EXTRA COPY
O. M. E
RECEIVED JUL 14 1961
DATE | 800

Building 20 - Federal Center
Denver 25, Colorado

July 11, 1961

Memorandum

To: Robert W. Geehan, Regional Director, Region III

From: Hugh M. Connors, Acting Field Officer, OME, Region III

Subject: Docket DMRA 269X-B (Copper)
Contract Idm-E33
Banner Mining Company
(Copper Glance, Copper Queen, and Copper King claims)
Pima County, Arizona
FINAL INSPECTION

The expiration date of royalty payments to the Government was June 30, 1961 on the subject contract. As we previously discussed, a final inspection of the property by one of your Tucson engineers would be appreciated.

The information desired by the Washington Office OME deals solely with the possibility of unreported production of ore from the Copper Glance, Copper Queen, and Copper King claims which were subordinated to the Government by the subject contract.

The last shipment of concentrates of which we have knowledge, and on which royalty was paid, was smelter lot No. 2897, which was received by the El Paso ASARCO Smelter on August 2, 1956. A Report of Royalty Review in September 1958 showed that the total amount of royalty due was $2,593.44 which sum has been paid the Government. It appears that the only thing to be determined is whether or not any production has been made from the subordinated land since August 1956 and that there has been no ore stockpiled.

Attached is our copy of the contract and a map "Geologic Plan of the 600 Level, Glance, Queen, and King mines". Will you please return the contract and map with the report on the final inspection of this property.

Hugh M. Connors

Attachments
cc Chief, Division of Field Operations, OME

TRIPLICATE
Rev., Supp. 1 (Third Amendment). Promulgated Sept. 11, 1957
by Treasury Department, Fiscal Service.

Treasury Department Circular No. 945 -

CERTIFICATE OF DEPOSIT
Standard Form 219

Identification of Accountable Officer Affected	
(1) Office Deposit Symbol: 9013	(2) For Consolidated Abstract of Treasury Regional Office at (city and state): Denver, Colo.

1/5/59 (Date sent)

92 (Deposit No.)

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

(3) The Sum of $ 25.88

(4) Classification of Deposit

Account Symbol	Amount	Account Symbol	Amount
14X4401	$ 25.88		$

(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, Colo.

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)

JAN 5 1959
(Date of credit in Treasurer's account)

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

E-33
Banner Mining
Co.

25.88

1959 JAN 5 PM 12 2

OFFICIAL FILE COPY
O. M. E.
RECEIVED JAN 8 1959

DATE	INITIALS	CODE
1/8/59	J.H.g.	225
		802

BANNER MINING COMPANY

2042 CONNER STRAVENUE TUCSON, ARIZONA PHONE 6-2971

E. S. BOWMAN, PRESIDENT

A. B. BOWMAN
V-PRES. & GEN. MGR.

JAN 2 - 1959
EXTRA COPY
O. M. E.
RECEIVED JAN 6 1959

DATE	INITIALS	CODE
1/6/59	J.G	SSW
		Sa

December 29, 1958

Re: Docket DMEA 269X-B (Copper)
Contract IDm-E33
Banner Mining Company
(Copper Glance, Copper Queen &
Copper King claims)
Pima County, Arizona

Mr. J. W. Townsend
Executive Officer
OME Field Team, Region III
224 New Customhouse Bldg
Denver 2, Colorado

Dear Mr. Townsend:

This will acknowledge your letter of December 22nd regarding Docket DMEA 269X-B-Copper Contract IDM-E33.

We are still not in agreement with your contract interpretation that royalties are to be assessed on the concentrates instead of the ore.

The crude ore is too low in grade to be commercial unless it is concentrated in our mill at the Mineral Hill property. To ship this ore direct to a smelter would result in a loss to our company and for this reason it would not even be mined. However, if it were shipped to a smelter we would pay royalty only on the net smelter value of the ore and would result in our paying royalty on the basis of 3% instead of the 5% you are asking.

Instead of shipping the ore direct to a smelter, we concentrated it in our mill in order to reduce smelting and transportation charges on the lesser tonnage of concentrates in an attempt to make the ore commercial. No charge was assessed to the ore for our milling of same. We cannot see why we should pay increased royalties to the government because of our election to beneficiate the ore at no charge.

However, if you insist, we will pay the additional amount of $23.54 which you have assessed because of its being such a minor amount. This

payment will be made with the full understanding that it will not set a precedent for the future when larger amounts might be involved. In other words, we want to leave the matter of future royalty payments and the method of calculating same open for a possible legal interpretation.

As to the amount of $2.36 being assessed as a royalty payment shortage on crude ore for the year 1953, we find your audit is correct.

Our check in the amount of $25.88 is enclosed in full payment of the above two items with the understanding that it is being paid according to the conditions we have set forth in this letter.

Yours very truly,

BANNER MINING COMPANY

A. B. Bowman

A. B. Bowman
General Manager

ABB: G.

Encl: Check #10175

EXTRA COPY
O. M. E.
RECEIVED DEC 29 1958

DATE	INITIALS	CODE
		800

224 New Customhouse
Denver 2, Colorado

CERTIFIED MAIL

December 22, 1958

Mr. A. B. Bowman, General Manager
Banner Mining Company
2042 Conner Stravenue
Tucson, Arizona

Re: Docket DMEA 269X-B (Copper)
Contract Idm-E33
Banner Mining Company
(Copper Glance, Copper Queen and
Copper King claims)
Pima County, Arizona

Dear Mr. Bowman:

We have had no reply to our letter dated October 20, 1958, in which we requested your check for $25.88, which is the balance of royalty due the Government.

We presume that you received the First Report of Royalty Review covering the captioned contract for the period June 30, 1951 through September 3, 1958, showing $25.88 as the balance of royalty due the Government. Will you please forward this office by return mail your check for $25.88.

Very truly yours,

Original signed by
J. W. TOWNSEND

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

HMC:jy

cc: Chm. Op. Comm. (2)
OME,TUC
Finch
Royalty File E33
Chron.

224 New Customhouse
Denver 2, Colorado

October 20, 1958

ENTER COPY
RECEIVED OCT 1958
800

Mr. A. B. Bowman, General Manager
Banner Mining Company
2042 Conner Stravenue
Tucson, Arizona

Re: Docket DMEA 263K-B (Copper)
Contract Idm-E33
Banner Mining Company
(Copper Glance, Copper Queen and
Copper King Claims)
Pima County, Arizona

Dear Mr. Bowman:

The First Report of Royalty Review, copy of which was forwarded you, shows the total balance of royalty due to be $25.88.

Will you please forward this office a check for the amount of royalty due.

Very truly yours,

Original signed by
E. N. HARSHMAN

E. N. Harshman
Acting Executive Officer
OME Field Team, Region III

HMC:jy

cc: Chm. Op. Comm. (2)
OME,TUC
Finch
Royalty File E33
Chron.

FILE COPY
DMEA
RECEIVED SEP 15 1958
CODE
9-15 C
220
200

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

FIRST REPORT OF ROYALTY REVIEW

I have reviewed the files of the Executive Officer, DMEA Field Team, Region III, Denver, Colorado, pertaining to Contract Idm-233, Docket No. DMA 269X-B (Copper), dated June 30, 1951, including Amendments Nos. 1 through 8, with

Banner Mining Company
2042 Copper Stravenue
Tucson, Arizona

for the purpose of determining the amount of royalties due the United States Government on the sale of copper ores and copper concentrates produced from the Copper Glance, Copper Queen and Copper King Claims located in Pima County, Arizona, during the period June 30, 1951 through September 8, 1958.

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

My review established the total sales of copper ores and copper concentrates for this period to be $58,190.28. (See Schedule I, attached) Royalty due the U. S. Government at the contract rates of 1½ to 5 percent is $2,593.44. The royalty paid and the balance due are as follows:

Total Royalty Due	$2,593.44
Total Royalty Paid	2,567.56
Balance of Royalty Due (See Schedule II)	$ 25.88

Donald T. Finch
Donald T. Finch, Auditor

September 9, 1958

STATUS OF THE PROJECT, DESCRIPTION OF REVIEW AND REASONS THEREFOR

CONTRACT IDM-R33 ROCKET DMA 269K-B

The project was completed by Termination Agreement dated October 19, 1953. A final audit report by Donald T. Finch, dated March 3, 1954, reflected accepted costs of $111,059.71 with Government participation on a 50 percent basis of $55,529.85. A Certificate of Discovery or Development was issued on March 19, 1954. In accordance with the contract, royalty is payable on the net smelter returns or other net proceeds realized from ore, concentrates or metal produced within ten years from the date of the contract, until the total amount contributed by the Government without interest, is fully repaid or said 10 years have elapsed, whichever occurs first.

The major portion of the production occurred during the exploration period. All sales but one minor shipment of 3.58 tons of concentrates consisted of crude ore. The examining engineer's semiannual reports indicate production ceased on June 5, 1957, and the property remains inactive at the present time. Production subsequent to that included in A.S.R. settlement no. 2897, August 2, 1956, was from unsubordinated land.

My review included a tabulation and recomputation of all ore settlement sheets from the American Smelting and Refining Company smelter at El Paso, Texas, in the files of the Executive Officer, DMEA Field Team, Region III, for the period June 30, 1951 through September 8, 1958. Royalties paid were reconciled with the DMEA Finance Office, Denver, Colorado.

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

(a) The Examining Engineer is of the opinion all sales of production are accounted for.

(b) 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 royalty which might be disclosed.

SCHEDULE I

BANNER MINING COMPANY

CONTRACT NO. IDM-E33 DOCKET NO. 269K-B

SCHEDULE OF PRODUCTION AND DMEA ROYALTIES
PERIOD JUNE 30, 1951 THROUGH SEPTEMBER 8, 1958

Copper Ores Sold to A.S.& R.			
Gross Weight		8,953,690 Lbs.	
Moisture Content (Average 3.48%)		311,475	
Dry Weight		8,642,215 Lbs.	
Dry Weight		4321.1075 Tons	
Proceeds net of Smelter Charges		$77,791.78	
Allowable Deductions Paid by Smelter			
Freight, Switching and Tax	$16,304.76		
Hauling and Tax	3,725.08		
Umpire Fees	125.50		
Sampling Charges	9.00	20,164.34	
Net Value Subject to DMEA Royalties			$57,627.44
Average Value per Dry Ton, Crude Ore	$13.34		
Copper Concentrates Sold to A.S.& R.			
	LBS.	TONS	
Gross Weight	7,160	3.5800	
Less Moisture (11.37884%)	81	.0405	
Dry Weight	7,079	3.5395	
Proceeds Net of Smelter Charges		$582.39	
Less: Transportation Charges Paid by Smelter			
Freight, Switching and Tax	$15.68		
Hauling and Tax	3.87	19.55	
Net Value Subject to DMEA Royalty			$ 562.84
Total Net Value Subject to DMEA Royalty			$58,190.28
DMEA Royalty Due		$2,593.44	
DMEA Royalty Paid		2,567.56	
Balance Due (See Schedule II)			$ 25.88

The last settlement sheet in above is A.S.& R. #2897 dated August 2, 1956.
The last Certificate of Deposit is 57-35 dated September 11, 1956

SCHEDULE II

BANNER MINING COMPANY

CONTRACT NO. IDM-E33 DOCKET NO. DMA 269X-B

SCHEDULE OF BALANCE OF ROYALTIES DUE

DATE 1953	LIQUIDATION NUMBER	TOTAL ROYALTY DUE
4/14	967	$15.40
4/14	968	22.24
5/5	1444	82.49
5/6	1290	13.75
5/7	1329	52.97
5/12	1311	52.75
5/19	1371	47.46
5/20	1426	36.56
5/21	1397	39.63
5/26	1482	34.79
6/1	1549	7.43
6/2	1556	7.53
6/3	1594	59.21
6/5	1646	80.03
6/11	1703	60.25
6/16	1751	38.35
6/18	1760	8.76
6/26	1816	6.55
6/26	1817	29.73
6/25	1876	13.69
6/ ?	1899	31.05
6/29	1932	36.52
7/6	1993	35.18
7/2	2016	49.16
7/13	2087	60.55

Total Royalty Due on Above Settlements $922.03

Payments made applicable to above: -

1953			
6/3	Cert. of Deposit C-73 Ck. No. 234	$ 46.32	
6/3	" " " C-73 " " A3246	240.16	
7/8	" " " 34-C-4 " " A3291	402.99	
8/11	" " " C-13 " " A4645	230.22	
	Total Payments Applicable to above	919.69	
	Balance of Royalty Due on above		$ 2.34
1956			
8/2	Liquidation No. 2897 (DMRA Portion Only)	$ 28.14	
	Payment Received	4.60	
	Balance of Royalty Due		23.54
	Total Balance of Royalty Due		$25.88

CHECK SHEET OF EXAMINING ENGINEER

Operator's Name Banner Mining Company

Address 2042 Conner Stravenue

Tucson, Arizona

Exploration Contract No. Idm-E 33

Docket No. ~~XMEA~~ DMA-269XB

Copper Queen - Pima County, Ariz.

Mine has been inactive since June 5, 1957.
Data applicable for period of previous operations

	Check One: Yes	Check One: No
1. (a) Does the Operator stockpile ore subject to royalty repayment?		X
(b) If so, is segregation and identification procedure adequate?		
2. (a) Does Operator commingle production subject to DMEA royalties with exempt production?	X	
(b) If so, do you consider the allocation of the commingled production equitable?	X	
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?		X
(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?	X	
5. Do you consider that the manner of disposing of production gives the Government its fair royalty returns?	X	
6. Do your periodic examinations of operations indicate the Operator is properly reporting his production of ores subject to DMEA royalties?	X	
7. Does the Operator buy from or sell to other Operators?		X

8. Comment on any item 2(b) to 6, if answer is No.

Date August 12, 1958

T M Romslo
Mining Engineer
T. M. Romslo

Mr. Donald T. Finch
DMEA Auditor
224 New Customhouse
Denver 2, Colorado

Re: Docket No. DMA-269X-B (Copper)
Banner Mining Company
Contract No. Idm-E33

Dear Mr. Finch:

Your recently submitted Report of Royalty Review of the referenced project is acceptable after addition of the following sentence to the second paragraph of page 2:

"Production subsequent to that included in A.S.&R. settlement no. 2897, August 2, 1956, was from unsubordinated land."

This addition has been made to the Washington copies. After correction of all other copies normal distribution is authorized.

Sincerely yours,

(Signed) E. D. Talbert

E. D. Talbert, Assistant Director
Contract Administration
and Audit Division

EDTalbert/GMcC
September 15, 1958

cc: Docket
Admr. Reading File
Mr. Chambers

224 New Customhouse
Denver 2, Colorado

809

September 3, 1958

Mr. A. B. Bowman, Vice President
Banner Mining Company
2042 Conner Streetcar
Tucson, Arizona

Re: Royalty Payments, Docket DMEA 269XB
(Copper), Contract No. I4m-E33
Banner Mining Company (Copper Glance,
Copper Queen and Copper King claims)
Pima County, Arizona

Dear Mr. Bowman:

Thank you for your letter dated August 30, 1958, in reply to our letter of August 13, 1958, pertaining to royalty payments on 3.58 wet tons of concentrates subject to DMEA royalty which were included in A.S.& R. Smelter Lot #2897 dated August 2, 1956.

The DMEA has consistently held that the provisions of Article 14 of the Exploration Contract provide that royalty shall be paid on the net smelter returns or other net proceeds realized from production in the form sold. In this case, the production subject to DMEA royalty was sold in the form of concentrates. According to data submitted, these concentrates had a wet weight of 3.58 tons and a dry weight of 3.5395 tons.

The A.S.& R. Settlement shows a value net of smelter charges of $164.54 per dry ton. It also shows an average transportation cost paid by the smelter of $5.46 per wet ton for freight, switching, haulage and taxes. In the schedule attached to our letter of August 13, 1958, a net figure per ton was used to save space since the difference in net royalty due was only 1¢.

Perhaps the following summary will better serve to reflect the position of DMEA in this matter: --

3.5395 dry tons of concentrate x $164.54 =	$582.39
Less transportation charges paid by smelter 3.58 wet tons at $5.46	19.55
Net smelter value subject to DMEA royalty	$562.84
Value per dry ton of concentrate sold $562.84 ÷ 3.5395 tons =	$159.02
Royalty rate is therefore 5% of $562.84, or	$ 28.14
Less royalty paid	4.60
Balance of royalty due	$ 23.54

We trust the foregoing explanation clarifies the DMEA position for you.

As soon as the Contract Administration and Audit Division completes its report of royalty audit review of this project, a copy will be mailed to your office.

Very truly yours,

Original signed by
J. W. TOWNSEND

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

DTF:bh
cc: Chmn. Op. Comm. (2)
DMEA/TUCSON
Finch (2)
Royalty File
Corres. File
Chron.

6-95 (Revised)
(April 1955)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

REFERENCE SLIP

Route to:	Name	Room
1.	Mr. J. L. Chambers, Director	
2.	Contract Administration and Audit Division, DMEA	
3.		
4.		
5.		

For:

	Action		Record
	Approval		of
	Comment		Referring
	Conference		to
	Consideration		Reply for signature
	Filing		of
	Initials		Rewriting
	Instructions		See or call me
	Investigation		Signature
	Mailing		Suggestions
	Note and return		Surname
	Previous correspondence	XX	Your information
	Recommendation		

FILE COPY
DMEA
RECEIVED
DATE

Remarks:

Enclosed are copies of correspondence regarding royalty payments from the following:

Banner Mining Company
Contract Idm-E33
Docket DMEA-269B (Copper)

Donald T. Finch

From *(Name)*
Donald T. Finch, Auditor Date August 14, 1958

Division—Office—Address

Ext: Room:

U. S. GOVERNMENT PRINTING OFFICE 16—71726-1

WORKING FILE COPY
DMEA
AUG 19 1958
8/19 N.G. 225-800

224 New Customhouse
Denver 2, Colorado

August 13, 1958

Memorandum

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

From: Donald T. Finch, Auditor

Subject: Royalty Payments - Docket DMEA-269B (Copper) Contract No. Idm-H33, Banner Mining Company (Copper Glance, Copper Queen and Copper King claims) Pima County, Arizona

Pursuant to our conference this morning I have prepared the attached letter and schedule for your transmittal to the Operator relative to apparent deficiency in the royalty payment received in September, 1956.

It is believed the attachments are self-explanatory. Please advise of the Operator's reply.

Donald T. Finch
Donald T. Finch, Auditor

Enc.

DTF:bh
cc: J. L. Chambers
Subject
Chron.

[illegible] New Customhouse
Denver 2, Colorado

August 13, 1958

Mr. A. R. Bowman, Vice President
Banner Mining Company
[illegible] Cowner Stevenson
Tucson, Arizona

Re: Royalty Payments, Docket DMA-2698
(Copper), Contract No. Idm-X33
Banner Mining Company (Copper Glance,
Copper Queen and Copper King claims)
Pima County, Arizona

Dear Mr. Bowman:

At the present time the Contract Administration and Audit Division of DMEA is engaged in making an audit review of royalty payments received from you on production under Contract Idm-X33.

One question has arisen in connection with your last payment transmitted in your letter dated September 7, 1956. See also your letter dated September 18, 1956, transmitting copies of settlement sheets for A.S.A R. Smelter Lot No. 2897.

The exploration contract at Article 14 provides that royalty shall be paid on the net smelter returns or other net proceeds realized from such ore, concentrates or metal produced.

The royalty schedule submitted with your letter of September 7, 1956, indicates there were 3.58 tons of concentrates involved, which your letter of September 18, 1956 states were included in A.S.A R. Smelter Lot No. 2897. Your royalty payment, therefore, should have been based on the net smelter proceeds from the sale of concentrates rather than on crude ore.

Enclosed with this letter is a tentative schedule of royalty due on this shipment which is based on averages obtained from the smelter statement. Please examine this schedule and if you agree with its conclusions, kindly send us a check for the indicated difference in royalty due.

If you do not agree with the schedule, please submit one of your own preparation based on the sale of concentrates instead of crude ore.

Your early reply will be appreciated.

Very truly yours,

Original signed by
J. W. TOWNSEND

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

Enc.

DTF:bh

cc: Chmn. Op. Comm. (2)
DMEA/DFC
Finch (2)
Royalty File
Corres. File
Chron.

A. S. & R. LIQUIDATION SETTLEMENT SHEET NO. 2897, AUGUST 2, 1956

Copper Concentrates

	POUNDS	TONS
Total Wet Weight	286,980	143.4900
Less: Moisture Content 11.37884	32,655	16.3275
Total Dry Weight	254,325	127.1625

Gross Value Per Ton

Silver	$ 5.56	
Copper	169.90	$175.46
Smelter Charges		10.92
Net Value Per Ton		$164.54
Freight, Switching and Tax (628.53 ÷ 143.49)	$ 4.38	
Haulage and Tax (155.18 ÷ 143.49)	1.08	5.46

[illegible]

Gross weight of concentrates	7,160	3.5800
Moisture content 11.37884	81	.0405
	7,079	3.5395

$159.08 x 3.5395 = $563.06

Royalty at 5%	$28.15
Royalty paid	4.60
Balance of Royalty Due	$23.55

Denver, Colo.

DEPOSIT NO.
14-23-040-35

$ 2,037.92

THIS DEPOSIT IS NOT SUBJECT TO CHECK

For credit of 413 Treasury Regional Office, Denver, Colo. 9/11/56
(Name, title, and disbursing or [redacted] identification symbol of accountable officer) [redacted]e sent)

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

for accounts listed below. SCHEDULE NOS.

ACCOUNT SYMBOL	TITLE OF ACCOUNT TO BE CREDITED	AMOUNT
144401		2,037.92

(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.

J. Joyce
(Authorized signature)

9/11/56
(Date of credit in Treasurer's account)

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

TRIPLICATE

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

16—59686b-1 GPO

E-875 McFarland & Hullinger	253.8
E-751 Buckskin Joe	6.0
E-812 Hamilton Harris,etc.	115.0
E-791 Four Corners	161.6
E-33 Banner	4.6
E-408 Utardo Min Co.	1,496.7
	2,037.9

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 Treasury Regional Office, Denver, Colo. (Name, title, and disbursing or other identification symbol of accountable officer) 10/26/55 (Date sent)

DEPOSIT NO. 14-23-040-55

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

$ 105.37

for accounts listed below. SCHEDULE NOS.

ACCOUNT SYMBOL	TITLE OF ACCOUNT TO BE CREDITED	AMOUNT
14X4401		105.37

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

Defense Minerals Exploration
Administration
224 New Customhouse
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)

OCT 26 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-33	Banner	3.99
E-703	Lowell Griffith	83.35
E-36	Boulder Tung	16.75
E-36	" 2	1.28

1955 OCT 26 PM 12 17

For Certificate of Deposit No. 31, dated September 8, 1955, giving royalty repayment of $4.40, see E-4.

For Certificate of Deposit No. 1, dated July 7, 1955, giving royalty repayment of $12.74, see E-4.

For Schedule of Collections No. DMA-C-54, dated November 18, 1953, giving royalty repayment of $166.76, see E-4.

For Schedule of Collections No. DMA-C-50, dated October 30, 1953, giving royalty repayment of $567.14, see E-6.

For Schedule of Collections No. DMA-C-36, dated October 6, 1953, giving royalty repayment of $351.78, see E-4.

Standard Form No. 1044—Revised
Form approved by Comptroller General U. S.
June 25, 1936

SCHEDULE OF COLLECTIONS

Schedule No. DMA-14-C-22

Sheet No. 1

(14-3-040)

Department of Interior
(Department or Establishment)

Defense Minerals Exploration Administration
(Bureau or Office)

Received by C. Alvans, Regional Disbursing Officer (Name) (Title) at Denver, Colorado (Station)

Period September, 1953 (Month or quarter ended)

D. O. Symbol No. 413

Date Received	Receipt Number	Name of Remitter	Detail Description of Purpose for Which Collections Were Received	Amount	Fund to be Credited (Symbol and title in full)
9/3/53		Banner Mining Company Check No. A 4737 drawn on Walker Bank & Trust Co., Salt Lake City, Utah	Repayment under the Mineral Exploration Program, Contract No. Idm-5-33, Banner Mining Company	536.46	14X4401 Revolving Fund Defense Production Act, Interior
			Total,	536.46	

Received _____, subject to collection. Forwarded September 3, 1953

_____
(Disbursing clerk or accountable officer)

By _____

By Naomi T. Stokes (Name)

Title Authorized Certifying Officer

Certificate of Deposit No. _____ dated _____

U. S. GOVERNMENT PRINTING OFFICE 10—1790

For Schedule of Collections No. DMA-R4-C-13, dated August 11, 1953, giving royalty repayment of $230.22, see E-4.

Standard Form No. 1044—Revised
Form approved by Comptroller General U. S.
June 25, 1936

N.O.

SCHEDULE OF COLLECTIONS

(14-23-040)

Schedule No. DMA-54-C-4

Sheet No. 1

Department of Interior
(Department or Establishment)

Defense Minerals Exploration Administration
(Bureau or Office)

Received by C. E. Evans, Regional Disbursing Officer (Name) (Title) at Denver, Colorado (Station)

Period July, 1953 (Month or quarter ended)

D. O. Symbol No. 413

Date Received	Receipt Number	Name of Remitter	Detail Description of Purpose for Which Collections Were Received	Amount	Fund to be Credited (Symbol and title in full)
7/7/53		Banner Mining Company, Check No. A 3291 drawn on First National Bank & Trust Co., Oklahoma City, Oklahoma	Repayment under the Mineral Exploration Program, Contract No. Idm-E33, Banner Mining Company	402.99	14X4401 Revolving Fund Defense Production Act, Interior
"		Vitro Chemical Company, Check No. 3226 drawn on Walker Bank & Trust Co., Salt Lake City, Utah	Repayment under the Mineral Exploration Program, Contract No. Idm-E 61, Cherokee Mines	35.03	"
"		Combined Metals Reduction Co., Check No. D 2394 drawn on Walker Bank & Trust Co., Salt Lake City, Utah	Repayment under the Mineral Exploration Program, Contract No. Idm-E 4, Chief Consolidated Mining Co.	154.85	"
"		American Smelting and Refining Company, Check No. 5196 drawn on American Smelting and Refining Co., New York City, N. Y.	Repayment under the Mineral Exploration Program, Contract No. Idm-E 6, Lupton Mining Co., Inc.	219.10	"
"		American Smelting and Refining Co., El Paso Smelting Works, Check No. 30775 drawn on the State National Bank, El Paso, Texas	Repayment under the Mineral Exploration Program, Contract No. Idm-E 345, Ira L. Moseley	7.65	"
			Total,	$819.62	

Received _____, subject to collection. Forwarded July 8, 1953

_____
(Disbursing clerk or accountable officer)

By _____

By Naomi E. Stokes (Name)

Title Authorized Certifying Officer

Certificate of Deposit No. _____ dated _____

U. S. GOVERNMENT PRINTING OFFICE 10—1790

Standard Form No. 1044—Revised
Form approved by Comptroller General U. S.
June 25, 1936

SCHEDULE OF COLLECTIONS

Schedule No. DMA-53-C-73

Sheet No. 1

Department of Interior (Department or Establishment)

Defense Minerals Exploration Administration (Bureau or Office)

Received by C. F. Evans, Regional Disbursing Officer (Name) (Title) at Denver, Colo. (Station)

Period June, 1953 (Month or quarter ended)

D. O. Symbol No. 413

Date Received	Receipt Number	Name of Remitter	Detail Description of Purpose for Which Collections Were Received	Amount	Fund to be Credited (Symbol and title in full)
6/1/53		Banner Mining Company Check No. 234, drawn on Valley National Bank Tucson, Arizona	Repayment under the Mineral Exploration Program, Contract No. Idm-B33, Banner Mining Co.	46.32	14X4401 Revolving Fund Defense Production Act. Interior
6/1/53		Banner Mining Company Check No. A3246 drawn on First National Bank & Trust Company, Oklahoma City, Okla.	Repayment under the Mineral Exploration Program, Contract No. Idm-B33 Banner Mining Co.	240.16	" " "
6/1/53		Hetzer Mines, Inc. Check No. 365 drawn on The Mercantile Bank & Trust Co., Boulder, Colo.	Repayment under the Mineral Exploration Program, Contract No. Idm-B54, Cold Spring Tungsten, Inc.	284.20	" " "
			Total,	570.68	

Received ....., subject to collection. Forwarded June 3, 1953

(Disbursing clerk or accountable officer)

By Naomi E. Stokes (Name)

By .....

Title Authorized Certifying Officer

Certificate of Deposit No. ..... dated .....

U. S. GOVERNMENT PRINTING OFFICE 10—1790

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
224 New Customhouse
Denver 2, Colorado

DMEA
FEB 1958

February 24, 1958

2/26 C
JLC
220
800

Memorandum

To: Chairman, Operating Committee, DMEA

cy sent to 500 for file

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMA-269X-B (Copper), Contract No. I-DMA-E33
Banner Mining Company (Copper Glance, Copper Queen, and Copper King Claims) Pima County, Arizona

Enclosed for your consideration and reply is "Auditor's Verification of Account" from Treadaway Tipescu & Company, which was sent to this office.

WH King
W. H. King

Enc.

Returned form with audit certification
JLC 3/24/58

Administration
RECEIVED
1954

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

AUDIT CERTIFICATE

I have examined the records and transactions of:

Banner Mining Company
2042 Conner Stravenue
Tucson, Arizona

pertaining to Exploration Contract I-DMA-E33, Docket No. DMA 269XB, including Amendments Nos. 1 through 8, and termination agreement, covering a project of exploration for Copper, located in Pima County, Arizona, and commonly known as Twin Buttes Copper Glance Claim, for the period August 7, 1951 to April 30, 1953, including subsequent settlement March 2, 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		$117,959.19
Less Proceeds from Property Disposition		6,395.00
Net Claimed Costs		$111,564.19
Exceptions: (See Audit Report for Details)		
During this Audit	$451.48	
Prior to this Audit	53.00	504.48
		$111,059.71

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 Fifty Five Thousand Five Hundred Twenty Nine and 85/100ths Dollars

- $55,529.85 -

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: March 3, 1954.

Donald T. Finch

Donald T. Finch, Auditor

AUDIT REPORT

I. INTRODUCTION

A final audit was made on February 10 to 12, 1954 (covering the period August 7, 1951 to April 30, 1953, including subsequent settlement March 2, 1954) of the records and accounts of operations pertaining to Contract No. I-DMA-E33, Docket No. DMA 269XB, Amendments Nos. 1 through 8, and Termination Agreement dated October 19, 1953, with the:

Banner Mining Company
2042 Conner Stravenue
Tucson, Arizona

covering a project of exploration for copper located in Pima County, Arizona, commonly known as the Twin Buttes Copper Glance Claim.

The accounting records under the contract are in the company's office located at the Mineral Hill operation approximately 26 miles from Tucson, Arizona.

During the course of the audit, Mr. A. B. Bowman, General Manager, and Mr. E. C. Bowman, Mine Clerk, were consulted when necessary.

Mr. T. M. Romslo, Mining Engineer, Tucson Office, collaborated in the audit.

II. GENERAL INFORMATION ON RECORDS

The original records covering the costs of this project are recorded on monthly cost analysis sheets which form the basis for preparation of the Monthly MF-104 Reports. This audit, therefore, involved in general a check of original invoices, warehouse requisitions and payrolls against the monthly cost analysis sheets and reconciliation with the Monthly MF-104 Reports. Costs were 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 April, 1953.

In view of the previous audits by T. H. Brading, DMEA Auditor, covering the period August 7, 1951 to January 31, 1953, 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

A sub-contract for diamond drilling was executed on October 18, 1952, with G. S. Thatcher. The Executive Officer, DMEA Field Team, Region IV, approved this sub-contract on October 27, 1952. All sub-contract charges for the period February 1 to April 30, 1953, were supported by invoices which were examined. Analysis of the acceptable costs follows:

	Footage	Rate $2.50	Footage	Rate $3.00	Total Amount
Balance per previous audit	833.5 Ft.	$2083.75	365 Ft.	$1095.00	$3178.75
Period Febr. 1 to April 30, 1953	931. Ft.	2327.50	168 Ft.	504.00	2831.50
Accepted Totals	1764.5 Ft.	$4411.25	533 Ft.	$1599.00	$6010.25

(2) Labor and Supervision

(A) Labor

All charges for labor during the period February 1 to April 30, 1953, were supported by daily time cards approved by the Foreman which were checked in detail to monthly payrolls.

Rates were compared with the Exploration Contract and Amendments. All summation of hours and extensions were checked for March and approximately 10% for February and April, 1953. The acceptable labor cost consisted of the following:

Balance per previous Audit	$44,462.45
Period February 1 to April 30, 1953	4,315.09
Acceptable Total Labor	$48,777.54

(B) Supervision

All charges for supervision for the period February 1 to April 30, 1953, were checked in detail to monthly payrolls. Charges were based on actual time reported as applicable to the exploration operation at rates authorized by the Exploration Contract and Amendments.

The charges for supervision are considered reasonable and the accepted total consisted of payments to the following:

	Balance Previous Audit	Period Feb. 1 to April 30, 1953	Total
Allen Bowman, General Supt.	$ 4621.50	$ 738.79	$ 5360.29
W. H. Venable, Engr.-Geologist	1670.53	643.74	2314.27
E. C. Brey, Mine Foreman	3766.27	825.00	4591.27
Accepted Totals	$10058.30	$2207.53	$12265.83

(C) Technical Services

None.

(3) Operating Materials and Supplies

All charges for materials and supplies, including power, for the period February 1 to April 30, 1953, were supported either by vendor's invoices or warehouse requisitions which were examined for propriety and reasonableness. Materials and supplies are withdrawn from the operator's warehouse and charged to Exploration Project on an average cost basis without any mark up. This is the same basis used by the operator in charging its other operations.

A detailed analysis of all charges for materials and supplies, exclusive of power, was made during this audit for the period November 1, 1951 to April 30, 1953, in order to secure liquidation data. Miscellaneous Mine Supplies consisted of a multitude of small charges consisting of such items as nails, cable, chain, sundry hardware, nuts, bolts, paint, steel plate, pick and shovel handles, etc. The results of this analysis are as follows:

	Bal. per previous Audit	Period Febr. 1 to April 30, 1953	(1) Proceeds from Liquidation	Accepted Totals
Timber	$ 2596.08	$ 265.67		$ 2861.75
Explosives	495.51	213.42		708.93
Pipe	3116.09	47.94	$ 825.00	2339.03
Track	2370.83	123.75	685.00	1809.58
Sub-Total	$ 8578.51	$ 650.78	$1510.00	$ 7719.29
Other Supplies				
Gas, Oil & Truck Expense	$ 607.69	$ 211.31		$ 819.00
Transportation	402.36			402.36
Drill Steel	341.43	118.36	$ 120.00	339.79
Small Tools	301.60	26.76	100.00	228.36
Elec. Materials, Fittings & Supplies	1695.85	36.96	450.00	1282.81
Welding Supplies	194.26			194.26
Hoses and Fittings	293.23	46.99	115.00	225.22
Misc. Mine Supplies	1439.51	33.21		1472.72
Total Other Supplies	$ 5275.93	$ 473.59	$ 785.00	$ 4964.52

	Balance per Previous Audit	Period February 1- April 30, 1953	(1) Proceeds from Liquidation	Accepted Totals
(2) Power	$ 5696.08	$1002.92		$ 6699.00
Total Operating Materials & Supplies	$19550.52	$2127.29	$2295.00	$19382.81

(1) Operator's proposal in liquidation dated February 25, 1954, approved by Executive Officer, DMEA Field Team, Region IV, March 2, 1954.

(2) All power invoices for the period February 1 to April 30, 1954, were analyzed to determine that proper credit had been made against the Power Line Deposit. In this connection see paragraph No. 6 of this section of the report.

(4) Operating Equipment

(A) Rental

None.

(B) Purchase

The only purchase of operating equipment during the period February 1 to April 30, 1953, was one type TM-8 Coppus Electric Motor Driven Ventair Blower complete, equipped with G. E. Frame 324, 15 H.P., 440 Volt, A.C. 3 phase, 60 cycle, 3600 R.P.M. motor. This purchase was authorized by the Exploration Contract and was supported by an invoice which was examined. ?

The total acceptable cost of purchases of operating equipment consisted of:

1100 feet 3/4" Hoist Cable	$316.80	
2 Ingersoll Rand 50 H.P. Motor Pumps	2217.90	
1 Gardner Denver 3"x3½" Drifter & Accessories	1031.33	
1 Eimco 12B Mucking Machine & Accessories	3095.00	
5 Used Mine Cars	175.00	
Balance per previous audit report		$6836.03
Period February 1 to April 30, 1953, Coppus Blower described above		564.90
Total Purchases		$7400.93
Less: Proceeds from Disposition of Property		2450.00
Acceptable Cost		$4950.93

(C) Depreciation

All charges for depreciation during the period February 1 to April 30, 1953, were examined for propriety and reasonableness. The operator did not maintain time records on equipment used, with the exception of the Diamond T Truck. The depreciation charges were reviewed with the Supervising Engineer and are considered representative of the actual use of the equipment. Analysis of the acceptable charges for depreciation follows:

	Rate per Month	Balance per Previous Audit	Period February 1- April 30, 1953	Accepted Totals
Hoist	$41.66	$ 624.90	$124.98	$ 749.88
Pickup Truck	41.66	624.90	124.98	749.88
Compressor	225.00	3150.00	675.00	3825.00
Diamond T Truck - 2.00 per hour		365.00	14.00	379.00
Accepted Totals		$4764.80	$938.96	$5703.76

(5) Initial Rehabilitation and Repairs

There were no charges for initial rehabilitation and repairs during the period February 1 to April 30, 1953. Analysis of the account taken from previous audit is as follows:

Labor	$1914.48	
Supervision	1161.53	
Equipment Rental	106.74	
Repairs	99.72	
Timber	111.34	
Materials and Supplies	1545.16	
Compensation Insurance	308.44	
Payroll Taxes	106.86	
Balance per Previous Audit Report		$5354.27
Less: Proceeds from Disposition of Property		1650.00
Accepted Total Cost of Initial Rehabilitation and Repairs		$3704.27

(6) New Buildings and Improvements

According to the previous audit report the original charge to this category consisted of a deposit of $1765.00 with the Trico Electric Company in order to secure a power line extension to the exploration site from the main lines of the power company. According to the contract with the power

company the operator was to receive a 20% reduction in its monthly power bill until the deposit had been recovered. An examination of the monthly power invoices for the period February 1 to April 30, 1953, and review of the previous audit report disclosed the following:

Original Deposit		$1765.00
Less 20% of Monthly Power Bills applied as Credit:		
Period subsequent to January 31, 1953	$1116.17	
Period February 1 to April 30, 1953	198.60	1314.77
Balance, April 30, 1953		$450.23

The audit disclosed that the operator subsequently recovered all of the balance of $450.23 after April 30, 1953.

This item was discussed with Mr. A. B. Bowman and has been treated as a disallowance in this audit report with his consent.

(7) Miscellaneous

(A) Repairs to Equipment

All charges for repairs to equipment during the period February 1 to April 30, 1953, were supported by invoices which were examined. Analysis of the item follows:

	Balance per Previous Audit	Period February 1- April 30, 1953	Accepted Total
Pump Repairs	$289.83		$289.83
Compressor & Motor	644.99		644.99
Mucking Machine	9.00		9.00
Stoping Machine		$2.00	2.00
Rail Bender		4.84	4.84
Accepted Totals	$943.82	$6.84	$950.66

(B) Sampling and Analysis

All charges for sampling and analysis during the period February 1 to April 30, 1953, were supported by invoices which were examined and reviewed with the Supervising Engineer. Through oversight a charge for one copper assay costing $1.25 was made for an assay not applicable to the Exploration Contract and is therefore disallowed. The following is an analysis of the acceptable charges for sampling and analysis:

	Copper @ $1.25	Zinc @ $1.50	Copper & Silver @ $2.50	Molybdenum @ $4.00	Accepted Totals
Number of Assays	161	50	56	5	272
Amount:	$201.25	$75.00	$140.00	$20.00	$436.25

(C) Payroll Taxes

All charges for payroll taxes for the period February 1 to April 30, 1953, 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%, F.U.C.A. 3/10%, and Arizona State Unemployment 1.7%.

