DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Metate Asbestos Corporation, Inc.
P. O. Box 1596
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 MF-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

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR Minerals Management RECEIVED JUL 27 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of February 3 195 2005 Docket No. DMEA Contract No. Idm-E473
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: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts: Long hole	500.00	-	500.00			
Drilling						
Bulldozing						
Crosscutting		1,181.25	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	500.00	1,181.25	1,681.25	500.00	1,181.25	1,681.25

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

Date March 12 53 *Payee Jack L. Frail

Per 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. Idn-E 473 in accordance with the terms of the contract.

Signature Lincoln A Stewart WJH Title Mining Engineer Date Feb 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-E473

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	feet	-	-	1,181.25	52½	22.50	100	22.50
Crosscutting								
Raising	foot	-	-				20	15.00
Shafts								
Winzes								
Drilling ~~xxxx~~ 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 ~~xx~~ 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

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:cwm
cc: Contract; Secretary to the Oper. Comm. (2)
WRStorms; 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-E473, 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. H. 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

DEPARTMENT OF THE INTERIOR
Bureau Mines Administration
RECEIVED
JUL 27 1953

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

METATE ASBESTOS MINES COMPANY

Producers of

WORLD'S FINEST CRUDES AND SPINNING FIBRE

NARRATIVE REPORT.

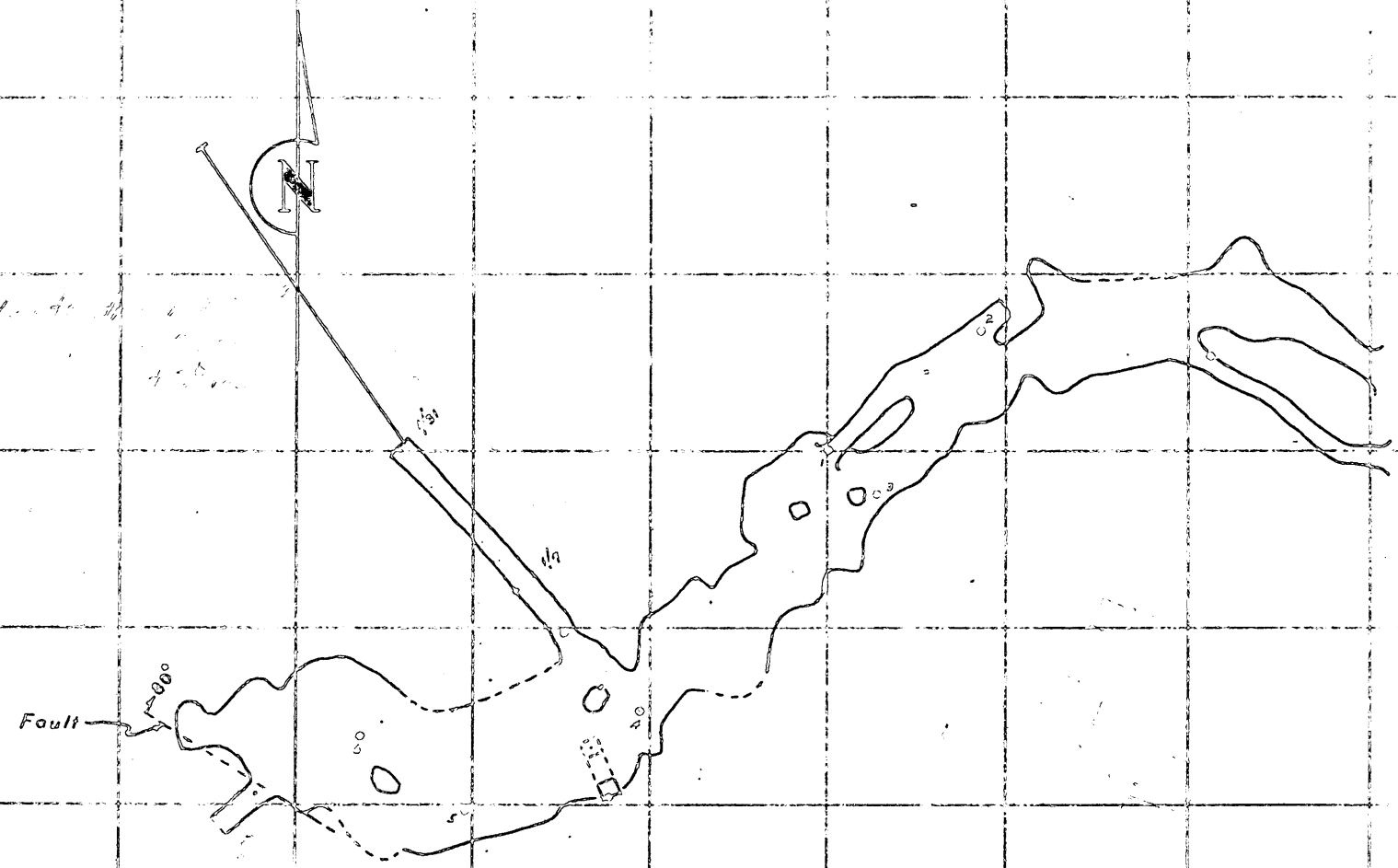
The Metate Asbestos Corporation drifted 82½ feet northerly in Peabody. At the end of that footage it was decided to do our long hole drilling 100 feet horizonally to check for line belt. We encountered nothing but diabase. As a result of this our company has decided to terminate the contract.

