	781.39	793.32			
Drill Steel & Bits	30.45	252.07	282.52			
(4) Operating Equipment: Sch. E						
Rental Sch. F	255.92	827.95	1,083.87			
Purchase		4,764.26	4,764.26			
Depreciation Sch. H.	80.77	524.74	605.51			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes		137.19	137.19			
Liability Insurance						
Comp. Ins. Sch. I.	38.39	194.35	232.74			
Sundries		29.87	29.87			
(8) Contingencies (specify):						
Air power & charging panel Sch. G	30.05	232.80	262.85			
TOTALS	1,503.37	12,878.23	14,381.60	1503.37	12878.23	14381.60
				137.19		+ 137.19
				-362.78		-362.78
				1640.56	12515.45	14156.01
				$ 820.28		

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

Date 11/18/52 *Payee NEW QUINCY MINING COMPANY **

Per Glen L. Crandall Title Sec'y-Treasurer

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

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

(Instructions on reverse)

*FICA taxes re-instated
** Previous deductions

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

Signature [illegible] (Authorized Certifying Officer)

Date 12/15/52 Voucher DMA 53-69

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E265 in accordance with the terms of the contract.

Signature M. H. Howes SRW Title Mining Engineer Date Nov. 24, 1952

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

Signature W. H. King Title Executive Officer Date 12/8/52

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED

OPERATOR'S UNIT COST AND PROGRESS REPORT

DEC 22 1952

Month of September 1952 Docket No. DMEA 113 Contract No. Idm-E-265
Operator's Name NEW QUINCY MINING COMPANY Minerals Lead-zinc
Address SALT LAKE CITY, UTAH

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting	feet	1,503.37	39	9,617.34	265	36.67		
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		1,503.37		9,617.34				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased				4,764.26				
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		1,503.37		14,381.60				

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

Date 11/18/52 Operator NEW QUINCY MINING COMPANY

Per Glen J. Crandall Title Sec'y-Treasurer

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205676

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

Administrative Audit Difference Statement

Date: 12-12-52
Payee's
Reference: Progress Report

September, 1952

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

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

Amount Claimed $ 1503.37

Difference Add $ 137.19

Amount Approved $ 1640.56

The reason for the difference was due to:

Acceptable cost as of July 31, 1952 audit which was previously deducted.
(F.I. C.a)

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

Very sincerely yours,

N. E. Stokes
Audit Section

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

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

224 New Custombouse
Denver 2, Colorado

December 8, 1952

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 113, Contract Idm-R265 (Lead-Zinc) New Quincy Mining Company, Wasatch and Summit Counties, Utah - Operator's Monthly Progress Report for the period of September, 1952

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

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

Monthly Report for September, 1952 was received in Region IV Office December 1, 1952.

W. H. King
W. H. King

Enclosures

RDB:oc

cc: Contract
Chron.
AHKoschmann (2)
Secretary to the Operating Committee (2)
SRWilson

November 28, 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. MF-104 forms for September 1952

Attached are the required copies of MF-104 forms and supporting information covering expenditures under the subject contract for September 1952. The property was inspected by M. H. Howes October 15, 1952. Copies of the progress report are attached.

The contractor worked only during the latter part of September as a result of a miners' strike at the adjoining Park Utah Consolidated Mines Co. Work during September was accomplished in conformance with the contract. Recommendation is made that the operator be reimbursed for the Government's share of expenditures as listed in the progress report.

The MF-104 forms were received from the operator November 20, 1952.

Stephen R Wilson

Stephen R. Wilson

Enclosures 2

S. R. Wilson November 25, 1952

M. H. Howes

DMEA-113, Contract Idm-E265, New Quincy Mining Co., Wasatch and Summit Counties, Utah. Progress report for September 1952

The New Quincy mine was inspected on October 15, 1952, in the company of Nick Floor. It is verified that 39 feet of progress in the 1301 crosscut for September, as reported on form MF-104A, is correct, and that the work was performed in accordance with the contract.

The New Quincy operation was resumed on September 18, 1952, after a work suspension, from August 15 to September 17, 1952, caused by strike action at the Park Utah Consolidated Mines Co.

Weber quartzite encountered in the crosscut during September is slightly more shattered than before, and manganese stains appear in the fractures.

The accounts were checked with Glen I. Crandall at the New Quincy Mining Co. office in Salt Lake City. It is verified that all charges for services and supplies were necessary and that they do not appear to be excessive. All charges reported on form MF-104 are supported by the necessary documentation, and the operator's narrative report is considered to be adequate.

Payment is approved for $751.69, which is 50 percent of the claimed $1,503.37.

M. H. Howes

M. H. Howes

Schedule A - Crosscutting	
Dean Boyle	$ 14.00
Arthur Workman	273.00
Ken Kummer	273.00
	560.00
Schedule B - Explosives	
Park Utah Consolidated Mines, Inc. - 105J	89.32
Schedule C - Pipe	
Park Utah Consolidated Mines, Inc. - 105J	11.54
Schedule D - Misc. Supplies	
Park Utah Consolidated Mines, Inc. - 105J	11.93
Schedule E - Drill Steel and Bits	
Park Utah Consolidated Mines, Inc. - 105J	30.45
Schedule F - Rental	
Park Utah Consolidated Mines - 105J	5.92
Eimco Corp. #32037A	150.00
Gardner-Denver Corp.	100.00
	255.92
Schedule G - Power	
Park Utah Consolidated Mines, Inc. - 105J	30.05
Schedule H - Depreciation	
Depreciation on Trammer - 12 days	24.97
" " " Battery charger - 12 days	7.44
" " " Gardner-Denver Compressor - 12 days	17.64
" " " Mine cars - 12 days	30.72
	80.77
Schedule I - Workman's Compensation	
September, 1952 - $772.50 @ .0497%	~~39.39~~ 38.39

I certify that the above are true and legitimate payments made as listed.

November 18, 1952 NEW QUINCY MINING COMPANY

per Glen L Crandall Sec'y-Treas.

NARRATIVE - 1301 CROSSCUT
NEW QUINCY MINING CO.
DMA - 113
CONTRACT - IDME - 265

GENERAL

A strike at the Park Utah Con. Mines Co. caused the work at the New Quincy mining Co. to cease from Aug. 18, 1952 to Sept 17, 1952.

On July 31, 1952 the face of this crosscut was 181 ft ahead of point HLP. On Aug. 15, the face was 50 ft. ahead of RLP, a new rear line poing 175 ft. ahead of HLP, the advance for August was 44 ft. plus 2 ft more for a one-car switch, making 46 ft. paid for August.

On Sept. 29, 1952 the face was 89 ft. ahead of RLP so the advance for Sept is 39 ft. since no work was done on Sept. 30.

GEOLOGY

For the months of August and September the rock penetrated continues to be Weber quartzite. There has been a total advance in this operation of 283 ft, so if the estimate of 375 ft. to the South Fissure is about right there is still around 92 ft. to go to that objective.

The quartzite continues to be slightly broken with perhaps more shattering near the face. In this broken aone the broken faces show a wash of manganese oxide, a condition quite common in the wall rock of ore bodies. The presence of this oxide is therefore not discouraging although the face is too far from the objective to mean much.

Park City, Utah
Sept. 29, 1952

(signed) E. A. Hewitt
Geologist

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Budget Bureau No. 42-R1038.4
Approval expires 6-30-53
RECEIVED
NOV 3 1952

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of AUGUST, 1952 Docket No. DMEA 113 Contract No. Idm E. 265
Operator's Name NEW QUINCY MINING COMPANY Minerals Lead-Zinc
Address SALT LAKE CITY, UTAH
Contract Amount, $ 23,858.00 Government Participation: 50 % Amount, $ 11,929.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Contractors:						
~~Shott Farm~~						
Drilling						
Bulldozing						
Crosscutting Sch. A.	644.00	2519.98	3163.98			
Drifting						
(2) Labor and Supervision:						
Labor		96.40	96.40			
Supervision	212.50	650.00	862.50			
Technical Services		150.00	150.00			
Bookkeeping	70.00	140.00	210.00			
(3) Operating Materials and Supplies:						
Timber						
Explosives Sch. B	81.35	405.15	486.50			
Pipe Sch. C	35.33	128.90	164.23			
Track						
Misc. Sch. D	102.52	678.87	781.39	60.40		618.39
Drill Steel & Bits	69.99	182.08	252.07			
(4) Operating Equipment: Sch. E						
Rental Sch. F	263.92	559.03	827.95	518.92		1,077.95
Purchase		4764.26	4764.26			
Depreciation Sch. G	202.27	322.47	524.74			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes		137.19	137.19			
Liability Insurance						
Comp. Ins. Sch. H	32.01	162.34	194.35			
Sundries Sch. I	1.20	28.67	29.87			
(8) Contingencies (specify):						
Air power charging						
Panel Sch. J	61.29	171.51	232.80			
					10,647.07	12,515.45
TOTALS	1781.38	11096.85	12878.23	1,868.38	11,096.85	12,965.23

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

Date 10-8-52 *Payee NEW QUINCY MINING COMPANY

Per Glen L. Crandall Title Secty-Treasurer

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

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

(Instructions on reverse)

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

$934.19

Signature [illegible]
(Authorized Certifying Officer)

Date 10/27/52 Vou. No. DMA 53-53
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E265 in accordance with the terms of the contract.

