NOTE: Use a separate form for each request.

DESCRIPTION OF RECORD(S) OR INFORMATION REQUESTED

DMEA 1213

REMARKS

TT NNA 2466

NATURE OF SERVICE

☐ FURNISH COPY OF RECORD(S) ONLY ☐ PERMANENT WITHDRAWAL ☐ LOAN OF RECORD(S) ☐ OTHER *(Specify)*

RECORD GROUP NO.	ACCESSION NO.	FRC BOX NO. OR RECORDS CENTER LOCATION NO. *(if known)*
	64A709	9T 14/52:15-37

TO ➡ General Services Administration
Federal Records Center NARS

(City) *(State)* *(ZIP Code)*

NOTE: In Washington, D.C. area send to STOP 386

FOR RECORDS CENTER USE ONLY

☐ RECORDS NOT IN CENTER CUSTODY ☐ RECORDS DESTROYED

☐ WRONG BOX NUMBER–PLEASE RECHECK

☐ ADDITIONAL INFORMATION REQUIRED TO IDENTIFY RECORDS REQUESTED

☒ MISSING *(Neither record(s), information nor charge card found in container(s) specified)*

☐ RECORDS PREVIOUSLY CHARGED

OUT TO *(Name, agency and date)*

Special

REMARKS

Will pick up tomorrow afternoon at 3:30. Please Call Before 2:00

DATE	SERVICE	TIME REQUIRED	SEARCHER INITIALS
5-14-94	1	1	

FOR USE OF REQUESTER

NAME OF REQUESTER: Mrs Wiegand

TELEPHONE NO.: 703 860 6681

DATE: 5-14-94

NAME AND ADDRESS OF AGENCY *(Include building, room no. and Zip Code)*: Geological Survey 12201 Nat'l Ctr. Stop 953 Sunrise Valley Dr. Reston Va. 22092

(In Washington, D.C. area also include STOP number)

RECEIPT OF RECORDS

Requester please sign, date and return this form, for the item(s) listed above, ONLY if the block to right has been checked by the Records Center. ☐

SIGNATURE	DATE

OPTIONAL FORM 11
REVISED FEBRUARY 1971
GENERAL SERVICES ADMINISTRATION
FPMR (41CFR) 101 - 11.4
5011 - 104

REFERENCE REQUEST – FEDERAL RECORDS CENTERS

AGENCY SUSPENSE FILE COPY

X

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE

Terminated (or cancelled) without certification. DMEA No. 1213

This is the official contract file containing all official records of the project. Duplicate material has been removed. The records contained in the files are checked and are arranged in this manner:

Left Side

✓ Certificate of Audit (Final).

Interim Audit(s).

Report of Review.

✓ Termination Notice or Agreement.

Recision Notice.

Assignment of Contract.

✓ Contract Amendments (latest on top).

✓ Contract with all exhibits and annexes.

Owner's Consent to Lien.

Subordination Agreement.

✓ Leases and assignments of leases.

✓ Application and attachments.

Schedule of Collections.

✓ Operator's monthly reports and all attachments (latest on top).

Right Side

✓ Project summary.

✓ Work completed analysis.

✓ All other material is filed in chronological order with correspondence including the following reports as checked:

Final Field Team Report. (Tab)

Operator's Final Report.

Interim Reports.

On-site Exam Report(s). (Tab)

Settlement Sheets.

If additional folders are required because of volume of records, show folder numbers and contents below:

Maps in folder number_____

Operator's Monthly Reports in folder number _____

_____
Reviewer's Initials

74

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

AUDIT CERTIFICATE

I have examined the records and transactions of:

The Philip Carey Company

Lockland, Cincinnati 15

Ohio

pertaining to Exploration Project Contract No. E-40 and Amendment 1, Docket No. 1213 X, for the period of July 15, 1951, through March 31, 1952.

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

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

Total Cost as Billed by Contractor	$18,227.50
Exceptions	None
Total Accepted Cost	$18,227.50

The contract calls for a 90 percent participation of exploration expenses by the United States Government. Therefore, payment to the Contractor by the Government in the amount of Sixteen Thousand Four Hundred Four and 75/100 Dollars

$16,404.75

is valid and proper.