The accepted total for payroll taxes consisted of:

Balance per previous audit	$1741.64
Period February 1 to April 30, 1953	229.43
Accepted Total	$1971.07

(D) Liability Insurance

All charges for liability insurance for the period February 1 to April 30, 1953, were confirmed by recomputation using rates which the company's files indicated as being in effect. These rates ranged from $4.52 to $8.7758 per $100.00 of applicable payroll. The acceptable cost of Liability Insurance (Workmen's Compensation) consisted of the following:

Balance per previous audit	$5273.44
Period February 1 to April 30, 1953	578.91
Accepted Total	$5852.35

A prior disallowance made in the previous audit of $53.00 had not been adjusted by the operator at the time of this audit. Concurrence with the disallowance is indicated in this report.

(E) Accountant's Salary

All charges for the portion of the accountant's salary charged to the project for the period February 1 to April 30, 1953, were examined. The monthly charge of $64.83 is considered very reasonable. The acceptable charges for accountant's salary consist of:

Balance per previous audit	$856.50
Period February 1 to April 30, 1953	197.49
Accepted Total	$1053.99

IV. CONCLUSIONS

The totals to date on the Operator's MF-104A Report for April, 1953, agree with the totals to date on the companion MF-104 Report.

The Exploration Contract has been terminated by Mutual Agreement dated October 19, 1953. There are, however, no costs claimed by the operator subsequent to April 30, 1953.

The operator's liquidation proposal dated February 25, 1954, was the highest of three bids and was accepted by the Executive Officer, DMEA Field Team, Region IV, on March 2, 1954.

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 (6) New Buildings and Improvements; (7)-B Sampling and Analysis, and (7)-D Liability Insurance, of the preceding section of this report, are reasonable and proper under the terms of the Contract, Amendments Nos. 1 through 8, Mutual Termination Agreement dated October 19, 1953, and Liquidation Proposal approved March 2, 1954.

The adjustments of items of costs as shown on the April, 1953, MF-104, the disallowances and approved amounts are summarized as follows:

	Total to Date MF-104 April 1953	Distribution Corrected	Prior Disallowances	Disallowed by Audit	Proceeds from Liquidation	Allowed by Audit
Independent Contracts						
Diamond Drilling	$ 6010.25	$ 6010.25				$ 6010.25
Labor and Supervision						
Labor	48711.28	48777.54				48777.54
Supervision	12265.83	12265.83				12265.83
Technical Services	- - -	- - -				- - -
Materials & Supplies						
Timber	2861.75	2861.75				2861.75
Explosives	708.93	708.93				708.93
Pipe	3136.19	3164.03			$ 825.00	2339.03
Track	2494.58	2494.58			685.00	1809.58
Other	5728.03	5749.52			785.00	4964.52
Power	6699.00	6699.00				6699.00

	Total to Date MF-104 April 1953	Distribution Corrected	Prior Disallowances	Disallowed by Audit	Proceeds from Liquidation	Allowed by Audit
Operating Equipment						
Rental	---	---	---	---	---	---
Purchase	$ 7400.93	$ 7400.93			$2450.00	$ 4950.93
Depreciation	5703.76	5703.76				5703.76
Initial Rehabilitation & Repairs	5354.27	5354.27			1650.00	3704.27
New Buildings & Improvements	450.23	450.23		$450.23		----
Miscellaneous						
Repairs to Equipment	999.99	950.66				950.66
Sampling & Analysis	437.50	437.50		1.25		436.25
Payroll Taxes	1971.07	1971.07				1971.07
Liability Insurance	5905.35	5905.35	$53.00			5852.35
Accountant's Salary	1120.25	1053.99				1053.99
TOTALS	$117959.19	$117959.19	$53.00	$451.48	$6395.00	$111059.71

At the conclusion of the audit the findings were discussed with Mr. A. B. Bowman, General Manager, Mr. E. C. Bowman, Mine Clerk, and the Executive Officer, DMEA Field Team, Region IV.

Date: March 3, 1954.

Donald T. Finch, Auditor

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

MAR 19 1954

Mr. Donald T. Finch
DMEA Auditor
224 New Customhouse Building
Denver 2, Colorado

Re: Idm-E33, DMA-269XB (Copper)
Banner Mining Company
Pima County, Arizona

Dear Mr. Finch:

Please refer to my letter of March 12, 1954 regarding certain changes of your audit report of the above-cited project, and to your letter of March 15, 1954, transmitting revised pages two and three of the audit report.

This is to confirm that the report may be released.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

WBorovies/wb
March 19, 1954

Cipy to: Docket
Admr. Reading File
Mr. Chambers

Defense Minerals Administration
RECEIVED
MAR 17 1954

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

224 New Customhouse
Denver 2, Colorado

March 15, 1954

Mr. J. L. Chambers, Chief
Contract Administration and Audit Division
Defense Minerals Exploration Administration
Interior Building
Washington 25, D. C.

Re: Contract Idm-E33, Docket DMA 269XB,
Banner Mining Company (Copper)
Pima County, Arizona

Dear Mr. Chambers:

Pages number two and three of the subject audit report have been rewritten to reflect the changes requested in your letter dated March 12, 1954.

Please destroy the original pages and substitute the enclosed copies in the reports transmitted to your office.

In connection with the next to last paragraph of your letter, there were no inventories of Materials and Equipment involved in the instance case because the operator's liquidation proposal was based on a percentage of original costs as determined during the audit. These items were all reviewed with the Supervising Engineer who assisted in the final audit.

Sincerely yours,

Donald T. Finch
Auditor

Enclosures

Mr. Chandler

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

MAR 12 1954

Mr. Donald T. Finch
DMEA Auditor
224 New Customhouse Building
Denver 2, Colorado

Re: Idm-E33, DMA-269XB (Copper)
Banner Mining Company
Pima County, Arizona

Dear Mr. Finch:

Reference is made to your Audit Certificate and Audit Report on the above-cited project.

As a whole the audit is satisfactory. Twice, however, in recent months the General Accounting Office has called my attention to what they term as inadequacy of the "audit report" or the "audit program" in regard to the scope and extent of verification of work performed. We, of course, do get your audit reports but we do not get copies of the audit program. Furthermore, we do not want such programs sent to Washington. Because of these criticisms by the General Accounting Office and because we do not want to further enlarge our files with audit programs I am requesting that you in the future delineate more thoroughly the scope and extent of verification of work.

To illustrate my point I wish to call your attention of the above-cited audit report. In the second paragraph of this report under (2) Labor and Supervision, the following statement is made: "Rates were compared with the Exploration Contract and Amendments. The summation of hours and extensions were thoroughly test checked." The word thoroughly is indicative but it is not very specific. Therefore, I am requesting you to make a footnote after the sentence quoted above and give the percentage of items checked or the extent you checked them. I am holding our copies and will add the footnote upon your response to this request.

On page 3 of your audit report the second sentence under paragraph (3) Operating Materials and Supplies states: "Materials and supplies are withdrawn from the operator's warehouse on an average cost basis." Some indication should be given as to whether the same costs are made to the operator's own activities as is made to the exploration project. Or better still, determine that the degree of mark-up over actual cost, if any is fair or reasonable. I think it would also be well for you to add a footnote on your copies of the audit report to this effect, and I'll likewise add the footnote on copies here.

On the same page under a listing of supplies you have an item entitled "Misc. Mine Supplies". I think it would be well to have a sentence on this item stating that it includes items such as ——, to cover an indicative number of such supplies.

The chances are that your work papers include this information but the General Accounting Office has a statement to the effect that your work papers do not cover such items sufficiently. You will receive in a few days a copy of a letter written by Robert L. Long, Director of Audits, General Accounting Office, to Mr. Mittenderf, in regard to the audits of exploration projects in Region II.

In the future I think it would also be well to indicate that there was no inventory of materials or equipment left or that if such inventory exists the engineer either made or did not make an inventory account. I realize, of course, that this particular duty has been assigned to the Field Team and not to the Audit Division but I do believe it will prevent future letters from the General Accounting Office if the audit covers this phase in the manner outlined here. Your audit otherwise was satisfactory and the copies may be distributed according to procedure after the above additions have been made.

A letter of instruction on points of this type is being prepared for use of our auditors.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

JLChambers/wb
March 12, 1954

Copy to: Docket
Admr. Reading File
Mr. Chambers

Form ME-104 (Rev.) (Apr. 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

Month of April, 1953 Docket No. DMEA 269-X-B Contract No. I-DMA-E-33
Operator's Name Banner Mining Company Minerals Copper
Address 2042 Conner Stravenue, Tucson, Arizona
Contract Amount, $135,789.00 Government Participation: 50 % Amount, $ 67,894.50

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling-Diamond	67.50	5,942.75	6,010.25			
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	1,985.61	46,725.67	48,711.28			
Supervision	680.10	11,585.73	12,265.83			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber	118.33	2,743.42	2,861.75			
Explosives	132.64	576.29	708.93			
Pipe	4.75	3,131.44	3,136.19			
Track		2,494.58	2,494.58			
Other Supplies	276.50	5,451.53	5,728.03			
Power	338.35	6,360.65	6,699.00			
(4) Operating Equipment:						
Rental						
Purchase	564.90	6,836.03	7,400.93			
Depreciation	322.32	5,381.44	5,703.76			
(5) Initial Rehabilitation and Repairs		5,354.27	5,354.27			
20% Power Bill Credit (6) New Bldgs., Improvements, etc.	67.00	517.23	450.23			
(7) Miscellaneous:						
Repairs to Equipment	6.84	993.15	999.99			
Sampling and Analysis	149.25	288.25	437.50			
Payroll Taxes	89.83	1,881.24	1,971.07			
Liability Insurance	236.07	5,669.28	5,905.35			
Accountant Salary	65.83	1,054.42	1,120.25			
(8) Contingencies (specify):						
TOTALS	4,971.82	112,987.37	117,959.19	~~4,971.82~~	~~112,987.37~~	~~117,959.19~~
					- 53.00	- 53.00
					- 451.48	451.48
					***-3,197.50	- 3,197.50
					1,322.84	$112,934.37	114,257.21

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

Date Aug. 29, 1953 *Payee Banner Mining Company

Per A. L. Lemmon Title ~~Superintendent~~ Manager

*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:

661.42

Signature (Authorized Certifying Officer)

Date 3/24/54 Vou. DMA 54-93

(See other side)

*Previous Disallowance
** Disallowed by DMEA Audit 3/15/54
*** 1/2 Liquidation of Property (1/2 also in March)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. I-DMM-1533 in accordance with the terms of the contract.

Signature M M Pomeroy Lt Col for WRS Title Mining Engineer Date Sept 4, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W S Ring Title Executive Officer Date MAR 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
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 269-X-B Contract No. I-IMA-E-33

Operator's Name Banner Mining Company Minerals Copper

Address 2042 Conner Stravenue, Tucson, Arizona

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		68.43	4.5	3,255.97	46	70.77		
Crosscutting								
Raising	*	4,220.05	43.0	4,220.05	43	98.15		
Shafts								
Winzes								
Drilling: Core	**	110.44	27	12,587.96	2,297.5	5.48		
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Underground Rehabilitation				84,622.88				
TOTAL DISTRIBUTED COSTS		4,406.92		104,686.76				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased		564.90		7,400.93				
Initial Rehabilitation and Repairs				5,354.27				
New Buildings, Improvements, etc.				517.23				
TOTAL COSTS		4,971.82		117,959.19				

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 29, 1953 Operator Banner Mining Company

Per A. L. Lawman Title Manager

REMARKS: * This includes the tramming cost of 434 tons of ore over approx. 2100' & hoisting through Glance Shaf
** This amount includes Diamond Drill Contract charge 67.50, Supervision 27.20, Depreciation 12.89, Power 10.

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

WASHINGTON OFFICE COPY

Form MF-104A, Operator's and Engineer's Narrative Reports relative to the work performed during the month of March 1953 were forwarded to the Washington office by our memorandum of August 11, 1953.

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

224 New Customhouse
Denver 2, Colorado

March 25, 1954.

Memorandum

To: Secretary to the Operating Committee

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket No. DMA-269XB (Copper), Contract No. I-DMA-E33, Banner Mining Co.'s Twin Buttes Copper Mines, Pima County, Arizona.

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 March and April 1953.

Also enclosed are two copies of a memorandum to Mr. T. A. Christensen, dated March 18, 1954, relative to final payment under the terms of the subject contract.

Final payment to the Operator in the amount of $1,669.66 has now been made in conformance with the Audit Certificate and Report by the Contract Administration and Audit Division dated March 3, 1954.

John F. Shaw
For W. H. King

Enclosures

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

Administrative Audit Difference Statement

Date: March 23, 1954
Payee's Reference: Progress Report

April, 1953 FINAL

Banner Mining Company
2042 Stravenue
Tucson, Arizona
Idm-E33

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

Amount Claimed $ 4,971.82

Difference $ 3,648.98

Amount Approved $ 1,322.84

The reason for the difference was due to:

Original Deposit on Power Bills	$1,765.00		
Credits subsequent to 1/31/53	$1116.17		
" " " 2/1 to 4/30	198.60		
		1,314.77	
		450.23	
Overcharge on Sampling & Analysis not applicable to Contract on Copper Assay		1.25	$451.48
One-half of liquidation of property			3197.50
			$ 3648.98

(Also one-half liquidation charged to March)

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

March 18, 1954.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket No. DMA-269XB (Copper), Contract No. I-DMA-E33, Banner Mining Co.'s Twin Buttes Copper Mines, Pima County, Arizona. Operator's Monthly Progress Report for the months of March and April 1953. **FINAL PAYMENT**

Enclosed are the original and four copies of Form MF-104 and MF-104A, Narrative Report, and Engineer's Report for the above months, which have been combined to form a single report. The report constitutes the Operator's final claim for reimbursement under the terms of the contract.

Also attached to each copy of the combined report are data relative to the liquidation of the Government's interest in 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 Audit Certificate and Report by the Contract Administration and Audit Division dated March 3, 1954, which was released to this office March 15, 1954.

Basis for Final Payment

Total accepted cost	$111,059.71
Government participation at 50%	55,529.85
Total prior payments	53,860.19
Balance due Operator	$1,669.66

Reconciliation with attached MF-104 Reports

Gross amount of claim for March 1953		$ 5,213.98
Gross amount of claim for April 1953		4,971.82
Total		$10,185.80
Disallowance as per final audit	$451.48	
Property liquidation	6,395.00	
		$6,846.48
Gross balance		3,339.32
Government participation at 50%		1,669.66
Balance due Operator on final claims		$1,669.66

W. H. King

W. H. King

Enclosures

JWT:cwm

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

224 New Customhouse
Denver 2, Colorado

March 2, 1954

Mr. A. B. Bowman, General Manager
Banner Mining Company
2042 Conner Stravenue
Tucson, Arizona

Re: Docket DMA 269X-B (Copper)
Contract I-DMA-E33

Dear Mr. Bowman:

Receipt is acknowledged of your letter of February 25, 1954, constituting your bid and proposal relative to the liquidation of the jointly owned property acquired under Contract I-DMA-E33. In conjunction therewith we are enclosing the Government's acceptance.

Receipt of your bid and proposal has enabled us to process for reimbursement to you Form MF-104 Operator's Monthly Report and Voucher for the months of January and February 1953. Final reimbursement to you on your claims for the months of March and April 1953 will be effected upon release to this office of an audit report and certificate by the Contract Administration and Audit Division.

As stated in the Government's acceptance of your bid and proposal the gross amount of your claims for the months of March and April 1953 will be reduced by an amount equal to both yours and the Government's interest in the property, in conformance with your bid, instead of your company rendering a check in the amount to the Government in the liquidation of the property.

Very truly yours,

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

JWT:jp

Enclosure

cc Contract
Chron
WRStorms
AHKoschmann
MF-104 (5)
JWTownsend

224 New Customhouse
Denver 2, Colorado

March 2, 1954

Banner Mining Company
2042 Conner Stravenue
Tucson, Arizona

Re: Docket DMA 269X-B (Copper)
Contract I-DMA-E33

Gentlemen:

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 February 25, 1954 in the amount of $3,197.50 for the Government's interest in equipment and the unexpended portion of materials and supplies acquired under Contract I-DMA-E33.

A sum of $6,395.00, reflecting both yours and the Government's interest in the property, will be deducted from the gross amount of claims by you held pending in this office for reimbursement under the terms of the contract upon release of a report of audit and certificate by the Contract Administration and Audit Division, thereby automatically making a deduction of the amount of $3,197.50 due the Government in the liquidation of the property acquired under the contract.

Very truly yours,

W H King

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

JWT:jp
cc Contract
Chron
WRStorms
AHKoschmann
MF-104 (5)
JWTownsend

February 26, 1954

Memorandum

Register

To : W. H. King, Chief, Mining Division, Region IV

From : Chief, Mining Methods Br., Mining Div., Region IV

Subject : Equipment and Supplies Bids, Contract I-DMA-E33, Docket DMA-269XB, Banner Mining Co.'s Twin Buttes Copper Mines, Pima Mining District, Pima County, Ariz.

Enclosed are original and 5 copies of a letter from the Banner Mining Co. with bids on equipment and supplies which were purchased under Contract I-DMA-E33. T. M. Rensle and I have scanned the bids and they seem fair enough.

You will note that Smith and Barrett failed to bid on the Physical Improvements. However, these improvements, amounting to $5,354.27, consisted of repairs to the headframe, the ore bins and the hoisthouse. Of this $5,354.27, timber costs amounted to $111.34, building materials and supplies amounted to $1,545.16, and labor and supervision amounted to $3,697.77. The hoisthouse is the only building included under this item of Physical Improvements and it probably isn't worth tearing down to salvage the materials.

The Banner Mining Co. is high bidder for the equipment and supplies, bidding $3,197.50 for the Government's share. As this seems to be a just and fair amount, I recommend that it be accepted.

Walter R. Storms

Walter R. Storms

CC W. H. King (5)
DMA-269XB
DF

WRStorms:frj

February 25, 1954

Defense Materials Exploration Administration
224 New Customhouse Building
Denver 2, Colorado

Re: Contract #I-DMA-F-33

Gentlemen:

The purpose of this letter is to set forth our proposal for a settlement of the Government interest in property purchased for use on the project and paid for or purchased with funds contributed jointly by our Company and the Government. This property includes individual items of equipment and facilities, buildings and other fixtures costing more than $50.00 each. It also includes materials and supplies considered in groups or categories such as pipe, rails, drill steel etc, if the original cost of the remaining unexpended portion of any such category of materials or supplies exceeds $50.00.

This mine has been put on a standby basis for the present and no work is being carried on there with the exception of keeping the water pumped out.

Banner Mining Company wishes to retain this above mentioned property; so we have asked two dealers in used machinery, equipment and materials to bid on the categories we have at this project. Certified copies of these bids are attached to this letter.

Both of the firms bidding on this property have made their bids contingent upon all items being salvaged and returned to the surface of the mine.

Banner Mining Company has bid higher than either of the above concerns and has made its bid on an as is where is basis. This would leave the salvage cost to be born by Banner.

Schedules 1 and 2 and A to H inclusive together with a summary of schedules is attached hereto which show the cost of each category and our proposed basis of settlement.

Other than items listed in Schedules 1 and 2 and A to H inclusive, there was no other facility, building, fixture or piece of equipment and materials and supplies grouped in use categories which had an original cost of more than $50.00 which remain unexpended.

Contingent upon approval of our proposal, we will render you a check in the amount of $3,197.50 which conforms to the amount due the government according to the attached schedules.

On rendering this check the government will be enabled to process for payment the forms NF-104 reports and vouchers for the months of January, February, March and April 1953 in the amount of $9,179.40. This amount is subject to the government audit.

I trust that our proposal will meet with your approval. However, if you require additional information, please advise.

Yours very truly,

BANNER MINING COMPANY

A. B. Bowman
General Manager

Abbd

Encs: As stated

P.S. (1) The condition of the pump portion of the two Ingersoll-Rand motor pumps is poor.

(2) With the advent of pusher type drilling machines, the Ingersoll-Rand DA-30 drifter is now almost obsolete. The miners will not use it as they can now do the same work easier with the lighter machines.

PAUL F. SMITH

Machinery
39 West Adams Street Phoenix, Ariz

February 11, 1954

Banner Mining Company
Mr. Allen Bowman
2042 Conner Straverne
Tucson, Arizona

Dear Sir:

With reference to the Twin Buttes Project, for this equipment we would offer you, prices as below - the equipment to be on the surface, so that we could readily load it:

1 - MotorPump Ingersill Model 2 MRV #09515853	$300.00
1 - " 2 MRV #A516540	300.00
1 - Lot 1100 ft 3/4" Roebling 6 x19 regular lay wire cable	50.00
4 - Used Mine Ore Cars	100.00
1 - "	25.00
1 - Drifter Ingersoll Model Da30 #672721	75.00
1 - Mucking Machine Gardner-Denver Model 9 -Serial #173187	1000.00
1 - Lot of 100 ft 1" air-hose w/fittings; and 50 ft. waterhose	10.00
1 - Blower Coppus Ventair 15 hp #5252080	175.00
	2035.00

For supplies, etc., such as listed below, we would offer you: following percentages of your original costs:

Air and water hose	30%
Drill steel and bits	10%
Electrical fittings and supplies	20%
Mine track accessories	15%
Pipe fittings and accessories	15%
Tools and small equipment	20%

We hope for your favorable consideration; and we are,

Very truly yours,

/s/Paul F. Smith

CERTIFIED TRUE COPY

A. P. Bowman
Manager

Business Phone 2-8311 Home Phone 4-0264

BOB BARRETT
Used Mining and Industrial Equipment Bought and Sold
Appraisers and Liquidators
Shop and Yard 2210 South Freeway
P.O. Box 2804 Tucson, Arizona

February 10, 1954

Banner Mining Company
2042 Connell Stravenue
Tucson, Arizona

Attention Mr. Allen Bowman

Dear Mr. Bowman:

Your request for a bid on the list of equipment at the Twin Buttes project has been received and we submit our bid as follows:

1 -Ingersoll-Rand-2MRV-50 Motor Pump Serial Number 09515853.....	$ 350.00
1 -Ingersoll-Rand -2MRV-50 Motor Pump Serial Number A516540.....	325.00
1100' 3/4" 6x19 Roebling Regular Lay Wire Rope.....	55.00
4 -Used Mine Ore Cars @ $25.00 each.....	100.00
1 -Used Mine Ore Car @ 25.00.....	25.00
1 -Ingersoll-Rand RA 30 Drifter, Serial Number 672721.....	75.00
1 -Gardner Denver Bucking Machine Serial Number 173187.....	1250.00
100' 1" Air Hose & Fittings & 50' 1" Water Hose.....	10.00
1 -Coppus Ventair Blower 15 HP #5252080.....	200.00
	$2390.00

Above offer for above equipment is as is and where is f.o.b. surface at the mine.

Your miscellaneous small tools, electrical materials, small equipment, air and water hose and pipe and fittings and rail and all supplies etc. would be worth to us 25% of list price in as is condition and located on the surface at the mine.

Yours truly,

/s/ Bob Barrett
BOB BARRETT

BB/e

CERTIFIED TRUE COPY

A. L. Bowman
Manager

SUMMARY OF SCHEDULES

Article	Schedule	Cost	Basis of Settlement	Amount
Operating Equipment Purchased	(1)	$ 7,400.93	33.10% of Cost to Project	$ 2,450.00
Physical Improvements	(2)	5,354.27	30.82% " "	1,650.00
Pipe	"A"	2,607.67	25.89% " "	675.00
Pipe Fittings	"B"	556.36	26.96% " "	150.00
Track	"C"	1,807.87	27.66% " "	500.00
Track Accessories	"D"	686.71	26.94% " "	185.00
Drill Steel & Bits	"E"	459.79	26.10% " "	120.00
Tools & Small Equipment	"F"	328.36	30.45% " "	100.00
Electrical Supplies, Equipment & Accessories	"G"	1,732.81	25.97% " "	450.00
Hoses & Fittings	"H"	340.22	33.80% " "	115.00
Totals		$21,274.99		$ 6,395.00
Government Interest 50%				3,197.50
Reimbursement Due Government				3,197.50

ABSTRACT OF ATTACHED BIDS

Article	Cost	Bob Barrett Machinery Co Bid	Paul Smith Machinery Co. Bid	High Bid	Banner Mining Co. Basis
Operating Equipment Purchased	7,400.93	2,390.00	2,035.00	2,390.00	2,450.00
Physical Improvements	5,354.27	- - -	- - -	- - -	1,650.00
Pipe	2,607.67	651.92	391.15	651.92	675.00
Pipe Fittings	556.36	139.09	83.45	139.09	150.00
Track	1,807.87	451.97	271.18	451.97	500.00
Track Accessories	686.71	171.68	103.01	171.68	185.00
Drill Steel & Bits	459.79	114.95	45.98	114.95	120.00
Tools & Small Equipment	328.36	82.09	65.67	82.09	100.00
Electrical Supplies	1,732.81	433.20	346.56	433.20	450.00
Hose & Fittings	340.22	85.06	102.07	102.07	115.00
TOTALS	$21,274.99	$4,519.96	$3,444.07		$6,395.00

There follows Schedules (1) and (2) pertaining to the Operating Equipment and Physical Improvements accomplished under Contract I-DMA-E-33

SCHEDULE (1)

Operating Equipment Purchased

Item	Quantity	Original Cost
Ingersoll-Rand Motor Pump Model 2 MRV Serial #09515853	1	$ 1,121.99
Ingersoll-Rand Motor Pump Model 2MRV Serial #H516540	1	1,095.91
3/4" Roebling 6 x 19 Regular Lay Wire Cable	1100'	316.80
Used Mine Ore Cars	5	175.00
Ingersoll-Rand DA30 Drifter Serial #672721	1	895.00
Gardner-Denver Model 9 Mucking Machine #173187	1	3,095.00
1" Air Hose & Fittings ½" Water Hose & Fittings	100') 50'	136.33
Coppus Ventair Blower 15 HP #5252080	1	564.90
Total		$ 7,400.93

SCHEDULE (2)

Physical Improvements

Timber	111.34
Building Material & Supplies	1,545.16
Labor, Supervision etc	3,697.77
Total	$ 5,354.27

There follows Schedules "A" to "H" inclusive of Supplies, Material and Accessories, purchased under Contract I-DMA-E-33, which were unexpended on completion of the project. The Schedules are broken down to use catagories, the original cost of which exceeds $50.00, in which the Government has an equity.

SCHEDULE "A"

Pipe

Item	Quantity	Original Cost
½" Galvanized Conduit	40'	4.82
½" Black Pipe	80'	5.40
3/4" Galvanized Pipe	40'	5.84
1" Black Pipe	2289'	359.65
1½" Black Pipe	168'	28.00
2" Black Pipe	1133'	367.45
3" Black Pipe	2079'	1,689.22
3" Galvanized Conductor Pipe	24'	7.20
4" Black Pipe	126'	140.09
Total		$2,607.67

SCHEDULE "B"

Pipe Fittings

Item	Quantity	Original Cost
Pipe Fittings	Misc*	$556.36

* These items are too numerous to inventory, therefore settlement is proposed on the basis of a percentage of the total cost to the project.

SCHEDULE "C"

Track

Item	Quantity	Original Cost
Rail - 16#	3555'	$1,371.65
Rail - 12#	1905'	436.22
Total		$1,807.87

SCHEDULE "D"

Track Accessories

Item	Quantity	Original Cost
Bolts, Spikes & Fish Plates	Misc *	$ 686.71

* Items too numerous to inventory, therefore settlement is proposed on the basis of a percentage of the total cost to the project.

SCHEDULE "E"

Drill Steel and Bits

Item	Quantity	Original Cost
Drill Steel & Bits	Misc *	$ 459.79

* Items too numerous to inventory, therefore settlement is proposed on the basis of a percenta e of the total cost to the project.

SCHEDULE "F"

Tools & Small Equipment

Items	Quantity	Original Cost
Picks, Shovels, Hammers, Bars, Etc	Misc *	$328.36

* Items too numerous to inventory, therefore settlement is proposed on the basis of a percentage of the total cost to the project.

SCHEDULE "G"

Electrical Supplies

Item	Quantity	Original Cost
Wire, Switches, Boxes, etc	Misc *	$1,732.81

*Items too numerous to inventory, therefore settlement is proposed on the basis of a percentage of the total cost to the project.

SCHEDULE "H"

Hoses & Fittings

Item	Quantity	Original Cost
Air & Water Hoses & Fittings	* Miscellaneous	$340.22

*Items too numerous to inventory, therefore settlement is proposed on the basis of a percentage of the total cost to the project.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 29 1954

MINING DIVISION
REGION IV

September 4, 1953

Memorandum

To : W. H. King, Chief, Mining Division, Region IV

From : Lincoln A. Stewart for Walter R. Storms, Chief
Mining Methods Dr., Mining Div., Region IV

Subject : April 1953 Progress Report, Contract I-DMA-E33, Docket DMA-269XD, Banner Mining Co.'s Twin Buttes Copper Mine, Pima County, Ariz.

Enclosed in quintuplicate are the following:

(1) Bureau of Mines engineer's report;
(2) Operator's report, with map;
(3) Forms MF-104 and MR-104A;
(4) Certified copy of Ventair blower invoice;
(5) Certified copy of diamond drilling invoice.

Also enclosed are two extra copies of our engineer's report.

This April report has been delayed for various reasons known to the Denver office. I recommend that the Government's share of these costs be paid, subject to approval of the amendment under which this work was performed. As is customary under long form contracts, sufficient funds should be with-held to protect the equity of the Government until the project is finalized.

Lincoln A Stewart

Lincoln A. Stewart, Mining Engineer
for Walter R. Storms, Chief
Mining Methods Division
Mining Division, Region IV

CC W. H. King 6
DMA-269XD
DF

LAStewart:frj

Forms MF-104 and MF-104A, and Operator's Narrative Report

1. The work performed and for which claim is made is as ted on Form MF-104A.

2. The claim for the work is subject to approval of the perator's requested amendment of July 8. (The Operator's letter requesting the amendment was originally received in April, but was returned for additional information)

3. The supply and service charges do not appear excessive. The charges for diamond drilling and equipment purchased are supported by certified invoices. Charges for depreciation of equipment consist of $41.66 for each the pick-up truck and hoist, $225.00 for the compressor, and $14.00 (7 hours @ $2.00 per hour) for the truck.

4. On June 1, the Operator requested that the project be terminated April 30. In event the request is approved, the Government's equity in the project should be protected by withholding sufficient funds from payments due the operator until the project is finalized.

5. The Operator's Narrative Report, with attached map, is considered adequate.

T. M. Romslo, Mining Engineer
Mining Methods Branch
Mining Division, Region IV

August 29, 1953

Defense Minerals Administration
224 New Customhouse Building
Denver 2, Colorado

Re: DMA Contract No. I-DMA-E-33, Docket No. 269-X-B, pertaining to the Twin Buttes property south of Tucson, Arizona.

Gentlemen:

Below is a list of work completed under the Twin Buttes DMA project during the month of April 1953:

(1) 27 feet of diamond drilling was done during the month. Hole #26 was bottomed in limestone at 190 feet, terminating the current drilling program in this area, as explained in the March, 1953 report.

(2) The Queen west raise was advanced up in ore a distance of 43 feet on an average inclination of about 90°.

(3) The Queen west heading was advanced 4.5 feet. It is impossible to work the raise and present heading simultaneously, due to the fact that the ore-pass side of the raise must be left open as a mucking machine drawpoint in order to pass large flat boulders of waste which fall into the ore from the hanging wall. Ore from this draw point covers up the track on the drift and makes simultaneous raise and drift operation impracticable.

(4) A blower was installed on the Queen 7th level for ventilation of the west raise.

(5) A final map showing April development in the west Queen area is appended.

(6) Eight carloads of pyritic crude ore from the west Queen raise were shipped to the El Paso smelter during April. They totaled approximately

434 tons (dry) and averaged 4.73% copper.

(7) Ore reserves as indicated by diamond drilling amounted to about 80 tons per vertical foot of 4.8% copper ore, or 65 x 80 = 5200 tons between the 6th and 7th levels of the Queen mine.

Mr. A. B. Bowman was away from the project 17 days in April. His time for these days was not charged to the project.

This letter is intended as a narrative report covering progress during the month of April, 1953.

Respectfully submitted,

Banner Mining Company

By B. C. Venable
Engineer

COPY

STATEMENT

Glenn S. Thatcher
Diamond Driller
3502 South 6th Avenue
Tucson, Arizona

TO

Banner Mining Company
2042 Conner Stravenue
Tucson, Arizona

Period 4-1-53 to 4-30-53 incl.

Hole #26 - Glance Queen 600 - 163' to 190'.....27'

27' @ $2.50 per foot.....$67.50

COPY

Certified True Copy

A. B. Bowman
Manager

PONSFORD EQUIPMENT COMPANY

P.O. Box 321
El Paso, Texas

INVOICE No: 2311

Sold to: Banner Mining Company
1010 First National Bldg
Oklahoma City, Oklahoma

Shipped to: Banner Mining Company
Tucson, Arizona

Date Shipped 7/30-52

Via: Spector Motor Frt.

Date: 8/2/52

Your Order No. 1034

Your Reqn No.

Our Order No: E6-2428

Terms: Net 30 days

Shipment-Partial
Complete X

Quantity	Description	Unit Price	Total Price
1-	Only Type TM-8 Coppus Electric Motor Driven Ventair Blower complete equipped with G.E. Frame 324, 15 HP, 440 volt, AC 3 phase, 60 cycle, 3600 RPM Opent Motor.		$564.90

Certified true copy.

A. B. Bowman
Manager

Form [illegible] (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 March, 1953 Docket No. DMEA 269-X-B Contract No. I-DMA-E-33

Operator's Name Banner Mining Company Minerals Copper

Address 2042 Conner Stravenue, Tucson, Arizona

Contract Amount, $ 135,789.00 Government Participation: 50 % Amount, $ 67,894.50

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling Diamond	1,362.50	4,580.25	5,942.75			
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	1,644.64	45,081.03	46,725.67			
Supervision	700.12	10,885.61	11,585.73			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber	147.34	2,596.08	2,743.42			
Explosives	80.78	495.51	576.29			
Pipe	15.35	3,116.09	3,131.44			
Track	123.75	2,370.83	2,494.58			
Other Supplies	178.30	5,273.23	5,451.53			
Power	313.60	6,047.05	6,360.65			
(4) Operating Equipment:						
Rental						
Purchase		6,836.03	6,836.03			
Depreciation	308.32	5,073.12	5,381.44			
(5) Initial Rehabilitation and Repairs		5,354.27	5,354.27			
20% Power Bill Credit						
(6) New Bldgs., Improvements, etc.	62.10	579.33	517.23			
(7) Miscellaneous:						
Repairs to Equipment		993.15	993.15			
Sampling and Analysis	43.25	245.00	288.25			
Payroll Taxes	84.37	1,796.87	1,881.24			
Liability Insurance	207.93	5,461.35	5,669.28			
Accountant Salary	65.83	988.59	1,054.42			
(8) Contingencies (specify):						
TOTALS	5,213.98	107,773.39	112,987.37	~~5,213.98~~	~~107,773.39~~	~~112,987.37~~
					53.00	53.00
				3,197.50		3,197.50
				2,016.48	107,720.39	109,736.87
				$ 1,008.24		

I certify that the above bill is correct and just and that payment therefor has been received.

Date 4-21-53 *Payee Banner Mining Company

Per Bill Vencable Title Superintendent

*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 3/24/54 Vou. No. DMA-54-98

(See other side)

* Previous Disallowance

** 1/2 liquidation of property (1/2 in April also)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. I-DMA-1E33 in accordance with the terms of the contract.

Signature J M Romolo Title Mining Engineer Date April 24, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W S King Title Executive Officer Date MAR 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

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

Administrative Audit Difference Statement

Date: March 23, 1954
Payee's
Reference: Progress Report

March, 1953

Bunker Mining Co.,
2042 Stravenue
Tucson, Arizona
Idn-E33

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

Amount Claimed $ 5,213.98

Difference $ 3,197.50

Amount Approved $ 2,016.48

The reason for the difference was due to:

One-half of the amount of the liquidation of property or $3,197.50

(Also one-half is charged to April)

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

STATEMENT

Glenn S. Thatcher
Diamond Driller
Humboldt, Arizona

TO

Banner Mining Company
2042 Conner Stravenue
Tucson, Arizona

Period 3-1-53 to 3-31-53 Incl.

Hole #22 Twin Buttes Queen 600 @ $2.50 Per Foot.	111' to 175'.....	64'
Hole #24 Twin Buttes Queen 600 @ $2.50 Per Foot.	0' to 162'.....	162'
Hole #25 Twin Buttes Queen 600 @ $2.50 Per Foot.	0' to 156'.....	156'
Hole #26 Twin Buttes Queen 600 @ $2.50 Per Foot.	0' to 163'.....	163'
	Total Footage	545'
545' @ $2.50 Per Foot.....		$ 1,362.50
	Total	$ 1,362.50

CERTIFIED TRUE COPY

G. S. Thatcher
Manager

COPY

Form [illegible]4 (Rev.)
(A[illegible]52)

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 February, 1953 Docket No. DMEA 269-[illegible] Contract No. [illegible]-33
Operator's Name Banner Mining Company Minerals Copper
Address 2042 Sonnor Stravenue, Tucson, Arizona
Contract Amount, $ 135,739.00 Government Participation: 50 % Amount, $ 67,8[illegible]

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 Core	1,401.50	3,173.75	4,530.25			
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	684.84	44,396.19	45,081.03			
Supervision	827.31	10,058.30	10,885.61			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		2,596.08	2,596.08			
Explosives		495.51	495.51			
Pipe		3,116.09	3,116.09			
Track		2,370.83	2,370.83			
Other Supplies	46.63	5,226.60	5,273.23			
Power	350.97	5,696.08	6,047.05			
(4) Operating Equipment:						
Rental						
Purchase		6,836.03	6,836.03			
Depreciation	308.32	4,764.80	5,073.12			
(5) Initial Rehabilitation and Repairs		5,354.27	5,354.27			
20% Power Bill Credit	69.50	643.33	579.33			
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment		993.15	993.15			
Sampling and Analysis	28.75	216.25	245.00			
Payroll Taxes	55.23	1,741.64	1,796.87			
Liability Insurance	134.91	5,326.44	5,461.35			
Accountant Salary	65.83	922.76	988.59			
(8) Contingencies (specify):						
TOTALS	3,834.79	103,938.60	107,773.39	3834.79	103,938.60	107,773.39
					- 53.00	- 53.00

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

Date 3-12-53 *Payee Banner Mining Company

Per Bill Kennable Title ~~Manager~~ Engineer

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

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

(Instructions on reverse)

* Previous Disallowance by DMEA Audit Report

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
3834.79 103,885.60 107,720.39
$1917.39

Signature [illegible]
(Authorized Certifying Officer)

Date 3/3/54 Vou. No. DMA 54-87
(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. EOMH-C33 in accordance with the terms of the contract.

Signature R. M. Ramolo Title Mining Engineer Date March 19, 1953

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

Signature W. H. King Title Executive Officer Date MAR 2 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:

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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.

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.

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GPO 83-38476

Form M[illegible]04A
(April 19[illegible])

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 269-X-[illegible] Contract No. I-[illegible]-33
Operator's Name Banner Mining Company Minerals Copper
Address 2242 Sonner Stravenue, Tucson, Arizona

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								
Raising								
Shafts								
Winzes								
Drilling: Core	ft	3,834.79	527'	10,442.92	1,725.5'			
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Underground Rehabilitation				83,375.11				
TOTAL DISTRIBUTED COSTS		3,834.79		93,818.03				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased				6,836.03				
Initial Rehabilitation and Repairs				7,119.27				
New Buildings, Improvements, etc.								
TOTAL COSTS		3,834.79		107,773.39				

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 3-12-53 Operator Banner Mining Company

Per B.H. Venable Title ~~Manager~~ Engineer

REMARKS: This amount includes Labor 684.84, Supervision 327.31, Reproc. 303.32, Other Supplies 46.63, Power 281.47, Assay Charges 28.75, Comp. Ins. 134.91, Payroll Taxes 55.23, Diamond Drill Contract Charges of 1,401.50 & Account Salary 68.33.