Signature M. H. Howe Title Mining Engineer Date Oct. 13, 1952

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. H. King Title Executive Officer Date 10/20/52

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 6 1952

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of AUGUST 1952 Docket No. DMEA 113 Contract No. Idm E 265
Operator's Name NEW QUINCY MINING COMPANY Minerals Lead-Zinc
Address SALT LAKE CITY, UTAH

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting	feet	1781.38	46	8,113.97	226	35.90	450	
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		1781.38		8,113.97				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased				4,764.26				5,490.00
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		1781.38		12,878.23				

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

Date 10-8-52 Operator NEW QUINCY MINING COMPANY

Per Glen I. Brandall Title Sec'y-Treasurer

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

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

Administrative Audit Difference Statement

Date: October 27, 1952
Payee's
Reference: Progress
Report - August 1952

New Quincy Mining Co.
Room 421, Felt Bldg.
Salt Lake City 1, Utah

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

Amount Claimed	$ 1,781.38
Difference	$ 87.00
Amount Approved	$ 1,868.38

The reason for the difference was due to:

Add -	Mucking Machine rental - June	150.00
	Drifter rental - June	100.00
	Billing from A. A. Hasna for haulage	20.00
		270.00
Exception		
	6 foot column and accessories from July report - Classified as equipment and no allowance for such in contract.	-183.00
		$ 87.00

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

Very sincerely yours,

N. E. Stokes
Audit Section

R-IV-B & F Form No. 4
A-1-52 D

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Mining Division
Region IV

October 20, 1952

Memorandum

To: T. A. Christensen

From: Acting Chief, Mining Division, Region IV

Subject: DMA Docket 113, Contract Idm-E265, (Lead-Zinc) New Quincy Mining Co., Wasatch County, Utah - Operator's Monthly Progress Report for the period of August, 1952

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

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

An on-site audit of the operator's accounts was made by a DMEA auditer on September 15, 1952. The following amounts disallowed on the June report because of insufficient documentation are now reinstated as full documentation was seen by the auditer.

Mucking machine rental - June	$150.00
Drifter rental - June	100.00
Billing from A. A. Hasna for haulage	20.00
	$270.00

Exception

6 foot column and accessories from July report - Classified as equipment and no allowance for such in contract (this amount was shown after Schedule D Misc.)	$183.00
Amount that should be added to this months totals -	$ 87.00

It has been the policy of this office to allow the full monthly depreciation on equipment owned by the operator even when the machinery is used but a portion of the month. The exception to this is when work starts on a new contract in the middle of the month. We do not concur therefore with the engineer for disallowances of equipment depreciation.

Past payroll taxes previously disallowed will still have to be supported by documentation and the operator should be informed of this.

W. H. King

W. H. King

Enclosures

WLD:oc

cc: Contract
Secretary to the Operating Committee (2)
SRWilson
Chron
Koschmann (2)

October 14, 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 County, Utah

Enclosed are the required copies of MF-104 forms and other information pertinent to expenditures made during August 1952 under the subject contract. The property was inspected August 15, 1952, on which date operations were recessed because of labor difficulties. Work was resumed in September. M. H. Howes prepared the attached progress report.

Work performed during August is in conformance with the contract. Irregularities in listing the expenditures on the MF-104 forms have been noted in the progress report. Although the property was in operation only during the first 15 days of August, and the contract allows a supervisor at $250 per month, the MF-104 forms include a total of $212.50 for the supervisor. The supervisor was not actually employed on the property in the role of supervisor during the recess period, but was actively engaged during the month attempting to settle the labor trouble to permit resumption of work.

Recommendation is made that the operator be reimbursed for the government's share of expenditures subject to interpretation of the above mentioned irregularities.

Stephen R. Wilson

Stephen R. Wilson

Encls.

SCHEDULE A - crosscutting 46 feet@$14.00 per foot	
Ken Kummer	$ 214.67
Deil Gordon	214.66
Arthur Workman	214.67
	644.00
SCHEDULE B - Explosives	
Park Utah Consolidated Mines #102-J	81.35
SCHEDULE C - PIPE	
Gardner-Denver Co. #29-58142	2.24
" " #29-62857	2.92
" " #29-61151	25.40
" " #29-66501	4.77
	35.33
SCHEDULE D - Miscellaneous Supplies	
Forrest D. Casady, blacksmith	3.50
Sears, Roebuck & Co. #MCA 3473	.91
Gardner-Denver #29-58142	205.74
" " #29-58142 CREDIT MEMO	(185.13)
" " #29-65232	77.03
Park Utah Consolidated Mines #102-J	.47
	102.52
SCHEDULE E - Drill steel and bits	
Gardner-Denver #29-62120	33.66
" " #29-67618	36.33
	69.99
SCHEDULE F - Rental	
Eimco Corp. 29872A	150.00
Gardner-Denver Co.	100.00
Park Utah Cons. Mines #102-J	18.92
	268.92
SCHEDULE G - Depreciation	
Trammer	62.50
Battery Charger	18.60
Mine Cars	77.00
Gardner-Denver compressor	44.17
	202.27
SCHEDULE H - Compensation Insurance	
August, 1952, $644.00 @.0497	32.01
SCHEDULE I.- Sundries	
Forrest D. Casady - pick sharpening	1.20
SCHEDULE J - Power	
Park Utah Consolidated Mines, Inc: 102-J:	
14 days electric power and demand using N.Q. Compr.	44.94
14 days rental and power 3KW Hertner Motor Generator Set-Battery charger	5.85
14 shifts Compressor man	3.50
14 shifts Hoist charge	7.00
	61.29

I certify that the above are true and legitimate payments made as listed
Dates October 8, 1952 NEW QUINCY MINING COMPANY

per Glen I. Crandall GLEN I. CRANDALL, sec'y-treas.

NARRATIVE - 1301 CROSSCUT
NEW QUINCY MINING CO
DMA - 113
CONTRACT - IDME - 265

GENERAL

Astrike at the Park Utah Con. Mines Co caused the work at the New Quincy mining Co to cease from Aug. 18, 1952 to Sept 17, 1952.

On July 31, 1952 the face of this crosscut was 181 ft. ahead of point HLP. On Aug. 15, the face was 50 ft. ahead of RLP, a new rear line point 175 ft. ahead of HLP, the advance for August was 44 ft. plus 2 ft more for a one-car switch making 46 ft paid for for August.

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GEOLOGY

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The quartzite continues to be slightly broken with perhaps more shattering near the face. In this broken zone the broken faces show a wash of manganese oxide, a condition quite common in the wall rock of ore bodies. The presence of this oxide is therefore not discouraging although the face is too far from the objective to mean much.

Park City, Utah.
Sept. 29, 1952.

E A Hewitt
Geologist

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 those 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.

Form MF-164 (Rev.)
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of June 1952 Docket No. DMEA 113 Contract No. Idn D 265
Operator's Name [illegible] Mining Co. Minerals Lead-zinc
Address Salt Lake City, Utah
Contract Amount, $ Government Participation: % Amount, $

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting Sch. A	1945.90	574.00	2519.90			
Drifting						
(2) Labor and Supervision:						
Labor		96.40	96.40			
Supervision	250.00	400.00	650.00			
Technical Services	75.00	75.00	150.00			
Sub-contract	70.00	70.00	140.00			
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives Sch. D	174.65	230.50	405.15			
Pipe Sch. G.	80.00	47.92	127.92			
Track						
Misc. Sch. D.	402.54	276.33	678.87			
D-111 Steel & Bits	122.00		122.00			
(4) Operating Equipment: Sch. E/						
Rental Sch. F	280.50	270.53	550.03			
Purchase Sch. G	3503.97	1200.29	4704.26			
Depreciation Sch. H	202.27	120.20	322.47			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes Sch. I	133.54	3.65	137.19	00	3.65	3.65
Liability Insurance						
Comp. Ins. Sch. J.	147.90	14.44	162.34			
Sundries Sch. K.	8.67	20.00	28.67			
(8) Contingencies (specify):						
Air power and charc.						
panel Sch. L.	105.60	65.93	171.53			
TOTALS	7571.76	3525.09	11096.85	7,438.22	3,525.09 - 316.24	10,963.31 - 316.24
				7,438.22	3,208.85	10,647.07

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

Date Sept. 5, 1952 Payee [illegible] Mining Company

Per Glen L. Brandner Title Sec'y-Treas.

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

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

(Instructions on reverse)

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

$ 3719.11

Signature [illegible]
(Authorized Certifying Officer)

Date 10/1/52 Vou. No. DMEA 53-42
(See other side)

* Previous Disallowances

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E-265 in accordance with the terms of the contract.

Signature M. H. Howes JRW Title Mining Engineer Date Sept. 10, 1952

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE $3785.88 3769.11

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

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July 1952 Docket No. DMEA 113 Contract No. Idm E 265

Operator's Name NEW QUINCY MINING COMPANY Minerals Lead-zinc

Address SALT LAKE CITY, UTAH

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting	feet	4067.79	139	6332.59	180	35.19	450	
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		4067.79		6332.59				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased		3503.97		4764.26				5490.00
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		7571.76		11096.85				

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

Date 8-23-52 Operator NEW QUINCY MINING COMPANY

Per Glen S. Brandell Title Sec'y. Treas.

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205676

October 1, 1952

Progress
Report - July 1952

New Quincy Mining Co.
R421, Felt Building
Salt Lake City 1, Utah

Upon [illegible] Payroll Reports a difference was found which [illegible] your account accordingly:

[illegible] $ 7,571.76

[illegible] $ 133.54

[illegible] $ 7,438.22

The reason for the difference was due to:

Insufficient Documentation for payroll taxes.