This certificate is issued on the provision that the Regional Executive Officer, the Administrator, or other competent official has accepted or will accept the project as having otherwise met the terms of the contract.

July 16, 1952

Robert M. Hull
Auditor

I INTRODUCTION

An audit was made on June 3 and 4, 1952 of Defense Minerals Exploration Contract No. E-40 and Amendment 1, DMEA Docket No. 1213 X, the Philip Carey Manufacturing Company. The records pertaining to this contract are in the offices of the Philip Carey Manufacturing Company at Lockland, Cincinnati 15, Ohio. The audit covered the period of July 15, 1951, through March 31, 1952.

The Secretary of the Philip Carey Manufacturing Company, E. J. Fasold, and the Chief Accountant, B. H. Wuennemann, were present and were consulted as the occasion demanded.

II EXTENT AND SCOPE OF AUDIT

A comparison of the claims presented on Forms MF-104 was made with the provisions of the contract as outlined in the Engineer's statement of estimates, and with the supporting documents consisting of purchase orders, salary receipts, etc., presented by the Operator as proof of the project cost. The detailed statements of expenditures by months from July 1951 through February 1952 were examined carefully, as well as the supporting data. The work sheets submitted by the Project Manager in support of the Monthly Progress Report were reconciled with the Company records.

III FINDINGS

The records maintained by the Philip Carey Manufacturing Company pertaining to Defense Minerals Exploration Contract No. E-40 were in very good condition and adequate. It was possible to trace and support, with detailed receipts, all of the charges submitted. The various amount

claimed were set forth on detailed expense statements and the supporting data attached thereto.

The records covering the project are maintained separately from the Company's other files.

A letter from the Field Team, Region III dated December 13, 1951, raised the question as to whether the performance and costs of the project were in accordance with the contract.

"The October report states 'reconnaissance of the Gooding property in Trinity County was completed during the first two weeks of October, and a map and report are in preparation. A decision regarding further work on the property is pending.' We have no record of the location of the Gooding property, but are reasonably certain it is not one of the properties listed in Appendix I of the exploration project contract. We are of the opinion that reference is to the company's other exploration project contract Idm-E52. If so, we question why work done on the Gooding property should be charged to the contract Idm-E40."

Upon further correspondance with the Executive Officer, DMEA Field Team, Region III this point was satisfactorily cleared up as follows:

"* * * The name of the property discussed therein should have been referred to as the 'Codding' property rather than the 'Gooding' property, as Mr. Bruce L. Codding is one of the owners of the land leased to the Philip Carey Company on April 25, 1951. The statement - 'We are of the opinion that reference is to the company's other exploration project contract Idm-E52' - is correct and work done on the Codding property should not be charged to Contract Idm-E40. Despite the apparent confusion that has resulted from the error which occured in the above mentioned paragraph, no work done on the Codding property was charged to Contract Idm-E40."

"* * * definitely all costs claimed under Contract Idm-E40 were for work actually performed on the property described in and covered by that contract."

IV RECOMMENDATIONS

As a result of this audit, no exceptions are taken. The costs are proper and are within the terms of the contract. The audit certificate prefacing this report reflects the total amount of the costs properly chargeable to this project.

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

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

April 9, 1952

Mr. Robert S. King
Chairman of the Board
Philip Carey Manufacturing Co.
Lockland
Cincinnati 15, Ohio

Re: Exploration Project
Contract Idm-240

Dear Mr. King:

Referring to your Exploration Project Contract dated June 29, 1951, Docket No. DMA-1213X, you are hereby notified that effective April 22, 1952, said contract is hereby terminated because in the opinion of the Government, operations up to the time of this notice have not indicated the probability of making any worthwhile discovery, and in the opinion of the Government further operations are not justified. The Government will not participate in any costs of operations under the contract not incurred as of the date fixed for termination.