Yours very truly

METATE ASBESTOS CORPORATION

By Chas. Robt. Neal

Pres.



SCALE 1" = 50'

FEBRUARY 1953

DMA 2005

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

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

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

U. S. BUREAU OF MINES
MINERALS DIVISION
FEB 13 1953
PHOENIX, ARIZONA

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

Month of January, 1953 Docket No. DMEA [illegible] Contract No. [illegible]-[illegible]173
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) Independent Contractors: Short Form						
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 3/2/53 *Payee Metate Asbestos Corp.

Per Chas R Mead 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 [illegible]
(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. Idaho-E 473 in accordance with the terms of the contract.

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

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: LAB.

Signature W. H. King 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. DMA-5473
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	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 Mlaf Title Pres.

REMARKS: Tunnel has been driven in igneous 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

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

224 New Customhouse
Denver 2, Colorado

March 5, 1953

Memorandum

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-2473, 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.

We don't enforce so strictly so we.

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
234 New Customs House Building
Denver Colorado

Attention. W. E. King

Dear Mr. King,

On February 9, 1953. Mr. Lincoln Stewart and Andy Shride of the Tucson office visted our Apache mine and inspected the cross cut tunnell we are driving under MMA 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 feet 6 inches measured by Stewart 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.

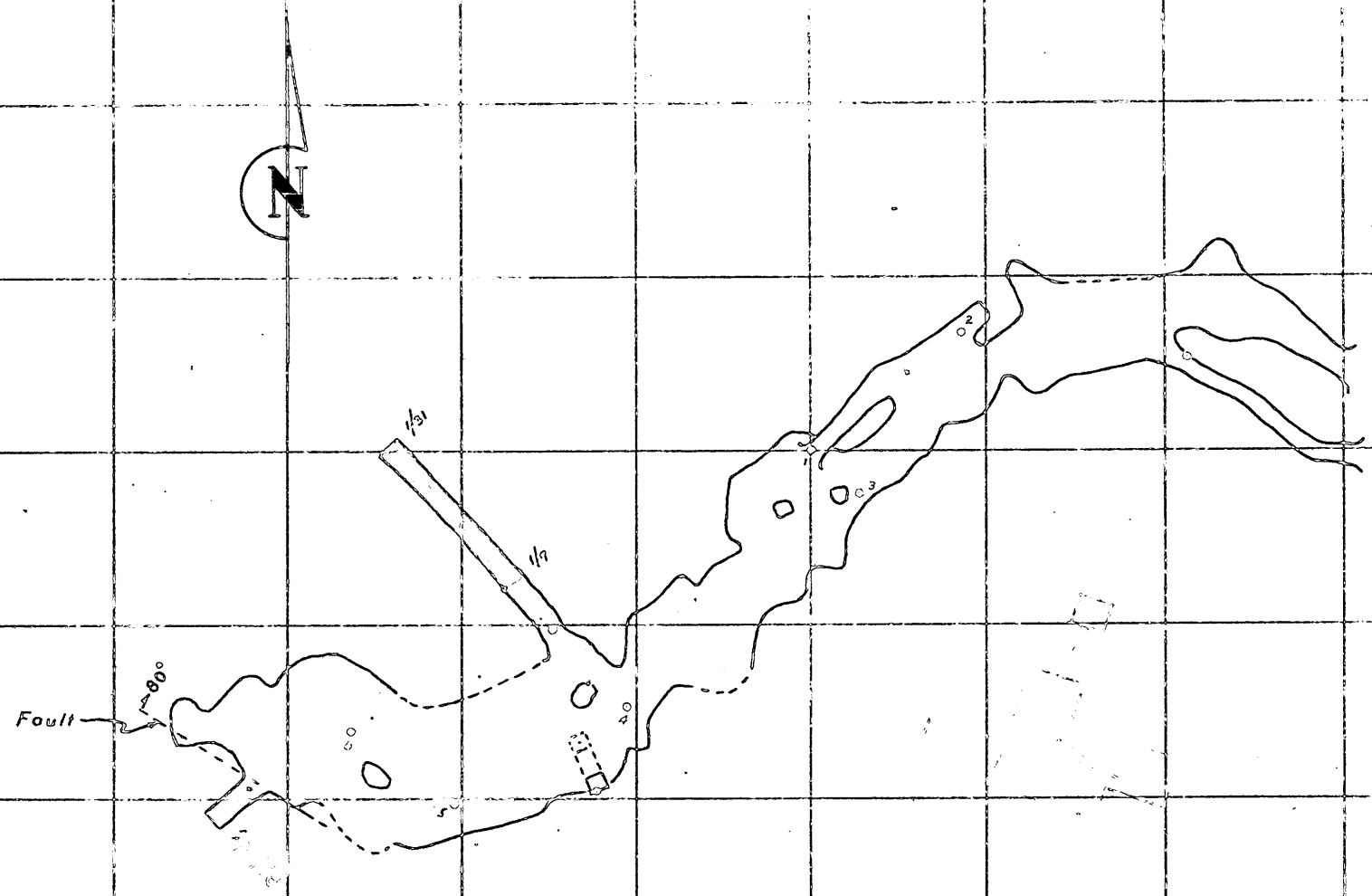