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

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

224 New Customhouse
Denver 2, Colorado

March 2, 1954.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 269XB, Contract I-DMA-E33 (Copper), Banner Mining Co.'s Twin Buttes Copper Mine, Pima County, Arizona. 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 completed as authorized by the contract. Documentation has been waived, therefore we recommend that payment be made for 50 per cent of the amount as reported by the Operator on Form MF-104 subject to verification of arithmetical accuracy within Form MF-104, and contingent on findings of subsequent on-site audit of the Operator's accounts.

Remarks:

Date of Report	March 12, 1953.
Date Received in Field Office	March 19, 1953.
Date Received in Region Office	July 15, 1953.

Processing delayed pending resolving of matters pertaining to liquidation of jointly-owned property.

W. H. King

Enclosures

RDB:cwm

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

MINING DIVISION
REGION IV

July 13, 1953

Memorandum

To : W. H. King, Chief, Mining Division, Region IV

From : Chief, Mining Methods Br., Mining Div., Region IV

Subject ; February 1953 Progress Report Contract I-DMA-833, Docket DMA-269XB, Banner Mining Co.'s, Twin Buttes Copper Mines, Pima County, Ariz.

Enclosed in quintuplicate are the following:

(1) Revised Bureau of Mines engineer's report;

(2) Original operator's report with maps;

(3) Original Forms MF-104 and MF-104A.

Also enclosed are two extra copies of our engineer's report.

As you know, this work is not according to the contract. However, the company is applying for an amendment to the contract so all or part of the work may be approved if this amendment is approved by higher DMEA officials.

When and if such an amendment is submitted and approved, I recommend that the government's share of these costs be paid.

Walter R. Storms

Walter R. Storms

CC W. H. King (6)
DMA-269XB
DF

WRStorms:frj

MINING DIVISION
REGION IV

July 9, 1953

Memorandum

To : W. R. Storms, Chief, Mining Methods Br., Mining Div., Region IV, Tucson, Arizona

From : T. M. Romslo, Mining Engineer, Tucson, Ariz.

Subject : Progress Report for February 1953, Banner Mining Co., Twin Buttes Copper Mines, Pima County, Ariz., DMA Docket 269XB, Contract I-DMA-233

The Twin Buttes Copper Mines were visited March 12, 1953 to check progress for February and to determine if the work continues to conform with the subject contract. A. B. Bowman, manager, accompanied me on an inspection trip of the project.

Progress was confined to diamond drilling. Cores and logs of holes drilled during February were examined before visiting the drill hole sites. Advance was found to be as follows:

Hole No.	Interval	FOOTAGE	Status
19	61 - 229	168.0	Complete
20	0 - 120	120.0	"
22	0 - 111	111.0	"
23	0 - 128	128.0	"
	Total footage	527.0	

Data from the drilling in this area has indicated the presence of a small drag-block of ore at the contact between "A" and "B" Faults. Assays from the three holes in ore, Nos. 20, 22 and 23, indicate that the ore will average about 5 percent copper. Drifting, now in progress, and raising will be necessary before a reasonably accurate estimate can be made.of the ore body's extent.

CONTRACT, FORMS MF-104 AND 104A, AND OPERATOR'S NARRATIVE REPORT

The following is indicated by the inspection of the project and by a review of subject data:

CC W. H. King (Orig. & 6)
DMA-269XB
DF

TMRomslo:frj

1. The work performed is as reported on Form MF-104A but does not conform with the contract. In my original report, I erroneously stated that the work performed was in accordance with the contract. At the time of the latter statement, neither the Operator nor I had familiarized ourselves with Amendment No. 7 and consequently we were not aware that unauthorized work was being performed.

2. The claim for the work is subject to approval of a proposed amendment that will be submitted by the operator. My recommendations for approval of the amendment will be based upon a detailed explanation of why deviations from the contract were necessary.

3. The supply and service charges of Form MF-104 were necessary and do not appear to be excessive. The charge for drilling is supported by a certified invoice. Total depreciation charges of $308.32 consist of $41.66 each for the pickup and the hoist with motor, and $225.00 for the compressor.

4. The MF Forms for February have been prepared on the basis of the distribution determined by a second interim audit of the company's accounts. The audit was made on Feb. 20 and 21, by Thos. Brading, assisted by Jas. Townsend, and the writer. It covered the period from October 1952 through January 1953.

5. The Operator's Narrative Report is considered adequate. It includes logs of holes 15 and 16, vertical sections through holes 20, 22, and 23, and a geologic map showing all holes drilled in the area. Logs of holes drilled during February will be submitted next month.

T. M. Romalo, Mining Engineer
Mining Methods Branch
Mining Division, Region IV

March 1[illegible], 1953

Defense Minerals Administration
224 New Customhouse Building
Denver 2, Colorado

RE:- DMA Contract #I-DMA-[illegible]-33, Docket #269-X-3, Pertaining to the Twin Buttes Property South of Tucson, Arizona.

Gentlemen:-

Below is a list of work completed under the Twin Buttes DMA Project during the month of February, 1953:

527 feet of diamond drilling were completed during the month. Hole #19 was finished at 220' depth, apparently too high, as explained in last month's narrative report. In order to penetrate the faults and contact at a little better angle, the line of holes #20 through #23 was swung about 28° more to the west, to N 59° W.

Hole #20 was drilled on the above course to a depth of 120 feet and up at an angle of 42 degrees, in another attempt to penetrate both "A" and "B" Faults and prospect the contact area west of the "B" Fault (see accompanying sections). "A" Fault was crossed by this hole at 25' depth, but the hole entered unaltered limestone at 104 feet, with no apparent indication of crossing "B" Fault. However this hole cut through 10 feet of copper-zinc ore at 94'-104'. The sludge from 95' to 104' assayed 4.62 copper and 7.9% zinc.

Hole #22 was drilled to a depth of 111' on the same course as hole #20, but on a flatter angle (30°) to further prospect the ore shown in hole #20, and also to try to find the contact west of "B" Fault. "B" Fault was apparently not penetrated but the ore zone was 36' wide, from 33' to 69'. Sludges from 30' to 70' averaged 6.37% copper and 0.6% zinc. The sludge from 60' to 70' assayed 14.22% copper. From information derived from hole #23, it appeared that "B" Fault was 20 degrees flatter than "A" Fault, and that hole #22 might cut across it if extended. This hole was deepened during March, and "B" Fault was cut at about 150', where the hole entered granite. It is apparent that the contact west of "B" Fault must be prospected from a drill station farther west: as the dip of "B" Fault is too flat for inclined holes drilled from the present diamond drill station.

Hole #23 was drilled up 21 degrees from the same setup and on the same course as holes 20 and 22, with the same general purpose, but on a flatter angle of inclination. This hole penetrated 50 feet of chalcopyrite ore, from 25' to 75'. Sludges from this 50' section averaged 3.73% copper, with 8.54% copper the highest assay, from 55' to 65'. This hole penetrated "B" Fault at 99' and entered granite. From the quartzy appearance of the core, it is concluded that this hole is very close to, and immediately above, the granite contact.

A plan map showing the location of all holes in this project drilled in the West Queen area is attached.

Holes #20, 22 and 23 were inclined up from the west end of the old Queen stope in an attempt to penetrate the faulted extension of the Queen orebody west of "B" Fault. Dip of the "B" Fault was not known until the drilling was concluded, it is approximately 50 degrees. Due to this flat dip, the main faulted extension was not located. However, a drag block of ore between "A" and "B" Faults was drilled by all three holes.

Logs of holes #15 and 16 are included.

Based on the results of diamond drilling, it is concluded that there is a drag block of ore resting on the contact between "A" and "B" Faults, immediately west of the Queen workings. This block appears to be roughly triangular in section, with its base resting on the granite contact. Its cross section is about 300 square feet, and the average grade about 4.3% copper. Projected down 45 degrees on the contact, this ore should be centered at a point about 33' northwest of the west face of our Queen West Crosscut. We have terminated diamond drilling in this area and are now driving this crosscut into the ore-bearing area as projected.

Mr. A. B. Bowman was away from the project three days in February. I was away from the project one day in February. Our time for these days was not charged to the project.

This letter is intended as a narrative report covering progress the month of February, 1953.

A vertical section through holes #20, 22 and 23 is also attached.

Respectfully submitted,

Banner Mining Company

B. W. Venable

B. W. Venable
Engineer

BWV:ecb

STATEMENT

Glenn S. Thatcher
Diamond Driller
Humboldt, Arizona

TO

Banner Mining Company
2042 Conner Stravenue
Tucson, Arizona

Period 2-1-53 to 2-28-53 Incl.

Hole #19 Twin Buttes Queen 600 @ $3.00 Per Foot.	61' to 229'.....	168'
Hole #20 Twin Buttes Queen 600 @ $2.50 Per Foot.	0' to 120'.....	120'
Hole #22 Twin Buttes Queen 600 @ $2.50 Per Foot.	0' to 111'.....	111'
Hole #23 Twin Buttes Queen 600 @ $2.50 Per Foot.	0' to 128'.....	128'
	Total Footage	527'

168' @ $3.00 Per Foot.....	$504.00
359' @ $2.50 Per Foot.....	897.50
Total	$1,401.50

CERTIFIED TRUE COPY

For Bill Venable
Manager

COPY

DIAMOND DRILL HOLE LOG
HOLE # 15 TWIN BUTTES PROJECT
DMA CONTRACT # I-DMA-P-33, DMA Docket #269-X-B

Underground hole, same general location and purpose as holes #14. The granite contact appears to be on a fault, as no contact metamorphism is present.

Collar Co-Ordinates- Latitude 20,225.72, Departure 20,028.60.
Collar Elevation- 2,935.03
Course Hole- N 88° 45' W.
Dip Hole- Flat (up 2°).
Driller- Ed Shandley
Size Core- E X
Average Core Recovery 94.2%
Total Depth- 130.0'
Started 12-17-52, Finished 12-23-52.
Logged By- B. W. Venable

From	To	Core Description	Core Recovery
0'	10'	White Marble	10.0'
10'	20'	White Marble	10.0'
20'	23'	White Marble	3.0'
23'	33'	White Marble	10.0'
33'	43.5'	White Marble slightly mottled & fractured in the last 3'	10.0'
43.5'	53.5'	Limestone. Numerous fracture planes making 25° with core axis, showing slicken sides at right angles to major axis of fracture oval.	10.0'
53.5'	64'	White Limestone	10.0'
64'	74'	White Limestone	9.0'
74'	79'	White limestone. A little pyrite at 74'.	5.0'
79'	89'	White Limestone	10.0'
89'	93'	White Limestone	3.5'
93'	103'	Limestone, mottled & discolored starting at about 97'. Numerous slips making about 45° with core axis.	9.9'
103'	113.5'	The first foot is soft, soapy gouge, the rest is granite, gradually changing from altered to fresh.	8.0'
113.5'	120'	Granite. About 9" of pyritic quartz at 113.5'	4.4'
120'	130'	Granite	9.6'
130'		End Of Hole.	

Note:- This hole was extended to 199' starting 1-19-53.
Purpose- To see if the granite in the hole is a projecting nose. If so, this hole should drill through the granite at not more than 200' total depth.
Emerged from granite at 156'.
Driller- Ralph Carrera
Size Core- E X
Average Core Recovery- 55.6%
Total Depth of Extension- From 130' to 199'
Started- 1-19-53 Finished- 1-22-53
Logged By- B. W. Venable

COPY

HOLE #15 TWIN BUTTES PROJECT- CONTINUED.

FROM	TO	CORE DESCRIPTION	CORE RECOVERY
130'	140'	Granite	6.0'
140'	146'	Granite	3.0'
146'	156'	Granite	3.7'
156'	166'	First foot is pyritic quartz with some chalcopyrite. The last foot is garnet and other contact slilcates. The rest is silicified granite, slightly pyritic.	4.2'
166'	169'	Soft Hornfels, pale green.	1.8'
169'	179'	Hard Hornfels.	8.3'
179'	189'	Hornfels.	7.8'
189'	199'	First 1½' of core is hornfels. Then about a foot of limestone containing banded magnetite, garnet and minor chalcopyrite at about 45° with core axis. Gray limestone at the end.	3.6'
199'		End of Hole.	

****

SAMPLE ASSAYS

113.5' - 114.5'	Core #300-	0.03 Copper.
156' - 166'	Core #740-	0.42 Copper.

COPY

DIAMOND DRILL HOLE LOG
HOLE # 16 TWIN BUTTES PROJECT
DMA CONTRACT #I-DMA-[illegible]-33, DMA DOCKET #269-X-B

Underground hole, Queen West 600, same general purpose as holes #14 and #15, and also to prospect the King Fissure at depth. Granite was not cut, and no MN-2M found in King Fissure. (Fissure not positively found).

Collar Co-Ordinates- Latitude 20,224.16 Departure- 20,027.61
Collar Elevation- 2,935.05
Course Hole- S62°00'W.
Dip Hole- Flat (up 2½°)
Driller- Ed Shandley
Size Core- E X
Average Core Recovery- 95.0%
Total Depth- 304'
Started- 12-26-52 Finished- 1-9-53
Logged By- B. W. Venable

****

FROM	TO	CORE DESCRIPTION	CORE RECOVERY
0'	10'	White Limestone. A ¼" stringer of garnet at 6", and a ¼" stringer of magnetite and pyrite at 4' to 5' make about 5° with core axis.	9.4'
10'	15'	White Limestone. 1/16" stringers magnetite & pyrite parallel with core axis.	5.0'
15'	25'	White Limestone. 1/2" green garnet running at about 5° with core axis at 24'.	9.9'
25'	30'	White Limestone. Faint banding, looks like it might be bedding throughout at 45° with core axis.	5.0'
30	37.5'	White Limestone.	6.5'
37.5'	43'	White Limestone.	5.0'
43'	49'	White Limestone.	5.7'
49'	54'	White Limestone. About 1/2" of garnet at 5° with core axis at 49.5'	5.0'
54'	64'	Limestone.	10.0'
64'	69'	Limestone.	4.3'
69'	78.5'	Limestone.	9.0'
78.5'	83.5'	Limestone.	4.8'
83.5'	92.5'	Gray Limestone.	9.0'
92.5'	102.5'	Limestone. Discolored by partial ateration to a greenish tinge at about 65° with core axis from 95' to 100'. Several slips through this section, making 2° to 10° with core axis. ~~strikes~~	10.0'
102.5'	113'	Limestone. Fault gouge from 111' to 113'. Solid gouge for about a foot at 112'. Angle of faulting is not very obvious, but several planes of movement show in core making 5° to 30° with core axis.	9.0'
113'	123'	113-114.5' is white marble. 114.5-115' is garnetite. Slip at 114.5' makes 40° with core axis. 115- 123' is white marble.	9.6'

DIAMOND DRILL HOLE #16 LOG. Continued.

FROM	TO	CORE DESCRIPTION	CORE RECOVERY
123'	133'	Gray Limestone. Banding thought at 70° with core axis. Slips here & there at about 10° with core axis.	9.9'
133'	143'	Gray Limestone. Banded at approximately 70° with core axis. Small drusy openings at 139'.	9.0'
143'	150'	Gray to Pale Green Limestone.	6.4'
150'	160'	Gray Limestone.	9.3'
160'	170'	Gray Limestone.	9.9'
170'	180.5'	Gray Limestone.	10.0'
180.5'	191'	Gray Limestone.	10.0'
191'	197'	Gray Limestone. Some ground calcite with a few tiny (1/64") Xls chalcopyrite in it at 196' and 197'.	5.7'
197'	206'	Gray Limestone. Banded at about 40° with core axis.	9.0'
206'	216.5'	Limestone. Mottled & slightly discolored green & brown. Chalky in spots. About ½" of gouge at 199' making about 10° with core axis. A slip at 215' makes 10° with core axis.	10.0'
216.5'	227'	Gray Limestone.	10.1'
227'	237'	Banded (60°) Gray Limestone.	10.0'
237'	247'	" " " " " .	9.4'
247'	256'	" " " " " . Core shattered at 252½' with slips making 5° - 20° with core axis.	9.0'
256'	262.5'	Gray Limestone.	6.6'
262.5'	268.5'	Gray Limestone.	6.0'
268.5'	278.5'	Gray Limestone.	10.0'
278.5'	283.5'	Gray Limestone.	4.9'
283.5'	293.5'	Gray Limestone. TinyXls pyrite in slips at 293½'.	9.5'
293.5'	300'	Gray Limestone. Slightly discolored by alteration. Several Knife edge slips at 45° with core axis scattered throughout.	2.3'
300'	304'	Gray Limestone.	3.7'
304'		End Of Hole.	

****

SAMPLE ASSAYS

None.

COPY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

SECOND INTERIM AUDIT CERTIFICATE

I have examined the records and transactions of:

Banner Mining Company
2042 Conner Stravenue
Tucson, Arizona

pertaining to Exploration Contract I-DMA-E33, Docket No. 269XB including Amendments 1 to 7, covering a project of exploration for copper, for the period August 7, 1951 to January 31, 1953.

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	$103,938.60
Exceptions (per Audit Report)	53.00
Total Accepted Cost	$103,885.60

The contract calls for a 50 per cent participation of exploration expenses by the United States Government. Therefore, payment to the Contractor by the Government in the amount of Fifty one thousand nine hundred forty two Dollars and 80/100

-$51,942.80-

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 March 10, 1953

T. H. Brading, Auditor

I. INTRODUCTION

A second interim audit was made on February 20 and 21 (covering the period of October 1, 1952 to January 31, 1953) of the records and accounts of operations pertaining to Contract I-DMA-E33, Docket No. 269XB, and amendments one to seven with the

Banner Mining Company
2042 Conner Stravenue
Tucson, Arizona

covering a project of exploration for copper.

The Cost Accounting, Payroll Records, and Daily Log under this contract are located in the company's office about twenty-six miles from Tucson, Arizona. The mine is about fourteen miles from the company office. Mr. J. W. Townsend, Mining Engineer-Denver, and Mr. T. M. Romslo, Mining Engineer-Tucson, collaborated in the audit.

During the course of the audit, the following officers and employees of the company were consulted as required:

Mr. W. H. Hardy - Secretary,Treasurer
Mr. A. B. Bowman - General Manager
Mr. W. H. Venable, - Engineer, Geologist
Mr. E. C. Bowman - Accountant, Tucson
Mr. Frank Bowman - Accountant, Lordsburg, N.M.

Their cooperation and assistance greatly facilitated the audit.

II. GENERAL INFORMATION ON RECORDS

The general ledger and related records are located in the home office of the company, 550 First National Bank Building, Oklahoma City, Oklahoma. Mr. Hardy had brought with him all cancelled checks for the period under review, as well as a transcript of the account with the power company.

The original records covering the costs of this project are recorded on Monthly Cost Analysis Sheets, which form the basis for

preparation of the Monthly MF-104 reports. These reports are prepared in Tucson by Mr. E. C. Bowman, Accountant, and reviewed and checked by Mr. A. B. Bowman, General Manager. Therefore, this audit involved in general, a check of original invoices, warehouse requisitions and payrolls against the Monthly Cost Analysis Sheets. All items except for incidental freight bills and small items of supplies purchased locally are recorded on an accrual basis.

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 the month of January 1953. In view of the previous audit covering the period from August 7, 1951 to September 30, 1952, except as otherwise indicated, this audit was restricted to the costs claimed by the operator since that latter date. The extent of the audit and the findings under each of the "Items of Cost" follow.

(1) Independent Contracts

Sub-contract to perform certain diamond drilling was entered into with G. S. Thatcher on October 18, 1952. This sub-contract was approved by the Executive Officer of Region IV on October 27, 1952. Invoices covering charges as follows were examined:

Nov.&Dec.	Dec.&Jan.	Total		
565'	268.5'	833.5'	at 2.50'	$2083.75
180.5'	184.5'	365.'	at 3.00'	1095.00
	Total			$3178.75

Costs as shown are reasonable and allowable under the terms of the contract.

(2) Labor and Supervision

Balance January 31, 1953	$44,462.45
September 30, 1952	32,740.38
Costs October 1952 to Jan. 31, 1953	$11,722.07

All charges for labor were checked from Payroll records to the Monthly Cost Sheets. In order to verify the labor time, rates and charges on a test basis, labor costs for the month of November 1952 were checked from the Monthly Cost Sheets to the Payroll Records, to the daily time cards approved by the foreman. The audit disclosed that the costs properly allowable and chargeable under the terms of the contract were $11,722.07.

Balance January 31, 1953	$10,058.30
September 30, 1952	7,358.22
Costs Oct. 1 to Jan. 31,1953	$ 2,700.08

All charges for supervision were traced from Payroll Record to Monthly Cost Sheets. The audit disclosed that the amount of $2700.08 was allowable and chargeable for the period under review. These charges are broken down as follows:

Allen Bowman - General Superintendent	$972.58
W. H. Venable - Engineer & Geologist	707.33
E. C. Bray - Mine Foreman	1020.17
	$2700.08

Supervisory costs for the above-named individuals are based on time actually devoted to the project. Rates are in conformance with those shown in contract and amendments.

(3) Operating Materials and Supplies

All charges under this category were checked to Monthly Cost Sheets. An analysis was made to determine the propriety of the items

charged. All purchases for the period under review were verified by examination of vendors' invoices, payment of invoices test checked against cancelled checks. Requisitions from warehouse stock for the months of November 1952 were checked against stock records. It was determined that supplies and materials from company warehouse were charged to the project at cost, which is the same basis used in charging items of this nature to company operations.

The costs properly chargeable and allowable under this classification were found to be as follows:

	Balance Jan. 31, 1953	Balance Sept.30 1952	Allowable Cost
Timber	$2596.08	$2024.71	$571.37
Explosives	495.51	422.94 *	72.57
Pipe	3116.09	2910.53 *	205.56
Track	2370.83	2234.63 *	136.20
Other	5275.93	4413.08 *	862.85

Other supplies consists primarily of Drill Steel, Oil and Grease, Electrical Supplies and Small Tools.

* Adjusted to include freight and transportation charges.

Power

Electric power is purchased from Trico Electric Company, Tucson, Arizona. When the power transmission lines were extended to the company property from the main power lines of the Trico Electric Company, the Operator was required to make a deposit of $1765.00. Each month a deduction of 20% is made from the power bill charged and credited to this deposit. The Operator had followed the procedure of charging the net amount of the power bill as cost to the project. In order to show the true costs of the project, an analysis of the charges to power was made as follows:

Power Costs to Sept. 30, 1952	$2907.38
Discount to Sept. 30, 1952	714.57
Revised Costs to Sept. 30, 1952	$3621.95
Power Costs to Jan. 31, 1953	$4579.91
Discount to Jan. 31, 1953	1116.17
Revised Costs to Jan. 31, 1953	$5696.08
Revised Power Costs to Jan.31, 1953	$5696.08
Revised Power Costs to Sept.30, 1952	3621.95
Revised Power Costs Oct. 1,1952 to Jan. 31, 1953	$2074.13

Invoices together with related cancelled checks were examined. Revised costs of $2074.13 are considered as proper and allowable under the terms of the contract.

(4) Operating Equipment - Depreciation

Balance January 31, 1953	$4764.80
September 30, 1952	3495.52
Costs Oct. 1, 1952 to Jan. 31, 1953	$1269.28

With the exception of a Diamond T truck, the Operator did not keep a record of the time company-owned equipment was used on which depreciation was allowed since the project was in operation practically full time for the period under review.

All charges for depreciation were checked against Monthly Cost Sheets. Time for use of Diamond T truck was traced to Daily Log. The charges which are summarized below are considered proper and allowable under the terms of the contract.

	Rate	Time Used	Total Charge
Hoist	$41.66 per mo.	4 months	$166.64
Pick Up Truck	41.66 per mo.	4 months	166.64
Compressor	225.00 per mo.	4 months	900.00
Diamond T truck	2.00 per hr.	18 hours	36.00
			$1269.28

(5) Initial Rehabilitation and Repairs

Balance January 31, 1953	$5354.27
September 30, 1952	5354.27
Costs Oct. 1, 1952 to Jan. 31, 1953	------

(6) New Buildings and Improvements

Deposit with Trico Electric Co.	$1765.00
Discount charged to Power and credited to deposit through Jan. 31, 1953	1116.17
Balance January 31, 1953	$ 648.83

Balance as shown above was reconciled with transcript of account of Trico Power Company on books of company at Oklahoma City.

(7) Miscellaneous

Charges for parts for repair of mucking machine in the amount of $9.00 were verified by checking warehouse requisitions.

Charges for Sampling and Analysis were verified by checking the Monthly Cost Sheets, and invoices from vendor. These charges were as follows:

45 Copper Assays at $1.25	$56.25
3 Tungsten Assays at $4.00	12.00
	$68.25

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

Social Security Tax		1.5
Unemployment:		
Federal	.3	
State of Arizona	1.7	2.0
		3.5
Workmen's compensation insurance		8.77
Workmen's compensation insurance on E. C. Bowman, Accountant		4.52

Labor charge Oct. 1, 1952 to Jan. 31, 1953	$11722.07
Supervision Charge Oct. 1, 1952 to Jan. 31, 1953	2700.08
	$14422.15

Amount charged Oct. through Jan.		$1,329.72
Allowable $14,422.15x8.77	$1264.82	
Accountant's Salary Oct. to Jan. $263.32x4.52	11.90	
Total allowable charge		1,276.72
Overcharge-Disallowed		$ 53.00

Accountant's Salary

Under the terms of Amendment Number 6, an allowance of $65.83 for compensation of Bookkeeper is granted. Charge for the four month period under review - $65.83 x 4 = $263.32.

IV. CONCLUSIONS AND RECOMMENDATIONS

The totals shown on MF-104A are in agreement with those shown on the MF-104 on January 31, 1953. In view of the fact that the contract calls for a total disbursement of $135,789.00 of which $103,938.60 has been disbursed through January 31, 1953, leaving a balance of $31,850.40 to complete the diamond drilling and 500 feet of cross cutting, it would appear that sufficient funds will be available to complete the contract, barring development of untoward circumstances.

This audit has disclosed that all costs, as charged to this project, with the exception of disallowances itemized under item (7) Miscellaneous, of the preceding section of this report, are reasonable and proper under the terms of the contract and amendments Nos. 1 to 7.

The adjustments between "Items of Costs" as shown on the January, 1953 MF-104, the recommended disallowances and approved amounts are summarized as follows:

	January 1953	Distribution Corrected	Disallowed by Audit	Allowed by Audit
Independent Contract	$3178.75	$3178.75		$3178.75
Labor & Supervision:				
Labor	44396.19	44462.45		44462.45
Supervision	10058.30	10058.30		10058.30
Material & Supplies:				
Timber	2596.08	2596.08		2596.08
Explosives	457.73	495.51		495.51
Pipe	2878.42	3116.09		3116.09
Track	2190.00	2370.83		2370.83
Other	4873.57	5275.93		5275.93
Power	4579.91	5696.08		5696.08
Operating Equipment:				
Purchase	6836.03	6836.03		6836.03
Depreciation	4764.80	4764.80		4764.80
Initial Rehab. & Repairs	7119.27	5354.27		5354.27
New Bldgs-Improve.		648.83		648.83
Repairs to Equip.	943.82	943.82		943.82
Sampling & Analysis	216.25	216.25		216.25
Payroll Taxes	1741.64	1741.64		1741.64
Liability Insurance	5326.44	5326.44	$53.00	5273.44
Transportation	858.64			
Accountant's Salary	922.76	856.50		856.50
	$103938.60	$103938.60	$53.00	$103885.60

At the conclusion of the audit, the findings were discussed with the General Manager (A. B. Bowman), and the Accountant, (E. C. Bowman). The company is preparing their next monthly MF-104 on the basis of the proper distribution of charged costs as shown in the second column of the above summary.

Dated: March 10, 1953

T. H. Brading
Auditor

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 269-X-B Contract No. I-DM-F-33
Operator's Name Banner Mining Company Minerals Copper
Address 2042 Conner Stravenue, Tucson, Arizona
Contract Amount, $ 135,759.00 Government Participation: 50 % Amount, $ 67,894.50

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling Diamond	1,224.75	1,954.00	3,178.75			
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	1,271.88	43,124.31	44,396.19			
Supervision	708.21	9,350.09	10,058.30			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		2,596.08	2,596.08			
Explosives	8.50	449.23	457.73			
Pipe	31.30	2,847.12	2,878.42			
Track		2,190.00	2,190.00			
Other Supplies	110.43	4,763.14	4,873.57			
Power	338.98	4,240.93	4,579.91			
(4) Operating Equipment:						
Rental						
Purchase		6,836.03	6,836.03			
Depreciation	308.32	4,456.48	4,764.80			
(5) Initial Rehabilitation and Repairs		7,119.27	7,119.27			
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment		943.82	943.82			
Sampling and Analysis	13.75	202.50	216.25			
Payroll Taxes	71.61	1,670.03	1,741.64			
Liability Insurance	184.65	5,141.79	5,326.44	131.65	5141.79	5273.44
Transportation		858.64	858.64			
Accountant Salary	65.83	856.93	922.76			
(8) Contingencies (specify):						
TOTALS	4,333.21	99,600.39	103,938.60	4285.21	99,600.39	103,885.60

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

Date 2-10-53 *Payee Banner Mining Company

Per A. S. Bonner Title Manager

*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:

$2142.61

Signature [illegible]
(Authorized Certifying Officer)

Date 3/3/54 Vou. No. 54-87

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. I-DMH-E33 in accordance with the terms of the contract.

Signature [illegible] Title Mining Engineer Date Feb 24, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: R. DB.

Signature W S King Title Executive Officer Date MAR 2 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
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 1953 Docket No. DMEA 269-Y-B Contract No. J-DM-P-33
Operator's Name Banner Mining Company Minerals Copper
Address 2042 Conner Stravenue, Tucson, Arizona

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								
Raising								
Shafts								
Winzes								
Drilling: Core		1,224.75	453'	3,170.75	1193.5'	2.65		
Other Chip				3,429.44		2.86		
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Underground Rehabilitation		3,113.46		83,375.11				
TOTAL DISTRIBUTED COSTS		4,338.21		89,933.30				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased				6,836.03				
Initial Rehabilitation and Repairs				7,119.27				
New Buildings, Improvements, etc.								
TOTAL COSTS		4,338.21		103,938.60				

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 2-10-53 Operator Banner Mining Company

Per A. S. Conner Title Manager

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. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION IV

Administrative Audit Difference Statement

Date: March 3, 1954
Payee's Reference: Progress Report

January, 1953

Banner Mining Company
2042 Comar Strevenue
Tucson, Arizona
Idn-133

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

Amount Claimed $ 4,338.21

Difference $ 53.00

Amount Approved $ 4,285.21

The reason for the difference was due to:

Overcharge for Labor & Supervision from Oct. 1952 thru January, 1953
Liability Insurance on above overcharge ($53) disallowed by DMA
Audit Report.

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

March 2, 1954.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 269XB, Contract I-DMA-E33 (Copper), Banner Mining Co.'s Twin Buttes Copper Mine, Pima County, Arizona. 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 completed as authorized by the contract. Documentation has been waived, therefore we recommend that payment be made for 50 per cent of the amount as reported by the Operator on Form MF-104 subject to verification of arithmetical accuracy within Form MF-104, and contingent on findings of subsequent on-site audit of the Operator's accounts.

As per Audit Report by the Contract Administration and Audit Division dated March 10, 1953, the following disallowance is to be made:

Liability Insurance - $53.00

Remarks:

Date of Report	February 10, 1953.
Date Received in Field Office	February 18, 1953.
Date Received in Region Office	July 15, 1953.

Held up pending resolution of matters pertaining to liquidation of jointly-owned property.

W. H. King

Enclosures

RDB:cwm
cc: Contract
Secretary to the Oper. Comm. (2)
WRStorms
Chron.

MINING DIVISION
REGION IV

July 13, 1953

Memorandum

To : W. H. King, Chief, Mining Division, Region IV

From : Chief, Mining Methods Br., Mining Div., Region IV

Subject : January 1953 Progress Report, Contract I-DMA-433, Docket DMA-269XB, Banner Mining Co.'s Twin Buttes Copper Mines, Pima County, Ariz.

Enclosed in quintuplicate are the following:

(1) Revised Bureau of Mines engineer's report;

(2) Original operator's report with drill logs and maps;

(3) Original Forms MF-104 and MF-104A.

Also enclosed are two extra copies of our engineer's report.

As you know, this work is not according to the terms of the contract. However, the company is applying for an amendment so all or part of the work may be accepted, provided this amendment is approved by higher DMEA officials.

When and if such an amendment is submitted and approved, I recommend that the Government's share of these costs be paid.

Walter R. Storms

Walter R. Storms

CC W. H. King (6)
DMA-269XB
DF

WRStorms:frj

Mining Division
Region IV

July 9, 1953

Memorandum

To : W. R. Storms, Chief, Mining Methods Br., Mining Div., Region IV, Tucson, Ariz.

From : T. M. Romslo, Mining Engineer, Tucson, Ariz.

Subject : Progress Report for January 1953, Banner Mining Co., Twin Buttes Copper Mines, Pima County, Ariz,, DMA Docket 269XB Contract I-DMA-E33

This project was visited on February 6, 1953 to check exploratory progress and to determine if the work continues to be carried out in conformance with the contract. E. R. Rodriquez, Health and Safety Engineer, U. S. Bureau of Mines, Phoenix, Ariz., accompanied the writer and made an inspection of safety conditions.

Inspection of logs and cores of holes drilled and a visit to drill sites indicated 453 feet of diamond drilling was done in the following holes:

Hole No.	Interval	Footage	Status
15	130 - 199	69.0	Complete
16	180.5 - 304.0	123.5	"
18	0 - 199.5	199.5	"
19	0 - 61.0	61.0	Incomplete
	Total footage	453.0	

In addition to drilling, the sampling of the Queen 9th level was completed, the cleaning of the underhand stope on the 700 level Queen mine was completed, and the drainage ditch between the Glance and Queen shafts on the 525 level is being cleaned out.

CONTRACT, FORMS MF-104 AND 104A, AN OPERATOR'S NARRATIVE REPORT

The inspection of the project and a review of subject data, indicates the following:

1. I made the statement in my original report of February 19: "The work performed and for which claim is made conforms with the contract and is as reported on Form MF-104A". The statement was found to be inaccurate by the Field Team. A corrected statement follows:

CC W. H. King (6 & orig.)
DMA-269XB
DF

TMRomslo:frj

The work performed is as reported on Form MF-104. A portion of the work does not conform with the contract but all of it was necessary and was performed to best serve the interests of both the Government and the Operator. At the time of the original statement, the Operator and I had not familiarized ourselves with the contents of Amendment 7 and consequently we were unaware that unauthorized work was being performed.

2. The claim for work performed is subject to approval of an amendment to be submitted by the Operator. My recommendations for approval of the amendment will give details as to why deviations from the contract were deemed necessary.

3. The supply and service charges were necessary and do not appear to be excessive. The charge for drilling is supported by a certified invoice which includes a $3.00 per foot rate for hole 19 that was bottomed at 229.0 feet before completion of this report. Depreciation charges total $308.32. They include $41.66 for hoist and motor, $41.66 for the pickup truck, and $225.00 for the compressor.

4. The $75.45 disallowance of January 15 has been deducted.

5. The Operator's Narrative Report is considered adequate. It includes 2 maps and logs of holes 12, 13, and 14, with assays. Logs and maps of holes drilled in January will be submitted next month.

T M Romslo

T. M. Romslo, Mining Engineer
Mining Methods Branch
Mining Division, Region IV

February 16, 1953

Defense Minerals Administration
224 New Customhouse Building,
Denver 2
Colorado

Re:- DMA Contract Number I-DMA-P-33, DMA Docket Number 269X-B, pertaining to the Twin Buttes Property South of Tucson, Arizona

Gentlemen:-

Below is a list of work completed under the Twin Buttes DMA Project during the month of January 1953.

453 Feet of diamond drilling were completed during the month. Hole No. 15 was extended to 199 feet after completion of hole number 18 to see if the granite which was encountered at 104 feet happened to be just a nose. This proved to be the case and the hole emerged from granite at 155 feet.

Hole number 16 was bottomed in limestone at 304 feet. We did not encounter any sign of the King fissure as had been expected. It may be that the King Fissure is the surface expression of the faulted limestone-granite contact.

Hole Number 18 encountered about 6 feet of garnetite at 64 feet. The sludge taken between 65 and 70 feet assayed 1.97% copper.

As near as we can tell the block containing the old Queen Orebody is the down-thrown block and the block west of the fault A is the up-thrown side. We drilled hole Number 19 up at an angle of 50° to test the up-thrown block at about the same relative depth as the 525' level. This hole proved to be too steep and we did not encounter the contact. Apparently we went above it. However, we did pass through some Zinc sulphides which assayed as follows:- 30' to 36' Trace Copper - 1.9% Zinc. 36' to 41' Trace Copper and 17.52% Zinc. This hole was at a depth of 51 feet on January 31, 1953.

A hypothetical vertical section through diamond drill hole Number 19 is attached which gives our reasoning for the position of the hole.

A plan map showing the location of these diamond drill holes is attached. It also shows formations penetrated.

Holes Number 12,13, 15, and subsequent holes were terminated short of the Self Potential Anomaly as indicated on the Bureau of Mines report of investigations Number 4732 for the following reasons:- (a) Our geophysical work being carried out at the present time in this district (another area) indicates that it is desirable to have corroborative evidence using another method before drilling Self Potential

anomalies. We drilled a surface diamond drill hole Number 6 on the Minnehaha Falls claim directly over one of these geophysical self potential anomalies as shown on the map accompanying our application for amendment number 7. This hole was drilled to a depth of over 600 feet and was negative as far as Ore Mineralization is concerned. This hole was paid for 100% by Banner Mining Company and was drilled at no expense to the project or the government. (b) The maximum depth to which self potential readings are effective is between 200 and 300 feet. (This is our understanding) (c) All the ore known to have been shipped from the Queen and Glance Mines was found only on the intrusive contact between the granite and the limestone, and our diamond drilling indicates that the contact is Northwest of these anomalies. Holes Number 12 and 13, were drilled in December. Hole Number 15 was drilled to a depth of 130' in December.

Hole Number 18 was drilled between holes Numbers 15 and 14 to find the faulted west extension of the Queen contact and orebody. Since this hole did not penetrate the contact, hole number 15 was then extended to 199 feet emerging from the granite into contact metamorphic material at 165 feet.

Hole Number 19 was drilled for reasons set up on page one of this letter.

Logs of holes #12, 13 and 14 are attached hereto.

Sampling of the Queen 700 (9th) level was completed this month.

All cleanup and rehabilitation work was completed this month. The underhand stope on the west side of the 700 level of the Queen Mine mentioned in last month's report was cleaned out to a depth of 10 feet for sampling purposes.

It has been necessary for us to keep one man underground with the diamond driller to comply with the state law. We have had this man digging a ditch along side of the track between the Glance and Queen shafts on the 525 level to keep him gainfully employed. The purpose of this ditch is to carry the water which we are pumping from the Queen Shaft. It was also necessary to keep a hoistman at the Glance Shaft.

The writer was away from the project 6 days in January. Therefore my time for these 6 days was not charged against the project.

Mr. Bray, the foreman, took his two weeks vacation in December. However, he took 5 days extra in January beyond his two weeks. Therefore his time for these 5 days was not charged to the project.

This letter is intended as a narrative report covering progress during the month of January 1953.

Respectfully submitted,

Banner Mining Company

A. S. Bowman

Manager

ABB:fmb

DIAMOND DRILL HOLE LOG
HOLE #12 TWIN BUTTES PROJECT
DMA CONTRACT #I-DMA-P-33, DMA Docket #269-6-B

Note:- This is the first Diamond Drill Hole that is being drilled on this project

Underground hole from Queen-Glance 600 level crosscut. Headed south to cut the Glance Contact projected west from the Glance Mine. Several pyrite-quartz fissures head out into this general area, and there is a natural-potential anomaly over here on the surface. The granite-limestone contact was expected at about 200' but was found at 110'. Contact was in quartzite at this point.

Collar co-ordinates- Latitude 19,791.63 Departure 20,536.98.

Collar elevation- 2,930.77

Course hole- S22° 52'W.

