☑ Audited

☐ Certified

WORK ANALYSIS SHEET - DMEA PROJECT

Analysis as of 12-8-54

Incl. Voucher for February 1953

☐ Actual Cost

☑ Agreed Unit Costs

Name Metate Asbestos Corp, Inc.

Docket No. 2005

State Arizona

Commodity Asbestos

Idm-E No. 473

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & ~~Crosscutting~~	100	2250.00	52.5	1181.25	1181.25
Raising	20	300.00	0	0	0
Shafts					
Winzes					
Drilling (Specify) Long hole	100	500	100	500.00	500.00
Surface Excavation					
Underground Excavation					
Roads and Trails					
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.					
Other (Specify)					
Totals		3050.00		1681.25	1681.25

Prepared by [signature]

71626

DMEA-2005
Idm-E473
Asbestos
Region IV
(Terminated)

METATE ASBESTOS CORPORATION, GLOBE, ARIZONA. Apache Nos. 1, 2, 3, 4, and 5 Claims, Gila County, Arizona. 7-20-53

Final Field Team Report recommending that no certification be made on the project as the work completed in icated that further exploration is not warranted. The report was referred to the Commodity Group. #344

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

Exhibit II

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Metate Asbestos Corporation, Inc.
P. O. Box 1500
Globe, Arizona

pertaining to Exploration Project Contract No. Idm-2473, Docket No. DMEA 2005, covering a project for exploration of Asbestos, for the period January 7, 1953 to May 12, 1953.

My review included an examination of the Monthly Reports (Form MP-104) and supporting documents attached thereto, comparison of costs claimed with the contract and pertinent schedules, consultation with the Executive Officer of the Field Team in charge of the project, and a determination of the reasonableness and propriety of the costs.

This review was made in lieu of a final audit of the Operator's accounts and records for the following reasons:

The contract provides for payment by the Government on the basis of agreed estimated costs of units of work actually performed.

The review disclosed the following facts in regard to the amount paid or to be paid the Contractor:

Total cost as billed by Contractor		$1681.25
Exceptions:		
By DMEA Finance Officer	None	
By Review	None	None
Total Accepted Cost		$1681.25

The contract calls for a 90 per cent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of One thousand five hundred thirteen and 12/100 Dollars

-$1,513.12-

is considered valid and proper.

May 28, 1953

Donald T. Finch

Donald T. Finch
Auditor

DIVISION COPY

TERMINATION OF EXPLORATION PROJECT CONTRACT BY
AGREEMENT AFTER COMMENCEMENT BUT BEFORE COMPLETION OF THE WORK

It is agreed this 12th day of May, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government", and Metate Asbestos Corporation, Inc., hereinafter called the "Operator", parties to that certain Exploration Project Contract Idm-E473, Docket No. DMEA 2005, dated January 7, 1953, that the said contract shall be and is hereby terminated as of the first date above written.

Any work prosecuted or costs incurred by the Operator after the date first above written 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.

Witness the following signatures as of the day and year first above written.

METATE ASBESTOS CORPORATION, INC.

By Chas Robt Neal (Pres)

UNITED STATES OF AMERICA

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

Seal

MF-200 (A)
(February 1952)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 12 1953

DOCKET NO. DMEA 2005

COMMODITY Asbestos
Idm-E473

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

EXPLORATION PROJECT CONTRACT[1]
(Short Form)

IT IS AGREED this 7th day of January, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Metate Asbestos Corp., Inc., an Arizona Corporation
P. O. Box 1506
Globe, Arizona

hereinafter called the "Operator," as follows:

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

ARTICLE 2. *Operator's property rights.*—With respect to that certain land situated in the State of Arizona, County of Gila, described as follows:[3] Five patented lode mining claims; the Apache #1, #2, #3, #4 and #5, all Mineral Survey No. 3996, known as the Apache Group, located on the San Carlos Indian Reservation, Gila County, Arizona

the Operator represents and undertakes:[4]

~~(a) That the Operator is a lessee and entitled to possession, and that the possession and right to the following claims, leases or properties are not subject to any encumbrance or lien other than as shown below:~~

(*b*) That the Operator is a lessee, in possession and entitled to possession, ~~and the Operator's possession and right to the property~~

The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof.

ARTICLE 3. *Exploration project.*—The Operator, within 60 days from the date of this contract shall commence work on a project of exploration for[5] Asbestos

in or upon the described land; and shall bring the project to completion within a period of 4 months from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided. The work shall be performed by the Operator or by independent contractor or contractors efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmen's compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

ARTICLE 4. *Costs of the project.*—The agreed, estimated costs of performing the work, expressed in terms of units of work to be performed (per foot of drifting, per foot of drilling, per cubic yard of material to be moved, etc.) are set forth in Exhibit "A," attached hereto. The Government will pay ninety (90) percent of these agreed, estimated costs, as they accrue, for units of work actually performed that conform with the description or specifications for the work set forth in this contract, in an aggregate total amount not in excess of $2,745.00, which is 90 percent of $3,050.00, the agreed, estimated total cost of the project in which the Government will participate: *Provided,* That until the Operator's final report and final accounting have been rendered to the Government and any final check or auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract. The Government may, as it sees fit, make payments direct to the Operator's independent contractors, if any, for the account of the Operator, rather than to the Operator.

ARTICLE 5. *Reports, accounts, audits.*—(*a*) *Progress reports.* The Operator shall provide the Government with monthly reports of units of work performed under the contract, in quintuplicate (five copies), upon forms provided by the Government. These progress reports shall be certified by the Operator, and shall constitute both the Operator's invoice of units of work performed on the project during the period covered by the report and his voucher for repayment by the Government, unless the Government requires the use of a standard voucher form with invoice attached. Progress reports shall include surface and/or underground engineering-geological maps or sketches showing the progress of the exploration, with assay-reports on samples taken concurrently with the advance in mineralized ground.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] State name, address, and nature of organization if any.
[3] Give legal description or enough to identify the property, particularly excluding any land or interest therein to which the Government's lien is not to attach or the production from which is not to be subject to the Government's percentage royalty.
[4] Strike out the provision not applicable.
[5] Name of mineral or minerals.

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

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

(*d*) *Accounts and audits.*—The Operator shall keep suitable records and accounts of the units of work performed, which the Government may inspect and audit at any time. The Government may at any time require a check of the work performed and an audit of the Operator's records and accounts, by a certified public accountant or otherwise, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract. Upon the completion of the project or termination of the contract the Operator shall render a final account and statement of work performed to accompany his final report.

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

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

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

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

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

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

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

ARTICLE 7. *Assignment, transfer, or loss of Operator's interest.*—Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder. The Operator shall not make any voluntary nor permit any involuntary transfer or conveyance of the Operator's rights in the land described in Article 2, without making suitable provision for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof; *Provided,* that mere failure by the Operator to maintain the Operator's rights in the land, without any consideration running to the Operator other than relief from the cost of maintaining such rights (as by surrender of a leasehold, failure to perform assessment work, or failure to exercise an option), coupled with complete abandonment by the Operator of all interest in or operations on the land for a period of 10 years from the date of this contract, shall not constitute such a transfer or conveyance. Should the Operator make or permit any transfer or conveyance in violation of this provision, the Operator shall be and remain liable for payment to the Government of the same amounts, at the same times, as would have been paid under the terms of the percentage royalty on production. If for any reason the net smelter returns, net concentrator returns, or other net amounts realized from the sale or other disposition of such production are not available as a means of measuring the amount of the Operator's liability, the amount thereof shall be estimated as well as may be, and in the event of dispute as to such estimates, the determination thereof by the Administrator of Defense Minerals Exploration Administration or by his successor shall be final and binding upon the Operator.

ARTICLE 8. *Termination and completion.*—The Government may, at any time, by written notice to the Operator, terminate this contract: (*a*) If the Operator fails to provide his share of the money necessary to prosecute operations pursuant to the terms of the contract; (*b*) if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract; or (*c*) if, in the opinion of the Government, operations up to the time of the notice have not indicated the probability of making any worth while discovery and in the opinion of the Government further operations are not justified.

ARTICLE 9. *Changes and added provisions* _____

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

METATE ASBESTOS CORPORATION, INC.
(Operator)

By Charles Robert Neal
President

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

I, Robert C. McNabb, certify that I am the duly elected secretary of the corporation named as Operator herein; that Charles Robert Neal, who signed this contract on behalf of the Operator, was then President of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

Robert C. McNabb
Secretary

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—66329-1

EXHIBIT A

Description of the Work

The work consists of drifting 100 feet northwest from a point near the bottom of the stope; raising a total of 20 feet at locations to be determined after part or all of the drifting is completed and acceptable to the BMRA representative; a total of 100 feet of long hole drilling to determine if the limestone beds may be at different elevations and dips due to tilting. The point of starting the above drift must have prior approval of the BMRA representative.

The proposed drifting is shown on Figure 3A which is made a part of this exhibit. Figure 2 shows the location of the proposed work in relation to the property lines and is made a part of this Exhibit.

Estimated Costs of the Project

100 feet of drifting at $22.50 per foot	$2,250.00
20 feet of raising at $15.00 per foot	300.00
100 feet of long hole drilling at $5.00 per foot	500.00
Total -	$3,050.00
Government participation, 90%	$2,745.00