Sincerely yours,

H. C. Miller
Executive Officer
DMEA Field Team, Region III

GOVERNMENT COPY

Docket Copy

AMENDMENT NO. 1

Docket No. DMA-1213 Mineral Asbestos ~~Tungsten~~

Exploration Project Contract Idm-E 40

Date of Contract June 29, 1951

Date of Amendment Oct. 10, 1951

Operator Philip Carey Manufacturing Co.

JUSTIFICATION

Amendment cancelled. See memorandum dated December 6, 1951, from Executive Officer, DMEA Field Team, Region III, to C.O.Mittendorf, Administrator, DMEA, Washington, D. C., Subject: Docket DMA-1213, Exploration Project Contract Idm-E40, Philip Carey Manufacturing Company. Mr. Robert S. King, Chairman of the Board, Philip Carey Manufacturing Company, was notified by me by air mail letter, dated October 23, 1951, that amendment prepared in this office and dated October 10, 1951, was not acceptable to the General Counsel of the DMA. Carbon of that letter was sent to C. O. Mittendorf.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
JUL 14 1952

H. C. Miller, Executive Officer
DMEA Field Team, Region III

SDS 7-22-52

SD

AMENDMENT NO. 1

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Exploration Project Contract Idm-E40

Docket DMA-1213X Philip Carey Manufacturing Co.

"Exploration Project Contract Idm-E40, dated June 29, 1951, between the United States of America and Philip Carey Manufacturing Company, is hereby amended as follows:

"1. The schedule in Exhibit 'A' attached to the contract form is amended to provide for the following:

a.	Per diem expenses of geologist	$ 794.76
b.	Transportation, geologist and laborer between Nevada City, California, and property	662.90
c.	General miscellaneous expenses, office, office supplies, map printing, public stenographer, etc.	231.54
d.	600 ft. water pipe to drill sites at $0.51 per ft.	304.29
e.	792 ft. roads between drill sites at $1.01 per ft.	797.00
f.	3160 ft. core boxes at 9.63 cents per lineal ft. of core	305.38
g.	Operating expense of Jeep	79.44
h.	Explosives	38.00
i.	Equipment rental	42.87
	Total	$3,256.18

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

Dated April 10, 1952.

UNITED STATES OF AMERICA

By N. Miller
Executive Officer - DMEA

PHILIP CAREY MANUFACTURING CO.

By R. S. Thing

See correspondence in Docket File for justification.

AMENDMENT

Contract Docket No. DMA-1213, dated June 29, 1951, between the United States of America and the Philip Carey Manufacturing Co. is hereby amended as follows:

1. In the next to last line of article 11 delete the figure "71,550.00" and substitute "57,330.00."

2. In the last line of article 11 delete the figure 79,500.00 and substitute "63,700.00."

3. Delete exhibits "A", "B", "C", "D" and "E" attached to the contract and substitute the revised exhibits attached hereto.

Dated_____ _____, 195__

UNITED STATES OF AMERICA

By_____
Executive Officer - DMA

Philip Carey Manufacturing Co.

By_____
President.

AMENDMENT NO. 1

It is agreed this ____ day of _____, 195__, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration and The Philip Carey Manufacturing Company, Lockland, Cincinnati 15, Ohio

each acting in consideration of the agreement of the other to the terms hereinafter set forth, that the Exploration Project Contract Idm-E40 of June 29, 1951, between the parties hereto be modified and amended as described in Exhibit "A", attached hereto, which, with any maps or drawings attached thereto, is made a part of this agreement. The effective date of this amendment shall be _____.

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

Executed in sextuplicate the day and year first above written.

The Philip Carey Manufacturing Co.
(Operator)

By _____
President

The United States of America

By _____
Acting Administrator
Defense Minerals Exploration Administration

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 7 1952

MF-200
(April 1951)

Docket No. DMA 1213
Commodity Asbestos

~~I-DMA-E40~~
J-DMA

Index Stern
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Card
Reviewed NC
8/30/51

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

EXPLORATION PROJECT CONTRACT [1]

It is agreed this 29th day of June, 1951, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the "Government," and [2]

Philip Carey Manufacturing Co.
Lockland
Cincinnati 15, Ohio

hereinafter called the "Operator," as follows:

1. *Authority for contract.* This agreement is entered into under the authority of the Defense Production Act of 1950, pursuant to Mineral Order 5, entitled "Regulations Governing Government Aid in Defense Exploration Projects."