Dip hole- Flat (up 1°25')

Driller- Ed Chandley

Size core-EX

Average core recovery- 69.0%

Total depth- 184.0'

Started 11-26-52, Finished 12-4-52

Logged by B. W. Venable

Average core recovery through the contact zone- 110-129½ 91.3%

From	To	Core Description	Core Recovery
0'	5'	Granite	3.4'
5'	9.5'	Granite	2.9'
9.5'	14.5'	Granite	4.9'
14.5'	19.5'	Granite	3.1'
19.5'	24.5'	Granite	3.7'
24.5'	29.5'	Granite	3.8'
29.5'	34.5'	Granite	4.0'
34.5'	39.5'	Granite	4.4'
39.5'	44.5'	Granite 3" quartz & pyrite at 45° with core axis, at 40'	4.6'
44.5'	49.5'	Granite. Drilled part way along a fault face making about 5° with the core axis, having striations at about 70° with the core axis	3.2'
49.5'	55.0'	Granite	4.35'
55'	65'	Granite	8.4'
65'	75'	Granite	7.8'
75'	85'	Granite	5.5'
85'	90'	Granite	2.1'
90'	100'	Granite, partly silicified	5.1'

COPY

From	To	Core Description	Core Recovery
[illegible]	110'	Granite, partly silicified, last 4" contains a small amount of chalcopyrite and disseminated pyrite.	4.5'
110'	115'	First 6" is pyrite & quartz at 10° with the core axis, and the last foot is dark gray quartzite. The rest is green garnet, actinolite & quartz. Banding makes about 50° with core axis. 3/4" pyrite at 113½'	4.8'
115'	120'	Hard, dense, fine grained dark gray quartzite.	4.0'
120'	125'	Gray quartzite. Scattered small pyrite & green garnet stringers at 60° with core axis in last 3' of core.	4.7'
125	129.5'	Gray quartzite. Last 1" is dark green chlorite containing some tiny crystals of chalcopyrite and other copper minerals.	4.3'
129.5'	135'	Mostly dark green epidosik, some gray quartzite.	1.1'
135'	138'	Gray quartzite.	2.7'
138'	143.5'	Light gray quartzite- slightly calcareous.	1.5'
143.5'	148.5'	Light gray quartzite- slightly calcareous.	4.8'
148.5'	158.5'	Gray limestone.	3.5'
158.5'	164'	Gray limestone. Last 1½' mostly altered to crumbly talc along fractures making 60° with core axis.	5.2'
164'	174'	Gray limestone. First 2' soft & broken.	6.6'
174'	180'	Gray limestone. 3" green garnet at 178' making 70° with core axis.	4.3'
180'	184'	Pale gray to brown crystalline limestone.	3.8'
184'		End Of Hole.	

SAMPLE ASSAYS

110'	115'	Core #634- 0.44% Copper.
110'	115'	Sludge #653 Trace of Copper.
125	129½'	Sludge #652 0.02 Copper.

COPY

DIAMOND DRILL HOLE LOG
HOLE #13 TWIN BUTTES PROJECT
DMA CONTRACT #I-DMA-E-33, DMA DOCKET #269-X-B

Underground hole from Queen-Glance 600 level crosscut. Same location & purpose as Hole #12 on a divergent course.

Collar Co-ordinates- Latitude 19,791.62 Departure 20,535.62.

Collar Elevation- 2,930.8'.

Course Hole- S37° 18' W.

Dip Hole- Flat.

Driller- Ed Shandley

Size Core- EX

Average Core Recovery- 81.9%
Average Core Recovery Through Contact Area- 88.6%

Total Depth- 172.5'.

Started 12-5-52, Finished 12-13-53.

Logged By B. W. Venable.

From	To	Core Description	Core Recovery
0'	12'	Granite.	2.5'
12'	20'	Granite.	6.7'
20'	30'	Granite. Root stained fractures at 10° with core axis. At 26'-29' core shattered.	7.0'
30'	40'	Granite.	7.6'
40'	45'	Granite.	4.4'
45'	55'	Granite. 1" massive pyrite at about 45° with core axis at 50'	7.5'
55'	62.5'	Granite.	5.7'
62.5'	67.5'	Granite.	5.0'
67.5'	74'	Granite.	4.5'
74'	79.5'	Granite.	3.3'
79.5'	84'	Granite.	2.9'
84'	89.5'	Granite.	3.5'
89.5'	94.5'	Granite.	6.9'
94.5'	99'	Granite. 6" cut by numerous small slips of pyrite up to 1/4" wide at various angles at 95'.	3.4'
99'	103.5'	Granite.	9.1'
103.5'	113'	Granite to 112'. 1/4" pyrite at 70° with core axis at 113'. 112-113' is quartzite.	4.1'
113'	115'	First 9" of core is quartzite. Then 1½' of green slightly calcareous garnetite, then 3" quartzite.	2.3'

COPY

From	To	Core Description	Core recovery
115'	120'	First 2½' is brown garnetite, then 1' green garnetite, all slightly calcareous, then 1½' of quartzite at end. 1/4" pyrite at 119.7'.	4.9'
120'	122.5'	Garnet. Looks like about 5" of ore (pyrite, green garnet, chalcocite?) at 121' at 45° with core axis.	2.5'
122.5'	127.5'	Green garnetite, about 4" of massive magnetite at 127½'	5.0'
127.5'	130.5'	Strongly altered rock. Soft & Chloritised, mostly dark green. Some magnetite.	1.6'
130.5'	132.5'	Same as 127½' to 130½'.	1.1'
132.5'	137.5'	Mottled, altered limestone, pyritic & chloritic from 132½ to 136½', unaltered gray limestone from 136½ to 137½'.	4.6'
137.5'	142.5'	Limestone. Last 3" chloritised, with a fault slip at 75° with core axis, striae on the dip.	5.0'
142.5'	152.5'	Limestone. About 2' of black quartzite at 143'	10.0'
152.5'	162.5'	Limestone.	10.0'
162.5'	172.5'	Limestone.	10.0'
172.5'		End Of Hole.	

SAMPLE ASSAYS

113' - 115'	Core sample #640-	
113' - 120'	Sludge sample #654-	.03 Copper.
115' - 120'	Core Sample #649-	
120' - 122½'	Core Sample #660-	Trace Copper.
122½'- 127½'	Core Sample #661-	.22 Copper.
120' - 127½'	Sludge sample #655-	Trace Copper.
127½'- 130½'	Core sample #662-	.66 Copper.
130½'- 132½'	Core sample #663-	.48 Copper.
127½'- 132½'	Sludge sample #656-	1.15 Copper.
132½'- 137½'	Core sample #664-	.21 Copper.
132½'- 137½'	Sludge sample #657	.48 Copper.

COPY

[illegible] HILL [illegible]
[illegible] 24 [illegible] BUTTE [illegible]
[illegible] CONTRACT [illegible]-33, [illegible] DOCKET [illegible]269-[illegible]-B

Underground hole from [illegible] west crosscut face west to locate the contact where faulted, and possibly find the displaced section of ore. Granite was struck at 63'.

Collar CO-ordinates- Latitude 20,231.14 Departure 20,032.63.
Collar Elevation- 2,934.31.
Course Hole- N66° 18' W.
Dip Hole- Flat (up 40')
Driller- Ed Shandley.
Size Core- EX
Average Core Recovery- 90.7%.
Average Core Recovery Through Contact Area- 97.8%.
Total Depth- 78.5'
Started 12-13-52 Finished 12-17-52.
Logged By- B. W. Vensble.

From	To	Core Description	Core Recovery
0'	10'	White marble.	9.9'
10'	17'	White marble slightly discolored and fractured in the last 2'.	6.3'
17'	30'	White limestone. First foot is soft & crumbly. Last 2' is mottled & partially altered to black silicates.	12.4'
30'	34.5'	Black, red & green contact minerals. No discernable sulfides, but core is very magnetic.	4.3'
34.5'	44.5'	Massive aphanitic magnetite.	9.3'
44.5'	49.5'	Same.	5.0'
49.5'	59.5'	Same to 56'. Then light green chlorite to 59½'.	10.0'
59.5'	63'	First 1½' of core is black magnetite. The rest is light green chlorite with some pyrite. Very broken up.	3.7'
63'	68'	Broken granite.	0.6'
68'	73'	Granite.	4.1'
73'	78.5'	Granite.	5.1'
78.5'		End Of Hole.	

SAMPLE ASSAYS

59½' - 63'	Sludge sample #658-	.03 Copper.
63' - 68'	Sludge sample #659-	.29 Copper.
30' - 34½'	Core Sample #747-	Trace Copper.
34½' - 44½'	Core sample # 748-	Trace Copper.
44½' - 49½'	Core sample # 749-	0.42 Copper.
49½' - 59½'	Core sample # 751-	0.11 Copper.
59½' - 63'	Core sample # 752-	0.46 Copper.

COPY

STATEMENT

Glenn S. Thatcher
Diamond Driller
Humboldt, Arizona

TO

Banner Mining Company
2042 Conner Stravenue
Tucson, Arizona

Period 1-1-53 to 1-31-53 Incl.

Hole #15 Twin Buttes Queen 600 @ $2.50 Per Foot.....	69.0'
Hole #16 Twin Buttes Queen 600 @ $3.00 Per Foot.....	123.5'
Hole #18 Twin Buttes Queen 600 @ $2.50 Per Foot.....	199.5'
Hole #19 Twin Buttes Queen 600 @ $3.00 Per Foot.....	61.0'
Total Footage	453.0'

268.5' @ $2.50 Per Foot.....	$ 671.25
184.5' @ $3.00 Per Foot.....	$ 553.50
Balance Due Thatcher	$1,224.75

G. S. Thatcher

CERTIFIED TRUE COPY

G. L. Lowman
Manager

COPY

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

Budget Bureau No. 42-R1036.3.
Approval expires

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 0 1953

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

Month of December, 1952 Docket No. DMEA 269-X-B Contract No. I-DM-E-33
Operator's Name Banner Mining Company Minerals Copper
Address 2042 Conner Stravenue, Tucson, Arizona
Contract Amount, $ 135,789.00 Government Participation: 50 % Amount, $ 67,894.50

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	1,954.00		1,954.00			
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	3,126.10	39,998.21	43,124.31			
Supervision	758.87	8,591.22	9,350.09			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber	74.93	2,521.15	2,596.08			
Explosives		449.23	449.23			
Pipe	39.18	2,807.94	2,847.12			
Track		2,190.00	2,190.00			
Other Supplies	278.55	4,484.59	4,763.14			
Power	418.92	3,822.01	4,240.93			
(4) Operating Equipment:						
Rental						
Purchase		6,836.03	6,836.03			
Depreciation	316.32	4,148.48	4,464.80			
(5) Initial Rehabilitation and Repairs		7,119.27	7,119.27			
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment		943.82	943.82			
Sampling and Analysis	35.00	167.50	202.50			
Payroll Taxes	78.92	1,638.30	1,717.22			
Liability Insurance	324.36	4,837.37	5,161.73			
Transportation	4.58	854.06	858.64			
Accountant Salary	65.83	791.10	856.93			
(8) Contingencies (specify):						
TOTALS	7,475.56	92,200.28	99,675.84	7475.56	92200.28	99675.84
				-	75.45	- 75.45

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 1-9-53 *Payee Banner Mining Company
Per A. S. Bowman Title Manager

*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:
7475.56 92124.83 99600.39
$ 3737.78

Signature
(Authorized Certifying Officer)
Date 1/29/53 Vou. No. DMA 53-91
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. I-DMA-E33 in accordance with the terms of the contract.

Signature T M Romolo WRF Title Mining Engineer Date Jan. 19, 1953

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

Signature W. H. King Title Executive Officer Date JAN 26 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-304A
(April 1952)

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
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FEB 9 1953

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

Month of December 1952 Docket No. DMEA 269-X-B Contract No. I-DM-E-33
Operator's Name Banner Mining Company Minerals Copper
Address 2042 Conner Stravenue, Tucson, Arizona

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								
Shafts								
Winzes								
Drilling: Core	Feet	1,954.00	745.5'	1,954.00	745.5'	2.62		
Other ~~Exp~~ Expense		670.42	*	3,429.44		4.60		
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Underground Rehabilitation		4,851.14		80,337.10				
TOTAL DISTRIBUTED COSTS		7,475.56		85,720.54				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased				6,836.03				
Initial Rehabilitation and Repairs				7,119.27				
New Buildings, Improvements, etc.								
TOTAL COSTS		7,475.56		99,675.84				

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 1-9-53 Operator Banner Mining Company

Per A. S. Bowman Title Manager

→ 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: This amount includes Labor 413.46, Supervision 106.24, Lumber 35.62, Power 58.65, Comp Ins. 45.41, Payroll Taxes 11.04. These amounts are included under their respective headings on Form M F-104.

(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 ADMINISTRATION
WASHINGTON 25, D. C.

New Customhouse
Denver 2, Colorado

January 26, 1953

Memorandum

To: T. A. Christensen

From: Executive Officer, Field Team, Region IV

Subject: DMA Docket 269Xb, Contract Idm-K33 (Copper) Banner Mining Co's. Twin Buttes Copper Mine, Pima County, Arizona - Operator's Monthly Progress Report for the period of 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 completed as authorized by the contract. Documentation has been waived, therefore we recommend that payment be made for 90 percent of the amount as reported by the Operator on Form MF-104 subject to verification of arithmetical accuracy within Form MF-104, and contingent on findings of subsequent on-site audit of the Operator's accounts.

Remarks:

Date of Report - January 9, 1953
Date Received in Field Office - January 16, 1953
Date Received in Region Office - January 22, 1953
Date Processed for Payment - January 26, 1953

W. H. King
W. H. King

Enclosures

RDB:oc
cc: Contract
Secretary to the Operating Committee (2)
WRStorms
Chron.

MINING DIVISION
REGION IV

January 20,1953

Memorandum

To : W. H. King, Chief, Mining Div., Region IV

From : Chief, Mining Methods Branch, Mining Div., Region IV

Subject : December 1952 Progress Report, Docket DMA-269XD, Contract I-DMA-233, Banner Mining Co's. Twin Buttes Copper Mines, Pima County, Ariz.

Enclosed in quintuplicate are the following items for the above report:

(1) Bureau of Mines engineer's report;

(2) Operator's Narrative Report with 3 maps;

(3) Forms MF-104 and 104A.

Also enclosed are 2 extra copies of our engineer's report.

As all work is in accordance with the terms of the contract, I recommend that the Government's share of the costs be paid.

Walter R. Storms

Walter R. Storms

CC W. H. King (6)
DMA-269XD
DF

WRStorms:frj

MINING DIVISION
REGION IV

January 19, 1953

Memorandum

To : W. R. Storms, Chief, Mining Methods Branch, Mining Division, Region IV, Tucson, Ariz.

From : T. M. Romslo, Mining Engineer, Tucson, Ariz.

Subject : Progress Report for December 1952, Banner Mining Co's. Twin Buttes Copper Mines, Pima County, Ariz., DMA Docket 269X-D, Contract I-DMA-233.

The Twin Buttes exploratory project was visited January 9, to check progress for December and to determine if the work continued to be done in accordance with subject contract. An inventory was taken of supplies used, cost reports were reviewed and the logs and core of diamond-drill holes were inspected before visiting exploratory sites with A. D. Bowman, Manager of the project.

Progress for December was confined to the Queen Mine and consisted of the following:

7th level - Diamond drill holes 12, 13, 14, and 15 were completed to respective depths in feet of 184, 172.5, 78.5, and 130.0 for a total of 565.0 feet. Hole 16, reportedly at 180.5 feet on December 31, was completed Jan. 9 at a depth of 304 feet.

The second drill station was advanced 2 feet over an 8-foot width and the entire station, 8 by 20 feet, was timbered.

9th level - 228 feet of drifts and crosscuts were cleaned out and equipped with track. Two small underhand stopes, one each at the east and west ends of the level, were dewatered to respective depths of 6 and 15 feet for sampling purposes.

Surveying, mapping, and sampling continued during the month.

To date, no ore has been encountered by the diamond drill holes on the 7th level.

CC W. M. King (orig. & 6)
DMA-269XD
DF

~~MRSx~~ T. M. Romslo:frj

January 14th, 1953

Defense Minerals Administration
224 New Customhouse Building
Denver 2, Colorado

Re:- DMA Contract #I-DMA-E-33, DMA Docket #269-X-B- Pertaining to the Twin Buttes Property South of Tucson, Arizona.

Gentlemen:-

Below is a list of work completed under the Twin Buttes DMA Project during the month of December 1952:-

1. 228 feet of drifts and crosscuts were cleaned out and track laid on the 700 (9th) level of the Queen Mine.

2. An underhand stope on the east side 700 level of the Queen Mine was unwatered to its bottom (15 feet) for sampling purposes.

3. An underhand stope on the west side of the 700 level of the Queen Mine was unwatered to a depth of 6 feet for sampling.

4. Diamond Drill holes #12, 13, 14, 15 and 16 totalling 660.5 feet were completed during the month. Hole #16 was still in progress at the end of the month being at a depth of 180.5 feet. 85 feet of diamond drill hole #12 was drilled in November but was not entered in the November costs as mentioned in last month's report. This 85 feet has been charged in December.

5. The second diamond drill station was advanced 2 feet over an 8 foot width in granite. Then the whole station 8' X 20' was timbered in readiness for the diamond drilling.

6. Surveying, mapping and sampling were continued during the month. Maps of the 600 and 700 levels are attached which show assays of cut samples, position of drifts and crosscuts and diamond drill holes together with formations penetrated and the general geological data.

The cleanup and rehabilitation work will be completed early in January 1953 and the crew reduced to a minimum during the period diamond drilling is in progress.

Please note that a Chicago Pneumatic #7 Sludge Pump was used in the unwatering of the small underhand stopes on the 700 level of the Queen Mine in order to sample them. This pump is 100% owned by Banner Mining Company.

This letter is intended as a narrative report covering progress during the month of December 1952.

Respectfully submitted,

COPY

Banner Mining Company

A. B. Bonner

Manager

ABB:ecb

STATEMENT

Glenn S. Thatcher
Diamond Driller
Humboldt, Arizona

TO

Banner Mining Company
2042 Conner Stravenue
Tucson, Arizona

Period 11-24-52 to 12-31-52 Incl.

Hole #12 Twin Buttes G. Q. 600 Level @ $2.50 Per Foot	(November)	85.0'
Hole #12 Twin Buttes G. Q. 600 Level @ $2.50 Per Foot	(December)	99.0'
Hole #13 Twin Buttes G. Q. 600 Level @ $2.50 Per Foot	(December)	172.5'
Hole #14 Twin Buttes Queen 600 Level @ $2.50 Per Foot	(December)	78.5'
Hole #15 Twin Buttes Queen 600 Level @ $2.50 Per Foot	(December)	130.0'
Hole #16 Twin Buttes Queen 600 Level @ $3.00 Per Foot	(December)	180.5'
	Total Footage	745.5'
565.0' @ $2.50 Per Foot		$1,412.50
180.5' @ $3.00 Per Foot		$ 541.50
	Balance Due Thatcher	$1,954.00

CERTIFIED TRUE COPY

Banner Mining Company

A. L. Lowman
Manager

COPY

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 November 1952 Docket No. DMEA 269-X-B Contract No. I-[illegible]-D-33
Operator's Name Banner Mining Company Minerals Copper
Address 2042 Corner Stravenue, Tucson, Arizona
Contract Amount, $135,759.00 Government Participation: 50 % Amount, $ 67,394.50

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	3,765.62	36,232.59	39,998.21			
Supervision	516.48	8,074.74	8,591.22			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber	142.09	2,379.26	2,521.15			
Explosives	22.00	427.23	449.23			
Pipe	71.56	2,736.38	2,807.94			
Track	136.20	2,053.80	2,190.00			
Other Supplies	217.62	4,266.97	4,484.59			
Power	519.53	3,302.48	3,822.01			
(4) Operating Equipment:						
Rental						
Purchase		6,836.03	6,836.03			
Depreciation	316.32	3,832.16	4,148.48			
(5) Initial Rehabilitation and Repairs		7,119.27	7,119.27			
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	2.50	941.32	943.82			
Sampling and Analysis	9.00	158.50	167.50			
Payroll Taxes	114.88	1,523.42	1,638.30			
Liability Insurance	434.79	4,402.58	4,837.37			
Transportation	1.00	853.06	854.06			
Accountant Salary	65.83	725.27	791.10			
(8) Contingencies (specify):						
TOTALS	6,336.22	85,864.06	92,200.28	6336.22	85864.06	92200.28
				75.45		75.45
				6260.77	85864.06	92124.83

I certify that the above bill is correct and just and that payment therefor has not been received.*
Date 12-10-52 *Payee Banner Mining Company
Per [signature] Title Manager

*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)

* Disallowances per DMEA Auditor's Report

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
$3130.39
Signature [signature]
(Authorized Certifying Officer)
Date 12/19/53 Vou. No. DMA 53-82
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. I-DMA-E33 in accordance with the terms of the contract.

Signature M M Pomalo Title Mining Engineer Date Dec 17, 1952

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

Signature W. H. King Title Executive Officer Date JAN 8 1952

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 63-38476

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 November 1952 Docket No. DMEA 269-X-D Contract No. I-IT-1-33
Operator's Name Banner Mining Company Minerals Copper
Address 2042 Comer Stravenue, Tucson, Arizona

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								
Shafts								
Winzes								
Drilling: Core								
Other Expense		473.43 *		2,759.02				
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Underground Rehabilitation		5,857.79		75,435.96				
TOTAL DISTRIBUTED COSTS		6,336.22		73,244.93				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased				6,336.03				
Initial Rehabilitation and Repairs				7,119.27				
New Buildings, Improvements, etc.								
TOTAL COSTS		6,336.22		92,200.23				

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 12-12-52 Operator Banner Mining Company

Per A. P. Sourman Title Mgr

REMARKS: * This amount includes Labor 304.92, Supervision 41.31, Equipment Rentals 24.67, Explosives 22.00, Power 41.56, Comp. Ins. 34.78, Payroll Taxes 9.19 used in getting diamond drill stations ready. These amounts are included under their respective headings of Form MF-104.

→ 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

[illegible]

Date: Jan. 17, 1953
Payroll
Reference: Progress Report

November, 1952

Banner Mining Company
2242 Conner Travenue
Tucson, Arizona

Upon consideration of the above Payroll Reference a difference was found which made it necessary to support your account accordingly:

Amount Claimed: $ 6336.22

Difference: $ 75.45

Amount Approved: $ 6260.77

The reason for the difference was due to:

Following deductions per EMA Auditor's Report dated 11/28/52:

Equipment rental disallowed because Cement Mixer was not listed in the contract.	3.32
Payroll Tax on disallowed salary of accountant for Sept.1951 Tax on $66.25 is $4.64. 1/2 to Contract R-33	2.32
Payroll Tax disallowed due to the fact that certain employees reached the statutory requirements but the fact was overlooked in charging F.I.C.A. and Unemployment Insurance	44.07
Unemployment Insurance figured at 2% which should have been figured at 3%	19.94
	75.45

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

Very sincerely yours,

N. E. Stokes
Audit Section

R-EW-S & F Form No. 4
4-1-52 D

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

124 New Customhouse
Denver 2, Colorado

January 8, 1953

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMA Docket 269XB, Contract I-DMA-E33 (Copper), Banner Mining Company's Twin Buttes Copper Mine, Pima County, Arizona - Operator's Monthly Progress Report for the period of 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 completed as authorized by the contract. Documentation has been waived, therefore we recommend that payment be made for 50 percent of the amount as reported by the Operator on Form MF-104 subject to verification of arithmetical accuracy within Form MF-104, and contingent on findings of subsequent on-site audit of the Operator's accounts.

The following deductions as recommended in Audit Report dated November 28, 1952, prepared by the Contract Administration and Audit Division, are to be made from the Operator's Report for the month of November 1952:

Equipment Rental	$8.32
Payroll Tax	$67.13

Remarks:

Date of Report	Dec. 12, 1952
Date Received in Ariz.-New Mex. Branch Office	Dec. 15, 1952
Date Received in Region IV Office	Dec. 29, 1952
Date Processed for Payment	Jan. 8, 1953

RDB:jp

W. H. King

W. H. King

Enclosures

cc Sec. to Oper. Committee (2)
WRStorms
Contract
Chron

MINING DIVISION
REGION IV

December 23, 1952

Memorandum

To : W. H. King, Chief, Mining Div., Region IV, Denver, Colo.

From : Chief, Mining Methods Br., Mining Div., Region IV

Subject : November 1952 Progress Report, Docket DMA-269XB, Contract I-DMA-B33, Danner Mining Co's. Twin Buttes Copper Mines, Pima County, Ariz.

Enclosed in quintuplicate are the following:

(1) Bureau of Mines engineer's report;
(2) Operator's Narrative report with map;
(3) Forms MP-104 and MP-104A.

Also enclosed are two extra copies of our engineer's report.

Documentation has been waived for this contract.

As all work is in accordance with the terms of the contract, I recommend that the Government's share of the costs be paid.

Walter R. Storms

Walter R. Storms

CC W. H. King (6)
DMA-269X B
DF

WRStorms:frj

3. Queen mine, 7th level (Glance 525-ft. level).- The diamond drill station for holes 6 and 7 was advanced 8 feet wide for a distance of 6.5 feet. Hole No. 4 was started and had been drilled to 85 feet by the end of the month.

4. Surveying, mapping and sampling was continued.

A map showing the advance and other data for the 9th level is attached to the Operator's Narrative Report. Logs and data for diamond drill holes will be submitted, starting with next month's report.

CONTRACT FORMS, MF-104 and 104A, AND OPERATOR'S NARRATIVE REPORT

The inspection of the operations and cost reports indicates the following:

1. The work performed and for which claim is made is in accordance with the contract and is as reported on Form MF-104A.

2. The supply and service charges were necessary and do not appear to be excessive. They have been accepted as correct, pending an on-site audit. Attention is called to paragraph No. 6 of the Operator's Report that explains why cost of diamond drilling has been deferred. For the record: depreciation charge of $316.32 includes truck $8.00 (4 hours), hoist motor $41.66, pick-up truck $41.66, and compressor $225.00. Further, no charge has been made for supervision during A. Bowman's absence from the project. Pending official notice to the operator from Denver, no action will be taken on the disallowances of Brading's recent audit certificate.

3. The Operator's Narrative Report does not mention part of the work done in the Queen shaft between the 7th and 9th level. The work omitted has been covered in this report. With that exception, his report is considered adequate.

T. M. Romslo

T. M. Romslo

December 12th, 1952

Defense Minerals Administration
224 New Customhouse Building
Denver 2, Colorado

Re:- DMA Contract # I-DMA-E-33, DMA Docket #269-X-B Pertaining to the Twin Buttes Property South of Tucson, Arizona.

Gentlemen:-

Below is a list of work completed under the Twin Buttes DMA Project during the month of November 1952.

1. The unwatering of the Queen Shaft was completed to a point 16 feet below the floor of the 700 (9th) level; making an advance for the month of 26.0 feet.

2. The winze below the 700 (9th) level of the Queen Mine was unwatered to its bottom, a distance of 60 feet. A ladderway was installed over the full depth of this winze.

3. The South Crosscut from the Queen Shaft on the 700 (9th) level was cleaned out and track layed over the entire distance of 96.0 feet to the intersection of the East and West Drifts on the contact.

4. 227.5 feet of the East Contact Drift and 41 feet of the West Contact Drift on the 700 (9th) level of the Queen Mine were cleaned out and track layed over the entire distance.

5. The diamond drill station for holes #6 and #7 was advanced 8 feet wide for a distance of 6.5 feet.

6. 85 feet of diamond drill hole was completed during the month and corresponds to hole #4 as shown on our map of the Twin Buttes Mines which accompanied our application for Amendment #7 to this contract. The diamond drilling contractor did not submit a bill for the November drilling on account of the small footage completed and as a result no cost for the diamond drilling has been entered against the project for November. This cost will be added next month.

7. Surveying, mapping and sampling were continued during the month. A map is attached showing (1) advance on the 700 (9th) level of the Queen Mine, (2) formations penetrated, (3) assays of cut samples.

8. 260 feet of 2" pipe and 100 feet of 1" pipe were installed in the shaft and on the 700 level of the Queen Mine.

Please note that the Colton Iron Works Single Drum Air Operated Hoist, the four foot sheave wheel and hoist cable and sinking bucket used in the unwatering of the Queen Shaft are 100% owned by Banner Mining Company. They are being used at no cost to the project or the government.

250 feet of #14- 2 conductor rubber covered cable was installed on the 700 level and in the shaft of the Queen Mine. It is 100% owned by Banner Mining Company and is being used at no cost to the project or the government.

This letter is intended as a narrative report covering progress during the month of November 1952.

Respectfully submitted,

Banner Mining Company

A. B. Bowman

Manager

ABB:ecb

COPY

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Budget Bureau No. 42-R1036.3.
Defense Minerals Exploration Administration
RECEIVED
DEC 12 1952

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of October, 1952 Docket No. DMEA 269-X-B Contract No. I-IT-L-33
Operator's Name Banner Mining Company Minerals Copper
Address 222 Sonora Stravenue, Tucson, Arizona
Contract Amount, $ 135,739.00 Government Participation: 50 % Amount, $ 67,894.50

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	3,558.47	32,674.12	36,232.59			
Supervision	732.35	8,017.66	8,800.01			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber	353.55	2,024.71	2,378.26			
Explosives	42.07	385.16	427.23			
Pipe	63.52	2,672.86	2,736.38			
Track		2,053.80	2,053.80			
Other Supplies	206.92	3,608.65	3,815.57			
Power	395.10	2,907.38	3,302.48			
(4) Operating Equipment:						
Rental						
Purchase		6,836.03	6,836.03			
Depreciation	328.32	3,503.84	3,832.16			
(5) Initial Rehabilitation and Repairs		7,119.27	7,119.27			
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	6.50	934.82	941.32			
Sampling and Analysis	10.50	148.00	158.50			
Payroll Taxes	105.73	1,417.69	1,523.42			
Liability Insurance	335.92	4,066.66	4,402.58			
Pickup Gas & Repairs	42.33	409.07	451.40			
Transportation	6.10	846.96	853.06			
(8) Contingencies (specify):						
TOTALS	6,294.38	79,569.68	85,864.06	6,294.38	79,569.68	85,864.06

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

Date 11-12-52 *Payee Banner Mining Company

Per B.W. Venable Title Engineer

*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:

$ 314.719

Signature [illegible]
(Authorized Certifying Officer)

Date 12/4/52 Vou. No. DMA-53-67

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. I-DMA-E33 in accordance with the terms of the contract.

Signature T M Romalo Title Mining Engineer Date Nov 19, 1952

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 53-38476

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
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OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of October 1952 Docket No. DMEA 269-F-D Contract No. I-[illegible]-33
Operator's Name Conner Mining Company Minerals Copper
Address 2042 Conner Stravenue, Tucson, Arizona

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								
Shafts								
Winzes								
Drilling: Core								
* Other Expense Churn		2,230.59		2,230.59				
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Underground Rehabilitation		4,013.79		69,623.17				
TOTAL DISTRIBUTED COSTS		6,294.38		71,908.76				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased				6,836.03				
Initial Rehabilitation and Repairs				7,119.27				
New Buildings, Improvements, etc.								
TOTAL COSTS		6,294.38		85,864.06				

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 11-12-52 Operator Conner Mining Company

Per Bill Venable Title Engineer

→ 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: * This amount includes Labor 1,353.15, Supervision 297.30, Equipment Rentals 117.16, Pickup Gas 13.75, Explosives 42.57, Lumber 32.04, Other Supplies 27.36, Power 136.14, Liab Ins. 143.65, & Payroll Tax 40.17 used in getting Diamond Drill Station ready. These amounts are included under their respective headings on Form MF-104.

(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 ADMINISTRATION
WASHINGTON 25, D. C.

224 New Customhouse
Denver 2, Colorado

November 28, 1952

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMA Docket 269X-B, Contract I-DMA-E33 (Copper) Banner Mining Co., 2042 Conner Stravenue, Tucson, Arizona - 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 completed as authorized by the contract. Documentation has been waived, therefore we recommend that payment be made for 50 percent of the amount reported by the Operator on Form MF-104 subject to verification of arithmetical accuracy within Form MF-104, and contingent on findings of subsequent on-site audit of the Operator's accounts.

W. H. King
W. H. King

Enclosures

RDB:oc

cc: Contract
Secretary to the Operating Committee (2)
WRStorms
Chron.
AHKoschmann (2)

MINING DIVISION
REGION IV

November 19, 1952

Memorandum

For : W. M. King, Acting Chief, Mining Division, Region IV

From : Lincoln A. Stewart for Chief, Arizona-New Mexico Branch, Mining Division, Region IV, Tucson, Arizona

Subject : October 1952 Progress Report, Docket MMA-269M-B Contract I-MMA-233, Banner Mining Co's. Twin Buttes Copper Mines, Pima County, Ariz.

Enclosed in quintuplicate are the following items for the above progress report:

(1) Bureau of Mines engineer's report;

(2) Operator's Narrative report with maps;

(3) Forms MP-104 and 104A.

Also enclosed are two extra copies of our engineer's report.

As documentation has been waived for this project, no cost statements or payrolls are enclosed.

As all work is in accordance with the terms of the contract, in the absence of Mr. Storms, I recommend that the Government's share of the costs be paid.

Lincoln A Stewart

Lincoln A. Stewart, Mining Engineer
for Walter R. Storms, Chief
Arizona-New Mexico Branch
Mining Division, Region IV

cc W. M. King (6)
MMA-269MB
MP

LAStewart:frj

Conclusions based on the inspection of the project works and costs are as follows:

1. The work performed and for which claim is made is in accordance with the contract and is as reported on Form MF-104A. The set-up of Other Expense for core drilling on MF-104A was suggested by the writer and has been explained on the form under "Remarks". If this method is unsatisfactory, the Tucson office should be instructed as to the correct way to distribute these costs in the future

2. The supply and service charges were necessary and do not appear to be excessive. The charge of $328.32 for depreciation includes hoist and motor, pickup truck, compressor and 10 hours use of the Diamond-T truck.

3. The Operator's Narrative Report is considered adequate.

4. Documentary support of charges, waived on this project, will be available for an on-site audit.

T. M. Romslo, Mining Engineer
Arizona-New Mexico Branch
Mining Division, Region IV

November 12th, 1952

Defense Minerals Administration
224 New Customhouse Building
Denver 2, Colorado

Re:- DMA Contract #I-DMA-E-33, DMA Docket #269-X-B Pertaining to the Twin Buttes Property South of Tucson, Arizona.

Gentlemen:-

Below is a list of work completed under the Twin Buttes DMA Project during the month of October, 1952.

1. The Queen Shaft was unwatered to a total depth of 88 feet below the 7th level of the Queen Mine, an advance for the month of 85 feet. One full shaft set and two sets of lagging were installed where needed, and one full station set was put in on the 7th level shaft station.

2. The Colton Iron Works single drum air operated hoist listed in the October 10th report was installed, complete with timber foundation, anchor bolts, timbered protective cover for the hoist and hoistman, and 3/4" wire rope. A 4 foot sheave was installed in the shaft, complete with pillow blocks and 8" X 16" bearing timbers.

3. The diamond drill station for Twin Buttes Project diamond drill holes No.s 4 and 5 on the Glance-Queen 925 level crosscut was completed during October for a total advance of 18 feet, final dimensions 8' x 22'. The full 18 feet was timbered, as the granite was too weak to stand safely over this width due to numerous fractures traversing this area.

4. The diamond drill station for Twin Buttes Project diamond drill holes No.s 6 and 7 was advanced 9.5 feet during the month.

This letter is intended as a narrative report covering progress during the month of October, 1952.

Respectfully submitted,

Banner Mining Company

Bill Venable
Engineer

BWV:ecb

COPY

A F F I D A V I T

STATE OF OKLAHOMA)
) SS
COUNTY OF OKLAHOMA)

W. H. HARDY, of lawful age, being duly sworn, deposes and says:

THAT he is the Secretary and Treasurer of the Banner Mining Company, a Nevada Corporation, and that he has been serving in that capacity for fifteen (15) years; that he is personally acquainted with the books and records of said Company and supervises the bookkeeping department of said Company; that he knows of his own personal knowledge that all bills of the Banner Mining Company for work done and materials purchased to and inclusive of October 31st, 1952, under D. M. A. Contract Number I-DMA-33, D. M. A. Docket 269-X-B pertaining to the Twin Buttes Property South of Tucson, Arizona, are fully paid.

FURTHER Affiant sayeth not.

DATED This 17th day of November, 1952.

W. H. Hardy

W. H. Hardy

See Idm-E32 for copy of audit report.

Department of the Interior
Defense Minerals Administration

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

AUDIT CERTIFICATE

I have examined the records and transactions of

Banner Mining Company

Tucson, Arizona

pertaining to Exploration Project Contract No. IDM-E33, Docket No. DMA 269X-B, for the period of August 7, 1951 to September 30, 1952.

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

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

Total Cost as billed by Contractor		$79,643.62
Prior Exceptions	$73.93	
Exceptions (per Audit Report)	75.45	149.38
Total Accepted Cost		$79,494.24

The contract calls for a 50 per cent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Thirty nine thousand seven hundred forty-seven 12/100

- $39,747.12 -

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.

November 20, 1952

T. H. Brading, Auditor

Audit Report filed in E-32

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

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
NOV 24 1952

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

Month of September, 1952 Docket No. DMEA 269-X-B Contract No. I-EM-1-33
Operator's Name Banner Mining Company Minerals Copper
Address 2002 Conner Stravenue, Tucson, Arizona
Contract Amount, $ 135,739.00 Government Participation: 50 % Amount, $ 67,894.50

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	4,376.32	29,862.32	34,238.64			
Supervision	929.83	6,504.58	7,434.41			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber	210.89	1,861.28	2,072.17			
Explosives	36.73	348.43	385.16			
Pipe	243.70	146.49	395.19			
Track		497.19	497.19			
Other Supplies	454.74	7,603.91	8,058.65			
Power	374.06	4,298.32	4,672.38			
(4) Operating Equipment:						
Rental						
Purchase		6,836.03	6,836.03			
Depreciation	316.48	3,209.36	3,525.84			
(5) Initial Rehabilitation and Repairs		3,638.46	3,638.46			
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	630.38	304.44	934.82			
Sampling and Analysis	134.25	13.75	148.00			
Payroll Taxes	185.71	1,263.94	1,449.65			
Liability Insurance	470.58	3,637.42	4,108.00			
Pickup-Truck Repairs	58.52	343.55	402.07			
Transportation	37.65	809.31	846.96			
(8) Contingencies (specify):						
TOTALS	8,464.84	71,178.78	79,643.62	~~8,464.84~~	~~71,178.78~~ *- 73.94	~~79,643.62~~ *- 73.94
				8,464.84	71,104.84	79,569.68

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

Date 10-11-52 *Payee Banner Mining Company

Per A. R. Bowman Title Manager

*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:

$ 4232.42

Signature [illegible]
(Authorized Certifying Officer)

Date 11/13/52 Vou. No. FMA 53-60
(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. I-DMA-E33 in accordance with the terms of the contract.

Signature D M Pomalo WKR Title Mining Engineer Date Oct. 16 1952

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. H. King Title Executive Officer Date 10/23/52

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 24 1952

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

Month of September 1952 Docket No. DMEA 269-X-B Contract No. I-DM-E-33
Operator's Name Banner Mining Company Minerals Copper
Address 2042 Conner Stravenue, Tucson, Arizona

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								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Underground Rehabilitation		8,464.84		69,169.13				
TOTAL DISTRIBUTED COSTS		8,464.84		69,169.13				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased				6,836.03				
Initial Rehabilitation and Repairs				3,638.46				
New Buildings, Improvements, etc.								
TOTAL COSTS		8,464.84		79,643.62				

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 10-11-52 Operator Banner Mining Company

Per A. L. Lowman Title Manager

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)

Delay due to fact that Contracter Administration Division Auditor took these vouchers to Tucson to make an audit.

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 ADMINISTRATION
WASHINGTON 25, D. C.