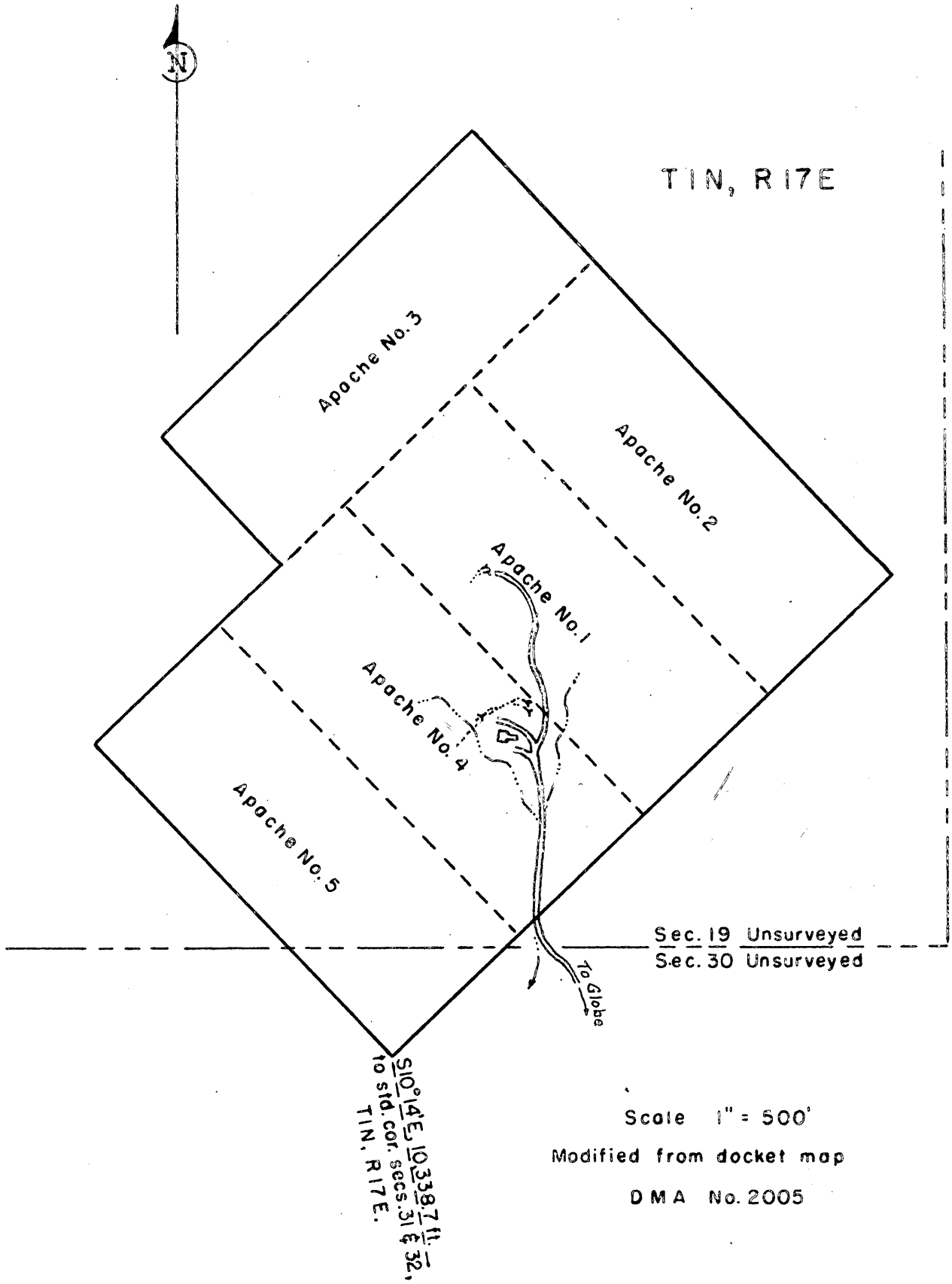
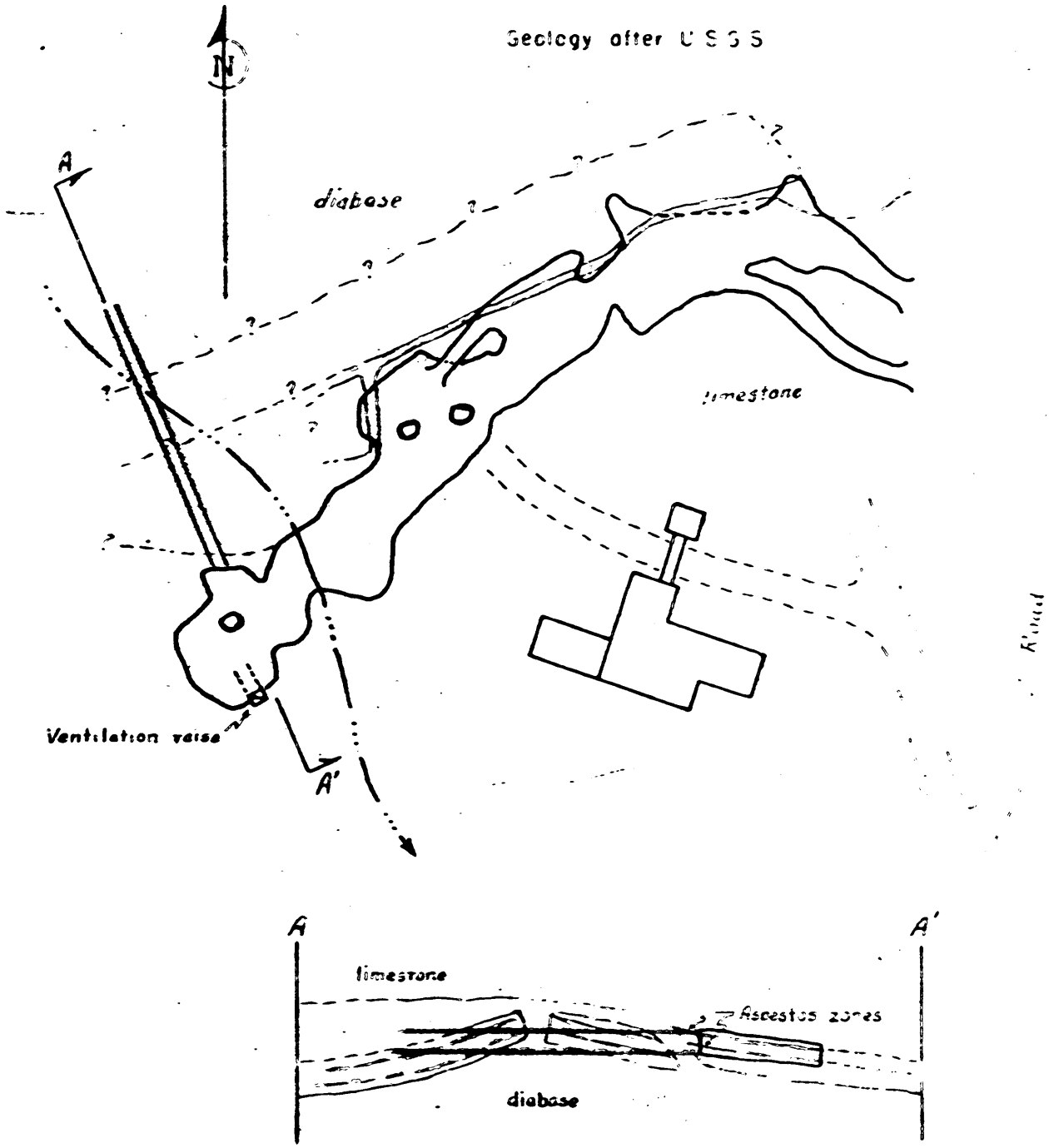


Fig.2 Claim map - Metate Asbestos Corp. Gila County, Ariz.



Section A - A'.

Postulated cross section. See Fig. 6B, Geologic Report.

Scale 1" = 50'

Proposed drift

DMA 2005

Mine as of 8/23/52

Fig. 3A - Revised plan, Metate mine, showing proposed work.

MF-500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

REFERRED TO: DATE 6-29

1. 600
2. Mr Hawk
3.
4.

FOR:

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

REMARKS:

Check (X) before the items needing attention.

Initials of sender.

GPO 16—63815-1

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

224 New Customhouse
Denver 2, Colorado

June 26, 1956

RECEIVED
JUN 29 1956

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 2005 (Asbestos), Contract Idm-E473, Metate Asbestos Corporation (Apache mine), Gila County, Arizona

Enclosed is the original and three copies of the interim report requested by your letter dated April 20, 1956 to this office.

W. M. Traver

W. M. Traver

Enclosure

MMM/vj

cc: W. R. Storms
Subject
Chron.

DMEA
Date Rec'd.

JUN 22 1956

BUREAU OF MINES
Denver, Colorado

June 20, 1956

RECEIVED
JUN 29 1956

Memorandum

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

From : Superintendent, Southwest Experiment Station

Subject : Interim Report, Docket DMEA-2005, Contract Idm-2473, (Asbestos), Matate Asbestos Corp. (Apache Mine), Gila County, Ariz.

In his letter to you of April 20, George A. Selfridge asked for information about the Apache asbestos mine of the Matate Asbestos Corp. Attached is a short memorandum report on this mine by T. M. Ramale of the Bureau of Mines.

Signed by Walter R. Storms

Walter R. Storms

CC W. M. Traver (8)
DMEA-2005
BF

WRStorms:frj

DMEA
Date Rec'd.

JUN 22 1956

BUREAU OF MINES
Denver, Colorado

June 19, 1956

RECEIVED
JUN 29 1956

Memorandum

To : W. R. Storms, Superintendent, Southwest Experiment Station, Region III

From : T. M. Romalo, Mining Engineer, Tucson, Arizona

Subject : Contract Idm-2473, Docket DMA-2005 (Asbestos), Metate Asbestos Corp. (Apache Mine), Gila County, Ariz.

The following information was requested in George A. Salfridge's letter of April 20, 1956 to W. M. Trever. It was obtained from Jack L. Neal during a visit to the corporation's office at Globe, Ariz. on June 8, 1956.

Reference is made to Figure 38 of B. of M. I.C. 7706, "Chrysotile-Asbestos Deposits of Arizona," by L. A. Stewart.

The Apache deposit had been explored and essentially mined out to the cross fault when the work of subject contract was completed. The contract work, designed to test for a strike extension of the deposit, indicated that an asbestos deposit in the exploration area could not be expected.

The operator then renewed exploratory work at the bottom of the mine. After a small amount of drifting and crosscutting, it was found that the strike length of the deposit was increasing and that the deposit persisted with depth. Since then the deposit has been explored to an inclined depth of 900 feet from the cross fault. Approximately 800 feet of the 900 feet has been mined out to widths that increased from about 40 feet near the fault to near 300 feet on the 800 level. On the 900 level, all of a 300-foot drift is in ore. Blocked out reserves, according to Neal, are 2 to 3 years of production at the present rate. This probably would amount to 300 to 400 tons of ore of all grades. Other reserves are several thousand tons of low-grade material in dumps.

CC W. M. Trever (Orig. & 8)
DMEA-2005
MF

TMRomalo:frj

Production from the mine from October 22, 1952 to May 4, 1956 totals 561.9395 tons of fiber: 163.115 tons of No. 1; 244.2085 tons of No. 2; and 154.3395 tons of No. 3. All of this fiber, except a small amount shipped for test purposes, has been sold to the Government under the Domestic Arizona Buying Program at per ton prices of $1,300.00 for No. 1, $900.00 for No. 2, and $400.00 for No. 3. Gross receipts from the 561.9395 tons of fiber have been estimated at $535,631.70. Production for April 1956 was 41.84 tons of fiber, of which 13.15 tons was No. 1, 9.7 tons was No. 2, and 18.9 tons was No. 3.

A total of 34 men are employed at the mine and mill.

Mining and milling costs for 1952 through 1955 total $448,000, of which $134,000 was for 2,700 feet of exploratory and development headings, about $75,000 was for equipment, and the remainder was for milling and mining.

The small lots of fiber for test purposes were shipped to the Southern Asbestos Corp., Tallman and McCloskey, and North American Asbestos. These firms have found that the semi-soft fibers from the Apache mine are a desired blend with Canadian short fibers in the manufacture of certain types of pipes. The firms probably would be interested in setting up a mill in the Globe area for production of this and other types of fiber if adequate ore reserves were assured. It is general knowledge that little or no ore was developed ahead of mining focus before early 1953 when the Governmental buying program was initiated. Since then, Neal and Jaquays have developed significant ore reserves. Neal also has started to explore the Pine Top harsh-fiber mine. He reportedly has encountered some better grade fiber in this mine and believes he has a good chance of developing sizeable reserves of fiber that could be useable if processed in the proper type of mill.

Credit for the more favorable ore reserve picture in the Globe area is largely due to the present assured market. To a small degree, the DMEA also has been helpful.

Termination of the Government's buying program could be expected to result in termination of all mining activity.

T. H. Ramale, Mining Engineer
Southwest Experiment Station

Mr. W. M. Traver
Executive Officer, DMEA
Field Team, Region III
Bureau of Mines
224 New Customhouse Building
Denver 2, Colorado

Subject: Docket No. DMEA-2867
Asbestos
Jaquays Mining Corporation
Regal Mine
Gila County, Arizona
Contract No. Idm-E589

Docket No. DMEA-3707
Asbestos
Jaquays Mining Corporation
Regal Mine
Gila County, Arizona

also Docket DMEA-2867

Dear Mr. Traver:

Reference is made to the subject Semi-Annual Report of Certified Project for the period July 1, 1955, through December 31, 1955, by T. M. Romalo, and Docket No. DMEA-3707.

The Semi-Annual Report on the subject property is essentially complete in many details; however, a number of points should be expanded to give this office a better picture of the net effect of the program and its encouragement to Jaquays Mining Corporation to develop this property. Our plans to revise the ore reserve estimates cannot be made effectively unless the reporting under the outline is complete and in detail. The use of "Other remarks" on the second page of the report to answer specific questions should be avoided. The second page of the report integrated with "Other remarks" contains some of the essential information, but here again it would be well to follow the suggested outline.