Enclosed is the papers for the 52½ feet of drifting we would like to get the money on this as soon as possible as we need it very bad.

Very truly yours,

Jack L. Neal

Jack L. Neal Supt.

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



SCALE 1" = 50'

DMA 2005

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

C
O
P
Y

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

August 3, 1953

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

Re: Docket No. DMEA-2005 - Asbestos
Apache Mine
Gila County, Arizona
Contract No. Idm-E473

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 $3,050.00 approved under the contract, the sum of $1,681.25 was expended, 90 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,

/s/ 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

GOVERNMENT 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 Meal (Pres)

Seal

UNITED STATES OF AMERICA

By W. H. King

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

Doc[illegible] No. [illegible]

Commodity [illegible]

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please enter on the records of the Defense Minerals Exploration Administration, under the Strategic and Critical Minerals Exploration Program, the following contract, or amendment to contract.

Contract No. Idm-E [illegible]

Date of Contract or Amendment: [illegible]

Name and Address of Operator:

[illegible]

Amount of Government participation ____ $ [illegible]

Percent of Government participation [illegible] %

Region: [illegible] State: [illegible]

[illegible]

(Name)

[illegible]

(Title)

Date Delivered to Bureau of Mines, Washington. [illegible]

13908

Docket No. ~~[illegible] 2305~~

Commodity ~~Asbestos~~

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

TO: Chief, Finance Section, Budget and Finance Branch, Bureau of Mines

Please enter on the records of the Defense Minerals Exploration Administration, under the Strategic and Critical Minerals Exploration Program, the following contract, or amendment to contract.