224 New Customhouse
Denver 2, Colorado

October 23, 1952

Memorandum

To: T. A. Christensen

From: Executive Officer, Field Team, Region IV

Subject: DMA Docket 269X-B, Contract I-DMA-E33, (Copper) Banner Mining Company, Pima County, Arizona - 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 completed as authorized by the contract. Documentation has been waived, therefore we recommend that payment be made for 50 percent of the amount as reported by the Operator on Form MF-104 subject to verification of arithmetical accuracy within Form MF-104, and contingent on findings of subsequent on-site audit of the Operator's accounts.

W. H. King

W. H. King

Enclosures

JWT:oc

cc: Contract
Secretary to Operating Committee (2)
WRStorms
Chron.
AHKoschmann (2)

MINING DIVISION
REGION IV

October 16, 1952

Memorandum

To : W. H. King, Acting Chief, Mining Div., Region IV

From : Chief, Arizona-New Mexico Br., Mining Div., Region IV

Subject : September 1952 Progress Report, Docket DMA-269XB, Contract I-DMA-233, Banner Mining Co's. Twin Buttes Copper Mines, Pima County, Ariz.

Enclosed in quintuplicate are the following items for the above report:

(1) Bureau of Mines engineer's report;

(2) Operator's narrative report with map;

(3) Forms MF-104 and 104A

Also enclosed are two extra copies of our engineer's report.

As all work is in accordance with the terms of the contract, I recommend that the Government's share of the costs be paid.

Walter R. Storms

Walter R. Storms, Chief
Arizona-New Mexico Branch
Mining Division, Region IV

CC W. H. King (6)
DMA-269XB
DF

WRStorms:frj

MINING DIVISION
REGION IV

October 16, 1952

Memorandum

To : W. R. Storms, Chief, Arizona-New Mexico Br., Mining Div., Region IV, Tucson, Ariz.

From : T. M. Romslo, Mining Engineer, Tucson, Ariz.

Subject : Progress Report for September 1952, Banner Mining Co., Twin Buttes Copper Mines, Pima County, Ariz. DMA Docket 269X-B, Contract I-DMA-E33.

The Twin Buttes Copper Mines were visited October 8 to check progress on the exploratory project and to determine if the work continues to be carried out in accordance with subject contract. An inventory was taken of supplies used during the month and the cost records and mine progress maps were reviewed before inspecting the project workings with Allen Bowman, superintendent of the property.

The inspection of the mine workings showed the following work was done during September:

Glance Mine

525 level. 1. A sump was excavated and concreted at the Glance shaft and 85 feet of 4-inch pipe was installed from the sump to the 625 level. This installation was necessary for drainage of water now being pumped from the Queen shaft. The water flows by gravity to the pump on the 625 level via the 525 level and the sump installation.

625 Level. 1. Cleaning and laying of track in the east drift advanced 137 feet, of which 20 feet had to be timbered.

2. Sampling and geologic mapping of this level was completed. Assays, geology and progress are shown on attached map.

CC W. H. King (Orig. & 6)
DMA-269X B
DF

TMRomslo:frj

Queen Mine

7th level (Glance 525-A level).

1. Old timber and debris was removed around the shaft station in preparation for rehabilitation of the shaft to the 9th level. A pump was installed and water was about 12 feet below the 7th level on Oct. 8.

2. Work was started on the installation at the shaft of an air hoist and a 8- to 10-ton chute in the manway to handle debris and muck from the shaft and 9th level.

The following equipment, owned 100 percent by the Banner Mining Company and being used at no cost to the project or the Government, was installed in connection with the work at the Queen mine:

1. 700 feet of 15 conducter rubber covered signal cable (Glance shaft).

2. One ½-ton Yule chain block (Queen shaft).

3. 500 feet of #4 single conductor rubber covered stranded wire. (525 level between Glance and Queen Mines).

4. 133 feet of 1/0 three conductor armored cable. (Glance Shaft).

5. 160 feet 1/0 RHRW rubber covered single conductor cable (Glance shaft).

6. 1821 feet #4 three conductor 600 volt RC wire cable, type R. R. (525-level between Glance and Queen mines).

7. One I-R, 10 HP Motor pump, size 1½ RVH (Queen shaft below 7th level).

In addition to the above equipment, used telephones costing less than $50.00 and charged to the project were installed at the hoist at the Queen shaft and at the Glance shaft station of the 525 level.

The inspection of the project workings and the operator's reports indicate the following:

1. The work performed, for which claim is made, is in accordance with the contract and is as reported on Form MF-104A. Costs on this form have been correctly distributed. NOTE: The difference of $73.94 in the operator's and approved total cost to date will be adjusted by the operator in next month's report. All but a penny of this amount is accounted for by disapproval of $66.25 for bookkeeping and $6.00 for rental for a truck in the MF-104 for August 7 to Sept. 30, 1951, and $1.68 for labor in December.

2. The supply and service charges were necessary and do not appear to be excessive. An explanation of certain charges, for record purpose, follows:

Supervision. The increase over last month has been approved by amendment. The charge is less than allowed.

Power. New power-rate charges were put into effect starting with September.

Depreciation. Equipment in use consisted of the Diamond T truck, cement-mixer, hoist and motor, compressor, and pick-up truck.

3. No documentatry support of charges is necessary because no equipment, costing $50.00 or more, was purchased and because such support to other charges has been waived.

4. The operator's Narrative Report is considered adequate.

5. The operator's cost statements should be approved, pending on-site audits.

T. M. Romslo

T. M. Romslo, Mining Engineer
Arizona-New Mexico Branch
Mining Division, Region IV

October 10th, 1952

Defense Minerals Administration
224 New Customhouse Building
Denver 2, Colorado

Re:- DMA Contract # I-DMA-E-33, DMA Docket #269-X-B Pertaining to the Twin Buttes Property South of Tucson, Arizona.

Gentlemen:-

Below is a list of work completed under the Twin Buttes DMA Project during the month of September 1952:-

1. Rock was blasted out to make room for a station sump 5' X 5' X 3' next to the Glance Shaft on the 525 foot level. Concrete walls and floor were then poured in the sump. The purpose of this sump is to catch the water which runs to this shaft from the unwatering of the Queen Shaft. A 4" pipe line was connected into this sump and 85' of 4" pipe was hung in the shaft to carry this water to the pump on the 625' level of the Glance Mine.

2. The drift around the cave was completed this month with a total advance of 9.5'. The rock in this section was white marble with a few tiny mineralized seams.

3. A total of 137 feet of drift was cleaned out on the east side of the 625' level of the Glance Mine. Track was layed over this distance. 20 feet of this drift had to be timbered on account of heavy ground.

4. The sampling of the 625' level of the Glance Mine was completed this month. Assay results and geology and progress are shown on the attached map. The geological mapping is now complete on the 625' level.

5. The following items of equipment owned 100% by Banner Mining Company are being used at no cost to the project or the government:-

a. 700 feet of 15 conductor rubber covered signal cable. (Glance Shaft)

b. One 1/2 ton Yale Chain Block. (Queen Shaft)

c. 500' of #4 Single Conductor rubber covered stranded wire. (525' level between Glance & Queen Mines)

d. 133' of 1/0 3 conductor armored cable. (Glance Shaft)

e. 160' of size 1/0 RHRW rubber covered single conductor cable. (Glance Shaft)

f. 1- Colton Iron Works single drum air operated hoist with 3/4" cable.(Queen Shaft 7th Level)

g. 1321' of size #4, 3 conductor 600 volt RC wire cable type NR. (525' Level between Glance and Queen Mines)

h. 1- Ingersoll Rand 10 H P Motor Pump, size 1½ R V H. (Queen Shaft below 7th level)

6. Work was commenced on the installation of the air hoist at the Queen Shaft for the unwatering below the 7th level of the Queen Mine. Work was also commenced on the chute in the manway of this shaft to accomodate about 8 to 10 tons of debris and muck which will come from the cleanup work on the 9th level of the Queen Mine. As of October 1st, 1952 this work was about one half complete.

7. The water was lowered to a point 3.5 feet below the 7th level of the Queen Shaft.

8. Used telephones were installed at the hoist and on the 525' level of the Glance Shaft to facilitate supply and handling and to have a means of underground communication.

9. Old timber and debris were cleaned up around the station of the 7th level of the Queen Shaft in preparation for the unwatering process.

This letter is intended as a narrative report covering progress during the month of September 1952. Respectfully submitted.

Yours very truly,

Banner Mining Company

A. B. Bowman

Manager

ABB:ecb

COPY

A F F I D A V I T

STATE OF OKLAHOMA)
) SS
COUNTY OF OKLAHOMA)

W. H. HARDY, of lawful age, being duly sworn, deposes and says:

THAT he is the Secretary and Treasurer of the Banner Mining Company, a Nevada Corporation, and that he has been serving in that capacity for fifteen (15) years; that he is personally acquainted with the books and records of said Company and supervises the bookkeeping department of said Company; that he knows of his own personal knowledge that all bills of the Banner Mining Company for work done and materials purchased to and inclusive of September 30th, 1952, under D. M. A. Contract Number I-DMA-33, D. M. A. Docket 269-K-B pertaining to the Twin Buttes Property South of Tucson, Arizona, are fully paid.

FURTHER Affiant sayeth not.

DATED This 16th day of October, 1952.

W. H. Hardy

W. H. Hardy

STATE OF OKLAHOMA)
) SS
COUNTY OF OKLAHOMA)

Before me, the undersigned, a Notary Public in and for said County and State on this 16th day of October, 1952, personally appeared W. H. Hardy to me known to be the identical person who executed the within and foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed for the uses and purposes therein set forth.

Given under my hand and seal of office the day and year last above written.

Dorothy Williams

Dorothy Williams, Notary Public

My commission expires:
August 18th, 1955.

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of August, 1952 Docket No. DMEA 269-X-B Contract No. IDM-E-33
Operator's Name Banner Mining Company Minerals Copper
Address 2042 Conner Stravenue, Tucson, Arizona
Contract Amount, $ 135,789.00 Government Participation: 50 % Amount, $ 67,894.50

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	4,368.86	26,494.61	30,863.47			
Supervision	841.83	6,824.28	7,666.11			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber	237.86	1,687.30	1,925.16			
Explosives	234.70	113.73	348.43			
Pipe	87.43	59.06	146.49			
Track	366.12	131.07	497.19			
Other Supplies	386.55	8,146.80	8,533.35			
Power	340.02	3,958.30	4,298.32			
(4) Operating Equipment:						
Rental						
Purchase		6,836.03	6,836.03			
Depreciation	360.32	2,939.78	3,300.10			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment		304.44	304.44			
Sampling and Analysis		13.75	13.75			
Payroll Taxes	182.37	1,156.47	1,338.84			
Liability Insurance	521.07	3,333.45	3,854.52			
Pickup-Gas & Repairs	56.79	386.48	443.27			
Transportation	242.02	567.29	809.31			
(8) Contingencies (specify):						
Totals	8,225.94	62,952.84	71,178.78	~~8,225.94~~	~~62,952.84~~ -73.93 62,878.91	~~71,178.78~~ -73.93 71,104.85

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

Date 9-8-52 *Payee Banner Mining Company

Per A. S. Bowman Title Manager

*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:

$ 4112.97

Signature [illegible]
(Authorized Certifying Officer)

Date 10/1/52 Vou. No. DMA 53-40
(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. I-DMA-E33 in accordance with the terms of the contract.

Signature D M Pomalo WRB Title Mining Engineer Date 9/15/52

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE $112.97

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 August 1952 Docket No. DMEA 269-X-B Contract No. IDM-E-33
Operator's Name Banner Mining Company Minerals Copper
Address 2042 Conner Stravenue, Tucson, Arizona

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								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs		8,225.94		71,178.78				
New Buildings, Improvements, etc.								
TOTAL COSTS		8,225.94		71,178.78				

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 9-8-52 Operator Banner Mining Company

Per A. L. Sowman Title Manager

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
BUREAU OF MINES

Mining Division
Region IV

September 26, 1952

Memorandum

To: T. A. Christensen

From: Acting Chief, Mining Division, Region IV

Subject: DMA Docket 269X-B, Contract I-DMA-E33 (Copper) Banner Mining Company, Twin Buttes Project, Pima County, Arizona - Operator's Monthly Progress Report for the period of August, 1952

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

Work accomplished is in accordance with the contract and payment is recommended for the amount of $4112.97 which is 50 percent of the total of $8225.94.

Documentation has been waived on this contract and this report is passed pending an on-site audit.

The operator will be informed to make appropriate changes in his September report so as to distribute costs to item (5), on Form MF-104A, and incorporate correction on Form MF-104A.

W. H. King

W. H. King

Enclosures

WLD:oc

cc: Contract
Secretary to the Operating Committee (2)
WRStorms
Chron.
Koschmann (2)

Mining Division
Date Rec'd.

SEP 19 1952

BUREAU OF MINES
Denver, Colorado

MINING DIVISION
REGION IV

September 16, 1952

Memorandum

To : W. H. King, Acting Chief, Mining Div., Region IV

From : Chief, Arizona-New Mexico Br., Mining Div., Region IV

Subject : August 1952 Progress Report, DMA Docket 269XB, Contract I-DMA-E33, Banner Mining Co's. Twin Buttes Copper Mines, Pima County, Ariz.

Enclosed in quintuplicate are the following items for the above report:

(1) Bureau of Mines engineer's report;

(2) Operator's narrative report;

(3) Forms MP-104 and 104A, with maps.

Also enclosed are two extra copies of our engineer's report.

As all work conforms to the contract, I recommend that the Government's share of 50 percent of the costs be paid.

Documentation has been waived for this project.

Walter R. Storms

Walter R. Storms, Chief
Arizona-New Mexico Branch
Mining Division, Region IV

CC W. H. King (6)
DMA-269XB
DF

WRStorms:frj

Other work consisted of surveying and geologic mapping of the 525-and 625-levels. Geologic maps of these levels are attached to the Operator's report. They show progress to date and the advance for August.

A Gemco Rail Punch for use at these mines was purchased by the Banner Mining Company at no expense to the project nor the Government.

One mine car was removed from the inventory of equipment in use at the mine after an investigation indicated the car was lost in a stope as reported in the Operator's Narrative Report.

The inspection of the project and the Operator's reports indicate the following:

1. The work performed, for which claim is made, is in conformance with the contract and is as reported on Form MF-104A.

2. The supply and service charges were necessary and do not appear to be excessive. Notes: (1). Charge for depreciation same as for July except truck was used 26 hours and the cement mixer was not in service; (2). Transportation charge includes freight on car loader purchased and charged for in July.

3. No documentary support of charges is necessary because no equipment was purchased and such support to other charges has been waived.

4. The Operators Narrative Report is considered adequate.

The writer recommends acceptance of the Operators report pending on-site audits.

T. M. Romslo

T. M. Romslo, Mining Engineer
Arizona-New Mexico Branch
Mining Division, Region IV

September, 10th, 1952

Defense Minerals Administration
224 New Customhouse Building
Denver 2, Colorado

Re:- DMA Contract # I-DMA-E-33, DMA Docket # 269-X-B Pertaining to the Twin Buttes Property South of Tucson, Arizona.

Gentlemen:-

Below is a list of work completed under the Twin Buttes DMA Project during the Month of August 1952:-

1. 100 feet of 3" pipe for use as an air line was installed in the Glance Shaft between the 325' and 625' levels.

2. 205 feet of 3" pipe was installed in the crosscut on the 625' level from the Glance Shaft to the point where the drifts take off east and west.

3. 105' of 2" air pipe was installed in the 625' level east drift.

4. 378' of drifts and crosscuts were cleaned out on the 625' level of the Glance Mine. Track was layed over this distance. 40 feet of this drift had to be timbered on account of heavy ground.

5. 95.5 feet of 6' X 8' drift was completed around the caved section at the Queen Mine. The rock we passed through during the month was mainly white marble with a few mineralized seams containing garnet.

6. Some geological mapping and surveying was completed during the month. A plan mapof both the 525' and 625' levels is attached herete which shows the following:- (A) Progress to Date, (B) Progress during the month of August 1952 and (C) Formations Penetrated.

7. Some preliminary planning and preparations were made toward the unwatering of the Queen Shaft below its 7th level (525' level of the Glance Mine). It will be necessary to install an air hoist and an electric centrifugal pump together with a method of handling this water at the Glance Shaft.

Sampling will begin early in September and the results will accompany next months report.

We lost one ore car during the month. We were dumping the waste from the drift around the caved section near the Queen Shaft into an old stope when the retaining chain broke and the car fell off into the water. We were unable to find it.

One Gemco Rail Punch was purchased during the month for use at this mine. It is 100% owned by Banner Mining Company and is being used at no cost to the project or the government.

This letter is intended as a narrative report covering progress during the month of August 1952. Respectfully submitted.

Yours very truly,

Banner Mining Company

Manager

ABB:ecb

COPY

A F F I D A V I T

STATE OF OKLAHOMA)
) SS
COUNTY OF OKLAHOMA)

W. H. HARDY, of lawful age, being duly sworn, deposes and says:

THAT he is the Secretary and Treasurer of the Banner Mining Company, a Nevada Corporation, and that he has been serving in that capacity for fifteen (15) years; that he is personally acquainted with the books and records of said Company and supervises the bookkeeping department of said Company; that he knows of his own personal knowledge that all bills of the Banner Mining Company for work done and materials purchased to and inclusive of August 31st, 1952, under D. M. A. Contract Number I-DMA-33, D. M. A. Docket 269-X-B pertaining to the Twin Buttes Property South of Tucson, Arizona, are fully paid.

FURTHER Affiant sayeth not.

DATED This 16th day of September, 1952.

W. H. Hardy

W. H. Hardy

STATE OF OKLAHOMA)
) SS
COUNTY OF OKLAHOMA)

Before me, the undersigned, a Notary Public in and for said County and State on this 16th day of September, 1952, personally appeared W. H. Hardy to me known to be the identical person who executed the within and foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed for the uses and purposes therein set forth.

Given under my hand and seal of office the day and year last above written.

Dorothy Williams

Dorothy Williams, Notary Public

My commission expires:
August 18th, 1955.

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

#1

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

Month of July, 1952 Docket No. DMEA 269-X-B Contract No. I-DMA-E-33
Operator's Name Banner Mining Company Minerals Copper
Address 2042 Conner Stravenue- Tucson, Arizona
Contract Amount, $135,789.00 Government Participation: 50 % Amount, $67,894.50

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	3,900.07	22,594.54	26,494.61			
Supervision	841.83	5,982.45	6,824.28			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber	104.32	1,582.98	1,687.30			
Explosives	88.69	25.04	113.73			
Pipe	59.06		59.06			
Track	131.07		131.07			
Other Supplies	406.08	7,740.72	8,146.80			
Power	406.84	3,551.46	3,958.30			
(4) Operating Equipment:						
Rental	312.48	2,627.30	2,939.78			
Purchase	4,126.33	2,709.70	6,836.03			
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	304.44		304.44			
Sampling and Analysis	13.75		13.75			
Payroll Taxes	165.97	990.50	1,156.47			
Liability Insurance	474.19	2,859.26	3,333.45			
Pickup, Gas & Repairs	53.06	333.42	386.48			
Transportation	83.53	483.76	567.29			
(8) Contingencies (specify):						
Totals	11,471.71	51,481.13	62,952.84	11,471.71	51,481.13	62,952.84
					*73.94	*73.94
				11,471.71	51,407.19	62,878.90

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

Date 8-7-52 *Payee Banner Mining Company

Per G. L. Lowman Title Manager

*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:

$5735.85

Signature [illegible]
(Authorized Certifying Officer)

Date 9/22/52 Vou. No. DMA 53-35
(See other side)

* Previous Disallowances

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. IDMA-E 33 in accordance with the terms of the contract.

Signature M Pomalo WRA Title Mining Engineer Date Aug. 18, 1952

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.

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-104A
(April 1952)

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

#1

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July 1952 Docket No. DMEA 269-X-B- Contract No. IDM-E-33

Operator's Name Banner Mining Company Minerals Copper

Address 2042 Conner Stravenue- Tucson, Arizona

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								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs		11,471.71		62,952.84				
New Buildings, Improvements, etc.								
TOTAL COSTS		11,471.71		62,952.84				

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 8-7-52 Operator Banner Mining Company

Per A. S. Sammon Title Manager

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
BUREAU OF MINES

Mining Division
Region IV

August 25, 1952

Memorandum

To: T. A. Christensen

From: Acting Chief, Mining Division, Region IV

Subject: DMA Docket 269X-B, Contract I-DMA-E33 (Copper)
Banner Mining Company, Pima County, Arizona -
Operator's Monthly Progress Report, for the period
of July, 1952

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

Work accomplished is in accordance with the contract and payment is recommended for the amount of $5,735.85, which is 50 percent of the total of $11,471.71.

Waiver of documentation has been issued, therefore the report is passed for payment subject to results of the onsite audit.

John F. Shaw for
W. H. King

Enclosures

JWT:ec

cc: Secretary to the Operating Committee (2)
Contract
WRStorms
Chron.
Koschmann (2)

JMT:oc

cc: Secretary to the Operating Committee (2)
Dorfmann
Mr. Torma
Dixon.
Kosenmann (2)

MINING DIVISION
REGION IV

August 18, 1952

Memorandum

To : W. L. King, Denver, Colorado

From : Chief, Arizona-New Mexico Branch, Mining Division, Region IV

Subject : July 1952 Progress Report, DMA Docket 269XB, Contract I-DMA-L33, Danner Mining Co's. Twin Buttes Copper Mines, Pima County, Ariz.

Enclosed in quintuplicate are the following items for the above progress report.

(1) Bureau of Mines engineer's report;
(2) Operator's narrative report;
(3) Forms MF-104 and 164A (original of MF-104 with equipment lists).

Also enclosed are two extra copies of our engineer's report.

As all accounts conform to the contract, I recommend that 50 percent of the costs be paid by the Government.

Walter R. Storms

Walter R. Storms

CC: W. L. King (6)
DMA-269X 3
DF

WRStorms:als

MINING DIVISION
REGION IV

August 18, 1952

Memorandum

To : Walter R. Storms, Chief, Arizona-New Mexico Branch

From : T. M. Romslo, Mining Engineer, Tucson, Ariz.

Subject : Engineer's Narrative Report for July 1952, Banner Mining Co., Twin Buttes Copper Mines, Pima County, Ariz. DMA Docket 269X D, Contract X-DMA-153.

The monthly visit to the Twin Buttes mine was made by the writer August 7, 1952. Cost accounts for the project were reviewed and an inventory of supplies used and equipment purchased during July was taken before inspecting the project workings in the company of Allen Bowman, superintendent of the property.

During the inspection trip, all places worked during July were visited. It was noted that all work continues to be done in a safe and workman-like manner, and that the work is progressing at a satisfactory rate. The new mucking machine and the new drifter-drill, purchased and charged to the project during July, were being used in the drift that will by-pass the caved section of the Queen mine.

The Operator's Narrative Report, Forms MF 104 and 104A, and payrolls were received August 11, and certified invoices covering purchase of equipment were received August 18.

The following conclusions were reached from information obtained during the visit to the property:

(1) The work performed, for which claim is made, is in conformance with the contract and is as reported on Form MF 104A.

(2) The supply and service charges were necessary and they do not appear excessive. Note: Charges for rental equipment are the same as last month except that, the truck was not used, and the cement mixer was in service.

CC: W. L. King (Orig. & 6)
DMA-269X D
DF

TMRomslo:als

(3) Charges to equipment purchased are supported by a statement that lists the items and by signed copies of purchase invoices. Freight charges on the mine car loader, not known before completion of MF 104, will be included in costs for August.

The payrolls and invoices for purchases costing less than $50.00 are not essential to this report as such documentary support of charges was waived by the Executive Officer, DMEA, Region IV. They are included because they are on-hand but will not be a part of future reports.

Progress maps will be made a part of future reports.

T. M. Romslo,
Mining Engineer

August 8th, 1952

Defense Minerals Administration
224 New Customhouse Building
Denver 2, Colorado

Re:- DMA Contract # I-DMA-E-33, DMA Docket # 269-X-B Pertaining to the Twin Buttes Property South of Tucson, Arizona.

Gentlemen:-

Below is a list of work completed under the Twin Buttes DMA Project during the month of July, 1952:-

1. The Glance Shaft was unwatered and repaired from the 525' level to the 626' level, a distance of 101 feet. A 3" pipe was installed in this section of the shaft to handle the water. Landings and ladders were installed in the manway as prescribed by law. New guides were installed in the hoisting compartment.

The last 16' in the shaft just above the 626' level was filled with debris and muck which slowed our progress some.

2. The 626' station was cleaned up and a drainage ditch dug to divert the small flow of water on the level.

3. 252' of crosscut and 36' in the east drift of the 626' level were cleaned out and track laid over the entire distance.

4. The drift around the caved section in the Queen Mine was commenced during the month and 30' of 6' X 8' drift was completed. The point of beginning was in garnet and was quite hard to drill. We have passed now into marble and our progress is improved.

5. Line points were established by the engineer along which the above drift is being driven. Some geology was mapped in the vicinity of the Queen Shaft on the 525' level.

6. A concrete foundation was poured under the front legs of the bin at the Glance Mine.

7. 50 feet of drift was cleaned out and track layed in the east side of the Glance 525' level. This drift is now complete to the east face.

8. A new mucking machine was received on July 11th, 1952 and was lowered to the 525' level for use in driving the drift around the cave west of the Queen Mine.

9. A new 3" Drifter drill was put in use during the month.

The above is intended as a narrative report on progress and work done during the month of July, 1952.

Yours very truly,

Banner Mining Company

A. B. Bowman
Manager

ABB:ecb

COPY

#1

Banner Mining Company

Twin Buttes D M A Project

July, 1952

EMPLOYEE	Job CLASSIFICATION	RATE
Mike V, Ybarra	Shaftman	$ 1.80
Jose A. Vergara	Helper	1.525
Fernando R. Perez	Hoistman	1.695
Phillip F. Stemens Jr.	Semi skilled Mechanic	1.695
Frank Y. Coronado	Helper	1.525
Felix O. Tena	Miner	1.695
Jesus L. Felix	Hoistman	1.695
Ralph F. Garcia	Mechanic	1.76
Mike Coronado	Shaftman	1.80
Gregory Smitz	Watchman	1..75
James H. Stevens	Helper	1.525
Jose M. Comacho	Helper	1.525
Pedro Casillas	Helper	1.525
Harold L. Stevens	Helper	1.525
Arthur P. Hernandez	Helper	1.525
William Y. Howard	Helper	1.525
Richard G. Sanders	Helper	1.525
Samuel V. Rosthenhausler	Miner	1.695

Notes:- The hours circled in red on the payrolls denotes evening shift. The rate is four cents per hour more than the dayshift rate.

The hours circled in blue on the payrolls denotes graveyard shift. The rate is eight cents per hour more than the dayshift rate.

Seven of these men worked on bothe the Mineral Hill Project and the Twin Buttes Project. These men were shifted from one project to the other according to the particular daily needs of each property.

COPY

A F F I D A V I T

STATE OF OKLAHOMA)
) SS
COUNTY OF OKLAHOMA)

W. H. HARDY, of lawful age, being duly sworn, deposes and says:

THAT he is the Secretary and Treasurer of the Banner Mining Company, a Nevada Corporation, and that he has been serving in that capacity for fifteen (15) years; that he is personally acquainted with the books and records of said Company and supervises the bookkeeping department of said Company; that he knows of his own personal knowledge that all bills of the Banner Mining Company for work done and materials purchased to and inclusive of July 31st, 1952, under D. M. A. Contract Number I-DMA-33, D. M. A. Docket 269-K-B pertaining to the Twin Buttes Property South of Tucson, Arizona, are fully paid.

FURTHER Affiant sayeth not.

DATED This 16th day of August, 1952.

#1

BANNER MINING COMPANY

TIME BOOK AND PAYROLL

CERTIFIED TRUE COPY

A. D. Lemmon
MANAGER

LOCATION Tucson, Arizona DEPT. Twin Buttes RMA Project

PERIOD COVERED: FROM 7-1-52 TO 7-12-52 Inclusive

PAGE NO. _____

VOU. NO. _____

SEMCO 1-47—3000

BANNER--FORM 100

No.	NAME		1	2	3	4	5	6	7	8	9	10	11	12	TOTAL HOURS	RATE	AMOUNT	TOTAL AMOUNT DUE	STATE UN-INS.	F. O. A. B.	HOSPITAL-IZATION	ADVANCES	BOARD	OTHER DEDUCTIONS ITEM	AMOUNT					TOTAL	NET AMOUNT DUE	CHECK No.	RECEIVED PAYMENT
1	Mike V. Ybarra	Overtime—	8	8	8	x	12	8	8	8	8	8	8	12	88	1.80		158.40		2.38										2.38	155.02		
3	Jose Alcoverde Vergara	Overtime—	8	8	8	x	x	8	8	8	8	8	8	12	76	1.565		118.94		1.78										1.78	117.16		
4	Fernando R. Perez	Overtime—	8	8	8	x	x	8	8	8	8	8	8	12	76	1.735		131.86		1.98										1.98	129.88		
6	Phillip F. Stevens Jr.	Overtime—	8						3					7½	18½	1.695		31.36		.47										.47	30.89		
9	Frank V. Coronado	Overtime—	8	8	8	x	12	8	8	8	8	8	8	12	88 16	1.525 1.735		134.20		2.01										2.01	132.19		
15	Felix O. Tena	Overtime—	8	8	8	x	x	8	8	8					32	1.695		82.00		1.23										1.23	80.77		
18	Jesus Ibarraga Felix	Overtime—	8	8	8	x	12	8	8	8	8	8	8	12	88	1.695		149.16		2.24										2.24	146.92		
21	Ralph F. Garcia	Overtime—	8	8	8	x	12	8	8	8	8	8	8	12	88	1.76		154.88		2.32										2.32	152.56		
22	Mike Coronado	Overtime—	x	8	8	x	x	8	8	8	8	8	8	12	60	1.84		125.12		1.88										1.88	123.24		
25	Gregory Smith	Overtime—	8	8	8	12	12	8	8	8	8	8	12	12	112	.75		84.00		1.26										1.26	82.74		
27	James Hunt Stevens	Overtime—	8	8		x	x		8						24 14	1.525 1.565		35.60		.55										.55	35.05		
28	Jose Martinez Gonzalez	Overtime—	8	8	8	x	x	8	8	8	8	8	8	12	32	1.525		117.66		1.76										1.76	115.90		
		Overtime—																1,324.18		19.86										19.86	1,304.32		
		Overtime—																															
		Overtime—																															
	A. D. Lemmon	Overtime—	Period 7-1-52 to 7-15-52 Incl. ½ of his time															190 50															
	E. E. Gray	Overtime—	"	"	"	"	"	"	"	"	"	"	"					137 50															
	B. W. Venable	Overtime—	"	"	"	"	"	"	"	1/8 of his time								60 00															
	E. C. Lemmon	Overtime—	"	"	"	"	"	"	"	1/6 of his time								32 91															
		Overtime—																															
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MF-104
(August 1951)

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

#2

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No. Idm-E 33

Name of Operator Banner Mining Company
Docket No. DMA 269-E-B
Total Contract Amount $ 135,789.00
Government Participation: 50 % Amount, $ 67,894.50
Distribution of Expenditures for Month of June, 1952

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

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

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

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

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

CERTIFICATION

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

Banner Mining Company
(Name of Company)

By A. L. Lowman
(Signature of Authorized Official)

7-10-52
(Date)

Manager
(Title)

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

16--64068-3

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(a) Facilities						
(b) Buildings						
(c) Fixtures						
2. Operating Equipment:						
(a) Purchased[1]	.00	2,709.70	2,709.70			
(b) Rented[2]						
(c) Furnished by operator	317.32	2,309.98	2,627.30			
Point Motor 41.66						
3/4 Ton Pickup 41.66						
800cfm Compressor 225.00						
D T Truck 1/2 hours 9.00						
3. Rehabilitation and Repairs:						
(a) Facilities						
(b) Buildings						
(c) Installations						

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
4. Labor [3]	3,219.47	19,375.07	22,594.54			
5. Supervision	641.83	5,140.62	5,932.45			
6. Supplies						
(a) Timber	29.27	1,553.71	1,582.98			
(b) Explosives	25.04	None	25.04			
(c) Repair Parts						
(d) Other	1,371.37	6,369.35	7,740.72			
7. Power	353.06	3,199.40	3,552.46			
8. Transportation	40.82	442.94	483.76			
9. Insurance						
(a) ~~Fire~~ Unemp. Ins.	81.23	490.61	571.84			
(b) Public Liability						
(c) Workmen's Compensation	406.13	2,463.13	2,869.26			
Soc. Sec.	60.92	357.74	418.66			
10. Contract Work						
11. Other (specify)						
Pickup- Gas, oil & repairs	43.67	289.75	333.42			
Total	6,790.13	44,691.00	51,481.13	6,790.13	44,691.00	51,481.13
Deletions					-73.94	-73.94
Adjusted totals					44,617.06	51,407.19
Totals previously reported				44,617.06		
Totals to date				51,407.19		

[1] Enter amount paid during month toward total purchase price.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.
[3] Submit copy of the Social Security form filed under the Old Age Insurance system showing complete wage and salary data or furnish copy of payroll sheet giving same data.

NOTE.—Indicate that portion of supervisory, office, and engineering salaries that is chargeable to this project.

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by M. Romolo
Amount approved for payment
Remarks

Schedule DMM 53-17
Aug 4, 1952
3395.06

16—64068-3 Note:- $15.47 has been removed from the Totals Previously Reported Column under Labor. This represents the amount suspended in your D & F Form #4 dated 6-26-52 covering our report for the month of May, 1952.

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

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting										
Crosscutting										
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation	4,061.30	317.32	1,425.68	985.83	6,790.13					
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	4,061.30	317.32	1,425.68	985.83	6,790.13					

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

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE

Mining Division
Region IV

July 25, 1952

Memorandum

To: T. A. Christensen

From: Acting Chief, Mining Division, Region IV

Subject: DMA Docket 269XB, Contract I-DMA-E33 (Copper), Banner Mining Company, Twin Buttes Mine, Pima County, Arizona - 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 for the amount of $3,395.06, which is 50 percent of the total of $6,790.13.

W. H. King

Enclosures

WLD:jp
cc: Sec. Oper. Comm. (2)
Storms
Contract
Koschmann (2)
Chron

MINING DIVISION
REGION IV

July 15, 1952

Memorandum

To : W. H. King, Acting Chief, Mining Div., Region IV

From : Chief, Arizona-New Mexico Br., Mining Div., Region IV

Subject : June 1952 Progress Report, DMA Docket 269XB, Contract I-DMA-E33, Banner Mining Co's. Twin Buttes copper Mines, Pima County, Ariz.

Enclosed in quintuplicate are the following items for the above report:

(1) Bureau of Mines engineer's report;
(2) Operator's narrative report;
(3) Form MF-104 with payroll.

Also enclosed are 2 extra copies of our engineer's report.

As all accounts conform to the contract, I recommend that the Government's 50 percent share be paid.

As original documentation is extremely difficult for this project, I have recommended that this documentation be waived.

Walter R. Storms

Walter R. Storms, Chief
Arizona-New Mexico Branch
Mining Div., Region IV

CC W. H. King (6)
DMA-269X B
DF

WRStorms:frj

MINING DIVISION
REGION IV

July 15, 1952

Memorandum

To : Walter R. Storms, Chief, Arizona-New Mexico Br., Mining Div., Region IV, Tucson, Ariz.

From : T. M. Romslo, Mining Engineer, Tucson, Arizona

Subject : Monthly Progress report for June 1952, Banner Mining Co., Twin Buttes Copper Mines, DMA Docket 269XB, Contract I-DMA-E33

R. W. Ageton, Mining Engineer, Tucson, Ariz. and the writer visited the subject project July 10, 1952 to check progress. After checking cost records and taking inventory of supplies used during June, we made an inspection trip of the property accompanied by Allen Bowman, superintendent of the property. On the 525 level of the Glance mine, it was noted that, (1) 77 feet of drift had been cleaned out west of the Queen shaft, (2) air and water pipe line installations had reached the Queen shaft, (3) a small amount of blasting had been done for sampling purposes and for lengthening curves to allow passage of 20-foot sections of pipe and rail, and (4) a few sections of unsafe ground had been timbered. About 100 tons of debris had been removed from the Queen shaft at the 440 level. The air now circulates freely down the shaft that is bare of timber, to the 440 level and thence to the surface via the 525 level and the Glance shaft. Clearing of the Queen shaft below the 440 level may be done in the future. Dewatering and rehabilitation of the Glance shaft below the 525 level was started in July and had reached a point about 65 feet below the level.

Upon returning to the surface and the company office at the Mineral Hill mine, a geologic map of the 525 level from the Glance shaft was inspected. The map was prepared from shaft plumbing and transit surveys and geologic work done to the end of June.

ANALYSIS OF ENTRIES ON FORM MF-104

Item 2(c). Monthly depreciation of equipment furnished by the applicant.

Item 4. Represents labor according to the contract, In order to operate efficiently some of the men employed on this project are also used at times on project DMA 269X-A.

CC W. H. King (orig. & 6)
DMA-269XB
DF
TMRomslo:frj

Item 5. This represents allowable salaries. The salary distribution is shown on the payroll sheets.

Item 6 (a). Timber sets placed to support bad ground on 525 level.

Item 6(b). Explosives used on 525 level to lengthen curves for passage of 20-foot sections of pipe and rail, and for the slabbing-off of mineralized zones for sampling.

Item 6(d). Mainly timber, pipe and fittings, and rails and track accessories.

Item 7.	Power charge, gross	$435.87
	Less 20 percent rebate	87.17
		348.70
	Plus 1 percent of gross	4.36
	Total	$353.06

Item 8. Freight charges on pipe and fittings, rail and track accessories, and brake lining for hoist.

Item 9. Payroll taxes on gross amounts as follows:
Unemployment insurance, 2%
Workmen's compensation, 10%
Social security, 1½%

Item 11. Gas, oil, and 2 tire repairs for contract pickup.

The usual affidavit relative to payment of June bills will be sent to Denver from the Oklahoma office.

All items on MF-104 are allowable according to the contract and its amendments. The writer has approved the report.

T. M. Romslo, Mining Engineer
Arizona-New Mexico Branch
Mining Div., Region IV

A F F I D A V I T

STATE OF OKLAHOMA)
) SS
COUNTY OF OKLAHOMA)

W. H. HARBY, of lawful age, being duly sworn, deposes and says:

THAT he is the Secretary and Treasurer of the Banner Mining Company, a Nevada Corporation, and that he has been serving in that capacity for fifteen (15) years; that he is personally acquainted with the books and records of said Company and supervises the bookkeeping department of said Company; that he knows of his own personal knowledge that all bills of the Banner Mining Company for work done and materials purchased to and inclusive of June 30th, 1952, under D. M. A. Contract Number I-DMA-33, D. M. A. Docket 269-X-B pertaining to the Twin Buttes Property South of Tucson, Arizona, are fully paid.

FURTHER Affiant sayeth not.

DATED This 16th day of July, 1952.

#2

July 11th, 1952

Defense Minerals Administration
224 New Customhouse Building
Denver 2, Colorado

Re:- D M A Contract # I-DMA-E-33, DMA Docket #269-X-B Pertaining To The Twin Buttes Property South Of Tucson, Arizona.

Gentlemen:-

Below is a list of work completed under the Twin Buttes DMA Project during the month of June 1952:-

1. Enough pumping was continued to hold the water at the 525 foot level of the Glance Mine while cleanup work on this level progressed.

2. 77 feet of drift was cleaned out west of the Queen Shaft. This is as far as we can go here on account of the large caved area. It will be necessary to drift around this section. We have applied for an amendment to the contract to allow for this drifting.

3. 1150 feet of 3" pipe and 525' of 1" pipe were installed in the drift west of the Glance Shaft. Compressed air line and water line are now connected up to the caved section west of the Queen Shaft.

4. The Glance Shaft was plumbed and survey lines carried underground. The surveying and Mapping of the 525 foot level, in so far as it is opened in the Queen and Glance Mines has been completed. The geology has been plotted on this level map.

5. Two rounds were blasted in a face of ore on the 525 foot level of the Glance Mine for sampling purposes.

6. Work was continued mucking and cleaning out the Queen Shaft at the 440 level. This shaft is now open from the 440 level to the surface for the passage of air only. One block still remains in the shaft below the 440 level but in as much as we now have ventilation via raises we have discontinued this work for the present. an estimated 100 tons of debris was cleaned out of this shaft in June.