Our prime objective is to have an up-to-date ore reserve figure for the amount of ore remaining in the ground as of the date of the report. Production remarks should include, if possible, such information as number of men employed at the mine, at the mill, average monthly production, efficiency of management, sales problems (the effect of filling the stockpile quota for the Domestic Arizona Buying Program), and potential commercial markets that may be available. It is noted under "Other remarks" that approximately 3,000 feet of drifting have been performed by the Jaquays Mining Corporation. Can we convert this to a dollar value of say $100,000? Would this represent the total expenditure by the Jaquays Mining Corporation or have additional funds been

Mr. W. M. Traver
Executive Officer, DMEA
Field Team, Region III
Bureau of Mines
224 New Customhouse Building
Denver 2, Colorado

Subject: Docket No. DMEA-2367
Asbestos
Jaquaye Mining Corporation
Regal Mine
Gila County, Arizona
Contract No. Idm-5559

Docket No. DMEA-3707
Asbestos
Jaquaye Mining Corporation
Regal Mine
Gila County, Arizona

Dear Mr. Traver:

Reference is made to the subject Semi-Annual Report of Certified Project for the period July 1, 1955, through December 31, 1955, by T. M. Kanalo, and Docket No. DMEA-3707.

The Semi-Annual Report on the subject property is essentially complete in many details; however, a number of points should be expanded to give this office a better picture of the net effect of the program and its encouragement to Jaquaye Mining Corporation to develop this property. Our plans to revise the ore reserve estimates cannot be made effectively unless the reporting under the outline is complete and in detail. The use of "Other remarks" on the second page of the report to answer specific questions should be avoided. The second page of the report integrated with "Other remarks" contains some of the essential information, but here again it would be well to follow the suggested outline.

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expended for mine plant and facilities? The note on the second page of the outline which refers to but is not confined to uranium projects is applicable in this case. The reporting engineer should check with the Buying Depot at Globe or with the Regional Office at San Francisco and determine the amount of asbestos of grades #1, #2, and #3 sold by the Operator to the depot, the value of each grade and, if possible, the amount of the material that is eligible to go into the National Stockpile. It would be interesting to know the relative proportion of his asbestos that is going into the Arizona Asbestos Stockpile and that which has been sold to industry as filter fiber or other grades.

No mention is made in the Semi-Annual Report of Docket No. DMEA-3707 which, at the present time, is in the pending category awaiting information from the Applicant. On June 30, 1955, we wrote Mr. Jaquays asking him to supply us with the results of his exploration work on the near target area. No reply has been received. On April 18, 1956, we sent Mr. Jaquays a 30-day letter in order to finalize DMEA-3707.

It is understood that Mr. C. R. Neal of the Metate Asbestos Corp., Inc., has made a sizable discovery at the Apache Mine (DMEA-2005). While our work there did not result in a discovery we would appreciate any information you could supply us on the size of the orebody, development expenditures, etc. This need not be a formal report.

Sincerely yours,

Chairman, Operating Committee

Approved:

Copy to: Admr. R. File
Docket (2)
Operating Committee
Mr. Kiilsgaard, 5222
Dr. Bowles, 3516
Mr. Houk(2)
Mr. Chambers

Member, Bureau of Mines

Member, Geological Survey

LGHouk:gad 4/19/56

expended for mine plant and facilities. The note on the second page of the outline which refers to but is not confined to uranium projects is applicable in this case. The reporting engineer should check with the Buying Depot at Globe or with the Regional Office at San Francisco and determine the amount of asbestos of grades #1, #2, and #3 sold by the Operator to the depot, the value of each grade and, if possible, the amount of the material that is eligible to go into the National Stockpile. It would be interesting to know the relative proportion of his asbestos that is going into the Arizona Asbestos Stockpile and that which has been sold to industry as filter filler or other grades.

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Sincerely yours,

Chairman, Operating Committee

Approved:

Member, Bureau of Mines

Member, Geological Survey

LCHoch:gad 4/19/56

Copy to: Admr. R. File
Docket (2)
Operating Committee
Mr. Killingsworth
Dr. Bowles, 3946
Mr. Hook(2)
Mr. Chambers

July 30, 1953

Memorandum

To: Administrator

From: Nonmetallic Minerals Division

Subject: Closing review of Docket No. DMA-2003 - Asbestos
Contract No. Idm-2472
Date of contract - January 7, 1953
Property: Apache Mine (or Shanley Apache Mine or Metate Mine) Gila County, Arizona. Mining lease from San Carlos Apache Tribe, Arizona. Lode Mining claims - Apache #1, #2, #3, #4 and #5, Mineral Survey No. 3996.
Applicant: Metate Asbestos Corp., Inc. an Arizona Corporation, P. O. Box 1506 Globe, Arizona. (Ches. R. Noel, Pres.)
Contract amount approved $3,050.00
Total accepted cost 1,631.25
Government's participation 90% $1,513.12
Project work started January 7, 1953
Discontinued work about January 25, 1953
Work accomplished: 50.5 ft. 32 drifting and one horizontal diamond drill hole 100 feet long.
Contract terminated by mutual consent May 12, 1953.

Project not certified, (See closing letter attached).

Docket Summary:

8/24/51 Received application MF-103, amount applied for $150,760.
8/24/51 Application acknowledged.
6/16/52 Received comprehensive report on the property by A. F. Shride, Geologist, USGS. Included maps and Sections.
7/2/52 Letter: Administrator to Senator McFarland. "A Field Team examination will be made on this property as soon as possible".
7/12/52 Letter from Metate Asbestos Corporation agreeing to reduce their application to $25,000 so it could be processed directly by the Denver Office, Region IV.
9/12/52 Received four copies of Report of Examination by Lincoln A. Stewart. A small exploration in the amount of $3,050 recommended.

10/3/52 Received from Executive Officer, Region IV a photostatic copy of certain Trust Agreement, dated April 1, 1951, in which Jack L. Neal and Charles Ross Neal, lessees, authorize the operation of the mine for the Metate Asbestos Corporation.

10/16/52 Letter to W. H. King, Executive Officer, Region IV, authorizing waiver of Owner's Consent to Lien with respect to San Carlos Apache Tribal lands.
Contract approved subject to approval by Bureau of Indian Affairs of the Trust Agreement.

1/7/53 Received telegram from Region IV requesting that a contract number be assigned.

1/7/53 Assigned Contract No. Idm-E473, date of contract 1/7/53.

1/12/53 Washington Office received one original and two copies of executed contract Idm-E473.

1/14/53 Nonmetallic Minerals Division approved contract as executed.

1/15/53 Received two copies of a letter from Operator and two copies of a memorandum from Lincoln A. Stewart, Examining Engineer in which some controversial matters were discussed.

2/4/53 Stewart and Shride examined the mine. Observed work done in January.

2/13/53 Received Progress Report for January. Drift in 52.5 ft. Operator and Engineers decided to stop the drift as it had encountered diabase. They decided to extend a long drill hole 100 feet from face of drift.
Drilling completed about February 20, 1953 with negative result; all in diabase. No further work on contract except a surface hole by operator at his own expense.

5/12/53 Contract terminated by mutual consent.

7/16/53 Received one original and one copy of Operator's Final Report.
Received one original and three copies of Final Examination Report by A. F. Shride, USGS.
Received one original and three copies of Final Examination Report by L. A. Stewart, USBM. All agreed that the work should be stopped because the diabase blanked out the expected more favorable limestone.
The Final Reports concurred in the recommendation that the contract should not be certified for discovery or development.

7/24/53 Memorandum from Dr. Oliver Bowles, asbestos specialist, USBM in which he concurs in the recommendations of the Field Team.

7/27/53 Memorandum from D. M. Larrabee, USGS recommending that no further work be done and that there should be no certification of discovery or development.

Resume of Work:

The following from the report of L. A. Stewart, USBM, concisely summarizes the project:

"The contract was set up for 100 feet of drifting, 20 feet of raising, and 100 feet of long hole drilling, for a total of $3,050. The drifting officially was started on Jan. 7, 1953 from the end of a 22-foot drift driven at company expense. On January 31, the contract drift had been advanced 52.5 feet. As no limestone had been encountered, the operator elected to use the long hole drilling from the end of the drift. A 100-foot horizontal drill hole was completed about February 12, then at their own expense the company drilled a hole from the surface to intersect the formations at a point 350 feet ahead of the end of the underground drill hole. As no asbestos zones were penetrated, the company under date of February 18 asked to close out the contract."

For geological information respecting the property it is best to refer to the excellent maps and cross-sections submitted by Andrew F. Shride, Geologist, USGS.

Unit Costs:

52.5 ft. of drifting cost	$22.50 per foot
100 ft. of diamond drilling cost	$ 5.00 per foot

Project Cost (See final audit review, May 28, 1953.)

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

Total cost as billed by contractor		$1,681.25
Exceptions:		
By DMEA Finance Office	None	
By Review	None	None
Total Accepted Cost		$1,681.25

The contract calls for a 90 percent participation of exploration expense by the Government. Therefore, payment to the contractor by the Government in the amount of $1,513.12 is considered valid and proper.

Comments and Recommendation:

The work on this project was stopped as soon as it became apparent to the operator and the engineers that geological conditions had become unfavorable for making discoveries of asbestos. The work of the field mining engineer and geologist on this project was excellent, and their reports, maps, and sections extremely well done. The Nonmetallic Minerals Division concurs in their evaluation of the project. No ore was uncovered and it is recommended that this contract be closed and no certification be made.

Closing of Docket:

This project is not certified for a discovery or development. The docket is closed in accordance with the Administrator's closing letter to the Operator, a copy of which is attached hereto.

Jasper T. Robertson
Nonmetallic Minerals Division

Attachment.

JTRobertson:gud 7/31/53
Copy to: Admr. R. File
Docket File
Mr. Monk

IN REPLY REFER TO:

G-MD-CNM

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

July 27, 1953

Defense Minerals Administration
RECEIVED
JUL 27 1953

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA-2005 (asbestos)

To: L. G. Houk, Defense Minerals Exploration Administration
From: D. M. Larrabee, U. S. Geological Survey
Applicant: Metate Asbestos Corporation, Gila County, Arizona.
Name of property: Shanley Apache Mine.
Location of property: Gila County, Arizona
Date of field team report: July 3, 1953.
Authorship of field team report: A. F. Stride and L. A. Stewart.
Field team's recommendation:

1. No additional exploration.
2. No certification be made.

Comments:

None.

ACTION SUGGESTED:

Follow field team's recommendation.

D. M. Larrabee

Larrabee:jeh
G-7/27/53
cc: Director's reading 4212
Branch reading 4212
DMEA 3
Larrabee G-232 files

6.0

AUG 8 1953

Metate Asbestos Corp., Inc.
P. O. Box 1506
Globe, Arizona

Re: Docket No. [illegible]-2[illegible]5 - Asbestos
Apache Mine
Gila County, Arizona
Contract No. Idm-2473

Gentlemen:

This is with reference to the subject exploration contract between your corporation and the Government.

The final audit of the contract expenditures and the final reports of the operator and of the field team have been received and accepted by this administration. Of the total amount of $3,052.00 approved under the contract, the sum of $1,6[illegible]1.25 was expended, 37 percent of which, or $1,513.12, represented the Government's share. There were no unused materials, supplies or equipment to be disposed of for the joint account of the operator and the Government. The exploration work was completed in a satisfactory manner.

Because the results of the exploration were unfavorable, it is not our intention to make a certification of discovery or development which would create a lien against the subject property. We are, therefore, closing our books and records with respect to this project. Your attention is called, however, to Article 5 (d) of the Contract which requires the operator to keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract."

Your interest in the exploration program of the Defense Minerals Exploration Administration and your willingness to participate therein are appreciated.

Sincerely yours,

C. O. Mittendorf

Administrator

LGHouk:gad 7/24/53
Copy to: Admr. R. File
Docket File
Field Team, Region IV
Operating Committee
Mr. Larrabee, G-232 GSA Bldg.
Mr. Bowles, 3520
Mr. Houk

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
WASHINGTON 25, D. C.