Any receipts for deductions made there [illegible] supported by the ORIGINAL OF THIS FORM.

Very [illegible] yours,

N. E. Stokes
Audit Section

R-IV - E-F Form No. 4
4-15-52 D

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Mining Division
Region IV

September 29, 1952

Memorandum

To: T. A. Christensen

From: Acting Chief, Mining Division, Region IV

Subject: DMEA Docket 113, Contract Idm-2265 (Lead-Zinc) New Quincy Mining Company, Wasatch and Summit Counties, Utah - Operator's Monthly Progress Report for the period of July, 1952

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

Work accomplished is in accordance with the contract and payment is recommended as follows, contingent upon aritmetical accuracy and correctness of all rates which are a basis for payment.

Total Reported	$7571.76
Less: Payroll taxes, until supported by documentation	133.54
	$7438.22
Government participation - 50 percent	$3719.11

The operator failed to document charges for supervision, technical service and bookkeeping but after confering with the DMEA auditor who just returned from an audit of the operator's books, it was learned that the auditor saw records to substantiate these charges. He also saw the invoice covering the drifter rental.

The auditor in his report has taken into consideration the item of the column and accessories; an item of equipment not listed in the contract.

John F. Shaw

John F. Shaw for
W. H. King

Enclosures

WLD:oc
cc: Contract
Secretary to the Operating Committee
SRWilson
Chron.
AHkoschmann (2)

September 11, 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 County, Utah. MF-104 forms for July 1952

Enclosed are the necessary copies of MF-104 forms and supporting information listing expenditures incurred by the subject company during July 1952. M. H. Howes inspected the property August 15, 1952 and prepared the attached progress report.

Irregularities noted in the MF-104 forms are described in the progress report. Recommendation is made that the operator be reimbursed for the Government's share of the expenditures as listed in the progress report.

Stephen R. Wilson

Stephen R. Wilson

Enclosures 2

S. R. Wilson

September 10, 1952

M. H. Howes

DMEA-113, Contract Idm-E265, New Quincy Mining Co., Wasatch and Summit Counties, Utah. Progress report for July 1952

The New Quincy mine was inspected on August 15, 1952, in the company of Nick Floor. Progress in the 1301 crosscut for July was reported to be 139 feet. It is verified that the progress as reported on form MF-104A is correct, and that the work was performed in accordance with the contract.

During July the crosscut continued in slightly shattered Weber quartzite. A few small quartz fissures, containing a little fault gouge and iron and manganese stains, were crossed. No timbering has been required thus far, and an average advance of 5 feet per shift has been maintained.

It is verified that all charges for services and supplies were necessary and that they do not appear to be excessive. The narrative report accompanying the MF-104 forms is considered adequate.

Item 3 The charge of $402.54 under miscellaneous includes a cost of $7.48 for labor for an electrician, as shown on Park Utah Consolidated Mines Co. invoice. There is no allowance in the contract for labor for equipment maintenance. However, it was necessary to use expert labor to repair the controller on the Mancha locomotive in order to keep it operating. The repairs consisted of replacing certain worn-out fingers, finger bars, and segments with new ones in the controller mechanism by the Park Utah electrician. The charges for the repair parts are properly listed under miscellaneous. Since there is no appropriate place to list the labor cost, it was also included in the miscellaneous charge.

Item 4 Because of the terms of the Rental Agreement with Gardner-Denver Co., the rental of $100 for the drifter was paid without an invoice. Therefore, no certified copy of invoice for this item is included in the New Quincy report.

The $3,503.97 balance due on the purchase of the Mancha Battery Locomotive was paid in July.

Item 7 Both the payroll taxes and compensation insurance were erroneously reported in June, and corrections for these items are included in the current report under Schedule I.

Item 8 The shutdown of Park Utah Consolidated Mines Co. due to the strike has continued through July. As a result, New Quincy has been compelled to furnish its own compressed air under the arrangements made and carried out in June. The charges listed in Schedule L are believed to be legitimate.

Payment is approved for 50 percent of the claimed $7,571.76.

M. H. Howes

M. H. Howes

SCHEDULE A - Crosscutting 139 feet @ 14.00 per foot	
Dell Gordon	$ 648.66
Arthur Workman	648.66
Ken Kummer	648.66
	1945.98
SCHEDULE B - Explosivves	
Park Utah Cons. Mines Co.	174.65
SCHEDULE C - Pipe	
Gardner- Denver Co. 29-58162	1.58
Sear, Roebuck Co. 33138-47	.90
Park Utah Cons. Mines 97-J	78.50
	80.98
SCHEDULE D - Miscellaneous	
Gardner-Denver Co. 29-63780	3.47
" " " 29-59383	3.98
" " " 29-58159	299.88
Eimco Corp 28238A	5.10
Sears, Roebuck Co. 33291-24	2.43
Park Utah Cons. Mines Co. 97-J	52.48
Mick Floor	35.20
	402.54
SCHEDULE E - Drill Steel & Bits	
Gardner-Denver Co. 29-58162	21.42
" " " 29-58159	64.16
Park Utah Cons. Mines	96.50
	182.08
SCHEDULE F. - Rental	
Eimco Corp 28388A	150.00
Gardner-Denver Co.	100.00
Park Utah Cons. Mines	38.50
	288.50
SCHEDULE G.- Purchases	
Goodman Mfg. Co., Bal. Due on Locomotive Battery	3,503.97
Schedule H. - Depreciation	
Trammer	62.50
Battery Charger	18.60
Gardner-Denver Co. Compressor	44.17
Mine Cars	77.00
	202.27
SCHEDULE I - Payroll Taxes	
1945.98 corssecutting	
250.00 Supervision	
2195.98 @ 1½% SS, 217% Unempl. = 4.2%	92.23
Correction for June as follows:	
574.00 corssecutting	
96.40 labor	
400.00 supervision	
1070.40 @ 4.2% 44.96	
reported 3.65	
41.31	41.31
	6,183.54

SCHEDULE J - Compensation Insurance		
2195.98 (see schedule I) @ .0497		109.14
Correction for June:		
1070.40 @ .0497	53.20	
reported	14.44	
	38.76	38.76
		147.90

SCHEDULE K - Sundries	
Nick Floor sundry cash purchases	8.67

SCHEDULE L - Air power & charging panel	
Park Utah cons. Mines 97-J:	
26 days electric power and demand N.Z. Comp.	80.18
Electric power and demand Park Utah Unit	7.50
Compressor man	6.50
Hoisting charge	11.50
	$ 105.68

I certify that the above are true and legitimate payments made as listed.

dated September 5, 1952

NEW QUINCY MINING COMPANY

per Glen L Crandall, Sec'y-Treas.

NARRATIVE - 1301 CROSSCUT
NEW QUINCY MINING CO
DMA - 113
CONTRACT - IDME - 265

GENERAL

On June 30, 1952 the face of this crosscut was 42 ft. ahead of point HLP. On July 31, 1952 the face is 181 ft. ahead of this point. The advance then for the month of July is 139 ft. None of the advance so far has required timber.

GEOLOGY

The rock penetrated continues to be Weber quartzite somewhat crushed and sheeted in places. An occasional small fissure occurs on which there is a little fault gouge and a few streaks of quartz are evident on some of these fissures. With the exception of a slight iron and manganese staining no mineralization occurs in the advance made in the month of July.

At the current rate of advance the South fissure should be reached early in Sept.

Park City, Utah.
July 31, 1952.

E. A. Hewitt
Geologist.

Form MF 104 (Rev.)
(April 1952)

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

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

Month of June, 1952 Docket No. DMEA 113 Contract No. Idm E 265
Operator's Name NEW QUINCY MINING CO. Minerals Lead, zinc
Address Salt Lake City, Utah
Contract Amount, $ 23,858.00 Government Participation: 50 % Amount, $ 11,929.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent ~~Short Form~~ Contracts:						
Drilling						
Bulldozing						
Crosscutting Sch. 1	574.00		574.00			
Drifting						
(2) Labor and Supervision:						
Labor Sch. 2	96.40		96.40			
Supervision May 200.00 June 200.00	400.00		400.00			
Technical Services	75.00		75.00			
(3) Operating Mat'ls. and Supplies:	70.00		70.00			
Timber						
Explosives Sch. 3	230.50		230.50			
Pipe Sch. 4	47.92		47.92			
Track						
Misc. Sch. 5	276.33		276.33	233.74		233.74
(4) Operating Equipment:						
Rental Sch. 6	270.53		270.53	20.53		20.53
Purchase Sch. 7	1260.29		1260.29			
Depreciation Sch. 8	120.20		120.20			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes	3.65		3.65	00		00
Liability Insurance						
Workman's Comp. Ins.	14.44		14.44			
Sundries, Sch. 9	20.00		20.00	00		00
(8) Contingencies (specify):						
Air power & charging panel, Sch. 10	65.83		65.83			
TOTALS	3525.09		3525.09	3,208.85		3,208.85

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

Date August 1, 1952 Payee NEW QUINCY MINING CO.

Per Glen L. Crandall Title Sec'y-Treas.

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

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

(Instructions on reverse)

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

$1604.42

Signature [illegible]
(Authorized Certifying Officer)

Date 9/22/52 Vou. No. DMA 53-36

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E-265 in accordance with the terms of the contract.