Until an amendment is completed allowing the drift around the caved area west of the Queen Shaft, we will go ahead with the unwatering of the Glance Mine to the 625' level.

The above is intended as a narrative report on progress and work done during the month of June 1952.

Very truly yours,

Banner Mining Company

G. S. Sowman
Manager

ABB:ecb

COPY

#2

Banner Mining Company

Twin Buttes D M A Project

June 1952

EMPLOYEE	JOB CLASSIFICATION	RATE
Mike V. Ybarra	Shaftman	$ 1.80
Jose A. Vergara	Helper	1.525
Phillip F. Stevens Jr.	Semi-skilled Mechanic	1.695
Frank Y. Coronado	Helper	1.525
Felix O. Tena	Hoistman & Miner	1.695
Jesus L. Felix	Hoistman	1.695
Ralph F. Garcia	Mechanic	1.76
Mike Coronado	Shaftman	1.80
James H. Stevens	Helper	1.525
Jose M. Comacho	Helper	1.525
Gregory Smitz	Watchman	.75
Fernando R. Perez	Hoistman	1.695
J. P. Ramirez	Electrician	2.00
H. M. Hodgers	Electrician	2.00

Notes:- Perez was hired as hoistman to replace Tena who was changed to Miner.

The hours circled in red on the payrolls denotes evening shift. The rate is four cents per hour more than the dayshift rate.

The hours circled in blue on the payrolls denotes graveyard shift. The rate is eight cents per hour more than the dayshift rate.

Five of these men worked on both the Mineral Hill and the Twin Buttes Projects. These men were shifted from one project to the other according to the particular needs of each project.

MF-104
(August 1951)

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No. Idm-E 33

Name of Operator Danner Mining Company
Docket No. DMA 232-E-D
Total Contract Amount $ 135,739.00
Government Participation: 50 % Amount, $ 67,894.50
Distribution of Expenditures for Month of May 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 7 1952

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

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

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

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

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

CERTIFICATION

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

Danner Mining Company
(Name of Company)

By A. L. Lowman
(Signature of Authorized Official)

6-9-52
(Date)

Manager
(Title)

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

16—64068-3

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(a) Facilities						
(b) Buildings						
(c) Fixtures						
2. Operating Equipment:						
(a) Purchased[1]	None	2,709.70	2,709.70	None	2,709.70	2,709.70
(b) Rented[2]						
(c) Furnished by operator	346.32	1,963.66	2,309.98	346.32	1,963.66	2,309.98
Hoist & Motor 41.66						
3/4 Ton Pickup 41.66						
300cfm Compressor 225.00						
D T Truck 19 Hrs. 38.00						
3. Rehabilitation and Repairs:						
(a) Facilities						
(b) Buildings						
(c) Installations						

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

Administrative Audit Difference Statement

Date: June 26, 1952
Payee's
Reference: Progress
Report - May 1952

Banner Mining Co.
2042 Conner Stravenue
Tucson, Arizona

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

Amount claimed $ 7,000.29

Difference $ 15.47

Amount Approved $ 6,984.82

The reason for the difference was due to:

Excessive wages paid Phillip F. Stevens, Jr.

Any credits 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

Mining Division
Region IV

June 20, 1952

Memorandum

To: T. A. Christensen

From: Acting Chief, Mining Division, Region IV

Subject: DMA Docket 269XB, Contract I-DMA-E33 (Copper), Banner Mining Company, Twin Buttes Project, Pima County, Arizona - Operator's Monthly Progress Report for the period of May 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:

Amount Reported	$7,000.29
Disallowance:	
Excessive wages paid Stevens on May 24	15.47
	$6,984.82
Government participation	$3,492.41

As clearly explained in the engineer's memorandum, this man actually worked 18½ hours overtime on May 24 but is shown as having worked 27-3/4 hours at regular time. This in itself would be correct and allowable; however, all but eight hours worked previously in that week were on company time. Since this man only worked a total of 26½ hours on both contracts, I-DMA-E32 and I-DMA-E33, it is not considered necessary to participate in the overtime. We are making the disallowance shown above.

W. H. King
W. H. King

Enclosures

WLD:jp
cc Secty. to the Operating Committee
WRStorms
Contract
Chron
WHKoschmann (2)

A F F I D A V I T

STATE OF OKLAHOMA)
) SS
COUNTY OF OKLAHOMA)

W. H. HARDY, of lawful age, being duly sworn, deposes and says:

THAT he is the Secretary and Treasurer of the Banner Mining Company, a Nevada Corporation, and that he has been serving in that capacity for fifteen (15) years; that he is personally acquainted with the books and records of said Company and supervises the bookkeeping department of said Company; that he knows of his own personal knowledge that all bills of the Banner Mining Company for work done and materials purchased to and inclusive of May 31st, 1952, under D. M. A. Contract Number I-DMA-33, D. M. A. Docket 269-X-B pertaining to the Twin Buttes Property South of Tucson, Arizona, are fully paid.

FURTHER Affiant sayeth not.

DATED this 12th day of June, 1952.

June 9th, 1952

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

Re:- D M A - Contract Number I- DMA-E-33, D M A Docket #269-X-B Pertaining To The Twin Buttes Property South Of Tucson, Arizona.

Gentlemen:

Below is a list of work completed under the Twin Buttes D M A Project during the month of May 1952:-

1. Enough pumping was continued to hold the water at the 525 foot level of the Glance Mine while we are cleaning out and retimbering where necessary, The drift connecting with the Queen Mine.

2. A total of 808 feet of drift was rehabilitated during the month. This included 588 feet on a direct route to the Queen shaft. 220 feet was out to an old stope and was done to get dumping space for muck to be handled. This will avoid the long tram to the Glance shaft and will save hoisting it to the surface. Track and 1" air line was laid throughout this distance.

3. The Queen Shaft was blocked somewhere above the 525' level of the Glance Mine. It was necessary to open this shaft before any blasting could be done as the ventilation was nil except for compressed air.

We worked our way, repairing where necessary, up through old raises and stopes and drifts to a point about 160 feet vertically above the 525 level of the Glance Mine and reached a point 20 feet from the Queen shaft at this level. We commenced cleaning out this debris which included rails, timber, muck and pipe. During May an estimated 400 tons was cleaned out of this shaft.

A 1" compressed air line was installed up these raises, drifts, stopes etc for ventilation purposes as there wasn't enough oxygen to support combustion above a point 50 feet above the 525' level of the Glance Mine.

The Queen shaft was finally opened for passage of air on June 6th, 1952.

4. Work was continued on the surface mapping and surveying at this mine.

5. A steel turnsheet was installed at the collar of the Glance shaft and the surface tracks to the ore bin and waste dumps were connected to it.

The above is intended as a narrative report on progress and work done during the month of may 1952.

Yours very truly,

Banner Mining Company

A. B. Bowman

ABB:ecb

Banner Mining Company

Twin Buttes D M A Project

May 1952

Employee	Job Classification	Rate
Mike V. Ybarra	Shaftman	$ 1.80
William Sanders	Helper	1.525
Paul M. Lopez	Helper	1.525
Phillip F. Stevens Jr.	Mechanic Helper	1.65
Felix O. Tena	Hoistman	1.695
J. P. Ramirez	Electrician	2.00
H. M. Hodgers	Electrician	2.00
Jesus L. Felix	Hoistman	1.695
Ralph F. Garcia	Mechanic	1.76
Mike Coronado	Shaftman	1.80
Gregory Smith	Watchman	.75
Santos A. Yescas	Helper	1.525
Alfredo Quen Martinez	Helper	1.525
Frank Y. Coronado	Helper	1.525
Wood L. Sholly	Carpenter	1.76
Antonio Rammet	Miner	1.695

Notes:- The hours circled in red on the payrolls denotes evening shift. The rate is four cents per hour more than the dayshift rate.

The hours circled in blue on the payrolls denotes graveyard shift. The rate is eight cents per hour more than the dayshift rate.

Seven of these men worked part time on both the Mineral Hill Project and the Twin Buttes Project. These men were shifted fron one project to the other according to particular daily needs of each property.

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
4. Labor[3] *	3,686.13	15,704.41	19,390.54	3,686.13	15,704.41	19,390.54
5. Supervision	841.83	4,298.79	5,140.62	841.83	4,298.79	5,140.62
6. Supplies						
(a) Timber	87.21	1,466.50	1,553.71	87.21	1,466.50	1,553.71
(b) Explosives						
(c) Repair Parts						
(d) Other	1,025.81	5,343.54	6,369.35	1,025.81	5,343.54	6,369.35
7. Power	238.21	2,960.19	3,198.40	238.21	2,960.19	3,198.40
8. Transportation	115.16	327.73	442.94	115.16	327.78	442.94
9. Insurance						
(a) ~~XXX~~ Unemp. Ins.	90.56	400.05	490.61	90.56	400.05	490.61
(b) Public Liability						
(c) Workmen's Compensation	452.80	2,000.33	2,453.13	452.80	2,000.33	2,453.13
Soc. Sec.	67.92	289.82	357.74	67.92	289.82	357.74
10. Contract Work						
11. Other (specify)						
Pickup Gas, oil & Repairs	48.34	241.41	289.75	48.34	241.41	289.75
Total	7,000.29	37,706.18	44,706.47	7,000.29	37,706.18	44,706.47
Deletions *				15.47		
Adjusted totals				6,984.82		
Totals previously reported				37,706.18		
Totals to date				44,691.00		

[1] Enter amount paid during month toward total purchase price.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.
[3] Submit copy of the Social Security form filed under the Old Age Insurance system showing complete wage and salary data or furnish copy of payroll sheet giving same data.

NOTE.—Indicate that portion of supervisory, office, and engineering salaries that is chargeable to this project.

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by DMPomeroy WRS WD
Amount approved for payment $3492.41
Remarks

16—64068-3

Schedule DMA 53-1
July 1, 1952
3492.41

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF May 1952

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting										
Crosscutting										
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation	4,527.96	346.32	1,113.02	1,012.99	7,000.29					
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	4,527.96	346.32	1,113.02	1,012.99	7,000.29					

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

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE

MF-104
(August 1951)

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No.
Idm-E 33

Name of Operator Banner Mining Company
Docket No. DMA 269-X-B
Total Contract Amount $ 135,789.00
Government Participation: 50 % Amount, $ 67,894.50
Distribution of Expenditures for Month of April, 1952

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

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

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

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

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 6 1952

CERTIFICATION

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

Banner Mining Company
(Name of Company)

By A. S. Bowman
(Signature of Authorized Official)

May 10th, 1952
(Date)

Manager
(Title)

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

16--64068-3

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(a) Facilities						
(b) Buildings						
(c) Fixtures						
2. Operating Equipment:						
(a) Purchased[1]	35.00	2,674.70	2,709.70	35.00	2,674.70	2,709.70
1 Used Mine Car @ 35.00						
(b) Rented[2]						
(c) Furnished by operator	328.32	1,635.34	1,963.66	328.32	1,635.34	1,963.66
Hoist & Motor 11.66						
3/4 Ton Pickup 11.66						
300 CFM Compressor 285.00						
D T Truck 10 hrs 20.00						
3. Rehabilitation and Repairs:						
(a) Facilities						
(b) Buildings						
(c) Installations						

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
4. Labor[3]	3,338.95	12,365.46	15,704.41	3,338.95	12,365446	15,704.41
5. Supervision	841.83	3,456.96	4,298.79	841.85	3,456.96	4,298.79
6. Supplies						
(a) Timber	250.96	1,215.54	1,466.50	250.96	1,215.54	1,466.50
(b) Explosives						
(c) Repair Parts						
(d) Other	862.82	4,480.72	5,343.54	862.82	4,480.72	5,343.54
7. Power	230.82	2,729.37	2,960.19	230.82	2,729.37	2,960.19
8. Transportation	51.06	276.72	327.78	51.06	276.72	327.78
9. Insurance						
(a) ~~xxx~~ Unemp. Ins.	83.62	316.43	400.05	83.62	316.43	400.05
(b) Public Liability						
(c) Workmen's Compensation	418.08	1,582.25	2,000.33	418.08	1,582.25	2,000.33
Soc. Sec.	62.71	227.11	289.82	62.71	227.11	289.82
10. Contract Work						
11. Other (specify)						
Pickup gas oil & Repairs	50.89	190.52	241.41	50.89	190.52	241.41
Total	6,555.06	31,151.12	37,706.18	6,555.06	31,151.12	37,706.18
Deletions						
Adjusted totals				+ ~~xxx~~ .86		
Totals previously reported						
Totals to date				6,555.92		

[1] Enter amount paid during month toward total purchase price.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.
[3] Submit copy of the Social Security form filed under the Old Age Insurance system showing complete wage and salary data or furnish copy of payroll sheet giving same data.

NOTE.—Indicate that portion of supervisory, office, and engineering salaries that is chargeable to this project.

Schedule DMA 52-54
May 26, 1952
3277.96

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by Fred A. Stewart W.R.S. Hd
Amount approved for payment $3277.53
Remarks

3277.96 8

16—64068-3

Note:- Please refer your form No. 4 dated April 22nd, 1952 suspending $ 0.86 Connected with power discount. The 86 cents has been left in column Total Previously Reported and in column Total TO Date as we cannot find any error whatsoever in the computation of discount or tax. We are therefore hereby applying for reinstatement of the 86 cents under item 7- Power. Thanks-

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

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting										
Crosscutting										
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation	4,180.78	363.32	1,113.78	897.18	6,555.06					
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	4,180.78	363.32	1,113.78	897.18	6,555.06					

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

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE

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

Administrative Audit Difference Statement

Date: May 23, 1952
Payee's
Reference: Progress Report
April 1952

Banner Mining Company
2042 Conner Stravenue
Tucson, Arizona

Upon computation of the above Payee's Reference a difference was found which made it necessary to ~~xxxxxx~~ increase your account accordingly:

Amount claimed $ 6,555.06

Difference $ + .86

Amount Approved $ 6,555.92

The reason for the difference was due to:

To correct erroneous deduction on March Report.

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

Very sincerely yours,

N. E. Stokes
Audit Section

R-IV - BMP Form No. 4
4-15-52 D

Mining Division
Region IV

May 19, 1952

Memorandum

To: T. A. Christensen

From: Acting Chief, Mining Division, Region IV

Subject: DMA Docket 269XB, Contract I-DMA-E33, Banner Mining Company, Twin Buttes Project, Pima County, Arizona - Operator's Monthly Progress Report for the period of March, 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 for the amount of $3,277.53, which is 50 percent of the total of $6,555.06.

Attached to the original Form MF-104 is the operator's Audit Difference Sheet of last month on which a disallowance of $0.86 was shown for erroneous computation of the power charge. The operator is reclaiming this amount with an explanation of why the disallowance should not have been made. The engineer's report also clarifies this disallowance. The operator has not listed this amount in with his costs for April, but does incorporate the amount in with his "Totals Previously Reported."

Although the job classification sheet lists six men as "helpers" whereas the contract limits the number to five, three of the six men have worked but one shift each. Again, the "mechanics helper" is allowed as a "semi-skilled shopman", bringing the total to the allowable four.

WLD:ec

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

W. H. King

W. H. King

Mining Division
Date Rec'd.

MAY 15 1952

MINING DIVISION
REGION IV

BUREAU OF MINES
Denver, Colorado

May 13, 1952

Memorandum

To : W. H. King, Acting Chief, Mining Div., Region IV

From : Chief, Arizona-New Mexico Branch, Mining Div., Region IV

Subject : April 1952 Progress Report, DMA Docket 269XB, Contract I-DMA-E33, Banner Mining Co's. Twin Buttes Copper Mines, Pima County, Ariz.

Enclosed in quintuplicate are the following for the above report:

(1) Bureau of Mines engineer's report;

(2) Operator's progress report;

(3) Form MF-104 with payroll

Also enclosed are 2 extra copies of our engineer's report.

As all cost items are according to the contract, I recommend that the Government's share be paid.

Walter R. Storms

Walter R. Storms

CC W. H. King (5)
DMA-269X B
DF

WRStorms:frj

MINING DIVISION
REGION IV

May 13, 1952

Memorandum

To : Walter R. Storms, Chief, Arizona-New Mexico Br., Mining Div., Region IV, Tucson, Ariz.

From : Lincoln A. Stewart, Mining Engineer, Tucson, Ariz.

Subject : Monthly progress report for April 1952, Banner Mining Co. Twin Buttes Copper Project, Pima County, Ariz. Docket No. DMA 269X-B, Contract I-DMA-E33.

I visited the above project on May 9 to check progress. T. M. Romslo and R. W. Ageton accompanied me to become acquainted with the property. After looking over the records in the company office, an inspection trip of the property was made in company with Allen Bowman, superintendent of the operation. We went down the Glance shaft to the 525-foot level where the work is now centered. The pumps are run intermittently to keep the water below this drift. We were able to get to the Queen shaft although the drift has not been completely rehabilitated the entire distance. The Queen shaft is caved at some point above the 525-foot level, indicated by the fact that there is no air circulation.

ANALYSIS OF ENTRIES ON FORM MF-104

Item 2(a). The company was able to buy 18 used mine cars at $35 each. Only those cars that are needed for the exploration project are being charged when put in service. One additional car was added in April.

Item 2(c). Monthly depreciation of contract items.

Item 4. The payroll sheets have been checked in detail. Labor classification and wages are within contract specifications. In order to utilize the labor most efficiently, about half of the men are shifted from one project to the other as need arises.

Item 5. This represents salaries according to the contract.

Item 6(a). Timber used in drift rehabilitation.

CC W. H. King (orig. & 5)
DMA-269X-B
DF

WRStorms:frj

Item 6(d). Includes rail, 3-inch pipe and fittings, rail switch, pipe vise, electrical supplies, etc.

Item 7.	Power charge, total	$284.99	284.99
	Less 20% rebate	56.99	57.00
		227.97	227.99
	Plus 1% tax on gross	2.85	2.85
	Total power bill	$230.82	230.84

Item 8. Freight charge on mine rail, splice bars, and hose.

Item 9. Pay roll taxes on gross amount as follows:

Unemployment insurance,	2%
Workmen's compensation	10%
Social security	1½%

Item 11. Gas, oil, and 5 tire repairs for contract pick-up.

The usual affidavit relative to payment of April bills will be sent to Denver from the Oklahoma office.

In regard to the reclaim of 86 cents deducted by audit difference statement dated April 22, 1952, the following explanation is in order. In my February report, dated March 14, I detailed the method used by the power company to arrive at the total cost. In the March report I merely stated "Power charge, total $429.08, less 20 percent rebate of $85.82, plus 1 percent tax". I should have stated "- - - plus 1 percent tax on gross charge". In tabular form this would be as follows:

Power charge	$429.08
Less 20% rebate	85.82
	$343.26
Plus 1% tax	4.29
Total	$347.55

Thus the company is entitled to the reclaim of 86 cents as requested.

All items on form MF-104 are within contract specifications, and the wruter is approving the report.

Lincoln A. Stewart

Lincoln A. Stewart, Mining Engineer
Arizona-New Mexico Branch

A F F I D A V I T

STATE OF OKLAHOMA)
) SS
COUNTY OF OKLAHOMA)

W. H. HARDY, of lawful age, being duly sworn, deposes and says:

THAT he is the Secretary and Treasurer of the Banner Mining Company, a Nevada Corporation, and that he has been serving in that capacity for fifteen (15) years; that he is personally acquainted with the books and records of said Company and supervises the bookkeeping department of said Company; that he knows of his own personal knowledge that all bills of the Banner Mining Company for work done and materials purchased to and inclusive of April 30th, 1952, under D. M. A. Contract Number I-BMA-33, D. M. A. Docket 269-X-B pertaining to the Twin Buttes Property South of Tucson, Arizona, are fully paid.

FURTHER Affiant sayeth not.

DATED this 16th day of May, 1952.

W. H. Hardy

W. H. Hardy

May 10th, 1952

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

Re:- D M A - Contract Number I-DMA-E-33, DMA Docket 269-X-B pertaining to the Twin Buttes Property South of Tucson, Arizona.

Gentlemen:-

Below is a list of work completed under the Twin Buttes D M A Project during the month of April 1952:-

1. Enough pumping was continued to hold the water at the 525 foot level of the Glance Mine while we are cleaning out and retimbering where necessary, the drift connecting with the Queen Mine. Our power bill was somewhat lower this month due to less pumping time.

2. A total of 844 feet of drift was rehabilitated during the month. This completes the repaired section of the drift connecting the Glance and Queen mines a total distance of 1212 feet west of the Glance Shaft as of May 1st, 1952. Approximately 600 feet of drift remains to be repaired before reaching the Queen Shaft. Considerable timbering had to be done to catch up heavy ground after the debris was cleared away.

3. Work was continued on the surface mapping and surveying at this mine.

4. Work was continued on the repairs to the Glance ore bin. However only 4 man-shifts were expended on this job during April.

The above is intended as a narrative report on progress and work done during the month of April 1952.

Attention is called to the note on page 3 of form MF-104 reclaiming the 86 cents suspended by your form number 4 of April 22nd, 1952. We cannot find any error whatsoever in the computation of discount or tax. All our calculations agree as to method with previous months. This total of 86 cents has been left in the proper column as reported in the March 1952 report and we are hereby reclaiming reinstatement of this amount. The original of your form number 4 is enclosed as per your request.

Yours very truly,

Banner Mining Company

A. B. Bowman

A. B. Bowman

ABB:ecb

Banner Mining Company

Twin Buttes Project DMA

April 1952

EMPLOYEE	JOB CLASSIFICATION	RATE
Mike V. Ybarra	Shaftman	$ 1.80
William Sanders	Helper	1.525
Arnulfo R. Sanches	Carpenter	1.76
Phillip F. Stevens Jr.	Mechanic Helper	1.65
Lorenzo C. Cruz	Helper	1.525
Jesus V. Moreno	Miner	1.695
Paul M. Lopez	Helper	1.525
Juan M. Martinez	Hoistman	1.695
Jesse P. Bozarth	Miner	1.695
Robert C. Aguilar	Helper	1.525
Felix O. Tena	Hoistman	1.695
J. P. Ramirez	Electrician	2.00
H. M. Hedgers	Electrician	2.00
Jesus L. Felix	Hoistman	1.695
Ralph F. Garcia	Mechanic	1.76
Mike Coronado	Shaftman	1.80
Robert M. Lopez	Hoistman	1.695
Faustino G. Sanders	Miner	1.695
Gregory Smitz	Watchman	.75
Santos A. Yescas	Helper	1.525
Alfredo Q. Martinez	Helper	1.525

Notes:- Robert M. Lopez, Hoistman quit and was replaced by Felix Tena.

The hours circled in red on the payrolls denotes evening shift. The rate is four cents per hour more than the dayshift.

The hours circled in blue on the payrolls denotes graveyard shift. The rate is eight cents per hour more than the dayshift rates.

Eleven of these men worked part time on both the Mineral Hill project and the Twin Buttes Project. These men were shifted from one project to the other according to particular daily needs of each property.

COPY

Banner Mining Company

Twin Buttes D M A Project

Payroll Reconciliation April 1952

Period 4-1-52 To 4-5-52 Inclusive	$ 634.70
Period 4-6-52 To 4-19-52 Inclusive	1,265.15
Period 4-6-52 To 4-19-52 Inclusive (Paids)	214.66
Period 4-20-52 To 4-30-52 Inclusive	1,224.44
Net Labor Applicable To Twin Buttes Project	$ 3,338.95

COPY

MF-104
(August 1951)

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No. Idm-E 33

Name of Operator Banner Mining Company
Docket No. DMA 269-X-B
Total Contract Amount $ 135,789.00
Government Participation: 50 % Amount, $ 67,894.50
Distribution of Expenditures for Month of March 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 5 1952

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

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

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

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

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

CERTIFICATION

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

Banner Mining Company
(Name of Company)

By A. S. Bowman
(Signature of Authorized Official)

April 3, 1952
(Date)

Manager
(Title)

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

16—64068-3

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(a) Facilities						
(b) Buildings						
(c) Fixtures						
2. Operating Equipment:						
(a) Purchased[1]	140.00	2,534.70	2,674.70	140.00	2534.70	2674.70
4 Used Mine Cars @ 35.00						
(b) Rented[2]				372.32	1263.02	1635.34
(c) Furnished by operator	372.32	1,263.02	1,635.34			
Hoist & Motor 41.66						
3/4 Ton Pick-up 41.66						
800 Cu.Ft. Comp. 225.00						
D.T.Truck 32 Hrs. 64.00						
3. Rehabilitation and Repairs:						
(a) Facilities						
(b) Buildings						
(c) Installations						

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

Administrative Audit Difference Statement

Date: April 22, 1952
Payee's
Reference: Progress Report
March 1952

Banner Mining Company
2042 Conner Stravenue
Tucson, Arizona

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

Amount claimed $ 8,241.85

Difference $ - .86

Amount Approved $ 8,240.99

The reason for the difference was due to:

Erroneous computation of discount on power charge:
computed as $347.55 whereas correct amount is $346.69 -.86

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

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
4. Labor[3]	3,920.06	8,445.40	12,365.46	3920.06	8445.40	12,365.46
5. Supervision, Eng., For. Pk.	841.83	2,615.13	3,456.96	841.83	2615.13	3456.96
6. Supplies						
(a) Timber	557.20	658.34	1,215.54	557.20	658.34	1215.54
(b) Explosives						
(c) Repair Parts						
(d) Other	1,359.64	3,121.08	4,480.72	1359.64	3121.08	4480.72
7. Power	347.55	2,381.82	2,729.37	346.69	2381.82	2728.51
8. Transportation	11.91	264.81	276.72	11.91	264.81	276.72
9. Insurance						
(a) ~~Fire~~ Unemploy. Ins.	95.24	221.19	316.43	95.24	221.19	316.43
(b) Public Liability						
(c) Workmen's Compensation	476.19	1,106.06	1,582.25	476.19	1106.06	1582.25
Social Security	71.43	155.68	227.11	71.43	155.68	227.11
10. Contract Work						
11. Other (specify)						
Pick-up Gas, Oil, Repairs	48.48	142.04	190.52	48.48	142.04	190.52
Total	8,241.85	22,909.27	31,151.12			
Deletions				- .86		
Adjusted totals				8240.99	22,909.27	31,150.26
Totals previously reported				22,909.27		
Totals to date				31,150.26		

[1] Enter amount paid during month toward total purchase price.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.
[3] Submit copy of the Social Security form filed under the Old Age Insurance system showing complete wage and salary data or furnish copy of payroll sheet giving same data.

NOTE.—Indicate that portion of supervisory, office, and engineering salaries that is chargeable to this project.

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by Lawrence A. Stewart WRB
Amount approved for payment $4120.93
Remarks

16—64068-3

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF March 1952

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting										
Crosscutting										
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation	4,761.89	512.32	1,916.84	1,050.80	8,241.85					
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	4,761.89	512.32	1,916.84	1,050.80	8,241.85					

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

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE

MF-104
(August 1951)

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No.
Idm-E 33

Name of Operator Banner Mining Company
Docket No. DMA 269-X-B
Total Contract Amount $ 135,789.00
Government Participation: 50 % Amount, $ 67,894.50
Distribution of Expenditures for Month of February 1952

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

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

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

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

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 3 - 1952

CERTIFICATION

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

Banner Mining Company
(Name of Company)

By
(Signature of Authorized Official)

March 7, 1952
(Date)

A. L. Lowman
(Title)

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

16—64068-3

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only		
				Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(a) Facilities						
(b) Buildings						
(c) Fixtures						
2. Operating Equipment:						
(a) Purchased[1]	----	2,534.70	2,534.70	---	2534.70	2534.70
(b) Rented[2]						
(c) Furnished by operator	378.32	884.70	1,263.02	378.32	884.70	1263.02
Hoist & Motor 41.66						
Pick-Up 41.66						
Compressor 225.00						
D.T.Truck 35 Hrs. 70.00						
3. Rehabilitation and Repairs:						
(a) Facilities						
(b) Buildings						
(c) Installations						

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
4. Labor[3]	3,254.15	5,191.25	8,445.40	3254.15	5191.25	8445.40
5. Supervision[2] For. Sk.	681.83	1,933.30	2,615.13	681.83	1933.30	2615.13
6. Supplies						
(a) Timber	40.34	618.00	658.34	40.34	618.00	658.34
(b) Explosives						
(c) Repair Parts						
(d) Other	480.05	2,641.03	3,121.08	480.05	2641.03	3121.08
7. Power	368.82	2,013.00	2,381.82	368.82	2013.00	2381.82
8. Transportation	4.00	260.81	264.81	4.00	260.81	264.81
9. Insurance						
(a) Unemp. Ins.	78.72	142.47	221.19	78.72	142.47	221.19
(b) Public Liability						
(c) Workmen's Compensation	393.60	712.46	1,106.06	393.60	712.46	1106.06
Social Security	59.04	96.64	155.68	59.04	96.64	155.68
10. Contract Work						
11. Other (specify)						
Pick-up Gas, Oil, Rep.	44.73	97.31	142.04	44.73	97.31	142.04
Total	5,783.60	17,125.67	22,909.27	5783.60	17,125.67	22,909.27
Deletions						
Adjusted totals						
Totals previously reported				17,125.67		
Totals to date				22,909.27		

[1] Enter amount paid during month toward total purchase price.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.
[3] Submit copy of the Social Security form filed under the Old Age Insurance system showing complete wage and salary data or furnish copy of payroll sheet giving same data.

NOTE.—Indicate that portion of supervisory, office, and engineering salaries that is chargeable to this project.

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by Lenoir A. Stewart WRD WRD W.H.K.
Amount approved for payment $2891.80
Remarks

16—64068-3

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF February 1952

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting										
Crosscutting										
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation	3,935.98	378.32	520.39	948.91	5,783.60					
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	3,935.98	378.32	520.39	948.91	5,783.60					

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

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE

MF-104
(August 1951)

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No.
Idm-E 33

Name of Operator Banner Mining Company
Docket No. DMA 269-Y-3
Total Contract Amount $ 135,769.00
Government Participation: 50% Amount, $ 67,884.50
Distribution of Expenditures for Month of January 1952

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

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

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

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

CERTIFICATION

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

Banner Mining Company
(Name of Company)

By A. S. Bowman
(Signature of Authorized Official)

February 3, 1952
(Date)

Superintendent
(Title)

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

16—64068-3

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(a) Facilities						
(b) Buildings						
(c) Fixtures						
2. Operating Equipment:						
(a) Purchased[1]	—	2,534.70	2,534.70	—	2534.70	2534.70
(b) Rented[2]						
(c) Furnished by operator	364.32	520.38	884.70	364.32	520.38	884.70
[illegible] 225.00						
[illegible] Motor 41.66						
[illegible] 41.66						
[illegible] 56.00						
3. Rehabilitation and Repairs:						
(a) Facilities						
(b) Buildings						
(c) Installations						

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
4. Labor [3]	2,056.15	3,135.10	5,191.25	2056.15	3135.10	5191.25
5. Supervision	501.33	1,431.97	1,933.30	501.33	1431.97	1933.30
6. Supplies						
(a) Timber	4.96	613.04	618.00	4.96	613.04	618.00
(b) Explosives						
(c) Repair Parts						
(d) Other	936.35	1,704.68	2,641.03	936.35	1704.68	2641.03
7. Power	183.00	1,830.00	2,013.00	183.00	1830.00	2013.00
8. Transportation	2.26	258.55	260.81	2.26	258.55	260.81
9. Insurance						
(a) Fire Unemploy. Ins.	51.14	91.33	142.47	51.14	91.33	142.47
(b) Public Liability						
(c) Workmen's Compensation	255.75	456.71	712.46	255.75	456.71	712.46
Social Security	38.36	58.28	96.64	38.36	58.28	96.64
10. Contract Work						
11. Other (specify)						
Pick-Up Gas, Oil & Repairs	57.48	39.83	97.31	57.48	39.83	97.31
Total	4,451.10	12,674.57	17,125.67	4451.10	12,674.57	17,125.67
Deletions						
Adjusted totals						
Totals previously reported				12,674.57		
Totals to date				17,125.67		

[1] Enter amount paid during month toward total purchase price.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.
[3] Submit copy of the Social Security form filed under the Old Age Insurance system showing complete wage and salary data or furnish copy of payroll sheet giving same data.

NOTE.—Indicate that portion of supervisory, office, and engineering salaries that is chargeable to this project.

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by [signature] WRS WLD W.H.K.
Amount approved for payment $2225.55
Remarks

16—64068-3

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF January 1952

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting										
Crosscutting										
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation	2,557.48	364.32	941.31	587.99	4,451.10					
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	2,557.48	364.32	941.31	587.99	4,451.10					

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

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE

MF-104
(August 1951)

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No. 33
Idm-E

Name of Operator Banner Mining Company
Docket No. DMA 269-E-3
Total Contract Amount $ 135,789.00
Government Participation: 50 % Amount $ 67,894.50
Distribution of Expenditures for Month of December 1951 (Reclaim of Wages Disallowed)

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

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

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

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

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

Defense Minerals Administration
MAR 2 6 1952

CERTIFICATION

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

Banner Mining Company
(Name of Company)

By G. L. Sowman
(Signature of Authorized Official)

March 7, 1952
(Date)

Manager
(Title)

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

16—64068-3

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only		
				Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(*a*) Facilities						
(*b*) Buildings						
(*c*) Fixtures						
2. Operating Equipment:						
(*a*) Purchased[1]						
(*b*) Rented[2]						
(*c*) Furnished by operator						
3. Rehabilitation and Repairs:						
(*a*) Facilities						
(*b*) Buildings						
(*c*) Installations						

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
4. Labor[3] *	141.98			141.98		
5. Supervision						
6. Supplies						
(a) Timber						
(b) Explosives						
(c) Repair Parts						
(d) Other						
7. Power						
8. Transportation						
9. Insurance						
(a) Fire						
(b) Public Liability						
(c) Workmen's Compensation						
10. Contract Work						
11. Other (specify)						
Total	141.98			141.98		
Deletions						
Adjusted totals						
Totals previously reported						
Totals to date						

[1] Enter amount paid during month toward total purchase price.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.
[3] Submit copy of the Social Security form filed under the Old Age Insurance system showing complete wage and salary data or furnish copy of payroll sheet giving same data.

NOTE.—Indicate that portion of supervisory, office, and engineering salaries that is chargeable to this project.

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by Lincoln A. Stewart. WRS WRD W.K.K.
Amount approved for payment $70.99
Remarks

16—64068-3

* See attached letter explaining reclaim of disallowed wages paid to Alfred . Gordon for the period December 16, 1951 through December 31, 1951.

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF December 1951

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting										
Crosscutting										
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation	141.98									
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	141.98									

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

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No.
Idm-E [illegible]

Name of Operator Danner Mining Company
Docket No. DMA 269-[illegible]
Total Contract Amount $135,739.00
Government Participation: 50% Amount, $67,[illegible].50
Distribution of Expenditures for Month of December 1951

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

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

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

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

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

CERTIFICATION

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

Danner Mining Company
(Name of Company)

By G. L. Bowman
(Signature of Authorized Official)

January 3, 1952
(Date)

Superintendent
(Title)

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

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only		
				Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(a) Facilities						
(b) Buildings						
(c) Fixtures						
2. Operating Equipment:						
(a) Purchased[1]	---	2,534.70	2,534.70	---	2,534.70	2534.70
(b) Rented[2]						
(c) Furnished by operator	346.32	174.06	520.38	346.32	174.06	520.38
Compressor 225.00						
Pilot [illegible] 11.66						
3/4 [illegible] 11.66						
[illegible] 30.00						
3. Rehabilitation and Repairs:						
(a) Facilities						
(b) Buildings						
(c) Installations						

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
4. Labor[3]	1,133.30	1,646.22	2,779.52	1345.22	1646.22	2,991.44
5. Supervision, Sup. Et.	681.83	750.14	1,431.97	681.83	750.14	1431.97
6. Supplies						
(a) Timber	551.07	61.97	613.04	551.07	61.97	613.04
(b) Explosives						
(c) Repair Parts						
(d) Other	804.98	899.70	1,704.68	804.98	899.70	1704.68
7. Power	60.00	1,770.00	1,830.00	60.00	1770.00	1830.00
8. Transportation	111.48	147.07	258.55	111.48	147.07	258.55
9. Insurance						
(a) Fire Insurance Inc.	43.41	47.92	91.33	43.41	47.92	91.33
(b) Public Liability						
(c) Workmen's Compensation	217.07	239.64	456.71	217.07	239.64	456.71
Social Security	22.33	35.95	58.28	22.33	35.95	58.28
10. Contract Work						
11. Other (specify)						
Gas, Oil, Rep. - Pick-up	39.83	----	39.83	39.83	----	39.83
Total	4,367.20	8,307.37	12,674.57	4223.54	8307.37	12,530.91
Deletions						
Adjusted totals						
Totals previously reported						
Totals to date						

[1] Enter amount paid during month toward total purchase price.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.
[3] Submit copy of the Social Security form filed under the Old Age Insurance system showing complete wage and salary data or furnish copy of payroll sheet giving same data.

NOTE.—Indicate that portion of supervisory, office, and engineering salaries that is chargeable to this project.

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by Lincoln A. Stewart W.R.S. W. R. K.
Amount approved for payment
Remarks

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF December 1951

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting										
Crosscutting										
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation	2,170.71	346.32	1,356.05	494.12	4,367.20					
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	2,170.71	346.32	1,356.05	494.12	4,367.20					

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

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE

ndard Form No. 1034a—Rev.
Form approved by
Comptroller General, U. S.
May 26, 1938
(Amended August 15, 1941)

PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

D. O. Vou. No. _____
Bu. Vou. No. DMA-125

GENERAL ACCOUNTING OFFICE PREAUDIT
Certified for payment in the sum of $_____
Comptroller General of the United States
By _____

U. S. Dept. of Interior, Defense Minerals Administration, 224 New Customhouse
(Department, bureau, or establishment)

Voucher prepared at Denver, Colorado 1/8/52
(Give place and date)

THE UNITED STATES, Dr.,

To Banner Mining Company
2042 Conner Stravenue

Address Tucson, Arizona

Payee's Account No. I-DMA-E-33

PAID BY
(For use of Paying Office)

No. and Date of Order	Date of Delivery or Service	Articles or Services (Enter description, item number of contract or general supply schedule, and other information deemed necessary) Terms ____% Discount Cash ____ days	Quantity	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
		Brought forward from continuation sheet(s)					
	November 1951	Certified "Operator's Monthly Progress Report" for the Mineral Exploration Program attached:				2452.	79

Shipped from _____ to _____ Weight _____ Government B/L No. _____ Total 2452.79

(Payee must NOT use this space)
Differences _____
Account verified; correct for 2452.79
(Signature or initials) _____

Contract No. I-DMA-E-33 Date 6/30/51 Req. No. _____ Date _____ Invoice Rec'd _____

W.H.K.

MEMORANDUM

Approved for payment by:
for J. H. East, Jr.

JAN 9

Naomi E. Stokes
Authorized Certifying Officer

ACCOUNTING CLASSIFICATION (for completion by Administrative Office)

Appropriation, limitation, or project symbol	Appropriation title	Limit'n or Proj't Amount	Appropriation Amount
14X4401	Revolving Fund, Defense Production Act, Interior		2452.79

Allotment symbol	Amount	Obligations liquidated	COST ACCOUNT Symbol	COST ACCOUNT Amount	OBJECTIVE CLASSIFICATION Symbol	OBJECTIVE CLASSIFICATION Amount

Paid by { Check No. _____ dated _____, 19____, for $_____ } on Treasurer of the United States in favor of payee named above.
{ Cash, $_____, on _____, 19____, Payee _____ }
(Sign original only)

Per _____
Title _____

* 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.
† If the ability to certify and authority to approve are combined in one person, one signature only is necessary; otherwise the approving officer will sign in the blank space below "Approved for $_____", and over his official title.

16—22900a-1

METHOD OF OR ABSENCE OF ADVERTISING

(Section 3709 of the Revised Statutes)

1. After advertising in newspapers.

2. (*a*) After advertising by circular letters sent to _____ dealers.

(*b*) And by notices posted in public places.

(If notices were not posted in addition to advertising by circular letters sent to dealers, explanation of such omission must be made. The notation on the certificate on the face of the voucher must be "2(*a*) (*b*)" or "2(*a*)", depending on whether or not notices were posted.)