July 24, 1953

Memorandum

To: Lawrence G. Houk, Director, Non-Metallic Minerals Division, DMEA

From: Oliver Bowles, Commodity Specialist, Construction and Chemical Materials Branch

Subject: Metate Asbestos Corporation, Inc., DMEA-2005 (Asbestos)

In view of the fact that no significant discovery has resulted from exploration work under this contract, I concur in the decision that the contract be terminated.

Signed

Oliver Bowles, Commodity Specialist
Construction and Chemical Materials Branch

July 23, 1953

Memorandum

Docket No. DMEA-2005 - Asbestos
Metate Asbestos Corporation, Inc.
Gila County, Arizona
Contract No. Idm-E473

To: Mr. C. O. Mittendorf

From: Lawrence G. Houk

Subject: Concurrence of the recommendation that no certification of discovery be made.

The Nonmetallic Minerals Division concurs with Region IV that no certification of discovery be made as the exploration work did not encounter the Mescal Limestone and no further work is warranted in the area of this deposit.

LGHouk:gad 7/23/53

Copy to: Admr. R. File
Docket File
Mr. Houk

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

224 New Customhouse
Denver 2, Colorado

July 22, 1953.

Memorandum

To: Secretary to the Operating Committee

From: Executive Officer, DMEA Field Team, Region IV

Subject: Form MF-104, DMEA Docket 2005, Contract Idm-E473 (Asbestos), Metate Asbestos Corporation, Inc., Gila 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 for the month of February 1953, pertaining to DMEA Docket 2005, Contract Idm-E473 (Asbestos), Metate Asbestos Corporation, Inc., Gila County, Arizona.

W. H. King

W. H. King

Enclosures

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

224 New Customhouse
Denver 2, Colorado

July 10, 1953.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 2005, Contract Idm-E473 (Asbestos), Metate Asbestos Corporation, Inc., Gila County, Arizona. Operator's Monthly Progress Report for the month of February 1953.

Enclosed are the original and four copies of Form MF-104 and MF-104A, Narrative Report, and Engineer's Report for the above period, which constitutes the Operator's final claim for reimbursement under the terms of the contract.

The contract was terminated by mutual agreement effective May 12, 1953.

The Operator has complied with the terms and conditions of the contract and final payment is recommended on the following basis, which is in conformance with the final Report of Review by the Contract Administration and Audit Division, dated May 28, 1953, which was released to this office June 18, 1953. Final payment has been held in deferment pending receipt of the Operator's Final Report which was received July 8, 1953.

Basis for Final Payment

Total Government Participation as allowed by Report of Review	$1,513.12
Prior Payments	1,063.13
Balance due the Operator	$449.99

Reconciliation of final payment with the Amount claimed on the Operator's Final Report for the month of February 1953.

Amount claimed by the Operator	$500.00
Government Participation at 90%	450.00
Less adjustment in computing percentage on prior payments	- 0.01
Recommended for Final Payment	$449.99

W. H. King

W. H. King

Enclosures

JWT:cvm
cc: Contract; Secretary to the Oper. Comm. (2)
WBStorms; Chron.; JWTownsend

MINING DIVISION
REGION IV

March 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, Docket DMEA-2005, Contract Idm-E473, Metate Asbestos Corp., Gila 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 maps;

(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

CC W. H. King (6)
DMEA-2005
DF

WRStorms:frj

MINING DIVISION
REGION IV

March 13, 1953

Memorandum

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

From : Lincoln A. Stewart, Mining Engineer, Tucson, Arizona

Subject : Monthly Progress Report, February 1953, Metate Asbestos Corp., Docket DMA-2005, Contract Idm-8473, Gila County, Ariz.

On February 18, 1953 the subject company advised this office that the exploration work was completed. I visited the property on February 26. In January, the exploration drift had been driven in diabase for 76 feet, of which only 52.5 feet was charged to Government participation. Drifting this distance had indicated that the sliver of limestone under the diabase roll had wedged out.

The remaining possibility for an ore body would be at the northwest side of the diabase intrusion where it might cut down across the limestone bedding. Consequently it was decided to probe for this limestone by means of the contracted long hole drilling, which was less than one quarter as expensive as drifting. From the face of the exploration drift, the hole was drilled N. 35° W. at an inclination of plus 3°, to a depth of 100 feet, and was entirely in diabase.

The company, at its own expense, drilled a hole from the surface to intersect the formations at a point about 200 feet northwest of the end of the underground hole. The same diabase sill was penetrated without intersecting the asbestos-bearing beds. This indicates that the diabase structure has cut out the ore zone for at least 400 feet northwest of the mine workings. As nothing but diabase was encountered by this exploration, the company suggests that the contract be terminated.

The drilling was done by D. W. Jaquays & Co. I contacted Jaquays, who confirmed the depth of the hole as a foot or so deeper than 100 feet. He said he would furnish certification to this effect.

CC W. R. King (Orig. & 6)
DMEA-2005
DF

LAStewart:frj

This work was done within the specifications of the contract. Therefore, I recommend that the Government's share of this $500 cost be paid and that the contract be terminated.

Lincoln A. Stewart

Lincoln A. Stewart, Mining Engineer
Mining Methods Branch
Mining Division, Region IV

MINES
GILA COUNTY
GLOBE, ARIZONA

651 E. KLINE STREET
GLOBE, ARIZONA
TELEPHONE 261-J

METATE ASBESTOS MINES COMPANY

Producers of

WORLD'S FINEST CRUDES AND SPINNING FIBRE

JUL 31 1933

OPERATING REPORT.

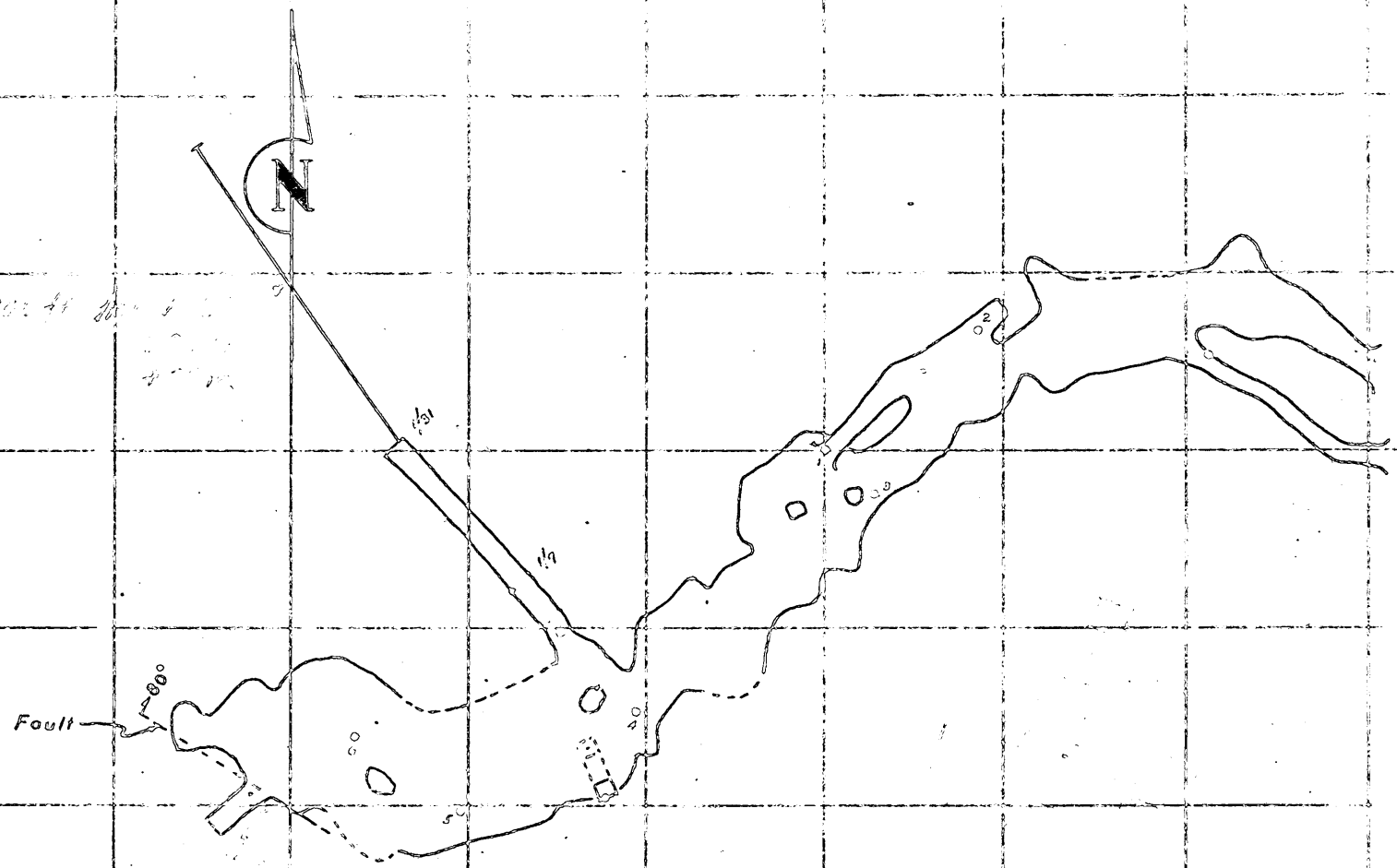
The Metate Asbestos Corporation drifted 63 feet northerly in Diabase. At the end of that footage it was decided to do our long hole drilling 100 feet horizontally to check for line beds. We encountered nothing but diabase. As a result of this our company has decided to terminate the contract.

Yours very truly

METATE ASBESTOS CORPORATION

By Chas. Roff Neal

Pres.



SCALE 1" = 50'

FEBRUARY 1953

DMA 2005

PROGRESS MAP APACHE MINE METATE ASBESTOS CORP.
GILA COUNTY, ARIZONA

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 February 195 3 Docket No. DMEA 2005 Contract No. Idm-1.473
Operator's Name Metate Asbestos Corp. Minerals Asbestos
Address Box 1506, Globe, Ariz.
Contract Amount, $ 3,050.00 Government Participation: 90 % Amount, $ 2,745.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts: Long hole	500.00	-	500.00			
Drilling						
Bulldozing						
Crosscutting						
Drifting		1,181.25	1,181.25			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	500.00	1,181.25	1,681.25	500.00	1,181.25	1,681.25

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

Date March 12 53 *Payee Metate Asbestos Corp.

Per Jack L. Neal Title Vice-President

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

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

(Instructions on reverse)

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

$449.99

Signature
(Authorized Certifying Officer)

Date 7/21/53 Vou. No. DMA 54-9

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idw-E473 in accordance with the terms of the contract.

Signature Lincoln A. Stewart WRH Title Mining Engineer Date Mch. 13, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. H. King Title Executive Officer Date JUL 10 1953

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

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

Month of February 195 3 Docket No. DMEA 2005 Contract No. Idm-1473
Operator's Name Metate Asbestos Corp Minerals Asbestos
Address Box 1506, Globe, Ariz.

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	foot	-	-	1,181.25	52½	22.50	100	22.50
Crosscutting								
Raising	foot	-	-				20	15.00
Shafts								
Winzes								
Drilling: ~~Core~~ Long hole	feet	500.00	100	500.00	100	5.00	100	5.00
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		500.00		1,681.25				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								3,050.00
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		500.00		1,681.25				

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.

METATE ASBESTOS CORP.

Date March 12,1953 Operator Jack L. Neal

Per Title Vice President

REMARKS: The long hole drilling was done by D.W.Jaquays, 1219 So. 19th Ave., Phoenix, Arizona. The hole was drilled the length of 101 ft. in diabase. Project terminated with drilling of this long ~~hk~~ hole.