Signature Merwin H. Hooke Title Mining Engineer Date Aug. 6, 1952

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE

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

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of June 1952 Docket No. DMEA 113 Contract No. Idn E 265

Operator's Name HEL QUINCY MINING COMPANY Minerals Lead, zinc

Address Salt Lake City, Utah

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting	feet	2264.80	41	2264.80	41	55.79	450	
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		2264.80	41	2264.80				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased		1260.29		1260.29				5490.00
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		3525.09		3525.09				5490.00

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

Date August 1, 1952 Operator HEL QUINCY MINING COMPANY

Per Glen T. Crandall Title Sec'y-Treas.

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205676

Uhs

September 19, 1952

Progress
Report - June 1952

New Quincy Mining Co.
Room 421, Felt Building
Salt Lake City 1, Utah

[illegible]

[illegible]	3,525.09
[illegible]	316.24
[illegible]	3,208.85

[illegible]

Cost of fabricating bumper for company-owned trammer is not a government responsibility under terms of the contract.		$42.59
Insufficient documentation: In this case must consist of monthly billings from rentier.	Mucking machine rental	150.00
	Drifter rental	100.00
In this case a billing from A. A. Hasna is necessary:	Hauling Mucker	20.00
Pay roll tax should be claimed at the end of each quarter and supported by the quarterly statement of payroll deductions.		3.65
		316.24

[illegible]

[illegible]

N. E. Stokes
Audit Section

[illegible] - RAP Form No. 4
[illegible]-52 2

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Mining Division
Region IV

September 3, 1952

Memorandum

To: T. A. Christensen

From: Acting Chief, Mining Division, Region IV

Subject: DMEA Docket 113, Contract Idm-E265, (Lead-Zinc) New Quincy Mining Company, Wasatch and Summit Counties, Utah - Operator's Monthly Progress Report for the period of June, 1952

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

Work accomplished is in accordance with the contract and payment is recommended as follows:

Total Reported		$3525.09
Disallowances:		
Cost of fabricating bumper for company owned trammer	$42.59	
Insufficient documentation		
Mucking machine rental	150.00	
Drifter rental	100.00	
A. A. Hanna - Hauling mucker	20.00	
		312.59
		$3212.50
Government participation - 50 percent -		~~$1601.25~~ $1606.25

W. H. King

W. H. King

Enclosures

WLD:oc

cc: Contract
Secretary to the Operating Comm. (2)
SRWilson
Chron.
Koschmann (2)

Mining Division
Date Rec'd.
AUG 11 1952
BUREAU OF MINES
Denver, Colorado

August 7, 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 County, Utah. MF-104 Forms for June 1952.

Attached are the necessary copies of MF-104 forms and supporting information for the period of June 1952. A progress report prepared by M. H. Howes is included.

Irregularities in the MF-104 forms have been noted in the progress report. Under item 2, the operator has included $200 for supervision for May 1952. The project actually was started May 5, 1952, and 4 days worked in rehabilitation of the approach to the proposed crosscut. After this 4-day period, the supervisor (Nick Floor) spent the remaining time during May making necessary arrangements with Park Utah Consolidated Co. for supplying electric power and compressed air and negotiating with possible subcontractors to drive the crosscut. Actual crosscutting was not started until June 11, 1952. The supervisor was working for the benefit of the project during most of May and all of June, but he was not actually supervising work outlined in the contract during the full period.

Under item 3 is a charge of $42.59 for a bumper which was attached to the Mancha trammer owned by the New Quincy, use of the trammer being chargeable to the contract on depreciation basis. No provision has been made in the contract for improvement of the company-owned trammer.

Under item 4 is included an amount of $1,260.29, part payment for purchase of a battery trammer, allowed by contract. The contract does not allow freight for the trammer but it is believed that freight should be a permissible part of the total

cost. An assembling charge and a charge for a bumper are also included in the amount of $1,260.29. The total cost of the trammer as permitted by the contract is greater than the summation of the above charges and the remaining amount paid on the trammer during July.

Under item 7, sundries include a charge of $20 for transportation of a rental mucking machine from Salt Lake to the project. The contract does not include transportation charges. However, the $20 charge was necessary and legitimate and should be allowed, if necessary, by amendment.

It is recommended that repayment to the operator be made as listed in the progress report, subject to possible deletion of items as described.

Stephen R Wilson

Stephen R. Wilson

Encls.

S. R. Wilson August 6, 1952

M. H. Howes

DMEA-113, Contract Idm-E-265, New Quincy Mining Company, Wasatch and Summit Counties, Utah. Progress Report for June 1952.

The New Quincy mine was inspected on July 9, 1952, in the company of Nick Floor. Progress in the crosscut for June was reported to be 61 feet. Since 20 feet of the initial advance is to be withheld from the contractor's payment until completion of the labor contract, the company has submitted a total of only 41 feet to be charged against the June progress. It is hereby verified that the above progress is correct as reported on form MF-104A, and that the work was performed in accordance with the contract.

It was necessary to do a small amount of rehabilitation work to prepare the approach to the crosscut before starting on the actual project.

The crosscut was started about the middle of June. It is being driven in Weber quartzite. A few small streaks of quartz with iron and manganese oxides, a little copper staining, and scattered spots of galena have been crossed. So far the rock stands well and requires no timbering.

The accounts were checked with Glen I. Crandall, secretary-treasurer. It is verified that all charges for services and supplies were necessary and that they do not appear to be excessive,with the possible exception of certain questionable charges, which are described below in the explanation of details of items listed in form MF-104. All charges on form MF-104 are supported by the required documentation and the operator's narrative report is considered adequate.

Item 2. The charge of $200 for supervision for May is considered to be fair because Nick Floor, president and manager, spent practically full time during that month making arrangements for the use of facilities and purchase of power, compressed air, services and supplies from the Park Utah Cons. Mines Co., for the purchase and rental of equipment, and for a crew of men for a labor contract for the project.

The item, $70.00, listed below "Technical Services - $75.00" is an allowable charge for bookkeeper.

Item 3. Under"Miscellaneous, Schedule 5" it is questionable whether or not the charge of $42.59 to make a bumper for the Mancha trammer owned by the New Quincy Mining Co. should be allowed. The trammer is an item allowed for depreciation, but

no allowance has been made in the contract for improvements to the trammer.

Even though the charge of $276.33 for miscellaneous operating materials and supplies is greater than the total estimated amount of $200 allowed in the contract, it is considered that all of the details of this charge, with the possible exception of the above cost of $42.59 for bumper, were necessary for the proper economic operation of the project.

Item 4. Purchase, Schedule 7. The part payment charge of $976.97 and the bumper charge of $42.11 are allowable. No allowance is made in the contract for the assembly charge of $27 or for the freight charge of $214.21. Mr. Crandall reported that final payment on the locomotive and battery of $3,503.97 was made on July 11, 1952. The direct cost of the battery locomotive is $976.97 plus $42.11 plus $3,503.97 or a total of $4,523.05. Adding the assembly charge of $27 and the freight charge of $214.21 to the direct cost gives a grand total of $4,764.26, which is less than the amount of $4800 allowed in the contract for purchase of a battery locomotive. It is therefore recommended that the assembly and freight charges be allowed.

Item 7. Under "Sundries, Schedule 9" it is questionable whether or not the charge of $20 for hauling mucker should be allowed since there is no allowance for such a charge in the contract. The original contract allowed a mucking machine rental cost of $296 per month. Since the original contract was signed, the operator made arrangements to rent a mucking machine for $150 per month, and allowance for that amount was made in amendment 2 of the contract. Because of this saving in rental cost, the hauling charge seems to be justifiable.

Item 8. The estimated maximum cost of $210 per month whereby Park Utah Cons. Mines Co. would furnish compressed air and power to operate battery charging panels to New Quincy Mining Co. is allowed in the contract. The Park Utah Cons. Mines Co. was shut down in July because of a strike and has been unable to furnish compressed air to the New Quincy project since. New Quincy owns an air compressor, which was already installed at the collar of the Daly shaft. Arrangements were made to buy power from Park Utah to operate this compressor, to connect it with Park Utah air lines into the New Quincy workings, and to employ Park Utah hoistmen, who are allowed to remain on the job during the strike to operate the compressor so that the exploratory project could continue. The charges by Park Utah Cons. Mines Co. under "schedule 10" are explained as follows: Power $7.77, for charging panels; power and demand $6.81, for New Quincy compressor; and participation power $51.25, for compressed air from Park Utah before the strike, for

labor to operate New Quincy compressor and for hoisting charge in Daly shaft (during period of strike). These are believed to be legitimate charges.

Payment is approved for 50 percent of the claimed $3,525.09 less possible deletions of questionable items explained above.

M. H. Howes

M. H. Howes

NEW QUINCY MINING CO.