3. Without advertising, under an exigency of the service which existed prior to the order and would not admit of the delay incident to advertising.

4. Without advertising in accordance with _____

5. Without advertising, it being impracticable to secure competition because of _____

_____

_____

_____

_____

(Here state in detail the nature of the exigency or circumstances under which the securing of competition was impracticable under 3 and 4)

NOTE.—The above form "Method of or Absence of Advertising" is to be used when purchases are made or services secured under proper authority without written agreement in any form. In case of a written agreement (formal contract, proposal, and acceptance, or less formal agreement) Standard Form No. 1036—Revised should be used for abstracting the method of or absence of advertising and award of contract. (See General Regulations No. 51, Supplement No. 6, General Accounting Office, Aug. 20, 1930.)

U. S. GOVERNMENT PRINTING OFFICE: 1946 O-88934 16—22900-1

MF-104
(August 1951)

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No. Idm-E 33

Name of Operator Banner Mining Company
Docket No. DMA 269-X-B
Total Contract Amount $ 135,789.00
Government Participation: 50% % Amount, $ 67,894.50
Distribution of Expenditures for Month of November 1951

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

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

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

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

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

CERTIFICATION

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

Banner Mining Company
(Name of Company)

By G. L. Sorman
(Signature of Authorized Official)

December 7, 1951
(Date)

Superintendent
(Title)

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

16—64068-3

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only		
				Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(a) Facilities						
(b) Buildings						
(c) Fixtures						
2. Operating Equipment:						
(a) Purchased[1]	2,534.70	--	2,534.70	2534.70	-	2534.70
(b) Rented[2]						
(c) Furnished by operator	99.32	74.74	174.06	99.32	74.74	174.06
3. Rehabilitation and Repairs:						
(a) Facilities						
(b) Buildings						
(c) Installations						

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
4. Labor[3]	582.98	1,063.24	1,646.22	582.98	1063.24	1646.22
5. Supervision, For., Eng., Bk.	750.14	---	750.14	750.14	—	750.14
6. Supplies						
(a) Timber	61.97	---	61.97	61.97	—	61.97
(b) Explosives						
(c) Repair Parts						
(d) Other	644.15	255.55	899.70	644.15	255.55	899.70
7. Power	5.00	1,765.00	1,770.00	5.00	1765.00	1770.00
8. Transportation	47.35	99.72	147.07	47.35	99.72	147.07
9. Insurance						
(a) ~~XXX~~ Unemp. Ins.	26.66	21.26	47.92	26.66	21.26	47.92
(b) Public Liability						
(c) Workmen's Compensation	133.31	106.33	239.64	133.31	106.33	239.64
Social Security	20.00	15.95	35.95	20.00	15.95	35.95
10. Contract Work						
11. Other (specify)						
Total	4,905.58	3,401.79	8,307.37	4905.58	3401.79	8307.37
Deletions	--	--	--			
Adjusted totals						
Totals previously reported						
Totals to date	4,905.58	3,401.79	8,307.37	4905.58	3401.79	8307.37

[1] Enter amount paid during month toward total purchase price.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.
[3] Submit copy of the Social Security form filed under the Old Age Insurance system showing complete wage and salary data or furnish copy of payroll sheet giving same data.

NOTE.—Indicate that portion of supervisory, office, and engineering salaries that is chargeable to this project.

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by Walter R. Storms. W.R.K.
Amount approved for payment
Remarks

16—64068-3

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF November 1951

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting										
Crosscutting										
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation	1,333.12	99.32	706.12	2,767.02	4,905.58					
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	1,333.12	99.32	706.12	2,767.02	4,905.58					

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

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE

Standard Form No. 1034a—Rev.
Form approved by
Comptroller General, U. S.
May 26, 1938
(Amended August 15, 1941)

PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

D. O. Vou. No. _____
Bu. Vou. No. DMA-56

GENERAL ACCOUNTING OFFICE PREAUDIT
Certified for payment in the sum of $_____
Comptroller General of the United States
By _____

U. S. Dept. of Interior, Defense Minerals Administration, 224 New Customhouse
(Department, bureau, or establishment)

Voucher prepared at Denver, Colorado 10/18/51
(Give place and date)

THE UNITED STATES, Dr.,

To Banner Mining Company
2042 Conner Streets
Tucson, Arizona

Address _____

Payee's Account No. I-DMA-E-33

PAID BY
(For use of Paying Office)

No. and Date of Order	Date of Delivery or Service	Articles or Services (Enter description, item number of contract or general supply schedule, and other information deemed necessary) Terms net % Discount Cash _____ days	Quantity	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
	8/7 - 9/30/51	Brought forward from continuation sheet(s) Certified "Operators Monthly Progress Report" for the Mineral Exploration Program attached:				1,664.77	

Shipped from _____ to _____ Weight _____ Government B/L No. _____ Total 1,664.77

(Payee must NOT use this space)
Differences _____
Account verified; correct for 1664.77
(Signature or initials) _____

Contract No. I-DMA-E-33 Date 6/30/51 Req. No. _____ Date _____ Invoice Rec'd _____

MEMORANDUM

Approved for payment by:
J. H. East, Jr.

OCT 18 1951

Naomi E. Stokes
Authorized Certifying Officer

ACCOUNTING CLASSIFICATION (for completion by Administrative Office)

Appropriation, limitation, or project symbol	Appropriation title	Limit'n or Proj't Amount	Appropriation Amount
14X4401	Defense Minerals Administration		1,664.77

Allotment symbol	Amount	Obligations liquidated	COST ACCOUNT Symbol	COST ACCOUNT Amount	OBJECTIVE CLASSIFICATION Symbol	OBJECTIVE CLASSIFICATION Amount

Paid by { Check No. _____ dated _____, 19____, for $_____ } on Treasurer of the United States in favor of payee named above.
Cash, $_____, on _____, 19____, Payee _____
(Sign original only)

* 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.
† If the ability to certify and authority to approve are combined in one person, one signature only is necessary; otherwise the approving officer will sign in the blank space below "Approved for $_____", and over his official title.

Per _____
Title _____

16—22900a-1

METHOD OF OR ABSENCE OF ADVERTISING

(Section 3709 of the Revised Statutes)

1. After advertising in newspapers.

2. (*a*) After advertising by circular letters sent to _____ dealers.

(*b*) And by notices posted in public places.

(If notices were not posted in addition to advertising by circular letters sent to dealers, explanation of such omission must be made. The notation on the certificate on the face of the voucher must be "2(*a*)(*b*)" or "2(*a*)", depending on whether or not notices were posted.)

3. Without advertising, under an exigency of the service which existed prior to the order and would not admit of the delay incident to advertising.

4. Without advertising in accordance with _____

5. Without advertising, it being impracticable to secure competition because of _____

_____

_____

_____

_____

_____

(Here state in detail the nature of the exigency or circumstances under which the securing of competition was impracticable under 3 and 4)

NOTE.—The above form "Method of or Absence of Advertising" is to be used when purchases are made or services secured under proper authority without written agreement in any form. In case of a written agreement (formal contract, proposal, and acceptance, or less formal agreement) Standard Form No. 1036—Revised should be used for abstracting the method of or absence of advertising and award of contract. (See General Regulations No. 51, Supplement No. 6, General Accounting Office, Aug. 20, 1930.)

U. S. GOVERNMENT PRINTING OFFICE: 1946 O-88934 16—22900-1

DISTRIBUTION OF WAGES AND SALARIES FOR MONTH OF August 7th. to September 30, 1951 Inclusive

Name of operator Banner Mining Company
Project No. DMA 269-X-B
Total contract amount $ 135,789.00
Government participation percent 50%

Type	Number	Man-Shifts	Rate	Total
Miners			$	$
Muckers				
~~Xxxxxxx~~ Helpers 1st. Class	2	12.31	1.495	148.78
Timbermen				
Pumpmen				
Hoistmen				
Surface Labor	2	8.19	1.365	92.16
Samplers				
Assayers				
Shift bosses				
Mechanics				
Electricians				
Blacksmiths				
Carpenters	2	17.56	1.615	239.05
Drill runners				
Drill helpers				
Teamsters				
Manager				
Superintendent	1 - Part Time			270.75
Engineers	1 - Part Time			55.00
Geologists				
Bookkeeper	1 - Part Time			66.25
Foreman	1 - Part Time			191.25
Clerks				
Stenographers				
Other				
Total				$ 1,063.24

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

FOR GOVERNMENT USE ONLY

Checked by
Entered by Linda A Stewart
Approved by WAS
Remarks New Bookkeeper

16—64068-1

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF August 7th. to September 30, 1951 Inc.

Name of operator Banner Mining Company
Project No. DMA 269-X-B
Total contract amount $ 135,789.00
Government participation, percent 50%

Item	Costs					Progress				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract
Drifting										
Crosscutting										
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation	1,063.24	74.74	255.55	2,008.26	3,401.79					
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	1,063.24	74.74	255.55	2,008.26	3,401.79					

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

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

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by Lincoln A. Stewart. WRB
Remarks $ 72.25

MONTHLY SUMMARY COST STATEMENT

Name of operator: Banner Mining Company
Project No. DMA: 269-X-B
Total contract amount: $ 135,789.00
Government participation percent: 50%

Distribution of Expenditures for Month of August 7th. to September 30, 1951 Inc.

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals to Date
Wages and salaries (Gross)	1,063.24		1,063.24	996.99		996.99
Equipment purchase [1]						
Equipment rental [2]	74.74		74.74	68.74		68.74
Buildings						
Explosives						
Repair parts						
Other supplies	255.55		255.55	255.55		255.55
Power	1,765.00		1,765.00	1765.00		1765.00
Transportation	99.72		99.72	99.72		99.72
Withholding taxes						
Compensation insurance	106.33		106.33	106.33		106.33
Other insurance Unemployment	21.26		21.26	21.26		21.26
Contract work						
Other (specify) Social Sec.	15.95		15.95	15.95		15.95
Total	3,401.79		3,401.79	3,329.54		3,329.54
Totals previously reported						
Totals to date	3,401.79		3,401.79			

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by Lincoln A. Stewart WRB
Amount approved for payment $3329.54
Remarks Retained 72.25

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

16—64068-1

MF-104
(April 1951)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

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

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

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

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

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

CERTIFICATION

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

Banner Mining Company
(Name of Company)

By A. D. Forman
(Signature of Authorized Official)

October 5, 1951
(Date)

Superintendent
(Title)

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

16—64068-1

AUG 1 1961

Mr. K. S. Bowman
General Manager
Banner Mining Company
2042 Conner Stravenue
Tucson, Arizona

Re: DMA-269X-B (Copper)
Banner Mining Company
Twin Buttes Copper Mines
Pima County, Arizona
Contract I-DMA-233

Dear Mr. Bowman:

By the terms of the subject Exploration Project Contract, as amended, and the certification of discovery or development, dated March 19, 1956, all minerals mined or produced from June 30, 1951, to June 30, 1961, 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,

George Fumich, Jr.

Director

GLAult/gla
8-9-61
cc to: Director's Reading File
CA&A Division
Region III (2)
Docket
Code 300

Cont[illegible] Adm.[illegible]& Audit Division

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

To: Banner Mining Company
2042 Ganner Stravenue
Tucson, Arizona

Pursuant to the provisions of Exploration Project Contract No. I-DMA-E31, dated June 30, 1951, Docket No. DMA-269X-B, 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 mineral deposit which is the subject of the exploration project, the Government considers and therefore certifies that a discovery or development has resulted from the work from which commercial production of ore may be made.

The Government's estimate of said discovery or development is particularly described and delimited as follows:

A copper ore body of the contact metamorphic type, occurring as a replacement deposit in limestone, has been discovered on the property described in Article 2 of the contract off the west end of the Queen mine. This deposit of commercial grade, and two other deposits of marginal grade, were found at widely scattered intervals along the northwest striking contact between granite and limestone which is the principal controlling structure of the project area.

Dated: MAR 1 9 1954

cc to: Operator (original)
Contract Adm. & Audit Div.
DMEA Field Team, Region IV (2)
Finance Office
Docket
Rare & Misc.Metals Div.
Mr. Irving Gumbel, Acting Director, EPS
Adm. Reading File
Operating Committee
Mr. Hedges, Rm. 4604
Mr. Thayer, Rm. 5216, GSA
F. E.Johnson
F. L. Knouse

UNITED STATES OF AMERICA

By [illegible]
Administrator, Defense Minerals Exploration Administration

Government's Copy

TERMINATION OF WORK UNDER AN EXPLORATION PROJECT CONTRACT
BY AGREEMENT

It is agreed this 19th day of October, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Banner Mining Company, hereinafter called the "Operator," parties to that certain Exploration Project Contract I-DMA-E33, Docket No. DMA-269X-B, dated June 30, 1951, as amended, that all exploration work under the said contract shall be terminated as of October 1, 1953.

Any work prosecuted or costs incurred by the Operator after April 30, 1953, shall be for the sole account of the Operator, except for (a) such necessary and reasonable costs and expenses as may be incurred in preserving and disposing of any facilities, buildings, fixtures, equipment, or other items, to the cost of which the Government has contributed and in which the Government has an equity, and (b) the costs of any reports, accounts, and winding-up and settlement actions provided for in the contract.

The undersigned Operator hereby releases and agrees to save harmless the Government from all claims and demands under or arising out of said Exploration Project Contract, except as herein expressly otherwise provided.

Witness the following signatures as of the day and year first above written.

THE UNITED STATES OF AMERICA

By Frank E. Johnson
ACTING Administrator, Defense
Minerals Exploration
Administration

BANNER MINING COMPANY

By E. S. Bowman
E. S. Bowman, President

Defense Minerals Administration
NOV 20 1953

MINING DIVISION
REGION IV

September 4, 1953

Memorandum

To : W. H. King, Chief, Mining Division, Region IV

From : Lincoln A. Stewart for Walter R. Storms, Chief Mining Methods Br., Mining Div., Region IV

Subject : Termination of Contract Idm-E33, DMA-269X-B, Banner Mining Co.'s Twin Buttes Mine, Pima County, Ariz.

Enclosed are original and 5 copies of memorandum from T. M. Romslo on the above subject. Logical reasons for termination of this contract, as of April 30, 1953 are given by the company in its letter dated June 1, 1953, addressed to your office. Romslo's memorandum concurs with this request.

It appears that the results of this exploration project to date have fulfilled the purpose of the Government's participation, and royalties will be forthcoming regardless of this termination. For the above reasons I recommend that this request for termination of the contract be granted.

LINCOLN A. STEWART

Lincoln A. Stewart, Mining Engineer
for Walter R. Storms, Chief
Mining Division, Region IV

CC W. H. King 5
DMA-269XB
DF

LASStewart:frj

Department of the Interior
Defense Minerals Administration
RECEIVED
NOV 20 1953

MINING DIVISION
REGION IV

September 4, 1953

Memorandum

To : W. H. Storms, Chief, Mining Methods Br., Mining Div., Region IV, Tucson, Ariz.

From : T. M. Romslo, Mining Engineer, Tucson, Ariz.

Subject : Operator's request for termination of Contract I-DMA-E33, DMA-269X-B, Banner Mining Co.'s Twin Buttes Mines, Pima County, Ariz.

I recommend that the contract be terminated April 30, 1953, as requested in the Operator's letter of June 1, for the following reasons:

1. The major portion of allowable funds will have been expended and remaining work that could be covered by the contract probably will be completed by the Operator. The remaining work, drifting and diamond drilling west and southwest of present workings, probably will be done because the cost of testing the favorable zone will not be excessive.

2. Termination of the contract will allow the Operator to simultaneously conduct both exploratory work and development and mining operations without becoming involved in potential conflicts in the allowable costs of an Exploration Contract. The development and mining operations are justified while copper prices remain at the present high level.

3. Reimbursement of the Government's equity in the project will not be jeopardized because the obligation to pay royalties on all ore shipped from the claims of the contract will still be effective.

4. The Banner Mining Co.'s desire to conduct further explorations in this district without Governmental assistance was demonstrated several months ago when they withdrew an application for an exploration project near their Mineral Hill mine. This project, diamond drilling geophysical anamolies, is presently being conducted with exceptionally favorable results.

TMRomslo

T. M. Romslo, Mining Engineer
Mining Methods Branch
Mining Division, Region IV

CC W. H. King (Orig. & 5)
DMA-269XB
DF

TMRomslo:frj

COPY June 1, 1953

Defense Minerals Administration
224 New Customhouse Building
Denver 2, Colorado

Re:-Contract #I-DMA-E-33, regarding the Twin Buttes Mines Southwest of Tucson, Arizona.

Gentlemen:-

You have under consideration at this time our request of April 7, 1953 for an amendment to our Contract #I-DMA-E-33. This requested amendment was for the purpose of allowing us to expend the balance of work and funds left in this project west and southwest of the Queen Shaft. This is the only area under this exploration project in which commercial ore has been found.

It is my understanding that until this amendment is processed that no further work can be done under the contract without express permission of the field team.

We feel that this amendment should be completed to allow Banner Mining Company to charge the crosscutting, diamond drilling and raising etc up through April 30th, 1953 to the project. The raise was 43 feet high as of the above date.

The contract requires at its completion or termination that we furnish an estimate of ore reserves. It is impossible to make a reliable estimate on the basis of the diamond drill holes only.

To determine the rough extent of the ore located in the diamond drill holes, it was necessary to do some crosscutting and raising in the ore. We were certainly not justified in developing the area or preparing it for mining on the basis of the drill holes only as they were drilled in one plane.

Arizona law requires a second outlet (which would have to be the Queen Shaft) before mining can commence. This would entail a large expenditure and would require a fairly large block of ore to justify same.

From what we know now, after raising about 70 feet in the ore body above the 7th level of the Queen Mine, we would like to make preparations to develop and mine some of this orebody while the price for copper remains at its present high level. We also intend to develop

this same orebody at higher levels in the Queen Shaft. We also intend to do exploration work west and southwest of the present faces on the Queen 7th level that may be covered by an amendment as asked for in our letter of April 7th, 1953.

In view of this varied work program for the coming months which will involve elaborate accounting and cost breakdowns which, I am sure, may involve conflicts in allowable costs under the Exploration Project, we believe that the best arrangement all around will be to terminate the Exploration Project as of April 30, 1953. We are making this as a formal request for termination as of this date.

In asking that the exploration project be stopped, we want to make it clear that Banner Mining Company realizes its obligation under Exploration Contract #I-DMA-E-33 and is willing that royalties be paid the Government on all ores shipped from the mining claims named in this contract and amendments according to terms of paragraph 14 of the contract form.

Please advise us at an early date of your decision in this matter.

We have not received checks for the Government's share in this project since the one covering the month of December 1952. Our reports through March have gone in on schedule. The report for the month of April is being held in abeyance pending completion of the requested amendment.

Yours very truly,

Banner Mining Company

/s/ A. B. Bowm
A. B. Bowman
Manager

ABB:ecb

Department of Defense
Defense Minerals Administration
RECEIVED
OCT 3 1952

No. 8

AMENDMENT OF CONTRACT: No. I-DMA-E33

Contract Docket No. DMA 269X-B, dated June 30, 1951, between the United States of America and Banner Mining Company is hereby amended as follows, October 1, 1952:

Reference is made to Amendment No. 7, dated October 28, 1952, further referring to said Amendment No. 7, delete all matter beginning with the heading "7th Level of Queen Mine" and ending with the words "had been given", which constitute the last three words of the last paragraph beginning at the bottom of the first page and ending at the top of the second page of said Amendment No. 7, with the following exceptions: "The map referred to in the last paragraph on the first page of said Amendment No. 7, and which was made a part thereof, is now made a part of this Amendment." In lieu of the deleted matter within the limits and exceptions cited above, substitute the following:

The 525 foot level of the Glance mine and the 7th level of the Queen mine are at a common elevation and the connected drifts are sometimes cited as the 600 level.

Diamond Drilling, Crosscutting and/or raising

The tentative location and extent of drill holes and crosscuts are shown on the map entitled "Banner Mining Co., Geologic Plan of the 600 Level, Glance, Queen and King Mines" dated "4-16-52" which is now made a part of this Amendment. The exact locations and extent of drill holes and crosscuts may be varied depending on conditions encountered as the work progresses, subject to the approval of the DMEA Representative. The locations and extent of raises will depend on conditions encountered as the drilling and crosscutting progresses and must be acceptable to the DMEA Representative. Exploration work shall not be extended beyond the limits of ground on which the Banner Mining Company undertakes and agrees to pay all sums that may fall due and owing to the United States of America under the terms of said contract I-DMA-E33 in the same manner and to the same extent, as if the subordination agreement of the lessor had been given.

Maximum extent and estimated costs of Diamond Drilling, Crosscutting and/or Raising

Diamond Drilling - 2760 feet, estimated cost $4.00 per foot----------$11,040.00

Crosscutting and/or Raising-500 feet, estimated cost $30.00 per foot---------- 15,000.00

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 11 of the contract form.

Dated: OCT 5 1953

BANNER MINING COMPANY

By E. S. Bowman
E. S. Bowman, President

Attest James E Hoyle
Secy.

Seal

UNITED STATES OF AMERICA

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

GOVERNMENT COPY

No. 7

AMENDMENT OF CONTRACT: No. I-DMA-E33

Contract Docket No. DMA 269X-B, dated June 30, 1951, between the United States of America and Banner Mining Company is hereby amended as follows, effective October 1, 1952:

Referring to Annex I, attached to Exploration Project Contract Form MF-200, add the following after the last paragraph: (4) Scorpio Annex Claim (Unpatented), Recorded in Book 76, page 15, in the records of mining claims, Pima County, Arizona, and as described in the attached Lease and Option, which is made a part of this Amendment.

Referring to EXHIBIT "A" attached to Exploration Project Contract Form MF-200, item "(8) (b) Diamond Drilling, Drifting and Crosscutting program detailed as follows:", delete all matter following thereafter which pertains thereto and in lieu thereof substitute the following:

7th Level of Queen Mine

Drill diamond drill holes numbers 1, 1-A, 2, 3, 8 and 9, total footage 1270 feet, estimated cost $4.00 per foot..... $5,080.00

250 feet of crosscutting from the west end of this level, estimated cost $30.00 per foot..... 7,500.00

525 foot Level of Glance Mine

Drill diamond drill holes numbers 4, 5, 6 and 7, total footage 1490 feet, estimated cost $4.00 per foot..... 5,960.00

250 feet of crosscut in a southerly direction from the 525 foot level to explore the Granite-Marble Contact, at a location acceptable to the DMEA representative and after completion of drill holes numbers 4 and 5 above, estimated cost $30.00 per foot..... 7,500.00

The diamond drilling and crosscutting is depicted on the attached map titled "Banner Mining Co., Geologic Plan of the 600 Level, Glance, Queen & King Mines" dated "4-16-52", which is made a part of this Amendment, with the following exceptions: Exploration work shall not be extended beyond the limits of ground on which the operator undertakes and agrees to pay all sums that may fall due and

owing to the United States of America under the terms of said contract in the same manner and to the same extent as if the subordination agreement of the lessor had been given.

Work may be commenced prior to the completion of the cleanup work authorized for the first phase of the Exploration Project.

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 11 of the contract form.

Dated October 28, 1952.

BANNER MINING COMPANY

By E.S. Bowman
E.S. Bowman, President

Attest
By W. H. Hardy
Secretary

UNITED STATES OF AMERICA

By C. O. Mitteudorf
Administrator, DMEA

LEASE AND OPTION

THIS AGREEMENT, made and entered into this 1st day of June, A. D. 19[illegible], by and between GUS GAVIN AND SOFIA GAVIN, husband and wife, of Tucson, Arizona, hereinafter referred to as the Lessors, and DANIEL MINING COMPANY, a Nevada corporation authorized to do business in Arizona, hereinafter referred to as the Lessee;

W I T N E S S E T H

That for and in consideration of the sum of Ten ($10.00) Dollars in hand paid by the Lessee to the Lessors, the receipt of which is hereby acknowledged, other good and valuable consideration, and the royalties reserved and rentals to be paid by Lessee to Lessors, and of the covenants and conditions hereinafter set forth, Lessors hereby lease and let to Lessee and its successors and assigns, upon the terms and conditions hereinafter set forth, the following described mining claims and real property situated in Pima County, State of Arizona, to-wit:

1. Description of Property:

Those certain patented lode mining claims situated in the Pima Mining District of Pima County, Arizona, known as and recorded in the records of mining claims in the said County of Pima, State of Arizona, as follows, to-wit:

NAME OF CLAIM	PATENT NUMBER OF RIGHT	PAGE
Georgia	7[illegible]	[illegible]
Georgia No. 2	7[illegible]	[illegible]
Georgia Annex	70	1[illegible]
Georgia Triangle	70	[illegible]
[illegible]	[illegible]	[illegible]
Well No. 2	7[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	7[illegible]	[illegible]
[illegible] No. 2	7[illegible]	10[illegible]

together with all of the rights appurtenant to said mining claims and all accessories thereto and all water rights and easements appurtenant to said claims.

The following described piece or parcel of land subject only to the reservations contained in the patent thereto, situated in Pima County, Arizona, to-wit:

Beginning at the southwest corner of the tract herein described, corner No. 1, the northwest corner, of the Copper Queen lode claim, patent survey number [illegible], identical with corner No. 1 of the Copper King lode claim, patent survey number [illegible], and corner No. 1, of the Standard Copper lode claim, patent survey number 2643;

Thence N. 7 deg. 04' E a distance of 36.96 feet to the northwest corner, a point at the intersection of the east end line of the said Standard Copper lode claim and the north line of Section 6 of T13S R13E, G&SRM;

Thence east a distance of 690.4 feet along the north line of the said section [illegible] to a point approximately on the center of the Twin Buttes-Continental road;

Thence S 51 deg. 13' E along the center line of the said road a distance of 401.6 feet;

Thence S [illegible] deg. [illegible]' E along the center line of the said road a distance of [illegible] feet;

Thence S 24 deg. 53' E a distance of 193.3 feet along the center line of said road to a point on the north side line of the Copper Queen lode claim, patent survey number [illegible];

Thence [illegible] deg. [illegible] a distance of 1,247.7 feet along the north side line of the said Copper Queen lode claim to its northwest corner, the point of beginning;

[illegible] of Sec. 6 of Twp. [illegible], G. & S. R. [illegible], Arizona, containing [illegible] acres, [illegible] by the east and west line of the Standard Copper lode claim, patent survey number [illegible], [illegible] the Copper Queen lode claim, patent survey number [illegible], [illegible] the north line of the said road [illegible], and the last of the Twin Buttes-Continental road.

All of the foregoing [illegible] are or traces, subject only to [illegible] easements [illegible] the subject [illegible]

All of the above covered by and [illegible] seven (7) adjoining lode claims described above, to-wit:- Scorpion, [illegible] No. 2, [illegible], Bowing Thorn, [illegible], [illegible] and [illegible], the patented claims as they now [illegible] or as they may be amended, also [illegible] included in any practical or logical [illegible] formed by the interior [illegible] of the above (7) claims [illegible] above [illegible], except that the [illegible] reserve to themselves the mineral rights only on the following described property:

[illegible]:

[illegible] from [illegible], the Sun Devil residence lot 12A AND THE E½ SW¼ section [illegible] of T. 15 S. and R. [illegible] E., G. & S. R. [illegible], Pima County, Arizona, plus a contiguous tract between the said residence tract and the Twin Buttes road, both the said tracts being combined into one tract more particularly described as follows:

Beginning at the northeast corner of the tract hereinbefore described, a point in the approximate center of the Twin Buttes-Continental road from which the No. 2 (northwest) corner of the Copper Glance lode claim, patent survey number 2043, identical with the No. 3 (southeast) corner of the Copper Queen lode claim, patent survey number 2043, bears N 9 deg. 20' E a distance of 1148.3 feet;

Thence S 85 deg. 10' W a distance of 290.0 feet to a corner post in the fence, the northwest corner

Thence S 19 deg. 50' W a distance of 349.0 feet to a corner post in the fence, the southwest corner;

Thence S 65 deg. 06' E a distance of 295 feet to the southeast corner, a point in the approximate center of the Twin Buttes-Continental road;

Thence N 16 deg. 26' E a distance of 496.9 feet to the northeast corner, the place of beginning.

It is the intention of the parties, and it is hereby agreed, that there is included within this lease and option the above described unpatented lode mining claims, and all of them, the land described by metes and bounds in fee and the land within the exterior boundaries of the first seven (7) mining claims mentioned above, and the fractions formed thereby in fee, except for the surface rights retained by the Lessors specifically described above.

2. Covenant and Ownership:

Lessors covenant and this lease and option is entered into by Lessee in specific reliance thereon that the Lessors are the owners of a good and merchantable title, subject only to the paramount title of the United States, to each of the mining claims hereinabove described, free, clear and unincumbered and have the right and power to enter into the within lease and option, Lessors further covenant that the said claims have been properly located and they are good, valid, unpatented lode mining claims and that the Lessors have complied with all of the laws of the United States of America and of the State of Arizona in the locating of said claims and in doing the annual labor necessary to preserve them as valid, subsisting mining claims and that there are no liens nor incumbrances against the same.

The Lessors further covenant and agree that they own the fee simple title to the land described by metes and bounds and the land covered by the seven (7) mining claims first above mentioned and any fractions formed by the exterior boundaries of said claims, with a good and merchantable title, subject only to the reservation of the minerals contained in the patent and that where the land is covered by both the patent and by the mining claims that the Lessors own the same without reservations.

3. Term of Lease:

The term of this lease and option, unless sooner forfeited, cancelled, terminated or surrendered as hereinafter provided, shall be for [illegible] (10) years from the date hereof.

4. Possession and Control of Property:

Except for the use of the surface rights which are hereinabove described and which are hereby specifically reserved to the Lessors, and the [illegible] lease to remain in the sole and exclusive [illegible] thereof, and to investigate, measure, sample, examine, test, develop, work, mine, operate, use, manage, control the same, and to mine, extract and remove from said property the ores and min-

erals therein and appurtenant and belonging thereto, and to treat, mill, ship, sell or otherwise dispose of the same and receive full proceeds therefrom less the royalties reserved by the Lessors as per paragraph 6.

5. Entry, Manner of Work and Conformity with Laws:

The Lessee agrees that it will, in the working of said claims, cause the work to be done in a careful and miner-like manner and to conform, in all respects, to the mining laws and regulations of the State of Arizona.

6. Royalties and Rentals:

The Lessors hereby expressly reserve to themselves, their heirs, administrators, executors and assigns, a royalty, the equal seven and one-half (7½%) per cent part of the net smelter or mill returns after deductions, as hereinafter defined, on all ores, minerals and concentrates or other products derived from ores mined from or taken from dumps on the leased property.

Said royalties reserved shall be deducted by the purchaser of the ores and/or concentrates or other products and paid directly to Lessors accompanied by copies of the settlement sheets covering each lot of material purchased.

Net smelter or mill returns within the meaning of this agreement shall be the correct returns as shown by the liquidation or settlement sheets furnished by the smelter or mill treating such ores and concentrates after such smelter or mill shall have made deduction for transportation charges from mine to smelter and mill, treatment and usual smelting or milling deductions. No premiums or bonuses or amounts above market prices paid to the Lessee by any governmental agency shall be included in royalty settlements.

In the event Lessee shall construct its own mill for the treatment of ores no deduction shall be made by Lessee for the milling of ores produced from the above described premises in arriving at royalty payment, except transportation charges shall be deducted for the transportation of ores from the mines to the mill and transportation charges shall be deducted for transporting concentrates from the mill to the smelter and the other usual deductions and smelter charges. In such event the royalties reserved shall be computed and paid in the manner specified in Paragraph 7, hereof.

Provided, however, the Lessee agrees to pay to the Lessors as a minimum rental or royalty the sum of $1,250.00, at the time of the execution of this agreement, the receipt of which is hereby acknowledged. Quarterly thereafter on the first day of the quarter, that is on September 1, December 1, March 1, and June 1, the Lessee shall pay to the Lessors a minimum quarterly rental or royalty of $1,250.00, to and including March 1, 1955. Commencing on June 1, 1955, the Lessee shall pay minimum quarterly rental or royalty of $2,500.00, and on the first day of each third month thereafter during the term of this Lease. The said minimum rental or royalty is to be paid from the seven and one-half (7½%) per cent royalties above reserved or in the event that the said seven and one-half (7½%) per cent royalty reserved does not amount at the end of each quarter to the aggregate amount to be paid during that quarter, then the difference thereof to be paid in cash by Lessee to Lessors; provided, further, however, that in

[illegible] quarters.

7. Erection of Mill:

Lessee may erect a mill upon the premises hereby leased for the purpose of milling ore from the claims above described, or it may erect its mill elsewhere and may mill ore from other claims in said mill and co-mingle the ore taken from the claims hereby leased with other claims being operated by the Lessee or otherwise. In the event of the co-mingling of ores from the claims above described and other claims, the royalties reserved to which Lessors are entitled as above set forth, shall be determined by and based upon dry weights and samples of ores and percentage of recovery made and taken by Lessee in accordance with good engineering practice, taken from the above described claims prior to the co-mingling and milling with other ore as aforesaid. In such event the royalties reserved shall be paid monthly on or before the 25th day of the succeeding month by Lessee direct to Lessors.

8. Protection from Liens and Damage:

The Lessee shall keep said property and the whole and every part thereof free and clear of liens for labor done or performed upon said property or materials furnished to it on or for said property, or for the development or operation thereof under this lease and while the same is in force and effect, and will save and keep harmless the Lessors from all costs, loss or damage which may arise by reason of injury to any persons employed by the Lessee in or upon said property or any part thereof which may arise by reason of injury to any persons, livestock or other property as the result of any work or operations of the Lessee or its possession and occupancy of the property.

9. Notice of Non-Liability:

The Lessee shall keep posted upon said property notices of non-liability for labor or materials furnished pursuant to laws of the State of Arizona, stating that neither Lessors nor the said property shall be liable for labor or material performed on or furnished to be used upon said property.

10. Payment of Taxes:

The Lessee shall pay, when due and before delinquent, all taxes upon said property falling due during the term of this lease and while the same is in force and effect and shall pay, when due and before delinquent, all taxes levied or assessed against any and all personal property, machinery and equipment placed upon said property by the Lessee during the term of this lease. The Lessee shall also pay all sales taxes and other taxes of every kind, character and description levied or imposed during the term of this lease upon the ores, minerals, concentrates or products of ores, produced, sold or otherwise disposed of by the Lessee, and all taxes levied against the Lessee as an employer of labor; - all such taxes to be promptly paid when due and before delinquent.

In the case of taxes for the calendar year in which this lease begins, and/or for the calendar year in which this lease

ends, there shall be an apportionment between the parties, the Lessors to bear the proportion of such taxes applicable to that part of the calendar year not included in this lease, and the Lessee to bear the balance of said taxes; provided, however, that the Lessors shall in no event be responsible for any portion of any taxes on machinery, equipment, or improvements placed upon the mining claims hereinabove described by Lessee, unless such machinery, equipment or improvements shall be left upon the property and shall inure to the benefit of the Lessors. The Lessee further agrees to pay all so-called sales taxes now or hereafter levied by the State of Arizona or the United States of America on the ores and concentrates shipped from said property.

11. Insurance:

The Lessee shall carry at all times during the term of this lease Workmen's Compensation and other insurance required by the laws and mining regulations of the State of Arizona, provided, however, that Lessee may qualify as a self-rater or self-insurer.

12. Reports and Maps:

The Lessee when requested in writing by Lessors shall furnish Lessors with copies of the logs of any holes that may be drilled on the property and with such sample or assay maps as may be made showing the position and assay value of samples taken on said property; provided, however, that said items shall not be furnished more often than quarterly from the date hereof.

13. Inspection:

The duly authorized representative of the Lessors shall be permitted to enter into and upon said property and the workings of the Lessee at all reasonable times for the purpose of inspection, and to inspect the records of production and sale of products.

14. Forfeiture Clause:

The failure of the Lessee to make or cause to be made any payment herein provided for, or pay over any royalty reserved, or to keep or perform any obligation on its part to be kept and performed, according to the terms and provisions hereof, and especially the failure of the Lessee to make the payments of the minimum royalties reserved or rentals stipulated in Paragraph 6, hereof, shall at the election of the Lessors, work a forfeiture hereof, and any and all moneys which have been paid to the Lessors in accordance with the terms of this agreement shall be deemed forfeited to the Lessors. Provided, however, that in the event of a default on the part of the Lessee and the election of the Lessors to terminate this lease on account thereof, the Lessors shall give to the Lessee a written notice of their intention to declare a forfeiture of this lease and to terminate the same on account thereof, specifying the particular default or defaults relied upon by them, and the Lessee shall have thirty (30) days after receipt of said notice in which to make good such default or defaults, in which event there shall be no forfeiture hereof.

In the event of a forfeiture of this agreement all obligation and liability of the parties hereto shall be terminated as of the date forfeiture is perfected as above provided.

15. Surrender of Lease:

The Lessee expressly reserves the right to cancel, terminate and surrender this lease and option and to relinquish all right, privileges and obligations hereunder at any time during the term hereof after having given the Lessors thirty (30) days' written notice of its intention and after having fully discharged all obligations previously incurred by Lessee under this agreement, to the date of such cancellation, and all the obligations and liability of Lessee under said lease and option shall terminate without further liability on the part of the Lessee as of the date of said cancellation, termination and surrender.

16. Force Majeure:

If the Lessee shall be delayed at any time in keeping or performing any agreement on its part to be kept or performed, according to the terms and provisions hereof, by Acts of God, strikes, lock-outs, fire, lack of market, unusual delay in transportation, orders of the government or any duly constituted instrumentality thereof, unavoidable casualties, or any causes beyond the control of the Lessee or a default on the part of the Lessee constituting a cause for forfeiture, in which event the Lessee shall be excused from complying with the provisions of this lease for the period of such interruption, provided that during any such periods the Lessee continues to pay the taxes as herein stipulated.

17. Surrender of Property by Lessee:

In the event of a valid forfeiture, cancellation, surrender or other termination of this lease, the Lessee will immediately surrender to the Lessors peaceable possession of said property and the whole and every part thereof.

18. Removal of Equipment, Etc., by Lessee:

The Lessee shall have, and it is hereby given and granted sixty (60) days after a valid forfeiture, cancellation, surrender or other termination of this lease to remove from said property all mills, mill buildings, milling machinery, structures, headframes, warehouse stock, merchandise, materials, tools, hoists, compressors, engines, motors, pumps, transformers, electrical accessories, metal or wooden chutes, bins, surface pipe lines and connections, mine cars and any and all other machinery and equipment erected or placed in or upon said property by it together with all ore broken in the stopes or workings, but this right of removal shall not extend to mine timbers, underground tracks or underground pipe. If, during the term of this lease the Lessee shall exercise its right to remove a headframe or building which it has placed upon said property and which headframe or building has replaced one on the premises, the Lessee, at its own expense, will either replace the original headframe or building or will erect one of equal value to the original.

19. Option to Purchase:

Throughout the term of this lease the exclusive right,

accepted and will be performed by the parties in the State of Arizona and all questions pertaining to its validity, construction or interpretation shall be determined in accordance with the laws of the State of Arizona.

24. Inurement:

Time is of the essence of this lease and option. The terms, provisions, covenants and agreements herein contained shall extend to, be binding upon and inure to the benefit of the heirs, personal representatives, successors and assigns of the parties hereto.

25. Notices:

All notices herein provided for shall be written and given personally or by registered mail to the parties hereto and their heirs, personal representatives, successors and assigns, mailed to the addresses hereinafter given or hereinafter furnished; provided, however, that all parties shall be notified of assignments of interest hereunder. The time provided shall commence from the date of the receipt of said notice:

To the Lessors:

Gus Gavin and Sofia Gavin
P. O. Box Tony Star Route, Box [illegible]
Tucson, Arizona

To the Lessee:

Banner Mining Company
2042 Conner Stravenue
Tucson, Arizona

IN WITNESS WHEREOF, the said Gus Gavin and Sofia Gavin, his wife, have hereunto set their hands, and the Banner Mining Company, a corporation, has caused its corporate name and seal to be affixed hereto by E. S. Bowman, its president, the day and year first above written.