→ 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

May 25, 1953

Memorandum

To: C.O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Termination of Contract Idm-E473, Docket DMEA 2005, Metate Asbestos Corporation

Enclosed are the original and two copies of "Termination of Exploration Project Contract by Agreement After Commencement but Before Completion of the Work". Copies of this notice have been given to the operator, the Fiscal Officer, Region IV, and a copy has been retained for our files.

W.H. King
W.H. King

Enclosures

DMEA

2971 4637

14X3923.970 Working Fund, Interior, Defense Minerals Exploration Administration
May 11, 1953
3:30 P. M.

Mr. W. H. King, Executive Officer, DMEA Field Team, Region IV, Bureau of Mines
224 New Customhouse Bldg., Denver 2, Colorado
Docket No. DMEA-2005, Metate Asbestos Corp., Inc., Contract No. Idm-E473

You are authorized to terminate Metate Asbestos Corp., Inc., Contract No. Idm-E473 by mutual agreement, by eliminating second paragraph from termination form 18262-1.

H. O. Mittendorf

Administrator

LGHouk:gad 5/11/53
Copy to: Admr. R. File
Docket File
Field Team, Region IV (Confirmation copy)
Mr. Houk

DMEA

2971 4637

14X3923.970 Working Fund, Interior, Defense Minerals Exploration Administration
May 11, 1953
3:30 P. M.

Mr. [illegible] H. King, Executive Officer, DMEA Field Team, Region IV, Bureau of Mines
224 New Customhouse Bldg., Denver 2, Colorado
Docket No. DMEA-2005, Metate Asbestos Corp., Inc., Contract No. Idm-2473

You are authorized to terminate Metate Asbestos Corp., Inc., Contract No. Idm-2473 by mutual agreement, by eliminating second paragraph from termination form 18262-1.

Administrator

LCHouk:gad 5/11/53
Copy to: Admr. R. File
Docket File
Field Team, Region IV (Confirmation copy)
Mr. Houk

C
O
P
Y

UNITED STATES
DEPARTMENT OF THE INTERIOR
Agency Bureau of Mines

TELETYPE

Date: May 8, 1953
To: C. O. Mittendorf DMEA Washington

Metate Asbestos Corporation Docket No. DMEA 2005, Contract Idm-E473 discontinued operations on February 18, 1953 because they did not think there was any liklihood of discovery of ore. Bureau of Mines examining engineer concurs that additional work will not result in discovery of significant amount of asbestos. Please teletype authorization for us to terminate contract by mutual agreement.

/s/ W. H. King

W. H. King

CONFIRMATION

WHK:ld

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 11 1953

MF-500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE 5-11-53

REFERRED TO:

1. Code 600 - Rm. 4637
2.
3.
4.

FOR:

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

REMARKS: .....

Check (X) before the items needing attention.

R. E. ADAMS (Initials)
Initials of sender.

GPO 16—63815-1

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

COPY

COPY

224 New Customhouse
Denver 2, Colorado

March 12, 1953

Memorandum

To: Secretary to the Operating Committee

From: Executive Officer, DMEA Field Team, Region IV

Subject: Form MF-104, DMEA Docket 2005, Contract Idm-E473, (Asbestos) Metate Asbestos Corp., Gila County, Arizona.

Enclosed are two copies of the Operator's Monthly Progress Report MF-104 and 104A, Operator's Narrative Report, Inspecting Engineer's Narrative Report, and other supporting data for the month of January 1953, pertaining to DMEA Docket 2005, Contract Idm-E473, (Asbestos) Metate Asbestos Crop., Gila County, Arizona.

/s/ John F. Shaw
for W. H. King

Enclosures

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

224 New Customhouse
Denver 2, Colorado

March 5, 1953

Memorandum

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 10 1953

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 2005, Contract Idm-E473 (Asbestos) Metate Asbestos Corp., Gila County, Arizona - Operator's Monthly Progress Report, for the period January 1953

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

Work has been completed as authorized by the contract. No documentation is required for work performed under contracts prepared on Form MF-200A, therefore we recommend that payment be made for 90 percent of the amount reported by the Operator on Form MF-104, contingent on your verification of arithmetical accuracy within the report.

Remarks:

Date of Report----------February 12, 1953
Date Received in Field Office----------February 13, 1953
Date Received in Region Office----------March 4, 1953
Date Processed for Payment----------March 5, 1953

W. H. King
W. H. King

Enclosures

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

MINING DIVISION
REGION IV

February 26, 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, Docket DMA-2005, Contract Idm-E473, Metate Asbestos Corp., Gila County, Ariz.

Enclosed in quintuplicate are the following:

(1) Bureau of Mines engineer's report;

(2) Operator's narrative report with map;

(3) Forms MF-104 and MF-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

CC W. H. King (6)
DMA-2005
DF

WRStorms:frj

MINING DIVISION
REGION IV

February 18, 1953

Memorandum

To : Walter R. Storms, Chief, Mining Methods Br., Mining Div., Region IV

From : Lincoln A. Stewart, Mining Engineer, Tucson, Ariz.

Subject : Monthly progress report, January 1953, Metate Asbestos Corp., Docket DMA-2005, Contract Idm-E473, Gila County, Ariz.

In company with A. F. Shride, geologist, U. S. Geological Survey, I visited the above property on February 4 to check progress. The exploratory drift had been driven 52.5 feet from the official starting point of January 7, the effective date of the contract. No work had been done at this location in February.

The purpose of the exploration was to determine if potentially ore-bearing limestone existed on the opposite side of the crosscutting diabase body. To date, the drift has been entirely in diabase.

The work done is according to contract specifications. It is recommended that the strict interpretation of reporting and requesting payment "at the end of the first full calendar month" be waived in this case. Operator actually started work January 2 under the misapprehension that he was working under the contract, hence he did considerable work at his own expense. Neal states in his narrative report "we would like to get the money on this as soon as possible as we need it". This request is not unreasonable because their production has fallen off in the last month. There was very little asbestos in the vicinity of the fault at the bottom of the mine. The mill was idle on my visits of February 4, 9, and 10.

On our visit of February 4, Shride and I examined the faulted face and suggested that they drift across the fault and, if the vein was not picked up, to test with drill holes up and down. I again visited the mine February 9, at which time the drift was 10 feet beyond the fault. The mineralized zone had been picked up, but the fiber was brittle. The next round encountered a pocket of fair fiber that may be the border of a deposit west of the fault.

CC W. H. King (Orig. & 6)
DMA-2005
DF

LAStewart:frj

In order to get an accurate map of the mine, the writer ran a transit line down the inclined workings on February 9. The following day, with Calvin Bromfield of the U. S. Geological Survey, we completed the brunton mapping of the stope outlines from the transit control. This map is used to show the January progress rather than the pencilled sketch submitted by the applicant.

The work reported by the applicant (52.5 feet of drifting) has been done according to the contract and it is recommended that the Government's share of the contract cost be paid. For reasons given above it is further recommended that this be considered as a full calendar month of operation.

Lincoln A Stewart

Lincoln A. Stewart
Mining Engineer

MINES
GILA COUNTY
GLOBE, ARIZONA

651 E. KLINE STREET
GLOBE, ARIZONA
TELEPHONE 261-J

METATE ASBESTOS MINES COMPANY

Producers of

WORLD'S FINEST CRUDES AND SPINNING FIBRE

February 14, 1953

NARRATIVE REPORT

United States Bureau of Mines
224 New Customs House Building
Denver Colorado

Attention. W. H. King

Dear Mr. King,

On February 9, 1953. Mr. Lincoln Steweart and Andy Shride of the Tucson office visted our Apache mine and inspected the cross cut tunnell we are driving under DMEA contract. It was mutually agreed that we stop driving the tunnell for the present and do our long hole drilling 100 feet to test for lime beds with a diamond drill. We started the drilling Today. We have drifted on the cross cut over 70 feet but we officially have 52 foot 6 inches measured by Steweart from his starting point he gave us after you notified us we could start. If we prove lime beds ahead with the diamond drill hole we will then go ahead with the driving the 100 feet and complete the contract but on the other hand if we do not find lime beds we will stop the contract with the drilling of the 100 foot long hole, which is set up in our contract.

Enclosed is the papers for the 52½ feet of drifting we would like to get the money on this as soon as possible as we need it very bad.

Very truly yours,

Jack L. Neal

Jack L. Neal Supt.

U. S. BUREAU OF MINES
MINING DIVISION
FEB 18 1953
TUCSON, ARIZONA

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

U. S. BUREAU OF MINES
MINING DIVISION
FEB 13 1953
TUCSON, ARIZONA

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of January, 1953 Docket No. DMEA 2005 Contract No. IDE-E473
Operator's Name Metate Asbestos Corporation Minerals Asbestos
Address P.O.Box 1506, Globe, Arizona
Contract Amount, $3,050.00 Government Participation: 90% Amount, $2,745.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) ~~Indefinite~~ Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting	1,181.25	none	1,181.25			
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	1,181.25		1,181.25	1181.25		1,181.25

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

Date 3/12/53 *Payee Metate Asbestos Corp

Per Chas R Mal Title President

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

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

(Instructions on reverse)

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

$1063.13

Signature
(Authorized Certifying Officer)

Date 3/11/53 Vou. No. DMA 53-106

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E 473 in accordance with the terms of the contract.

Signature Lincoln A. Stewart WAS Title Mining Engineer Date Feb 19, 1953

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

Signature W. H. Ring Title Executive Officer Date MAR 5 1953

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of January 1953 Docket No. DMEA 2005 Contract No. IDM-E473
Operator's Name Metate Asbestos Corporation Minerals Asbestos
Address P.O.Box 1506, Globe, 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	ft.	1,181.25	52½	1,181.25	52½	22.50	100	22.50
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: ~~Core~~ xxx	ft						100	5.00
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		1,181.25		1,181.25				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		1,181.25		1,181.25				3,050.00

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

Date Feb. 14, 1953 Operator Metate Asbestos Corp.

Per Chas R. Wolf Title Pres.

REMARKS: Tunnel has been driven in ignious rock diabase for over 75 feet of which 52½ feet is under government participation. The tunnel driving has been suspended until the 100 foot diamond drill hole has been completed at which time a decision will be made to resume drifting or to cancel contract.