Schedule 1 — Crosscutting 41 feet @ $14.00 per foot		
Dell Gordon		$ 126.28
Ken Kummer		223.86
Arthur Workman		223.86
Total		574.00
Schedule 2 — Labor		
F. L. Shambow - 4 shifts @ $12.05		48.20
Joseph J. Irey - 4 shifts @ $12.05		48.20
Total		96.40
Schedule 3 — Explosives		
Western Powder 6/12/52 - 519		19.70
" " 6/18/52 - 572		28.06
" " 6/28/52 - 573		79.98
Park Utah Cons. Mines 6/30/52		102.76
Total		230.50
Schedule 4 — Pipe		
Park Utah Cons. Mines 5/31/52		41.85
" " " " 6/30/52		6.07
Total		47.92
Schedule 5 — Miscellaneous		
Sears, Roebuck & Co. 6/17/52 - 843529	Credit	(4.49)
" " " 6/16 - 62100-35		5.06
" " " 6/16 - 62100-34		7.30
" " " 6/16 - 33157-33		12.96
Western Powder Co. 6/12 - 519		4.63
" " " 6/28 - 573		7.24
Park Utah Cons. Mines 5/31		* 237.83
" " " 6/30		5.80
Total		276.33
Schedule 6 — Rental		
Eimco 6/31/52 Mucking Machine		150.00
Gardner-Denver 6/38 Drifter		100.00
Park Utah Cons. Mines - Charging Panel		20.53
Total		270.53
Schedule 7 — Purchase		
Goodman Mfg. Co. Locomotive and Battery		976.97
George N. Floor-Assemble Battery Locomotive		27.00
Park Utah Cons. Mines - Freight on Battery Locomotive		214.21
" " " " - Bumper for Battery Locomotive		42.11
Total		1260.29

* Includes expenditure of $42.59 to make bumper for Mancha Motor owned by New Quincy Mining Co.

Schedule 8 — Depreciation		
Trammer 16/30 of 62.50	$	33.28
Battery charger 16/30 of 18.60		9.92
Mine cars		77.00
Total		120.20
Schedule 9 — Sundries		
A. A. Hasna - Hauling mucker		20.00
Schedule 10 — Air power and charging panel		
Park Utah Cons. Mines 6/30 - power		7.77
" " " " 6/30 - power & demand		6.81
" " " " 6/30 - participation power		51.25
Total	$	65.83

I certify that the above are true and legitimate payments made as listed.

Dated August 1, 1952

NEW QUINCY MINING COMPANY

Per Glen Alexander, Sec'y, Treas.

NARRATIVE - 1301 CROSSCUT
NEW QUINCY MINING CO
DMA - 113
CONTRACT - IDME - 265

GENERAL

As per sketch herewith, this contract started 19 ft. behind the head line point and on June 30,1952 the face was 42 ft. ahead of this point. The advance then for the month of June was 61 ft. The line point is in a wooden plug in the back of the crosscut and will hereafter be designated HLP.

GEOLOGY

The advance has been in Weber quartzite somewhat crushed and showing a few small streaks of quartz with some iron and manganese oxides and some slight copper-staining and a few spots of galena. In this district the copper-staining usually is the result of oxidation of tetrahedrite, a copper-antimony sulphide, which is often the principal silver-bearing mineral here. An assay shows this mineral showing to carry well in silver.

As indicated on the sketch, the objective of this drive is the South fissure which may be reached in a total of 375 ft. The fissure is the strongest structure in the New Quincy property and is little prospected either in this property or in neighboring ground. On the hanging wall of this fissure Park City lime should be found. This limestone is about 600 ft. thick and it is in this formation where the bonanza ore beds of the district have been found. One of the productive horizons of this limestone has been near the base of the formation. This crosscut is directed to cut the South fissure at about the base of the Park City lime on the hanging wall. As this is a rather long projection, some drifting either way may be necessary to reach this favorable horizon.

The sketch shows the crosscut in Park Utah to be above this favorable horizon as well as being above the Jenney quartzite bed, another favorable horizon in the Park City formation about 100 ft. above its base. Notwithstanding the unfavorable horizon, as the sketch shows, 4" spot of good ore was found in the Park Utah crosscut. Also in the New Quincy property on the 700 level of the Little Bell shaft at a point 1000 ft eastward and 350 ft. above this crosscut now being driven, a few carloads of ore occurred on this fissure.

E. A. Stewart, Geologist

GOVERNMENT COPY

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-5265, 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

WRGriswold/bjl (4/21/54)

THE UNITED STATES OF AMERICA

By C O Mittendorf
Administrator, Defense Minerals Exploration Administration

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.

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-5265

Dear Mr. Floor:

Transmitted herewith is a Certification of Discovery or Development related to the amended Exploration Project Contract No. Idm-5265, 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

Administrator

Enclosure

VRGriswold/bjl (4/21/54)

Base Metals
Mr. Griswold
Chron.

Op. Committee
Cont.Adm. & Audit Div.
Finance Office
Region IV (2)
Mr. F. V. Johnson

Copy to: Docket
Irving Cambel, Dir., MD, EPS
Mr. Bedges, 4604
Mr. Thayer, 5216, GSA
Admr. R. File

221 New Customhouse
Denver 2, Colorado

March 24, 1954

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

Re: Docket DMA 113, Contract Idm-1265

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-1265. 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
John F. Shaw
For M. H. King

J.Tima

Enclosures

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

A H Koschmann
A. H. Koschmann
DMA Field Team, Region IV

COPY

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

March 17, 1954

Memorandum

To: A. 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. Hillman of the Geological Survey and it is concluded that the operator's request should be denied. Hillman's recommendation was transmitted to the Field Team by memorandum dated March 17, 1954. I concur with the recommendation in the geologic report.

/s/ 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. 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 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, H. K. 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 additional 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 Ldm-E265, 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

NEW QUINCY MINING CO.
SALT LAKE CITY, UTAH

Mr. S. R. 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 geologic 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 $3000. 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.

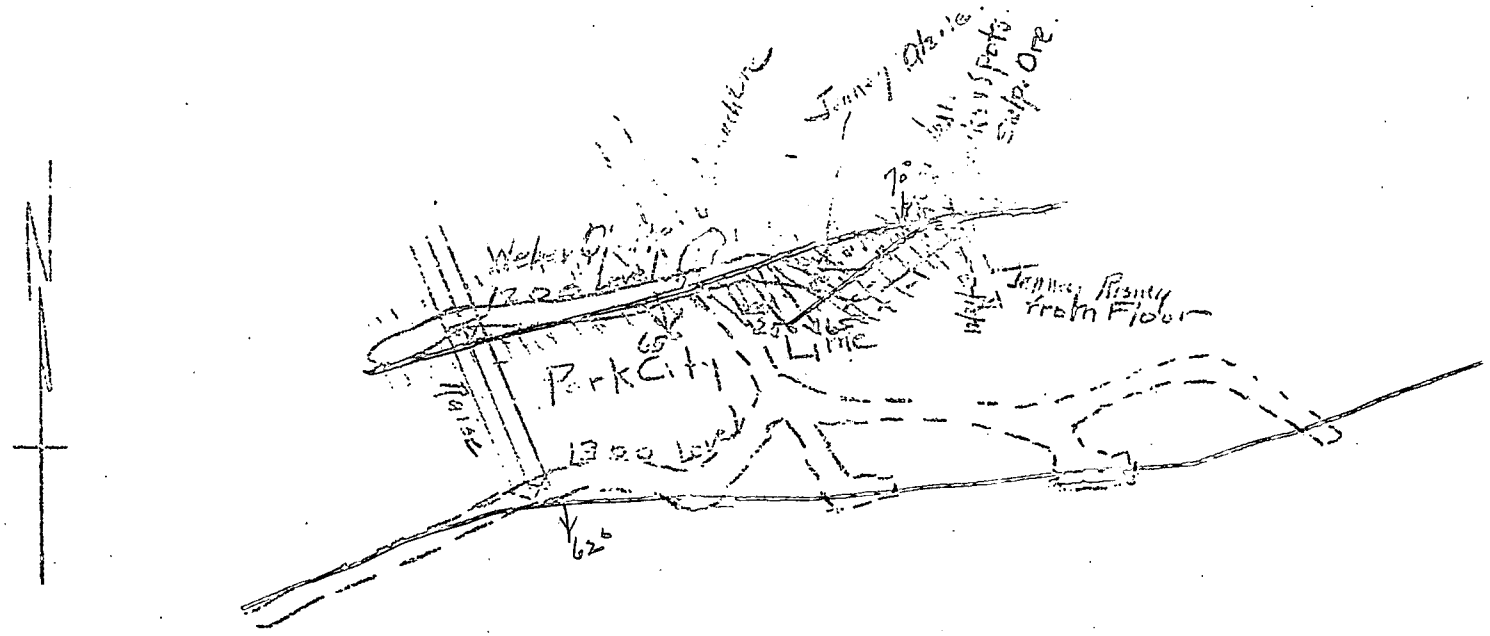
Yours very truly,

NEW QUINCY MINING CO.