Gus Gavin
Gus Gavin

Sofia Gavin
Sofia Gavin

LESSORS

ATTEST:

[illegible]
Secretary.

BANNER MINING COMPANY, a Corporation,

By E. S. Bowman
President

Lessee

STATE OF ARIZONA)
: SS
COUNTY OF PIMA)

The foregoing instrument was acknowledged before me this _____ day of _____, 19[illegible], by Gus Gavin and _____ Gavin, his wife.

_____
Notary Public

My commission expires:

_____

STATE OF ARIZONA)
: SS
COUNTY OF PIMA)

This instrument was acknowledged before me this 30 day of May, 1952, by I. S. Bowman, president of the Banner Mining Company, a corporation.

Michael Cooke
Notary Public

My commission expires:
November 7, 1955.

GOVERNMENT COPY

No. 6

AMENDMENT OF CONTRACT: No. I-DMA-E33

Contract Docket No. DMA 269-X-B, dated June 30, 1951, between the United States of America and Banner Mining Company is hereby amended as follows, effective September 1, 1952:

Referring to "Exhibit "D" attached to Exploration Project Contract Form MF-200, delete the two paragraphs following the reference "+Note-," which refer to the extent of time to be spent on the Project by the "Superintendent," "Foreman" and "Engineer."

Referring to the Amendment dated November 20, 1952, which amended "Exhibit "D" attached to Exploration Project Contract Form MF-200, delete items "2" and "3" and all matter following thereafter and pertaining thereto.

Referring to Amendment No. 3, dated 2-16, 1952, which amended "Exhibit D" attached to Exploration Project Contract Form MF-200, under the statement "Add, in lieu of matter deleted, the following:" delete the following:

+1-Superintendent	at	$381.00 per month
+1-Foreman	at	275.00 per month
+1-Engineer	at	120.00 per month

In lieu of deleted matter substitute the following:

+1-Superintendent	at	$381.00 per month
+1-Foreman	at	275.00 per month
+1-Engineer	at	240.00 per month
1-Bookkeeper	at	65.83 per month

+ - The above figures pertaining to the Superintendent, Foreman and Engineer reflect one-half of their monthly salary rates as only one-half of their time will be spent on the said contract work.

Referring to Exploration Project Contract Form MF-200, article "3. The Exploration Project," following the words "all property designed to bring the project to completion within a period of", delete "12 months" and in lieu thereof substitute "24 months."

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 11 of the contract form.

Dated September 26, 1952

BANNER MINING COMPANY

By E. S. Bowman
President

ATTEST

W. H. Hardy
Secretary

UNITED STATES OF AMERICA

By W. H. King
Executive Officer - DMEA

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 29 1952

MINING DIVISION
REGION IV

August 28, 1952

Memorandum

To : W. H. King, Acting Chief, Mining Div., Region IV

From : Chief, Arizona-New Mexico Br., Mining Div., Region IV

Subject : Amendment to Contract I-DMA-E33, Docket DMA-269XB, Banner Mining Co's. Twin Buttes Copper Mines, Pima County, Ariz.

Attached are original and five copies of a request from the above company to amend contract I-DMA-E33 so one-half of the engineer's salary or $240, may be charged to this project. As shown on page 11, Exhibit D, Supervision and Engineering, only one-fourth of the engineer's time now is charged to this contract. However, because of increased work the engineer now is spending full time on this project and contract I-DMA-E32.

This same letter from the company also requests that the time limit for completion of this contract be changed from 18 to 24 months, or from December 30, 1952 to June 30, 1953. The work probably will not be completed by December 30.

As these requests are fair and just, and are for the good of the Government as well as the company, I recommend that an amendment be made to increase the engineer's salary to $240 (one-half his time), and change the completion time from 18 to 24 months or until June 30, 1953, unless all funds have been expended before that date.

Walter R. Storms

Walter R. Storms, Chief
Arizona-New Mexico Branch
Mining Division, Region IV

CC W. H. King (5)
DMA-269XB
DP

WRStorms:frj

August 27, 1952

Mr. W. R. Storms, Chief
Arizona-New Mexico Branch
Mining Division:- Region IV
P. O. Box 4097 University Station
Tucson, Arizona.

Dear Mr. Storms:-

I am writing with regard to our DMEA Contract Number I-DMA-E33 p rtaining to the Twin Buttes Mine in Pima County, Arizona.

This contract specifies that we can use the services of an engineer for only one fourth of his time.

We cannot complete the necessary mapping, sampling and surveying if the engineer can spend only one fourth of his time on the project, especially now that we have been asked to submit monthly maps along with our reports.

For this reason we request that this contract be amended to allow for the services of an engineer for one half of his time in the amount of $ 240.00 per month.

In as much as we have not completed our work at Twin Buttes Mines and probably will not by December 30, 1952, and still have contract money remaining, we request that the contract be amended to extend the time limit to June 30, 1953 for completion of the project.

Sincerely yours,

Banner Mining Company

By A. B. Bowman
A. B. Bowman,
Superintendent

ABB:fmb

No. 5

AMENDMENT OF CONTRACT: No. I-DMA-E33

Contract Docket No. DMA 269-XB, dated June 30, 1951, between the United States of America and Banner Mining Company is hereby amended as follows, effective July 14, 1952:

> Referring to Exhibit "A", attached to Exploration Project Contract Form MF-200, page 4, item (7), insert the following after the fourth paragraph:
>
> Beginning at a point approximately 70 feet westerly from the Queen Shaft on the 7th level of the Queen Mine (525 level of the Glance Mine) drifting around the caved workings may be substituted in lieu of rehabilitating the old workings as shown on the attached map entitled "Banner Mining Company", "Plan Map of the Copper Queen Mine", "West End of the Seventh Level", which is made a part of this amendment.

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 11 of the contract form.

Dated August 5, 1952.

BANNER MINING COMPANY

By E. S. Bowman
Pres

ATTEST:
W. H. Hardy
Secretary

UNITED STATES OF AMERICA
for

By W. H. Kenny
Executive Officer, DMEA

MINES DIVISION
REGION IV

July 3, 1952

Memorandum

To : W. H. King, Acting Chief, Mining Div., Region IV

From : Chief, Arizona-New Mexico Br., Mining Div., Region IV

Subject : Proposed amendment, Docket 209A B, Contract I-Bm-133, Banner Mining Co's. Twin Buttes Copper Mines, Pima County, Ariz.

Enclosed are original and five copies of a letter requesting an amendment, and nine copies of the map which goes with this request, from the Banner Mining Co. As explained in the request it probably would be much cheaper to drift around the caved area on the Glance 525-foot level than to try to clean out the caved material. Our engineers, L. A. Stewart and T. M. Monslo, have examined this area and both are of the opinion that a drift around the area would be much cheaper than trying to clear the caved material.

Therefore, I recommend that this request for an amendment be approved because of the savings to be made. However, at the bottom of page 4 of the contract under Exhibit A, it states that "1245 feet of drifts and crossents connecting the 525 level of Glance mine to the 7th level of Queen Mine at $7.00 per foot - - - $8,715.00". The proposed drift cannot be driven for $7 a foot, but probably will cost $35 a foot for 100 feet, or a total of $3,500.00.

Walter R. Storms

Walter R. Storms

cc W. H. King (6)
Docket 209A B
BF

WRStorms:frj

July 2nd, 1952

Mr. Walter R. Storms, Chief
New Mexico-Arizona Branch
U. S. Bureau of Mines
Tucson, Arizona

Dear Mr. Storms:-

I am writing with regard to the amendment to our D. M. A. Contract #L-DMA-E-33 pertaining to the Twin Buttes Mines which I discussed with you recently.

We have reopened the 525 foot level of the Glance mine and its extension over ~~to~~ the Queen Shaft a distance of 1874 feet. This work has also been extended West from the Queen Shaft a distance of 70 feet. Water and air lines together with track have been installed to this present face from the Glance Shaft.

The contract as it now is provides for us to rehabilitate the workings of the Queen Mine to their West most part and for other work such as drifting and cross cutting together with diamond drilling on this same level provided this work is deemed advisable, after re-opening, by both the Banner Mining Company and the field team representing the Defense Minerals Administration.

At the point (X), 70 feet westerly from the Queen shaft on the 7th level of the Queen Mine, (note- 525' level of the Glance Mine is the 7th level in the Queen Mine) we have encountered extensive caving from the walls of the old stopes. (see attached plan map.) Huge boulders of wall rock and loose muck block the path of our advance to the West end of the mine.

After due study of the matter, we have come to the conclusion that it will be cheaper to drive a crosscut around the caved area than to try to re-open the old drifts which have been practically obliterated by the cave-ins.

To reopen the old drifts would require heavy timbering and considerable spiling. Even then the timbers would be subject to heavy pressures from the loose muck on the right side and above.

The ground through which the proposed crosscut will be driven is very solid garnet and marble and apparently will not require timbering. Gob space for the muck is available within 300 feet of starting point.

I estimate that this proposed crosscut, 160 feet long can be completed for about $ 35.00 per foot under present conditions and that it would take at least $ 60.00 per foot to reopen the old caved and inaccessible section.

In consideration of the above facts, I propose that contract #I-DMA-E-33 be amended to allow us to drive the proposed 160 foot crosscut as shown on attached map in lieu of reopening the remainder of the old drifts beyond point (X) Westerly on the 7th level of the Queen Mine.

Six copies of this application for an amendment are submitted along with 9 copies of the map showing location of the proposed work.

It is understood that this proposed amendment shall not be construed to increase the estimated total cost of this 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 2 of the contract form.

I urge special consideration of this amendment as we are ready to commence the work.

Respectfully submitted,

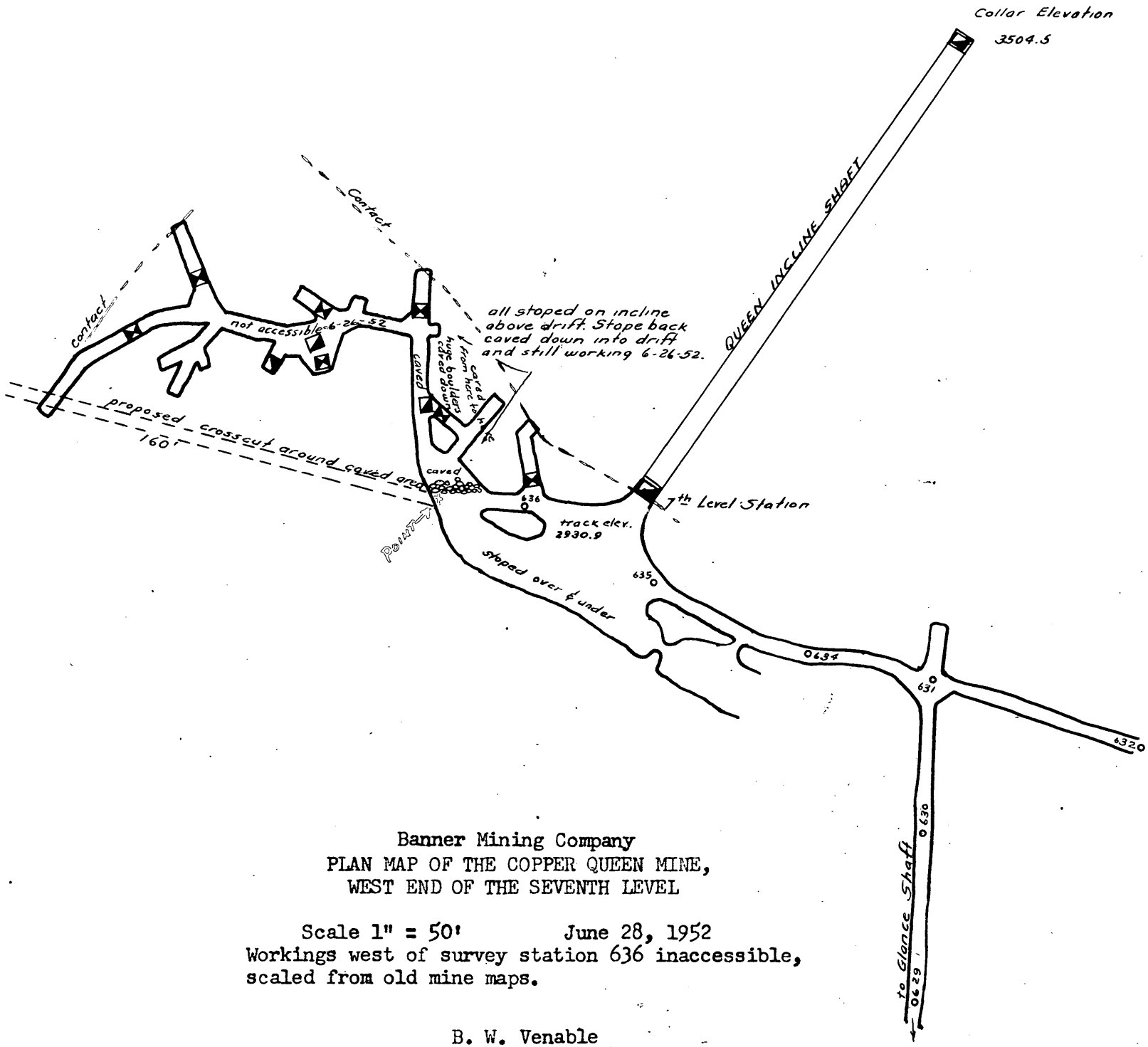
Banner Mining Company

A. B. Bowman

A. B. Bowman

ABB:ecb

COPY



Banner Mining Company
PLAN MAP OF THE COPPER QUEEN MINE,
WEST END OF THE SEVENTH LEVEL

Scale 1" = 50' June 28, 1952
Workings west of survey station 636 inaccessible,
scaled from old mine maps.

B. W. Venable

AMENDMENT OF CONTRACT: No. I-DMA-E33

Contract Docket No. DMA 269X-B, dated June 30, 1951, between the United States of America and Banner Mining Company is hereby amended as follows, effective as of December 21, 1951:

> Referring to Exhibit D attached to Exploration Project Contract Form MF-200, and the amendment thereof dated February 16, 1952, which amended Exhibit D, to be effective December 21, 1951, under the subheading "Add, in lieu of matter deleted, the following," after the labor class of "watchman" add the following:

Number	Class	Base Pay Per 8-Hour Shift
3	Miners	13.56
3	Helpers	12.20
1	Hoistman	13.56

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 11 of the contract form.

Dated April 11, 1952.

BANNER MINING COMPANY

By Eric B. Barnard, Pres.

ATTEST: W. H. Hardy
Secretary

UNITED STATES OF AMERICA

By
Executive Officer - DMA

AMENDMENT OF CONTRACT: No. I-DMA-E33

Contract Docket No. DMA-269X-B, dated June 30, 1951, between the United States of America and Banner Mining Company is hereby amended as follows, effective December 21, 1951:

Referring to Exhibit D attached to Exploration Project Contract Form MF-200, delete the following:

Number	Class	Base Pay Wage Per 8-Hour Shift
2	Shaft Leadmen	$13.40 (a)
4	Shaftmen	12.76 (a)
1	Carpenter	12.92 (a)
1	Mechanic	12.92 (a)
2	Helpers	10.92 (a)
1	Watchman	5.50 (a)

Supervision and Engineering

*1 - Superintendent @ $361.00 per month
*1- Foreman @ 255.00 " "
*1 - Engineer @ 110.00 " "

Under the same title, *Note, second paragraph, delete the following: "in the amount of $110.00 per month."

Add, in lieu of matter deleted, the following:

Number	Class	Base Pay Wage Per 8 - Hour Shift
2	Shaft Leadmen	$ 15.04
4	Shaftmen	14.40
2	Helpers	12.20
2	Hoistmen, Single Drum	13.56
1	Carpenter	14.08
1	Mechanic	14.08
1	Miner or semi skilled shopman	13.56
2	Electricians	16.00
1	Watchman	6.64

Supervision and Engineering

*1 - Superintendent @ $381.00 per month
*1 - Foreman @ 275.00 " "
*1 - Engineer @ 120.00 " "

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
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MAR 14 1952

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 11 of the contract form.

Dated 2-16-, 1952.

BANNER MINING COMPANY

By E. S. Bowman
Pres.

ATTEST:

W. H. Hazelq
Secretary

UNITED STATES OF AMERICA

By
Executive Officer - DMA

MINERALS
ADMINISTRATION
WASHINGTON, D. C.
NOV 26 9 12 AM '51

AMENDMENT OF CONTRACT: No. I-DMA-E33

Contract Docket No. DMA-269XB, dated June 30, 1951, between the United States of America and Banner Mining Company is hereby amended as follows:

1. Referring to Exhibit "A" attached to Exploration Contract Form MF-200 under the heading "Summary of Estimated Cost of Proposed Reopening and Rehabilitation of Copper Queen and Copper Glance Mines together with an exploration program," Paragraph (6), strike out the following:

   "Install compressor at the Glance Shaft (500 cu. ft. per minute), $500.00",

   and add the following:

   "Install compressor at the Glance Shaft (800 cu. ft. per minute), $500.00".

2. Referring to Exhibit "C" attached to Exploration Contract Project Form MF-200 under the heading "Following is a list of additional equipment to be purchased for operating the project as a need for same arises", strike out the following:

   "1-500 cu. ft. Compressor (for Glance Shaft), $9,000".

3. Referring to Exhibit "C" attached to Exploration Contract Project Form MF-200 under the heading "Following is a list of operating equipment to be furnished by the Operator with the allowable monthly rental and repair costs", strike out the following:

   "1-500 cfm Compressor, Repair Cost Per Foot Advance, $0.04",

   and under the same heading add the following:

   "1-800 cubic foot Chicago Pneumatic Y-type compressor operated by a direct-connected 125 H.P. synchronous motor, monthly depreciation - $225.00."

4. Referring to Note (c) under the same heading strike out the following:

   "The 500 cfm Compressor,"

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 11 of the contract form.

Dated November 20, 1951.

BANNER MINING COMPANY

By _____

UNITED STATES OF AMERICA

By _____
Executive Officer - DIA

Pfa
Jrw

DEFENSE MINERALS ADMINISTRATION
WASHINGTON, D. C.
NOV 26 9 12 AM '51

AMENDMENT OF CONTRACT: No. I-DMA-E33

Contract Docket No. DMA-269X-B, dated June 30, 1951, between the United States of America and Banner Mining Company is hereby amended as follows:

1. Referring to Exhibit "C" attached to Exploration Project Contract Form MF-200, under the title, "Following is a list of operating equipment to be furnished by the operator with the allowable monthly rental and repair costs" add the following:

   "1 6-Ton Diamond T flat bed winch truck at the rate of $2.00 per hour for time actually used on or for this project."

2. Referring to Exhibit "D" attached to Exploration Project Contract Form MF-200, under the title, "Following is a schedule of labor by numbers and classes with wage or salary for each class. Also shown are salaries for foreman, engineer and superintendent," add the following:

   "2 Electricians at $2.00 per hour".

3. Under the same title, subtitle, "Supervision and Engineering" add the following:

   "1 Bookkeeper at the rate of $65.83 per month".

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 11 of the contract form.

Dated November 20, 1951.

BANNER MINING COMPANY

By [signature]

UNITED STATES OF AMERICA

By [signature]
Executive Officer - DMA

Government Copy
Copper

APPROVAL OF SUBCONTRACT

To: Banner Mining Company, Pima County, Arizona

That certain contract, a copy of which you have submitted with your request for approval, dated October 18, 1952, between you and G. S. Thatcher for the performance of the following work: Diamond core drilling, Queen and Glance Mines which is all or a specific element of the work described in an Exploration Project Contract dated June 30, 1951, I-DMA-E33, Docket No. DMA-269X-B is hereby approved by the United States of America, subject to the following terms and conditions:

1. The Government shall not be nor be considered to be a party to said 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 said independent contract.

2. Regardless of the provisions of said 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 onlyto the extent that the Government deems the unit prices for the work under the independent contract to be reasonable and necessary.

3. The said independent contract shall not have the effect of increasing the estimated total cost of the exploration project contract or the maximum amount which the Government will pay as provided in the exploration project contract.

Dated: October 27, 1952

THE UNITED STATES OF AMERICA

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

APPROVAL OF SUBCONTRACT

To: Banner Mining Company, Pima County, Arizona

That certain contract, a copy of which you have submitted with your request for approval, dated October 16, 1952, between you and G. B. Hatcher for the performance of the following work: Diamond core drilling, Queen and Glance Mines which is all or a specific element of the work described in an Exploration Project Contract dated June 30, 1951, I-DMA-823, Docket No. DMA-2092-B is hereby approved by the United States of America, subject to the following terms and conditions:

1. The Government shall not be nor be considered to be a party to said 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 said independent contract.

2. Regardless of the provisions of said 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.

3. The said independent contract shall not have the effect of increasing the estimated total cost of the exploration project contract or the maximum amount which the Government will pay as provided in the exploration project contract.

Dated: October 27, 1952

THE UNITED STATES OF AMERICA

By

Executive Officer, DMA
Field Team, Region IV

CONTRACT

1. Banner Mining Company, a Nevada Corporation, Party of the First Part, authorized to do business in the state of Arizona, is operating certain mines in the Twin Buttes area of the Pima Mining District, Pima County, Arizona and is desirous of doing some underground diamond core drilling. Mr. G. S. Thatcher (Party of the Second Part) of Humboldt, Arizona, a diamond core drilling contractor has agreed to do this work under the following conditions:-

2. Party of the second part undertakes to perform this diamond drilling in such places and in such directions as prescribed by the party of the first part.

3. Party of the second part will furnish necessary labor, equipment and supplies needed for the diamond core drilling to take an EX core. Party of the second part agrees to do this diamond core drilling in a proper and workmanlike manner and will charge the following rates for each foot of hole completed:-

a. On holes up to but not over 200 feet in depth $2.50 per foot.

b. On holes over 200 feet but not over 500 feet in depth $3.00 per foot.

4.. Party of the second part agrees to obtain a minimum return of 75% of the drilling water when he is in ore or in potentially ore bearing ground as directed by party of the first part and that he will use only the five foot double core barrel in this same section.

5. Party of the first part will furnish the compressed air and water to each drilling site for use in such diamond drilling at no cost to the party of the second part.

6. Where necessary, party of the first part will excavate the stations for each diamond drill hole site and will make stations large enough to allow for at least a 20 foot pull on the rods on holes in excess of 200 feet in depth.

7. Party of the second part will furnish the labor to take the sludge samples at 5 foot spacings WHEN HE IS IN ORE OR IN POTENTIALLY ORE BEARING GROUND and will deliver daily the recovered cores together with the sludge samples to the warehouse building at the Mineral Hill Mine. G. J.

8. Party of the second part will cement the holes where necessary at no extra cost above that shown in paragraph three (3).

9. Party of the first part hereby guarantees that a minimum of 1,000 feet of total drilling will be done under this contract.

DATED THIS 18th DAY OF OCTOBER, A. D. 1952.

BANNER MINING COMPANY, A CORPORATION

BY A. S. Bowman
General Manager

G. S. Thatcher
G. S. Thatcher

U. S. BUREAU OF MINES
MINING DIVISION
OCT 20 1952
TUCSON, ARIZONA

STATE OF ARIZONA)
COUNTY OF PIMA (SS

The foregoing instrument was acknowledged before me this 18th day of October, 1952, by A. B. Bowman, General Manager of the Banner Mining Company, a corporation.

Arden B. Smith
Notary Public

My commission expires:

Feb 4, 1954

STATE OF ARIZONA)
COUNTY OF ~~PIMA~~ Yavapai (SS

The foregoing instrument was acknowledged before me this 16 day of October, 1952 by G. S. Thatcher.

Laura R. Upton
Notary Public

My commission expires:

Oct. 25, 1954

Docket No. 269 RB

Commodity Copper

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 33

Date of Contract ~~or Amendment~~: June 29, 1951

Name and Address of Operator:
Connor Mining Co.
2042 Connor Stravenue
Tucson, Arizona

Amount of Government participation $7,894.50

Percent of Government participation 50 %

Region: IV State: Arizona

Note: Please release $ 12,364.65; Advice Contract Administration and Audit Division

J. L. Chambers (Name)
Chief, Contract Administration and Audit Division

(Title)

Date Delivered to Bureau of Mines, Washington. 3/24/54

54458

MF-200
(April 1951)

Docket No. DMA 269-X-B ~~1277X-B~~
Commodity COPPER

I-DMA-E-33

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No. Card
Card
Reviewed 8/8/57

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

RECEIVED JUN 9 1951 G.A.O.

EXPLORATION PROJECT CONTRACT [1]

It is agreed this 30 day of June, 1951, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the "Government," and [2] Banner Mining Company
2042 Conner Stravenue
Tucson, Arizona

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 Arizona, County of Pima described as follows: [3]

See attached Annex I

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:

Claims: "Copper Glance" "Copper Queen" and "Copper King." Howard H. Fields is lessee from William F. Foy ("Copper Queen Claim") and Twin Buttes Mining & Smelting Company, "Copper Glance" and "Copper King" claims who assigned their leases and purchase option to W. L. Allison, Sr., who assigned his leases and options to the Banner Mining Company.

properly designed to bring the project to completion within a period of [6] 18 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. Attached hereto, marked "Exhibit 'B'," is a detailed list of 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 its agreed pro-rata share of the cost. 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.* Attached hereto, marked "Exhibit 'C'," is a detailed list of operating equipment divided into categories of items to be rented, purchased, or furnished by the Operator, with the allowable rental, purchase price, or rental value, as the case may be, annexed to each. 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.

RECEIVED JUN 8 1951 CONTRACT SERV. G.A.O.

[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.

16—64066-1

7. *Title to and disposition of property.* All facilities, buildings, fixtures, equipment, and 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.* Attached hereto, marked "Exhibit 'D'," is 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.

9. *Rehabilitation and repairs.* Attached hereto, marked "Exhibit 'E'," is a detailed schedule of existing facilities, buildings, installations, and fixtures, with a statement of the cost of any necessary rehabilitation or repairs to put into useful and operable condition, which cost shall be allowed as a cost of the project.

10. *Allowable costs of the project.* The allowable 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, 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 the 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, or any other indirect costs not expressly allowed by these regulations, 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. *Participation by the Government.* At the end of the first full calendar month after the Operator has commenced work under the project, and at the end of each succeeding calendar month, the Operator shall submit to the Government a voucher for payment with a detailed statement of work done and allowable costs (as defined in Article 10 of this agreement) incurred, in a form and with supporting data acceptable to the Government. After approving the voucher, the Government shall pay to the Operator 50 percent of the sum of such costs incurred; *Provided,* That the aggregate total of all sums paid by the Government under this agreement shall not exceed $67,894.50, which is 50 percent of the agreed estimated total cost of this project, $135,789.

12. *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.

13. *Progress reports.* The Operator shall provide the Government with monthly reports of progress in form and content satisfactory to the Government, and upon the completion of the project or termination of the contract 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.

14. *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 additional for each 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 property 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.

15. *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.

16. *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 triplicate the day and year first above written.

Banner Mining Company
(Operator)

By [signature]
President

THE UNITED STATES OF AMERICA

By [signature]
Administrator
Defense Minerals Administration

U. S. GOVERNMENT PRINTING OFFICE 16—64066-1

Banner Mining Company

Twin Buttes Mines

Annex I

Those certain mining claims located in the Pima Mining District known and described as follows:

(1)	Copper Glance Claim - Patented Survey	#2643
(2)	Copper Queen Claim - Patented Survey	#2643
(3)	Copper King Claim - Patented Survey	#2643

These claims are located on Sections 1 and 6 in Township 18 South, Ranges 12 and 13 East G. & S.R.M. and Sections 31 and 36, Township 17 South, Ranges 12 and 13 East, G & S.R.M. - Pima County, Arizona.

Twin Buttes Mines

Annex 2

WHEREAS, the subordination agreement of the lessor, required by paragraph numbered 2 (b) of the annexed contract, has not been obtained; and

WHEREAS, the United States of America has agreed to waive requirement of the lessor's subordination agreement.

NOW THEREFORE, in consideration of said exploration project contract and of the foregoing, the Operator hereby undertakes and agrees to pay all sums that may fall due and owing to the United States of America under the terms of said contract in the same manner and to the same extent as if the subordination agreement of the lessor had been given. If for any reason the net smelter returns from operations that would be subject under said contract to such payments to the Government are not available as a means of measuring the amount of such payments, then the Operator agrees and undertakes to make such payments according to the best estimates of the amounts that can reasonably be made, and in the event of dispute as to such estimates, the Operator agreed that the determination thereof by either the Administrator of Defense Minerals Administration or by the Director of the United States Bureau of Mines shall be final and binding upon the Operator.

Banner Mining Company

Twin Buttes Mines

Exploration Project Contract

Exhibit "A"

Question #3 - Form MF-200

Applicant proposes 1st, to rehabilatate the Copper Glance and Copper Queen Mines so the 3 lower levels of the underground workings of the Queen and the lower 2 levels of the Glance Mine can be made accessible for an examination to verify a reported underground ore reserve of about 30,000 tons averaging 6% copper in the Copper Glance Mine and an unknown amount of the same grade copper ore in the bottom of the Copper Queen Mine and to make an underground geological study on which to base an underground exploration program provided the examination proves additional exploration advisable, 2nd, to do the following exploration work provided the above is concluded successfully and the geological study indicates this work advisable: Diamond Drilling and cross cutting on 7th level of Copper Queen Mine west of shaft, Diamond Drilling from drift on 525 level connecting the two mines and drifting and crosscutting and diamond drilling on the 525 and 625 levels of the Glance Mine.

On the following attached sheets the exploration program is set forth in detail.

These mines were operated as early as the 1890's down to the year 1919. The Queen Mine was again operated from 1923 to 1926. The Copper Glance has produced to date 118,066 tons of ore averaging 6.72% copper with a value of $2,786,126. The Copper Queen has produced 75,186 tons of ore averaging 7.05% copper with a value of $1,747,852.

The ore bodies are vein-like to lense-like to pod-like in form and usually are found irregularly in masses of garnet and silicates that lie on the contact between granite and marble. The average thickness of the garnet are zone is about 50 feet. It is said that in a given mineable ore body about 50 percent of the garnet mass is ore above 5% copper. The barren or lower grade garnet is either sorted out or avoided in mining. The ore is largely massive pyrite, chalcopyrite and bornite.

A number of factors seem to have controlled the localization of the ore. Most of the ore, excepting the King fissure and a few other ore bearing fissures, contacts the granite. All of it replaces limestone. All the ore bodies are closely associated with the northeast faults and in cases northwest bedding faults.

The stretch of contact (granite-limestone) between the Queen and Glance ore bodies and extending to the Bullion fissure has enough associated known influential structural factors to justify first attention in exploration. Next in importance for exploration attention would be the same northeast contact from the Queen through the Copper King and westward.

Exhibit A - Continued

Summary of Estimated Cost of Proposed Reopening and Rehabilitation of Copper Queen and Copper Glance Mines together with an exploration program.

(1)	Power Installation (Includes a substation at Queen and Glance Mines)	$ 5,000.00
(2)	Repair and retimber to make accessible and unwater the 646-foot vertical Glance shaft and install necessary water and air pipe lines and electric cables @ $23 per foot for first 400 feet and $32.00 per foot for remaining 246 feet	17,072.00
(3)	(a) Repair and retimber to make accessible and passable, as a ventilation shaft, the Copper Queen Shaft to its 7th level, unwater repair and make accessible the 130 feet of shaft below the 7th level to its bottom. Total inclined depth of this shaft is 737 feet. First 607 feet @ $30.00, bottom 130 feet @ $35.00 - totaling	22,767.00
(4)	Repair headframe and Bins ~~at Glance~~ shaft, install sheave wheel and install and repair hoist and repair hoist house.	1,600.00
(5)	(a) Repair headframe at Queen shaft, install sheave wheel, skip dump, attach motor to hoist, repair hoist and repair Bin and fill around collar of shaft.	1,600.00
(6)	Install compressor at the Glance shaft (500 c.ft. per minute).	500.00
(7)	Cleanout, retimber if necessary to hold open, the indicated drifts and crosscuts on attached plan maps, totaling about 3550 feet @ $7.00 per foot on the 525 and 626-foot levels of the Glance Mine and the 7th and 9th levels of the Queen Mine together with 380 feet of raises @ $10.00. This work is detailed as follows:	
	<u>525 Foot Level Glance Mine</u> 605 feet of drifts and crosscuts @ $7.00 per foot	4,235.00
	1245 feet of drifts and crosscuts connecting the 525 level of Glance Mine to the 7th level of Queen Mine @ $7.00 per foot.	8,715.00

Exhibit "A" - Continued

7th Level of Queen Mine 510 feet of drifts and cross cuts on 7th level of the Queen Mine @ $7.00 per foot	$3,570.00
626 Foot Level of Glance Mine 740 feet of drifts and cross cuts @ $7.00 per foot and 130 feet of Raise @ $10.00 per foot	6,480.00
9th Level of Queen Mine 450 feet of drifts and crosscuts @ $7.00 and 250 feet of raises @ $10.00 per foot.	5,650.00
Repair and retimber to make accessible and unwater the 60-foot winze below the 626-foot level of the Glance Mine and the 50-foot winze below the 9th level of the Queen Mine @ $35.00 per foot.	3,850.00

(8) (b) Diamond Drilling, Drifting and Crosscutting program detailed as follows:

7th Level of Queen Mine 250-foot cross cut from West end of this level to cut the Copper King fissure about 230 feet below known stopes above, @ $30.00 per foot.	7,500.00
2- 200 foot Diamond Drill holes (45° down) to intersect King fissure 100' below this level @ $4.00 per foot. D.D. holes #1 and #2	800.00
525 foot level Glance Mine From face east drift 250 feet of drifting on or near contact Eastward beneath the favorable garnet outcrop in this area @ $30.00	7,500.00

Exhibit A - Continued

	750 feet of Diamond drilling to locate ore shoots near the Easterly end of above drift @ $4.00 per foot - in possibly 3 holes Nos. 3, 4, and 5	$ 3,000.00
	Area between Queen and Glance Mines on 525- foot level. Test 1000 feet of unexplored contact zone between Copper Queen and Copper Glance workings by Diamond Drilling from stations along the above drift at intervals of 100 feet, totaling 10 holes, 5 flat and 5 down 45° - 1610 feet at $4.00 per foot	6,440.00
(9)	Sampling and assaying	2,100.00
(10)	Geological Study (Surveying and Mapping)	1,000.00
(11)	Estimated Compensation Insurance, social security and other taxes	5,300.00
	Total	$114,679.00

Summary of Total Cost including costs of new facilities and machinery and repairs to present facilities.

(1)	Cost of Work (Shown above)	$114,679.00
(2)	Additional Facilities (Buildings)	none
(3)	Additional Equipment (see Exhibit C)	21,110.00
(4)	Repairs to existing Facilities (included in line 1 total)	
	Total	$135,789.00

Exhibit A - Continued

Note -

(a) This Queen inclined shaft is needed mainly for ventilation as a second exit as prescribed by law down to its 7th level, so if after unwatering the Glance shaft, we find the Queen shaft is open then only such work will be done above its 7th level (525 foot level of Glance Mine) to comply with the mine inspectors regulations.

(b) This program will proceed after the unwatering, reopening and cleanup portions of the project have been completed and after the geological study has been made, provided the government engineers (field team) first give their approval of its advisability.

It is agreed that the entire existing mine and facilities are included in the exploration project, and that the existing mine and facilities and all ore deposits therein shall be subject to the Government's claim for repayment under Article 14 of the contract form regardless of whether any "discovery or development" results from the work carried on under this contract.

Exhibit "B"

Following is a detailed list of additional facilities, buildings and fixtures to be purchases, installed, or erected by the operator with the estimated cost of each:

No new facilities will be required.

Exhibit "C"

Following is a list of additional equipment to be purchased for operating the project as a need for same arises:

1 -	1100 foot 3/4" Hoist Cable for Glance Shaft	$ 370.00
1 -	1200 foot 3/4" Hoist Cable for Queen Shaft	400.00
2 -	I.R. 50 Motor Pumps	2,500.00
2 -	Gardner-Denver 3-3½" Drifter Drills and Accessories	2,500.00
1 -	Eimco 12 B Mucking Machine with Accessories, Delivered at mine	3,190.00
1 -	500 Cu. Ft. Compressor (for Glance Shaft)	9,000.00
1 -	20 HP Champion Blower	700.00
1500 -	Feet of 16" Tubing for above Blower in 50' Sections	1,650.00
8 -	Used Mine Cars	800.00
	Total	$ 21,110.00

Exhibit "C" - Continued

Following is a list of operating equipment to be furnished by the Operator with the allowable monthly rental and repair costs.

Equipment	Value	Life	Monthly Depreciation or Rental	Repair Cost Per Foot Advance
1-75 H.P. Hoist and Motor for Glance Shaft	$4,000.00	8 years	$ 41.66	$0.02
(a) 1-50 H.P. Hoist Motor for Queen Hoist	700.00	10 "	5.83	0.02
1-3/4 Ton G.M.C. Pickup	1,500.00	3 "	41.66	0.03
(c) 1-500 cfm Compressor	-------	------	-----	0.04
(c) Eimco 12 B Mucking Machine	-------	------	-----	0.02
(c) 2-I.R. 50 Motor Pumps	-------	------	-----	0.05
(c) 1-20 H.P. Champion Blower	-------	------	-----	0.01
(c) 2-G.D. Drifter (3"-3$\frac{1}{8}$") Drills	-------	------	-----	0.03
(a) (b) 50 H.P. Hoist at Queen Shaft	2,000.00	10 years	25.00	0.03
Totals			$114.15	$0.25

Note -

Total footage of this project including cleanout of drifts and raises, diamond drilling, shaft reopening, et cetera is 8683. Repair cost per foot advance is found by dividing the estimated total repair cost on each machine by 8683 feet.

Equipment rental cost per foot advance $\frac{114.15}{8683}$ = $0.013

Repair Cost per foot advance 0.25

Total Equipment Cost per Foot Advance $0.263

Notes: (a) The rent on this motor will only be charged during the time it is used to re-open and make the Queen Shaft accessible and passable, if necessary and to unwater and reopen said shaft below the 7th level.

(b) This hoist has been rented by the operator and we are charging exacting the monthly rental charged us by Mr. Foy.

(c) The 500 cfm Compressor, Eimco 12 B Mucking Machine, 2-I.R. - 50 H.P. Motor Pumps, 2 - Gardner-Denver Drifter drills and Champion blower are to be joint purchases of the government and Operator as indicated in previous page of Exhibit "C". Repair cost per foot advance is shown as a charge against this project.

Exhibit "D"

Following is a schedule of labor by numbers and classes with wage or salary for each class. Also shown are salaries for foreman, engineer and superintendent.

Number	Class	Base Pay Wage per 8-Hour Shift
2	Shaft Leadmen	$13.40 (a)
4	Shaftmen	12.76 (a)
1	Carpenter	12.92 (a)
1	Mechanic	12.92 (a)
2	Helpers	10.92 (a)
1	Watchman	5.50 (a)

Supervision and Engineering

*1 - Superintendent @ $361.00 per month
*1 - Foreman @ 255.00 " "
*1 - Engineer @ 110.00 " "

*Note - The above figures on the Superintendent and Foreman are one half of the monthly rates as 1/2 of their time will be spent on the Mineral Hill and 1/2 on the Twin Buttes project.

The Engineer will spend 1/2 of his time in Arizona on the 2 above mentioned projects and 1/2 of his time at our Lordsburg property. Therefore 1/4 of his salary will be charged to this project in the amount of $110.00 per month.

(a) In addition to the indicated base pay, Operator must pay time and one half (overtime for Saturday), night shift differential, contract bonus on headings and such labor changes as vacations, group insurance, Workmens Compensation Insurance. (Present rate for Workmens Compensation Insurance is 10% of the payroll.

Exhibit "E"

Following is a list of repairs to existing surface buildings and fixtures with a statement of necessary costs to put same in useful and operable condition.

(1)	(a)	Install sheave wheel, install 75 H.P. Hoist and Motor at Glance Shaft and repair hoist house	$1,600.00
(2)	(a)	Repair headframe at Queen Shaft, install sheave wheel, skip dump, pour base for electric motor and attach motor to hoist and repair Bin and fill around collar of shaft	1,600.00
		Total	$3,200.00

Note -

(a) This cost has already been included in items 4 and 5 of Exhibit "A".