→ 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)

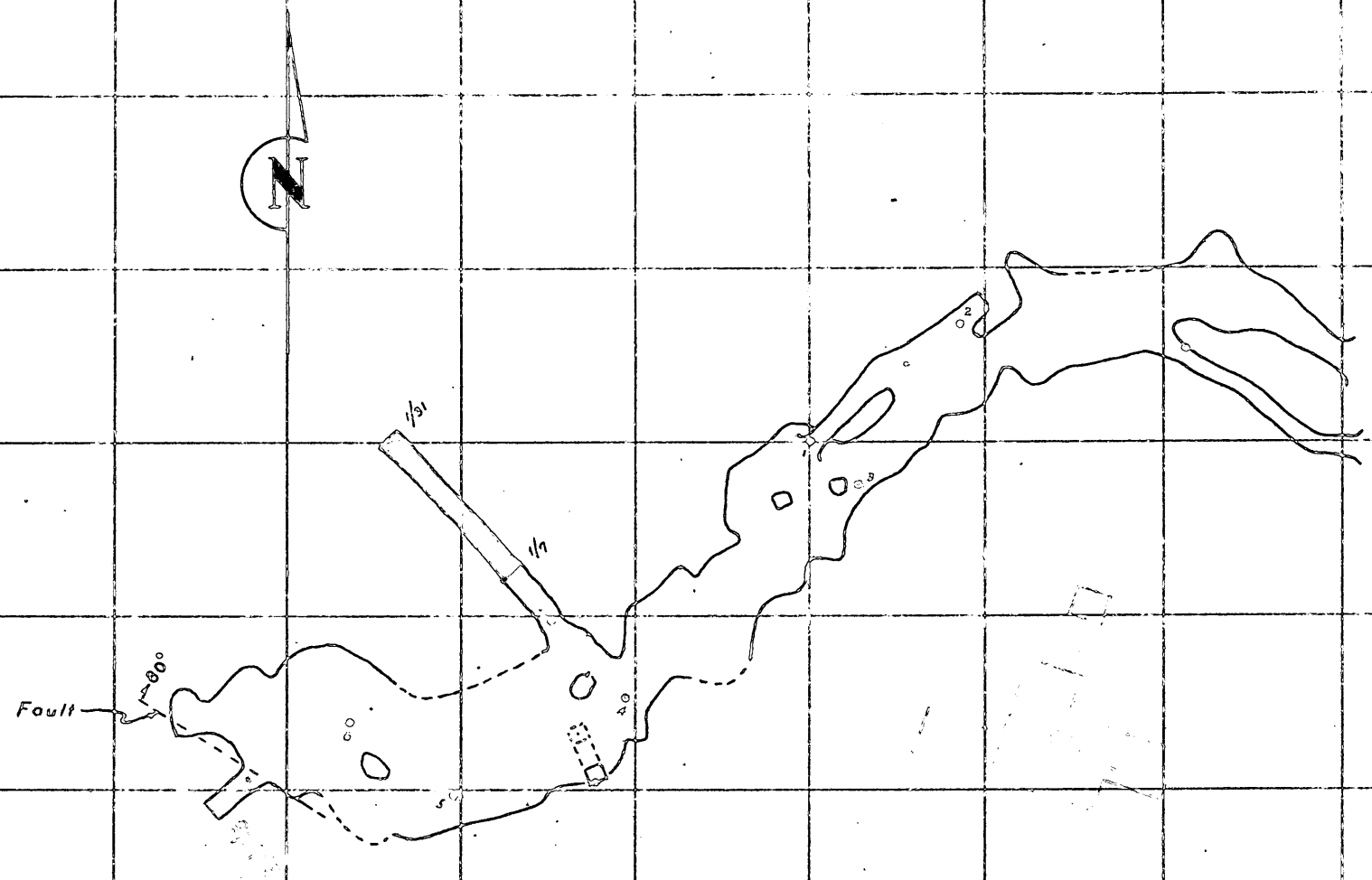
INSTRUCTIONS

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



SCALE 1" = 50'

DMA 2005

PROGRESS MAP APACHE MINE METATE ASBESTOS CORP.
GILA COUNTY, ARIZONA

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
2 - 1953

224 New Customhouse
Denver 2, Colorado

February 19, 1953

Memorandum

To: Chairman, Operating Committee
Defense Minerals Exploration Administration

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket No. DMEA 2005, Contract Idm-473, Metate Asbestos Corporation

Reference is made to your letter dated January 30, 1953 to which was attached a letter dated January 26, 1953 from Jack L. Neal regarding the fault in the Apache Mine.

We are enclosing two copies of a memorandum from the Chief of the Mining Methods Branch in which he indicates that the fault is not serious.

W. H. King

W. H. King

Enclosure

MINING DIVISION
REGION IV

February 17, 1952

Memorandum

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

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

Subject : Docket DMLA-2005, Metate Asbestos Corp's. Apache Mine, Gila County, Ariz.

In answer to your memorandum of February 6, with attached letter from DMLA Operating Committee to you and letter from Jack L. Neal to DMA, Washington, D. A. Stewart visited the Apache mine on February 10 and states that Neal picked up asbestos fiber on the far side of the fault. He merely "hollered before he was hurt".

Walter R. Storms

cc W. H. King (c)
DMLA-2005
BF

WRStorms:frj

delay

the examination be made at the earliest possible date and the Operating Committee of DMPA be advised of the findings. ~~The negligence on the part of the DMPA field representatives in making this examination reflects unfavorably on the DMPA.~~ This application should be processed as an access road inasmuch as no exploration application has ~~been~~ received.

Please give this information the publicity you think it deserves.

Sincerely yours,

Chairman, Operating Committee

Approved:

Member, Bureau of Mines

Member, Geological Survey

This application should be processed solely as an access road for production, inasmuch as no exploration application has been received.

Delete by Operating Committee

600

JAN 30 1953

Mr. [illegible] King
Executive Officer, DMEA
Field Team, Region IV
Bureau of Mines
224 New Customhouse Bldg.
Denver 2, Colorado

Subject: Docket No. DMA-2703 - Asbestos
Estate Asbestos Corp.
Chiricahua Mine
Gila County, Arizona

Docket No. DMA-[illegible]5 - Asbestos
Apache Mine (Idm-E473)
Gila County, Arizona

Dear Mr. King:

Transmitted herewith is letter of January 26, 1953, from Mr. Jack L. Neal of the Estate Asbestos Corp., requesting that their application on the Chiricahua Mine be held in suspension until such time as they can do some prospecting work on their own.

The location of the faulted segment at the Apache Mine, DMA-2005, could make a good exploration project, if the field engineers think the size of the target justifies the search. A copy of our letter to you and Neal's letter to Washington are enclosed for transmittal to the Tucson office to bring their files up to date and for their reaction to an exploration project for the location of the faulted segment.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

J. H. Hedges

Member, Bureau of Mines

A. R. Kinkel, Jr.

Member, Geological Survey

Enclosures 3

LGHouk:gad 1/29/53
Copy to: Admr. R. File
Docket File (2)
Operating Committee
Dr. Bowles, 3516
Mr. Norton, G-232 GSA Bldg.
Mr. Houk

C
O
P
Y

METATE ASBESTOS MINES COMPANY

January 26, 1953

Defense Minerals Administration
Washington 25, D. C.

Attention Mr. Larry Houck

Dear Larry,

This is to confirm our recent conversation on the telephone that the Metate Asbestos Corporation request's that their Chiricahua mine exploration loan be held in suspension until such time that we can do some exploratory work on our own and recall the field team for another inspection if we think it will warrent it.

Yesterday at our Apache mine the swing shift broke into a large fault on our production face which looks bad. This might be the bottom for the Apache. We plan to do some test drilling to see if the vein faulted up or down but it may be all.

We hope to get the Chiricahua lease back soon so we can explore it and see if we can develop some fibre there to keep our mill running.

Very truly yours,

/s/ Jack L. Neal
Jack L. Neal

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

224 New Customhouse
Denver 2, Colorado

Air Mail

Division copy

January 15, 1953

Memorandum

To: C. O. Mittendorf

From: Executive Officer, Field Team, Region IV

Subject: Letter from Jack L. Neal, Metate Asbestos Corp., DMEA Docket 2005, Contract Idm-B473

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 16 1953

Enclosed are two copies of a letter dated January 5, 1953 from Jack L. Neal, Metate Asbestos Corp. Also enclosed are two copies of a memorandum from Lincoln A. Stewart, Bureau engineer, which refutes the charges in this memorandum.

W. H. King
W. H. King

Enclosures

MF-500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE 1-19-53

REFERRED TO:
1. Code 600
2.
3.
4.

FOR:

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

REMARKS:

Check (X) before the items needing attention.

ROBERT E. ADAMS
Initials of sender.

GPO 16—63815-1

BEA

MINING DIVISION
REGION IV

January 12, 1953

Memorandum

To : Walter R. Storms, Chief, Mining Methods Branch, Mining Division, Region IV.

From : Lincoln A. Stewart, Mining Engineer

Subject : Memo of Jan. 8 from King enclosing letter from Jack Neal, Metate Asbestos Corp., Gila County, Ariz.

I would like to refute a few statements made by Neal. It is possible that Mr. King or East would appreciate this clarification. I believe that the Arizona Asbestos Producers Association is a step in the right direction toward unifying the asbestos industry of Gila County. However, the name is somewhat misleading. It is more nearly a club than an association. It is not a legal entity in that it has no by-laws and is not incorporated in the State.

It would appear that Neal is airing his "gripes" under the guise of the Association. The association president, Mr. Green, has told me several times that an expression of the association is not valid unless it appears on a letter head of the Association, signed by himself as president, or Neal as secretary.

Neal has taken the attitude that we are discriminating against him because we have denied two of his applications and drastically modified the third. The examiner's justifications appear in the various reports. Point one to be refuted is that Neal states all three applications have been denied. Point two; the Apache (DMEA 2384) application was not withdrawn on Jan. 5, the date of Neal's letter. Without knowledge of this letter, I discussed the situation with Hayes, president of Apache, on Jan. 9. At that time he was undecided whether to withdraw the application or allow an adverse report to be submitted. He finally stated he would withdraw the application and save us the work of writing the report. The Tucson office has not yet received this notification of withdrawal. I am sure Hayes would not subscribe to the statement made by Neal. Point three: the Regal mine has not submitted an application to date. At the request of Jaquays, we have today sent him application blanks for exploration work on the Regal mine. Last week Jaquays showed me the rough draft of the proposed application. Shride and I are both of the opinion that we will recommend this work.

CC: W. H. King (Orig. & 1)
DMEA-2005
BF

LAStewart:als

As to Kyle's access road application, I understand that on account of his active antagonism toward me and also on account of the libelous nature of his letters to Washington, it would not be expedient to send me on this examination. Kyle has not expressed such antagonism against the Survey examiners, but nevertheless Shride has refused to make the examination.

Attached is a tabulation of all asbestos applications received by this office and the action taken.

Of the 17 exploration applications received to date, 5 have been withdrawn, 3 have been denied, 1 has not been investigated for the current application, nor has it been seen previously by either examiner. There are 3 active contracts, 2 contracts pending, and 3 proposals that we expect to recommend when the data has been completed.

In addition to the Regal application, one from the Ciberne Mining Co. is forthcoming. Neither Shride nor I have seen this latter location and thus cannot hazard a guess at the outcome of the examination.

/s/ Lincoln A. Stewart

Lincoln A. Stewart, Mining Engineer
Mining Methods Branch, Mining Div.,
Region IV

METABEST

ARIZONA ASBESTOS MEMBER PRODUCERS ASS'N.

METATE ASBESTOS MINES COMPANY

January 5, 1953

United States Bureau of Mines
124 New Customs House Bldg.
Denver Colorado

Att: Mr. W. H. King

Dear Mr. King,

This is to notify you that the Metate Asbestos Corp. has started on their government contract to drive a 100 foot tunnell accross our diabase roll. We are in approximate 20 feet.

We are still getting very poor service out of the Tucson office on our exporation loans. The government has announced a plan to buy 1500 tons of our 1&2 crude fibre and three times that amount of crude 3. If the government has any hopes of getting anything like that amount out of this district then we will have to have a new field team. We have really tried to work with these boys but we find it is a impossibly situation. We have several members who would apply for loans if it were not for these two men. We have put in for three loans which have been denied we think without justification. The Apache mine operated withdrew their application because the field team could not agree. The regal mine had a application that was denied. Mr Kyle cannot even get any one to look at his access road application. In fact the members of Association feel so strongly about this situation that a trip to Washington D. C. is being planned the middle of this month by a committe of our Association to see what can be done about it. We feel it is not the government intentions for so much delay and the do nothing attitude of the Tucson Field Team.

Very truly yours,

/s/ Jack L. Neal

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METATE ASBESTOS MINES COMPANY

Producers of
World's Finest Crudes and Spinning Fibre

January 5, 1953

United States Bureau of Mines
124 New Customs House Bldg.
Denver Colorado

Att: Mr. W. H. King

Dear Mr. King,

This is to notify you that the Metate Asbestos Corp. has started on their government contract to drive a 100 foot tunnell accross our diabase roll. We are in approximate 20 feet.