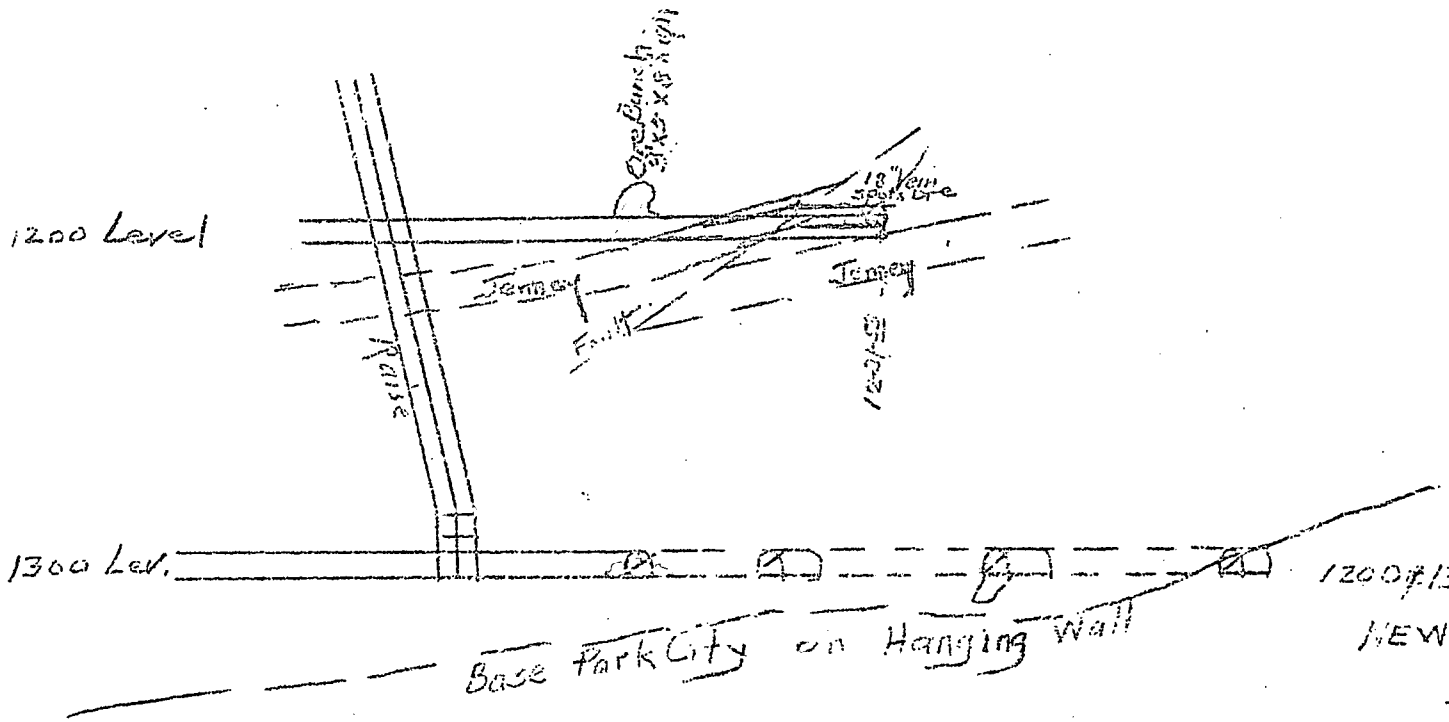
/S/ By Nick Floor, President

Salt Lake City, Ut.
Jan. 2, 1954

C O P Y



PLAN



LONG SECTION
Looking North

1200 & 1300 DRIFTS & RAISE
NEW QUINCY MINING CO
DMA-113
CONTRACT- IDME-26
Dec. 31, 1953 50-S
E. A. Hewitt

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Defense Minerals Exploration Administration
Denver Federal Center
Denver 2, Colorado

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
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), Contract Idm-1265, 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 open stoped 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 minable 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. Tillson