Contract No. Idm-E 179

Date of Contract ~~or Amendment~~: January 7, 1953

Name and Address of Operator:
Globe Asbestos Corporation, an Arizona Corpl
P. O. Box 1506
Globe, Arizona

Amount of Government participation $ 2,745.00

Percent of Government participation 90 %

Region: IV State: Arizona

(Name)
J. L. Chambers,
Chief, Contract Administration and Audit Division

(Title)

Date Delivered to Bureau of Mines, Washington. Jan. 7, 1953 13908

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED

DOCKET NO. DMEA 2005

MF-200 (A)
(February 1952)

JAN 12 1953

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 the owner, in possession and entitled to possession and that the property is subject only to the following claims, liens, or encumbrances as to each of which the subordination agreement of the holder is attached:~~

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

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

ARTICLE 3. *Exploration project.*—The Operator, within 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 DMEA 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 DMEA 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

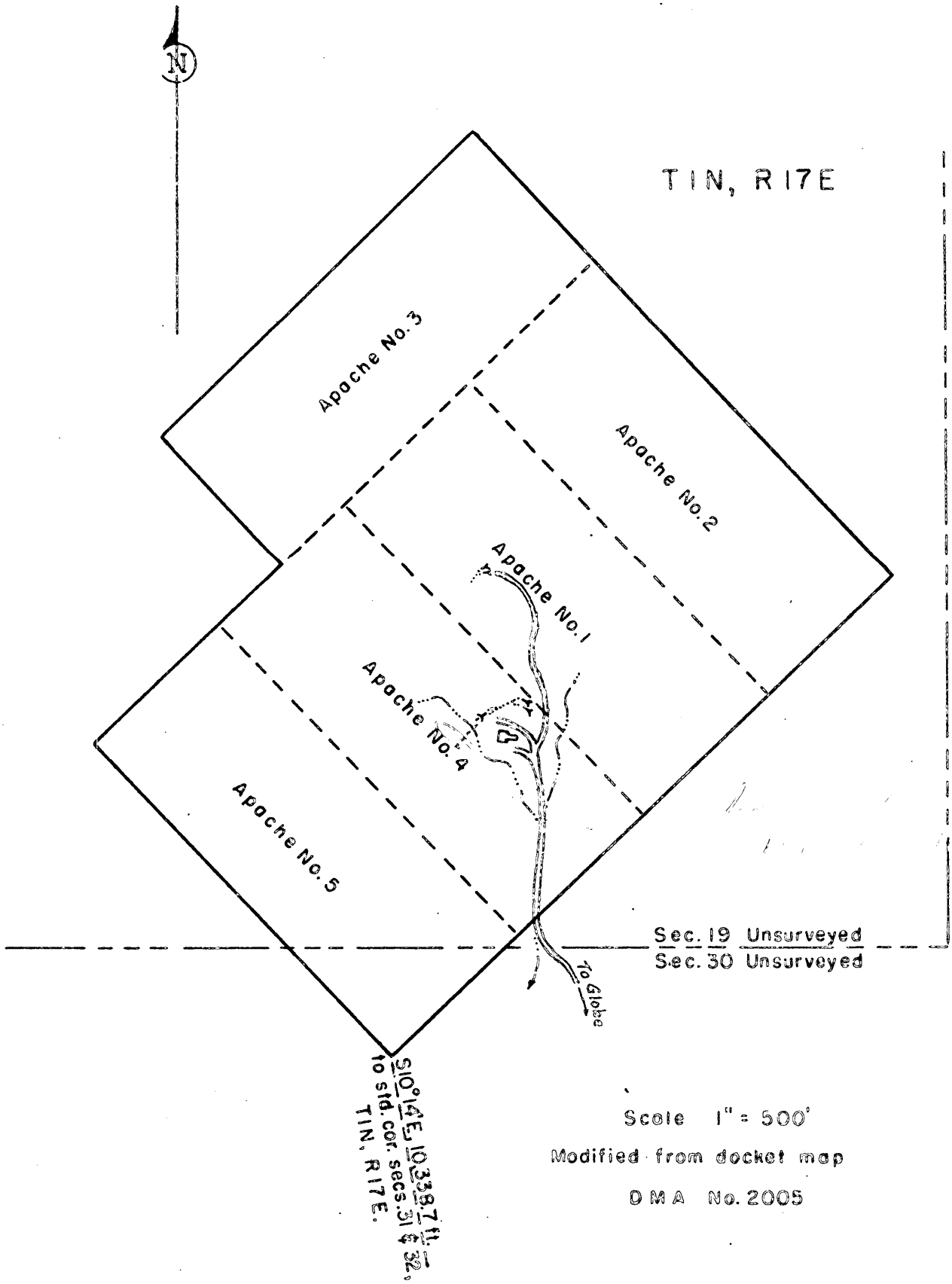
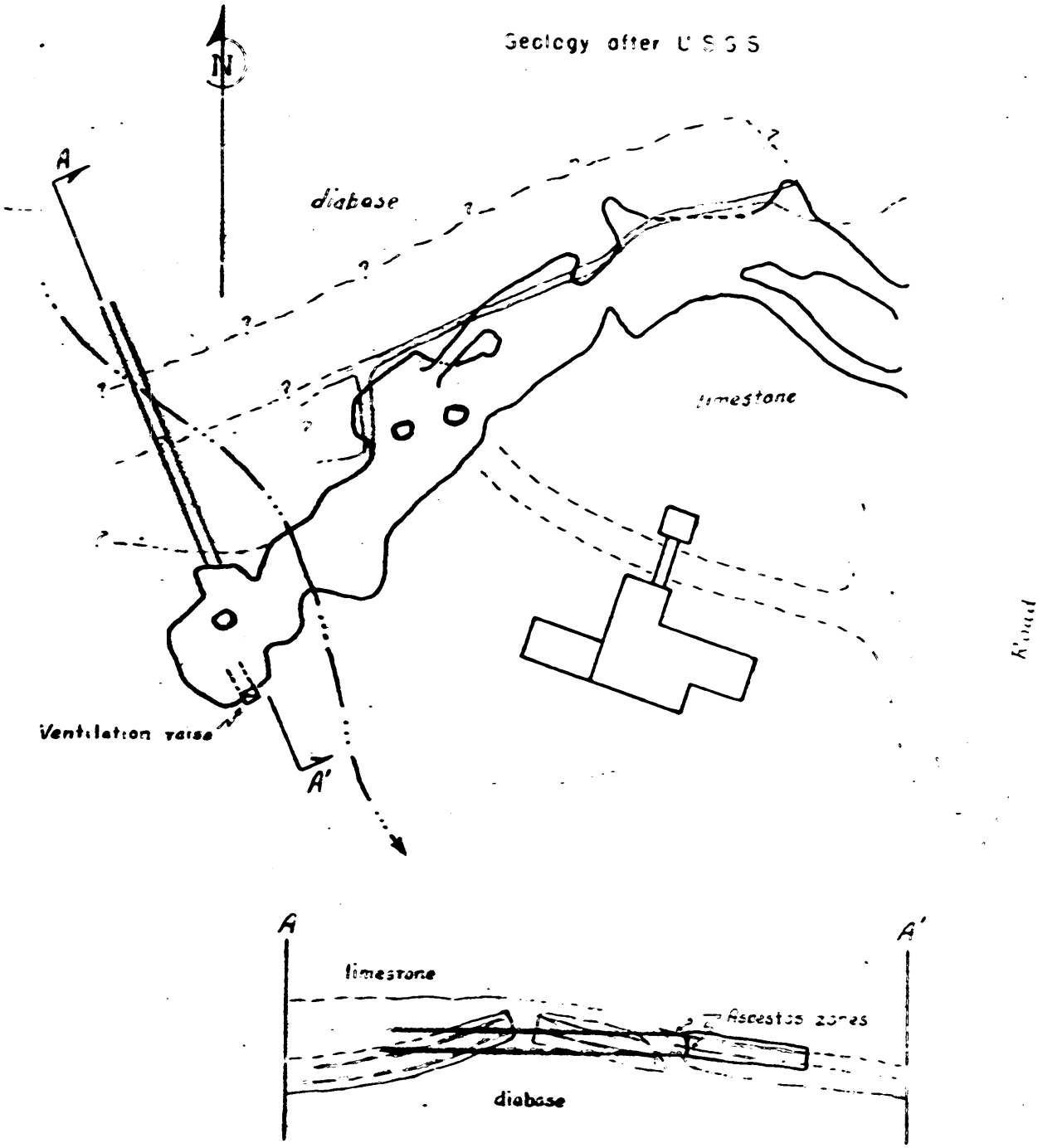


Fig. 2 Claim map - Metate Asbestos Corp. Gila County, Ariz.



Section A - A'.

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

Scale 1" = 50'

Proposed drift

DMA 2005

Mine as of 6/23/52

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