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Very truly yours,

/s/ Jack L. Neal

COPY

Status of Arizon[illegible]DMEA-DMPA Asbestos Dockets, as [illegible] January 13, 1953

(*Authority delegated to Region IV)

Docket	Disposition
*DMA-451 Metate Mine Metate Asbestos Corp. (J. L. Neal, et. al.)	Denied, spring of 1951.
DMA-1093 (=244) American Asbestos Cement Corp. (A. R. Smith)	Recommended. First phase of 2nd stage completed December, 1952.
*DMA-1776 Salt River Claims Sorsen-Williams Mining Co.	Recommended. Contract much delayed by subordination, etc. difficulties. Work started January, 1953.
*DMA-2005 Apache (Shanley) Mine Metate Asbestos Corp. (J. L. Neal, et. al.)	Survey recommended denial, Bureau approval. Modified plan approved. Work started. January, 1953. However, applicant began work before approval and probably will try to collect for this work.
*DMEA-2167 Globe Claims (C. W. Mittendorf)	Applicant withdrew application when determined that he did not have title to claims.
DMPA-2334 American Ores Mine (A. L. Card)	Applicant applied to DMPA for exploration and withdrew application to apply to DMEA. Has not reapplied; probably has dropped lease becuase of exorbitant royalties required by owner.
*DMEA-2338 Canadian Mine (D. W. Jaquays)	Bureau recommendation favorable; Survey's unfavorable. Contract probably will be approved basically as requested. Jaquays largely responsible for delays in processing application and contract. Contract now in Denver.
*DMEA-2380 Western Fiber Ores Co. (Wm. Cluff)	Applicant withdrew application when he found that he did not know location of properties. Did not want field examination, which had been started, to be completed.
*DMEA-2384 Apache (McIntyre) Mine Apache Asbestos Mines, Inc. (L. Rayes, et. al.)	Held pending by applicant's request. Applicant has not found place to explore and will probably withdraw application.

Docket	Disposition
*DMEA-2491 Chrysotile & Tom Cat Claims North American Asbestos Co.	Denied.
*DMEA-2550 Bear Canyon Mine Bear Canyon Mining Co. (D. E. Green)	Contract in effect - project active.
*DMEA-2558 Western Chemical Co. (Wm. Cluff)	Withdrawn - as for 2380.
*DMEA-2760 Mystery Claims J. L. Neal & D.E. Green Mining Co.	If applicant submits revised small program commensurate with target, application may be favorably recommended. Original program poor and tied to 2763 which must be denied.
DMEA-2763 Chiricahua Claims Metate Asbestos Mines Co. (J. L. Neal, et. al.)	Survey has submitted report recommending denial. Bureau engineer, as soon as time is available, will submit concurring report.
*DMEA-2789 May Mine American Fiber Co. (Rugg, et. al.)	Application received. Not examined yet.
*DMEA-2798 Indian Springs Mine (Scott, Scott & Vinck)	Recommendation may be favorable if a small scale program can be worked out. Original program not justified.
DMEA-2812 Ray-Southern Mines, Inc.	Application received. Not examined.
AR-158 Lucky Strike & Pueblo Mines (R. Q. Kyle)	Held without examination in hope some reasonable examination can be made in cooperation with rabble-rousing applicant. Ore haulage road not justified; exploration may be worthwhile.

Summary of Asbestos Dockets

		Docket Nos.
Withdrawals by applicant	4	(2167, 2334, 2380, 2558)
Pending by operator's request	1	(2384)
Denied	2	(451, 2491)
Contracts active	4	(1093, 1776, 2005, 2550)
Contract approved, but not finalized	1	(2338)
Approval anticipated	2	(2760, 2798)
Denial anticipated	1	(2763)
Examinations not made	3	(2789, 2812, AR-158)
Total applications	18	

Prepared by A. F. Shride

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P.O.Box 4126, University Station
Tucson 5, Arizona

Air Mail

January 13, 1953

Memorandum

To: J. J. Norton and T. P. Thayer

From: A. F. Shride

Subject: Status of Arizona DMEA-EMPA Asbestos Dockets, as of January 13, 1953

In regard to Neal's letter (copy enclosed), please note that Apache Asbestos Mines (DMEA-2384) have not yet withdrawn their application, and the reason that they are likely to do so. Incidentally, this applicant is very favorably inclined toward the examining team - which is the opposite of Neal's implication. Note also that an application has not been submitted for the Regal Mine (D. W. Jaquays) - so has not been denied. Application forms were sent yesterday at Jaquay's request. Furthermore, I believe the Regal deposit to be one of the better bets, and will certainly recommend exploration if a feasible approach can be worked out - and I have no doubt that such can be done. We expect that the Cibique Mining Company is forwarding a DMEA application to Denver. These are the only two applications that we are anticipating. J. L. Neal and D. E. Green, Secertary-Treasurer and President respectively of the Association, are circulating the rumor that 15 DMEA applications are ready for submittal but will not be submitted if Neal's two current applications are unfavorably acted on. There is no truth in this. We have good contacts among the responsible operators and usually get rumors of applications much in advance of submittal; we have made an attempt to pin this one down, without results.

/s/ A. F. Shride
A. F. Shride
Geologist

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CONFIDENTIAL

September 22, 1952

(Parenthetical notes made by Shride 10/28/52)

Memorandum

To: A. H. Koschmann, Denver, Colorado

From: A. F. Shride, Tuscon, Arizona

Subject: Status of DMEA-DMPA Gila County, Arizona Asbestos Dockets

The following 3 dockets are the only asbestos dockets in Tucson, office.

DMEA 2384 - Apache (McIntyre) Mine
Apache Asbestos Mines, Inc.

Applicant has requested and received premission for delay and re-examination (?) in October. The processing was ill-advised as the new exploration plan, if presented, will mix up the original proposal with an exploration plan on a new property. A new application should be made, otherwise we may have the awkward task of pulling proposals on separate properties apart and making recommendations for each property. L. G. Houk has orally advised applicant to present a new application for their new property. (Unethical tactics have been objected to and new application should be submitted and this application withdrawn.)

DMEA 2491 - North American Asbestos Co.

Bureau has submitted a report recommending denial. Shride spent the better part of a day finding the property with the applicant, who got lost. As a result Shride knows little more than the geographic location of the property. Prior commitments made examination the following day impossible, and examination since has been impractical. (Report submitted by field team October 10. Denial October 13.)

AR 158 - Roger Q. Kyle (Lucky Strike and Pueblo Mines)

Kyle has a legitimate gripe as this docket has been held for several months. Kyle is a rabble-rouser and becuase of Bureau and Survey activities in the district neither Stewart or Shride should examine the property. This is one of those cases in which the examiners will be damned regardless of their recommendations. Therefore, other Bureau and Survey personnel have been indoctrinated in asbestos deposit evaluation. Now if we can juggle examinations to get the indoctrinated men together

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on the examination, the property can be appraised. This is an ore-haulage road proposal. Regardless of the merits of the property, Kyle will haul little ore from the property. His production activities of the past 10 years (he has several other properties) indicate this. He wants the road for the purpose of promoting the property. It is too bad that the application cannot be turned down on the above basis. (Bureau now says will absolutely not send an examiner).

Disposition of earlier asbestos dockets - to refresh your memory.

DMA 451. Metate Mine, Metate Asbestos Mines, Inc.

Denied as per Shride's recommendation approximately 1 year ago. Applicant (J. L. Neal) now beginning to feel that he got a raw deal. He may agitate to reopen case.

DMA 1093X - American Asbestos Cement Corp.

Soon should start Stage 2 of contract. Papers for final signature (as amended) are in applicant's hands. I understand that uncommitted funds (as result of revision of program) are set up as potential Stage 3 expenditures. Stage 3 program is not outlined and probably will not exist. Applicant may raise a rudkus if no Stage 3 program is set up so he can spend Government funds. As far as is known now he should not be allowed to get his foot in the door on a tentative Stage 3. After all it is up to him to propose a program - if he does not do so, he has no valid kick. (Drilling on Stage 2 started October 22.)

DMA 1776X - Sorsen-Williams Mining Co.

Jack Neal of the Arizona Asbestos Producers Association in some recent propaganda misinformed Washington to the effect that Sorsen-Williams had completed Stage 1 on their own account. Accordingly Washington set contract up to cover only Stage 2. This contract now must be revised to put most of Stage 1 back into the contract. This mistake was not of the applicant's doing and he should be given every consideration. At Houk's suggestion Sorsen is putting together a unit bid proposal with Stewart to simplify the next contract. You may expect this proposal Shortly.

DMA 2005 - Apache (Shanley) Mine, Metate Asbestos Mines, Inc.

I understand that a contract for a small loan is being prepared on Stewart's recommendation. The applicant (J. L. Neal) is not happy with this compromise and may try to cause senatorial action about this and other matters. Near has been given the benefit of the doubt and deserves little further consideration.

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DMEA-2167 - Chas. W. Mittendorf, Globe Asbestos Mine

Apparently Mittendorf is now satisfied that he has no legal claim to property and is not enthusiastic about making a deal with the legal claimant. Therefore we can assume that his presentintent is that the application is permanently closed.

DMPA 2334 - American Ores Mine, A. L. Card.

Applicant wanted exploration work of DMPA and withdrew his application to reapply to DMEA. His present intent is unknown.

DMEA 2338 - Candian Mine, D. W. Jaquays

Stewart and Shride disagreed as to recommendation. Reports have been referred to Washington for DMPA perusal. This is the best data I have. Jaquays is unhappy about the lenght of time required to get a decision. I have called to Jaquay's attention the fact that he help up the processing longer than anyone else. He does not have a beef on this score. (Contract probably being approved by DMEA, Washington,)

DMEA 2380 - Western Fiber Ores Company

Applicat has withdrawn application.

DMEA 2550 - Bear Canyon Mine, Bear Canyon Mining Co., (Dennis Greene)

Being processed for a contract. Houk told Greene to get on the ball and renew his lease, which at present has only 1 year to run. Denver cannot finalize the contract until the lease renewal is granted. Presumably Greene is taking proper steps. You should be aware that Greene is an agreeable and reasonable gent, but as newly elected president of the Arizona Asbestos Producers Association he has pressure on him to needle DMEA. Therefore, he may be in your hair shortly.

DMEA 2558 - Western Chemical Company

Applicant (incidentally the same as for 2380 but under different name) has withdrawn application.

Summary of Asbestos Dockets - Past and Present

		Docket Nos.
Withdrawals by applicant	4	(2167, 2334, 2380, 2558)
Pending per operator's request	1	(2384)
Pending field examination	2	(Ar 158, 2491)
Now under contract	1	(1093)
Contracts being prepared	3	(1776, 2005, 2550)
Denied	1	(451)
Total applications	12	

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Possible Future Activities

1. D. W. Jaquays proposes to submit an exploration proposal for the Regal Mine. He has in mind a development proposal; therefore Houk told him that his proposal would not pass muster in its present form. Jaquays is unhappy about this and may get up on his ear about it. Houk is correct in his appraisal. A legitimate and deserving exploration proposal may be possible for this property. It may be difficult to deal with Jaquays, however. I would suggest that Denver be sure that the proposal entails predominately exploration before sunding the docket to Tucson. Such action would relieve us of some difficulties.

2. Jack L. Neal proposes exploration of his Chiricahua claims, These are unknown to us. As raw prospects they will not deserve an elaborate exploration proposal. As Neal is one of the difficult personalities of the district, again Denver would do us a favor by clamping down on any absurd proposals. An access road proposal complicated by dual ownership of properties may be a part of the application.

3. George Wright is dreaming up some kind of scheme for some properties near Young, Arizona. He is indefinite. Houk may have discouraged him by specifying the requirements for an application.

4. DMPA is purposing a stockpile buying depot and Government-sponsored custom mill as per its press-release of 8-28-52. As of last Friday DMPA's plans are very nebulous. Therefore, I would suggest that Denver not get involved in discussions at this time. This will be a hot subject with the asbestos operators at the Mining Congress meetings.

I hope that the above will give you ammunition if R. Q. Kyle, J. L. Neal, or Dennis Greene bother you this week.