CGT/ms

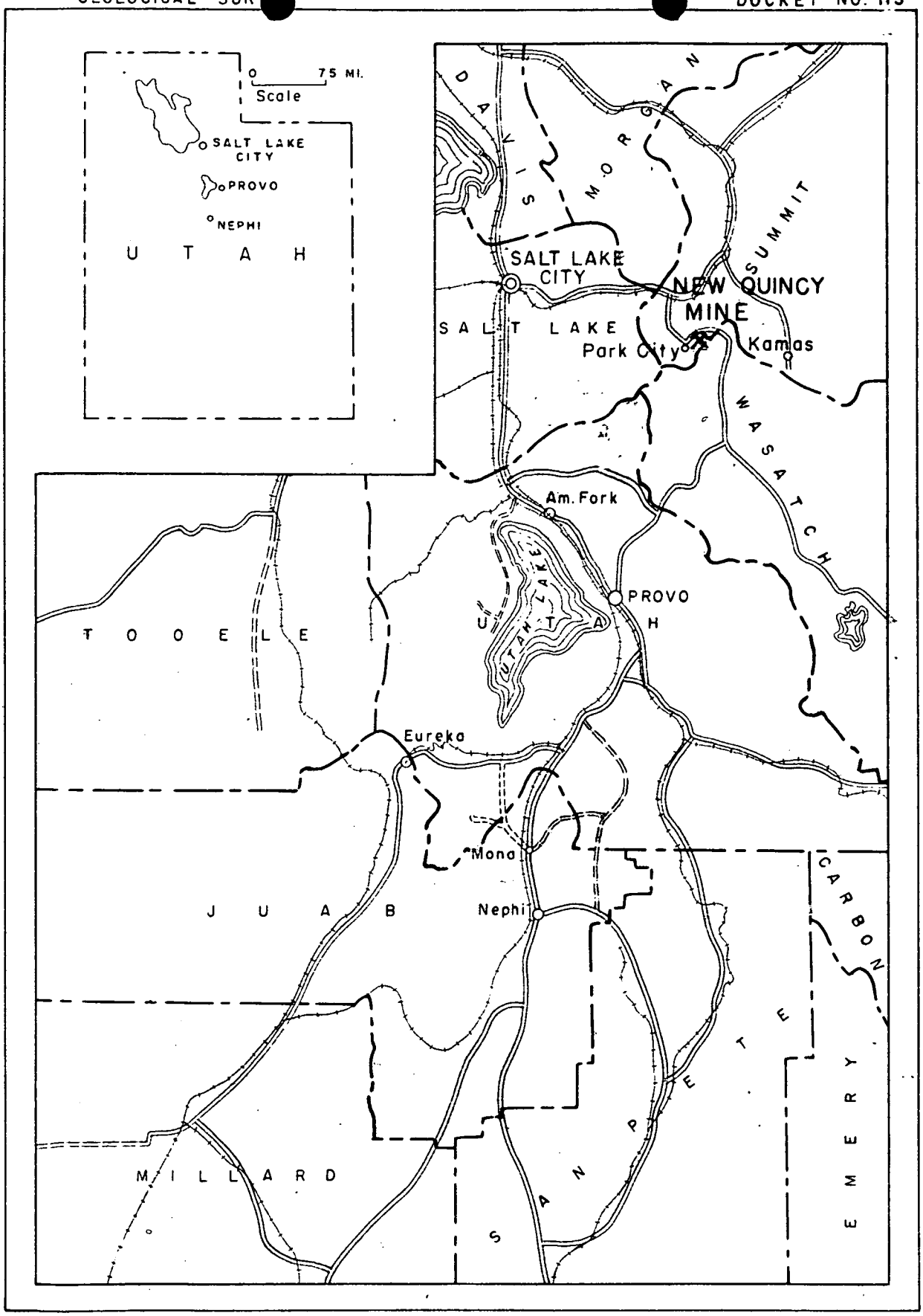


FIG. 1 INDEX MAP OF CENTRAL UTAH

0 5 10 15 20 MILES
Scale

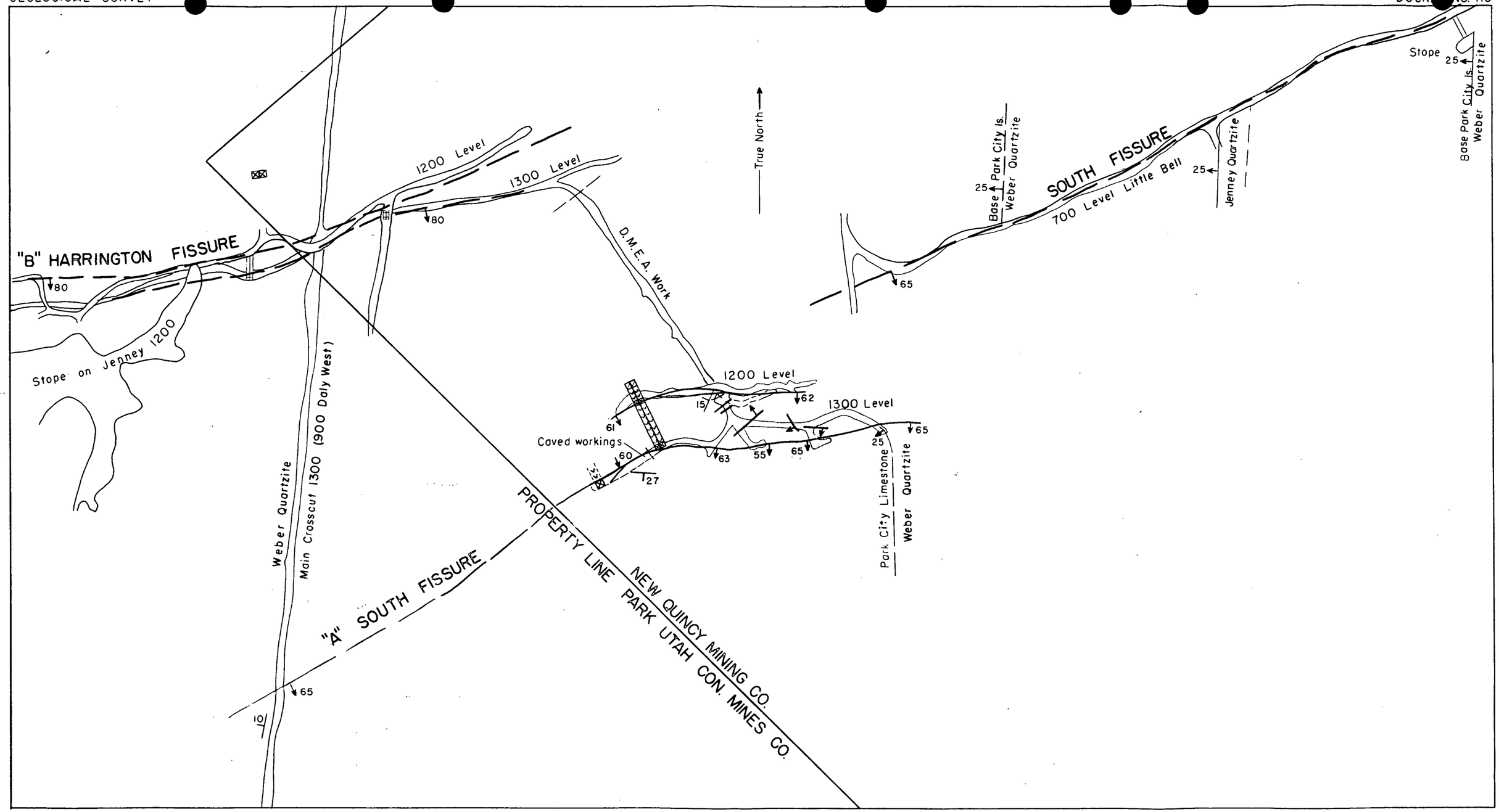


FIG. 2 PLAN AND SECTION OF WORKINGS IN THE NEW QUINCY MINE
PARK CITY, UTAH

0 100 200 300 ft
Scale

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

Government's 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 O Mittendorf
Administrator, Defense Minerals Exploration Administration

NEW QUINCY MINING COMPANY

Glen S Crandall
Secretary-Treasurer

President

DEPARTMENT OF THE INTERIOR
General Mineral's Administration
RECEIVED
JAN 8 - 1954

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

AMENDMENT OF CONTRACT: No. IDM-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 MF-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 N. Floor
~~Nick Floor, President and~~
General Manager

(SEAL)

UNITED STATES OF AMERICA

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

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-2265, 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-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 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. B. 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 Howell, 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.

Received Inspection
Recorded
AUG 31 1953

No. 2

AMENDMENT OF CONTRACT: No. Idm-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 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 Nick Floor
Nick Floor, President
and General Manager

(Seal)

UNITED STATES OF AMERICA

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

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 Idm-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

DEPARTMENT OF THE INTERIOR
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" corregated 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 corregated metal pipe and band, f.o.b. Park City, Utah

We hereby request an amendment to our contract #DMEA 113, Idm-E-265 to cover purchase of the above items so that we may have it delivered as stated.

Very truly yours,

NICK FIDOR, President
NEW QUINCY MINING COMPANY

NF/dMcM

Government copy

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 20 1953

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

Docket No. DMEA - 113

Commodity Lead - Zinc

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please enter on the records of the Defense Minerals Exploration Administration under the Strategic and Critical Minerals Exploration Program, the following contract, or amendment to contract.

Contract No. Idm-E 265

Date of Contract March 24, 1953

Name and Address of Operator:
New Quincy Mining Co.,
421 Felt Bldg.,
Salt Lake City, Utah

Amount of Government participation $ 25,350.00

Percent of Government participation 50 %

Region: IV State: Utah

Note: Please release Q 261.04; Advice Contract Adminstration and Audit Division

E H Talbert
(Name)
for J. L. Chambers
Chief, Contract Adminstration and Audit Division

(Title)

Date Delivered to Bureau of Mines, Washington. 7/27/54

54458

Docket No. [illegible]

Commodity Lead-Zinc

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please enter on the records of the Defense Minerals Exploration Administration, under the Strategic and Critical Minerals Exploration Program, the following contract, or amendment to contract.

AMENDED CONTRACT

Contract No. Idm-E [illegible]

Date of Contract or Amendment: March 24, 1953

Name and Address of Operator:

New Calumet Mining Co.
421 Felt Bldg.,
Salt Lake City, Utah

Amount of Government participation ____ $ 25,950.00

Percent of Government participation 50 %

Region: IV State: Utah

Note: This document cancels the previous obligation of $11,925.00 and establishes the amount shown above

(Name)

J. L. Chambers,
Chief, Contract Administration and Audit Division

(Title)

Mar. 24, 1953

Date Delivered to Bureau of Mines, Washington.

13808

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

DOCKET No. DMEA 113

COMMODITY Lead-Zinc

UNITED STATES OF AMERICA
Government's Copy

DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR DM-OE 1265
Defense Minerals Administration
RECEIVED
APR 13 1953

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 in possession under a lease, a copy of which is attached hereto.~~

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, ~~shall~~ has ~~within __ days from the date of this contract~~ 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 ~~xxxxx days from its commencement~~. 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.

16—66328-2

(*b*) The Government's payments 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 MF-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 MF-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	469.39
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

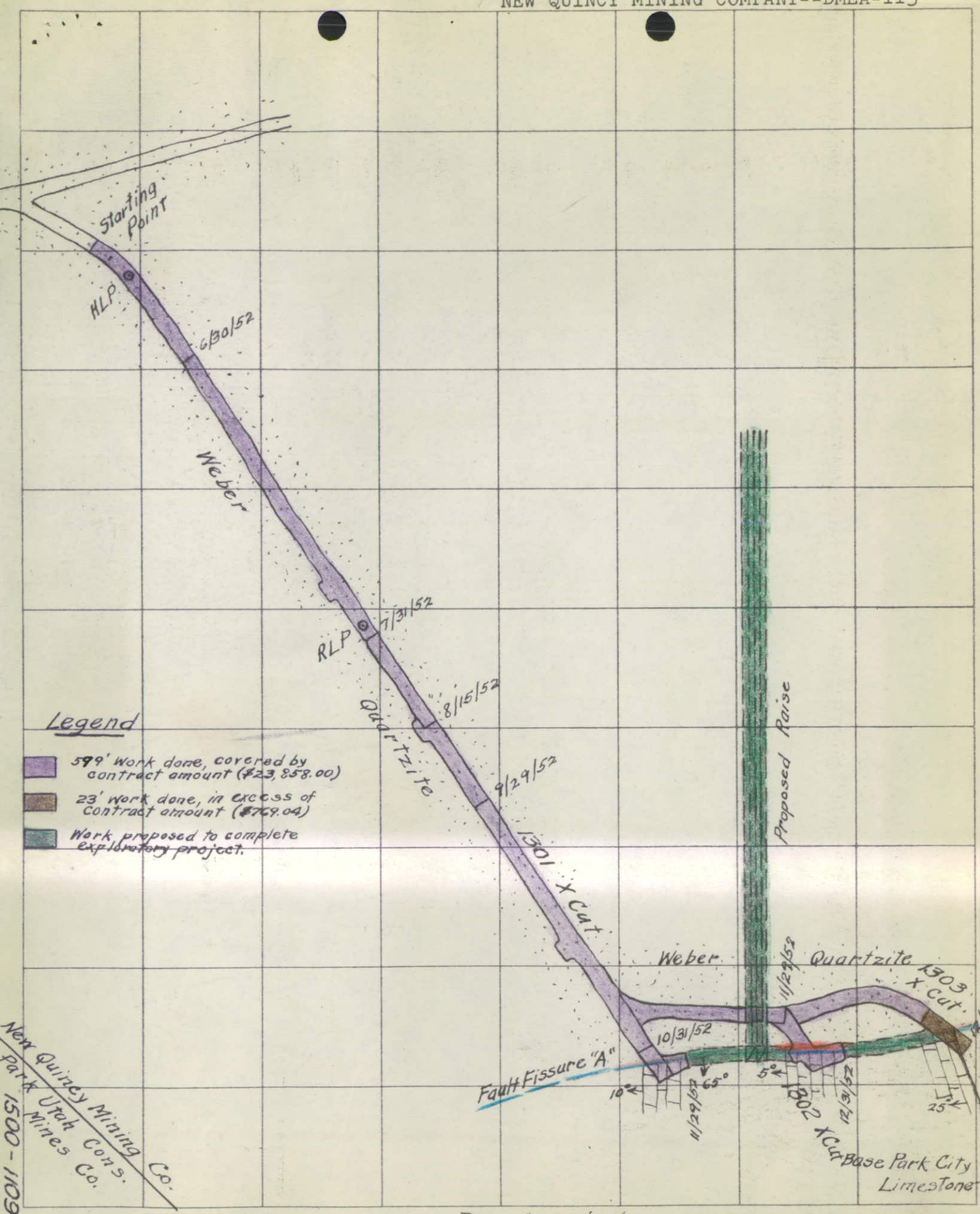
Sampling and analysis	$ 250.00	
Bookkeeping, 20 mos. @ $70/mo.*	1,400.00*	
Workmen's compensation, employers' liability insurance, payroll taxes	1,100.00	2,750.00

(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)

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

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. Idm-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. Grandell

Glen I. Grandell,
Secretary-Treasurer

GIG/dMoM

-MF-500-

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE 12/4/52

REFERRED TO:

1. Anne M. Alley, Rm. 2612
2.
3.
4.

FOR:

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

REMARKS: I am returning your copy of Am.#4, DMEA-113, Idm-E265. I have referred your comment, together with docket cy of amendment, to Legal.

Hazel

Check (X) before the items needing attention.

12/12/52 - Approved by Legal.

Frank E. Johnson

(AG) *Initials of sender.*

GPO 16—63815-1

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)

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.

R. Wilson

November 13, 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.