A. F. Shride

Mr. R. T. King
Executive Officer, DMA
Field Desk, Region IV
Bureau of Mines
224 New Customhouse Building
Denver 2, Colorado

Subject: Access Rd. DMA-2165 - Asbestos
Natale Asbestos Corporation
Gila County, Arizona
Contract No. Idr-1273

Dear Mr. King:

JAN 28 1953

Reference is made to your memorandum of January 15, 1953, transmitting a copy of the letter from Jack Neal of Natale Asbestos Corporation complaining of poor service from the Tucson office, and the able rebuttal prepared by Lincoln Stewart of the Bureau of Mines.

The Washington office has every confidence in Mr. A. F. Shride of the Geological Survey and Lincoln Stewart of the Bureau of Mines, and feels that they are totally equipped from a standpoint of experience and education to carry on the work of the office. No thought should be given to replacing these men, but rather some thought should be given to relieving them from the other duties. Inasmuch as only Stewart and Shride are capable of making asbestos examinations, it is suggested that training of young engineers for this work be initiated. It is felt by this office that the work they perform is vitally essential for the successful carrying out of our program on asbestos. Our confidence in Stewart's and Shride's ability is such that examinations and reports by either may be accepted in lieu of joint geological and engineering reports by both.

Your letter to Neal should point out the scarcity of engineers with specific training and experience in evaluating asbestos prospects; that Shride and Stewart are the best in this field; and that the DMA program does not provide consulting service to the applicants but a program of assistance to explore and reasonably delineate unknown and undeveloped sources of asbestos. While Neal states that the Tucson field office is giving poor service, it is inferred that he is actually complaining of the field engineers refusal to recommend assistance for poor prospects.

While the processing of access road application No. 153 is not within the province of this administration, it is suggested that

the examination be made at the earliest possible date and the Operating Committee of DMEA be advised of the findings.

This application should be processed solely for an access road for production, inasmuch as no exploration application has been received.

Please give DMEA information the publicity you think it deserves.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

J. H. Hedges

Member, Bureau of Mines

A. R. Kinkel, Jr.

Member, Geological Survey

LCHouk:gal 1/27/59

Copy to: Admr. R. File
Docket File
Operating Committee (2)
Mr. Norton, G-232 GSA Bldg.
Dr. Bowles, 3516
Mr. Houk
Mr. Shride
Mr. Stewart

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

OCT 1 6 1952

Mr. W. H. King, Executive Officer
DMEA Field Team, Region IV
224 New Customhouse
Denver 2, Colorado

Re: Natate Asbestos Corporation
Docket No. DMEA-2005
(Asbestos)

Dear Mr. King:

This responds to your memorandum to the Administrator dated October 3, concerning the above-described contract.

With respect to your request for "... a Waiver of Owner's Consent to Lien to be attached to the contract ...", the Administrator's letter to you, dated September 30, on this subject stated that "No additional form or contract attachment is necessary in order to effect a waiver of an Owner's Consent to Lien." The requirement of an Owner's Consent to Lien is hereby waived with respect to the San Carlos Apache Tribal Council as being in the best interest of the United States.

Your memorandum also requests that the necessary steps be taken to have the trust agreement approved by the Secretary of the Interior. The basic lease recites that it was approved by the Area Director, in behalf of the Secretary of the Interior, pursuant to a delegation of authority from the Acting Secretary of the Interior. Therefore, a request for approval of the trust agreement should be submitted to the Area Director by the lessees.

If the application were in the name of the two lessees, Jack L. Neal and Charles Ross Neal, it could be promptly considered by this agency, and no further approval by the Bureau of Indian Affairs would be required of the trust agreement.

We have reviewed the copy of the contract transmitted with your memorandum and find it to be in satisfactory

legal form for execution, subject to the approval by the Bureau of Indian Affairs of the trust agreement.

Sincerely yours,

(signed) FRANK E. JOHNSON
Chairman, Operating Committee

Approved:

J. H. Hedges
Member, Bureau of Mines

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

HCRubin/em
10/13/52

Copy to: Mails and Files
Adm. R. File
C. O. Mittendorf
Op. Comm.
Mr. Hedges
Mr. Thayer
Mr. Houk
Mr. Hofflund
Mr. Rubin
chron.
pending

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

224 New Customhouse
Denver 2, Colorado

September 12, 1952

Memorandum

To: Administrator, Defense Minerals Exploration Administration

From: Field Team, Region IV

Subject: Final Report, DMA Docket 2005, (Asbestos) Metate Asbestos Corporation, Gila County, Arizona

The application for Government assistance in exploration work estimated to cost $3050.00, has been approved by us and a contract is being prepared.

Government participation will be 90 percent, or $2,745.00.

Four copies of the Final Report will be forwarded when the contract is processed.

Two copies of Form 3b are attached.

W. H. King

A. H. Koschmann

A. H. Koschmann

Enclosures

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
SEP 18 1952

no copies of Form 3b
rec'd in Nan. Metallic Div
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July 2, 1952

Hon. Ernest W. McFarland

United States Senate

My dear Senator McFarland:

Reference is made to your letter of June 26, 1952, requesting information on the following applications:

Bear Canyon Mining Company	DMEA-2550
Metate Asbestos Corporation	DMEA-2005
Apache Asbestos Mine	DMEA-2384
D. W. Jaquays Mining Co.	DMEA-2338

All of the above applications are being processed by the Denver Office of the Defense Minerals Exploration Administration, Region IV, under delegation of authority. On June 30th that office informed us regarding these application as follows:

Bear Canyon Mining Company, DMEA-2550 - Application for $25,000. A field Team examination will be made on this property as soon as possible.

Metate Asbestos Corporation, DMEA-2005 - Application for $150,760. The Denver staff and the applicant have been attempting to work out a mutually agreeable exploration assistance program.

Apache Asbestos Mine, DMEA-2384 - Application for $24,616.89. The applicant has exposed some good grade asbestos and requests report be held up until August 1 as he may decide to cancel loan application.

D. W. Jaquays Mining Company, DMEA-2338 - Application for $16,220. Final Field Team Report expected in Denver this week.

For further detail on these projects, it is suggested you contact the Denver Office of the Defense Minerals Exploration Administration, attention Mr. W. E. King, Bureau of Mines, 224 New Customhouse Building, Denver 2, Colorado.

Sincerely yours,

-S- T/V

Acting Administrator
Defense Minerals Exploration
Administration

LGHouk:gad:mp 7/1/52
cc: Adm. Reading File
Mr. Bowles, 3522
Mr. Norton, G-232, GSA Bldg.
Operating Committee
Field Team, Region IV
Docket File
Mr. Houk

C O P Y

BUR MINES DN 235 7-1-52

L. C. HOUK, DMEA

REURTELEPHONE - DMEA 2338 JAQUAYS ASBESTOS, FINAL REPORT EXPECTED THIS WEEK. DMEA 2384 APACHE ASBESTOS, APPLICANT HAS EXPOSED SOME GOOD GRADE ASBESTOS AND REQUESTS REPORT BE HELD UP UNTIL AUGUST 1 AS HE MAY DECIDE TO CANCEL LOAN APPLICATION. INFORMATION ON DMEA 2550 AND DMEA 2005 ARE AS GIVEN BY TELEPHONE.

W. H. KING

MIN PLS
END TWO MSGS PLS ACK FTM
ASSBSSS
MSG RECD OK PLV

C O P Y

AUG 30 1951

Mr. J. H. East, Jr., Executive Officer
DMA Field Team, Region IV
224 New Customhouse Bldg.
Denver 2, Colorado

Ref: DMA-2005, Asbestos
Metate Asbestos Corp.
Apache Mines

Dear Mr. East:

The work program proposed in subject application appears to be entirely outside of the scope of Exploration under MO-5, with the exception of the item under question 24, form MF-103, Diamond Drilling $12,000.

We suggest that you contact the applicant and request a revised proposal restricted to Exploration as defined in MO-5; such a reduction would no doubt reduce the amount of the application sufficiently to enable final processing by your office.

Sincerely yours,

SIGNED

Tom Lyon, Director
Supply Division

Enclosures

U. S. Bureau of Mines

U. S. Geological Survey

RWASKEY:mp
8-27-51
cc: Field Team, Region IV
Mr. Lyon
Mr. Barr
210
DMA Files

AUG 30 1951

Metate Asbestos Corporation
P. O. Box 1546
Globe, Arizona

Re: DMA-2005 - Asbestos
Apache Mines

Gentlemen:

A review of subject application by this office indicates that most of the work proposed, other than diamond drilling to the extent of an expenditure of $12,000, consists of production work which does not come within the scope of Exploration Projects under MO-5, and hence could not be allowed.

We are transferring your application to Mr. J. H. Ernst, Jr., Executive Officer, DMA Field Team, Region IV, 228 New Customhouse Building, Denver 2, Colorado, with the suggestion that a new proposal be requested from you restricted to work within the scope of MO-5. Mr. Ernst has authority to effect final processing of exploration applications up to a maximum amount of $25,000.00, without referral to Washington, D. C.

Sincerely yours,

SIGNED

James A. Carr, Jr., Chief
Industrial Minerals Branch

DMASKTYMP
8/29/51
cc: Field Team, Region IV (2)
210
Mr. Lyon
Mr. Carr
DMA Files

Matate Asbestos Corporation
P. O. Box 1506
Globe, Arizona

Re: DMA-2005 - Asbestos
Apache Mines

Gentlemen:

A review of subject application by this office indicates that most of the work proposed, other than diamond drilling to the extent of an expenditure of $12,000, consists of production work which does not come withing the scope of Exploration Projects under MO-5, and hence could not be allowed.

We are transferring your application to Mr. J. H. East, Jr., Executive Officer, DMA Field Team, Region IV, 224 New Customhouse Building, Denver 2, Colorado, with the suggestion that a new proposal be requested from you restricted to work within the scope of MO-5. Mr. East has authority to effect final processing of Exploration Applications up to a maximum amount of $25,000.00, without referral to Washington, D. C.

Sincerely yours,

James A. Barr, Sr., Chief
Industrial Minerals Branch

RWASKEY:mp
8/29/51
cc: Field Team, Region IV (2)
210
Mr. Lyon
Mr. Barr
DMA Files

Mr. J. H. East, Jr., Executive Officer
DMA Field Team, Region IV
224 New Customhouse Bldg.
Denver 2, Colorado

Re: DMA-2005, Asbestos
Metate Asbestos Corp.
Apache Mines

Dear Mr. East:

The work program proposed in subject application appears to be entirely outside of the scope of Exploration under MO-5, with the exception of the item under Question 24, form MF-103, Diamond Drilling $12,000.

We suggest that you contact the applicant and request a revised proposal restricted to Exploration as defined in MO-5; such a reduction would no doubt reduce the amount of the application sufficiently to enable final processing by your office.

Sincerely yours,

Tom Lyon, Director
Supply Division

Enclosures

U. S. Bureau of Mines

U. S. Geological Survey

RWASKEY:mp
8-27-51
cc: Field Team, Region IV
Mr. Lyon
Mr. Barr
210
DMA Files

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

OFFICE OF
REGIONAL DIRECTOR

REGION IV

224 NEW CUSTOMHOUSE
DENVER 2, COLORADO

August 21, 1951

Memorandum

To: Executive Secretary, Defense Minerals Administration

From: Executive Officer, DMA Field Team, Region IV

Subject: Form MF-103

Enclosed herewith is application for aid for an exploration project, form Mf-103, from Metate Asbestos Corporation, (Apache Mine), P. O. Box 1506, Globe, Arizona.

Please note that the applicant wishes to have the report by John Daniell on the Apache Mine returned when it has served its purpose.

This application is for the Apache Mine, which is a different deposit from the one which was recently reported on under DMA Docket 451.

J. H. East, Jr.

J. H. East, Jr.

Enclosure

ld

cc: DMA