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. H. Howes

M. H. Howes

120 Felt B.

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 Co pany 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,

Nick Floor

NEW QUINCY MINING COMPANY
Nick Floor, President and
General Manager

NF/dMcH

No. 3

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 W. H. King
Executive Officer-DMEA

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

Government 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. King
Executive Officer - DMEA

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

xxx 420
XXXXXXXXXXXXXXFelt B.

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 Kummer, 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. Kummer 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 Ole Skarsdell

NF/dmc
Enc.

Government 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
Bureau of Mines
JUN 2 1952

Docket No. 113

Commodity Lead-Zinc

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please enter on the records of the Defense Minerals Exploration Administration, under the Strategic and Critical Minerals Exploration Program, the following contract, or amendment to contract.

Contract No. Idm-E 265

Date of Contract ~~or Amendment~~: February 28, 1952

Name and Address of Operator:

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

Amount of Government participation $ 11,929.00

Percent of Government participation 50 %

Region: IV State: Utah

J. L. (Name) Chambers
Chief, Contract, Administration and Audit Division

(Title)

Date Delivered to Bureau of Mines, Washington. 2/28/52

13908

MF-200
(June 1951)

DMEA-113
Docket No. ~~XXX~~
Commodity Lead-zinc
IdmE- 265

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

GOVERNMENT'S COPY

EXPLORATION PROJECT CONTRACT[1]

It is agreed this 28th day of February, 1952, 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, Counties ~~XXXXX~~ of 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

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

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

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

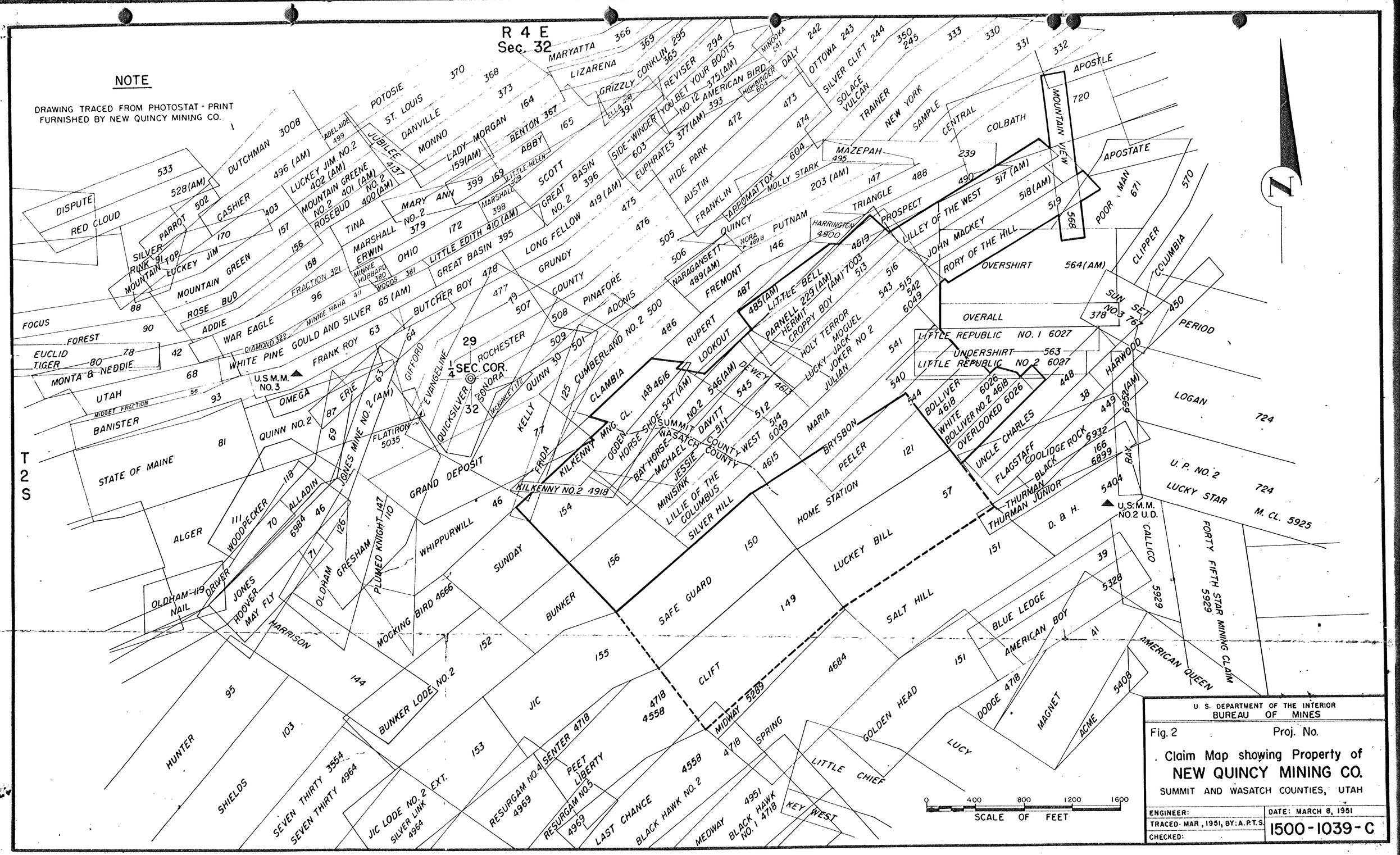
Power

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

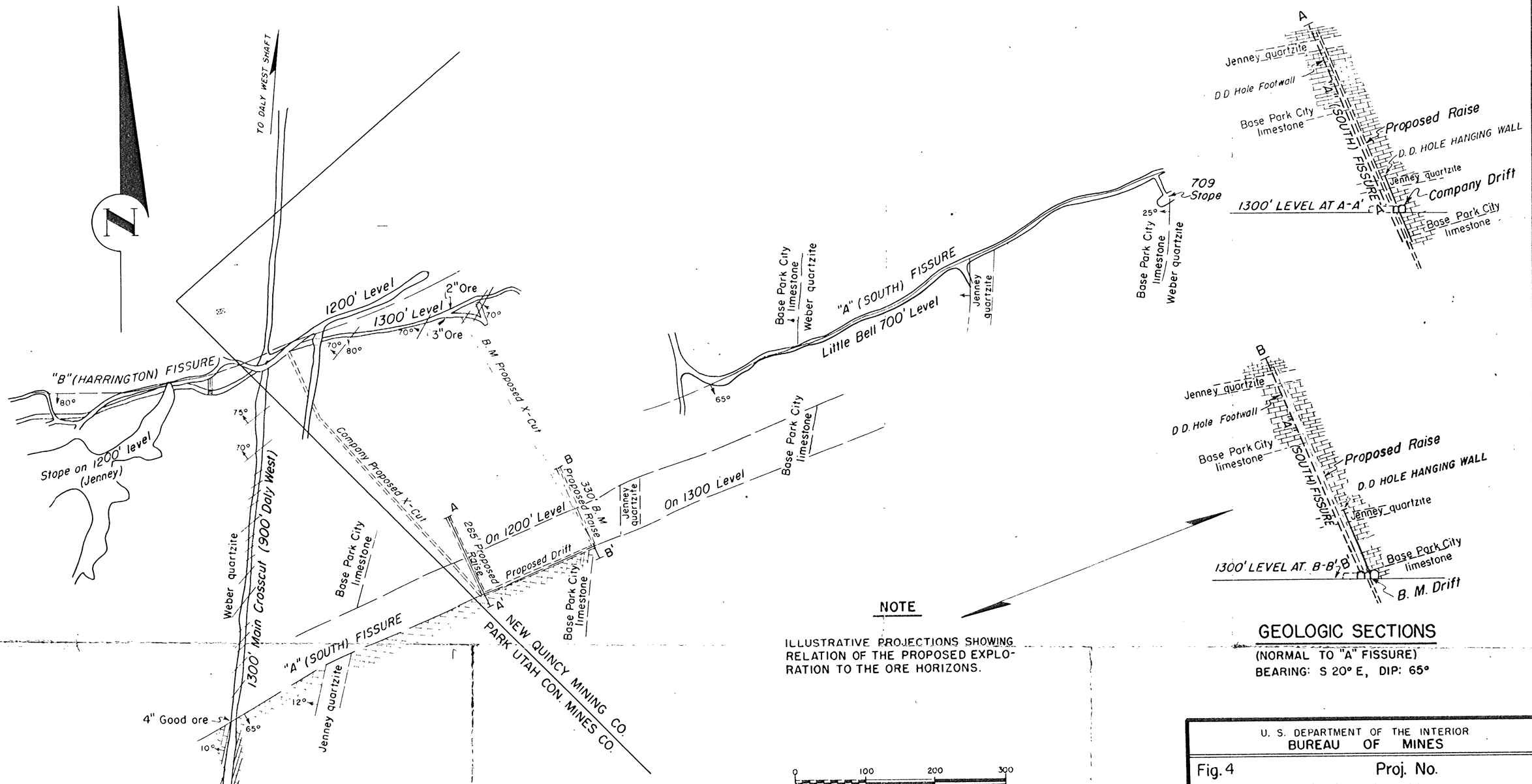


U S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Fig. 2 Proj. No.

Claim Map showing Property of
NEW QUINCY MINING CO.
SUMMIT AND WASATCH COUNTIES, UTAH

ENGINEER:	DATE: MARCH 8, 1951
TRACED- MAR, 1951, BY: A.P.T.S.	1500-1039-C
CHECKED:	



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:	