2. *Operator's property rights.* The exploration project shall be conducted on that certain property situated in the State of California, County of Nevada described as follows: [3]

(See Appendix I)

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

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

~~(See Appendix II)~~

(*b*) That he is a lessee, in possession and entitled to possession, and the subordination agreement of the lessor is attached.

3. *Exploration project.* The Operator, within 30 days from the date of this contract shall commence work on a project of exploration for [5] Asbestos; shall prosecute the work efficiently, expertly, in a workmanlike manner, in accordance with good mining standards, with suitable and adequate equipment, materials, and labor, all properly designed to bring the project to completion within a period of [6] 2 years from the date of this contract. The exploration project and the work to be performed are more fully described on Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, is made a part of this contract.

4. *Performance of the work.* The work shall be performed by the Operator, under his sole direction and control: *Provided,* That with the consent of the Government and its written approval of the contract or contracts, all or any part of the work may be performed by the Operator through contract or contracts with independent contractors. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

5. *Fixtures and improvements.* The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof. Attached hereto, marked "Exhibit 'B'," is a detailed list of additional facilities, buildings, and fixtures, to be purchased, installed, or erected by the Operator, with the estimated cost of each, to which the Government will contribute its agreed pro-rata share of the cost. The difference between the cost of such additional facilities, buildings, or fixtures, and the salvage value thereof at the conclusion of the work, shall be charged as a cost of the project to which the Government has contributed its pro-rata share.

6. *Operating equipment.* Attached hereto, marked "Exhibit 'C'," is a detailed list of operating equipment divided into categories of items to be rented, purchased, or furnished by the Operator, with the allowable rental, purchase price, or rental value, as the case may be, annexed to each. As to equipment purchased for the project, the Government will contribute its agreed pro-rata share of the cost thereof, and the difference between the cost and the salvage value at the conclusion of the work shall be charged as a cost of the project to which the Government has contributed its pro-rata share.

JUL 26 1951
RECEIVED 8
C.A.O.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] State name, address, and nature of organization if any.
[3] Give legal description or enough to identify the property.
[4] Strike out the provision not applicable.
[5] Name of mineral.
[6] Not in excess of 2 years.

Appendix I and Appendix II are attached hereto as part of this contract

16—64066-1

7. *Title to and disposition of property.* All facilities, buildings, fixtures, equipment or other items costing more than $50 each, paid for or purchased with funds contributed jointly by the Operator and the Government, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the termination of the contract, if they have any salvage value, shall be disposed of for their joint account unless the Government, in writing, waives its interest in any such items. The Government may require the dismantling, severance from land, and removal of any such items in order to realize its interest in the salvage value thereof, and the cost of any such removal and of the disposal of the items shall be for the joint account of the parties in proportion to their respective interests.

8. *Labor and supervision.* Attached hereto, marked "Exhibit 'D'," is an itemized schedule of labor, by numbers and classes (miners, muckers, millmen, etc.), and of supervisors, by numbers and positions, with the maximum wages or salaries that may be paid to each as an allowable cost of the project.

9. *Rehabilitation and repairs.* Attached hereto, marked "Exhibit 'E'," is a detailed schedule of existing facilities, buildings, installations, and fixtures, with a statement of the cost of any necessary rehabilitation or repairs to put into useful and operable condition, which cost shall be allowed as a cost of the project.

10. *Allowable costs of the project.* The allowable costs of the project in which the Government will participate are limited to the necessary, reasonable, direct costs of performing the exploration work, including the costs of materials, supplies, engineering, power, water, and utilities, including items of equipment costing less than $50 each; and the costs referred to in Articles 5, 6, 8, and 9, and the exhibits annexed to and referred to in the contract. Although the Government may pay part of the cost of new or additional facilities, structures, buildings, and equipment, only the depreciation on such items, computed as indicated in Articles 5 and 6, will be charged as a cost of the project. No items of general overhead, corporate management, interest, or any other indirect costs not expressly allowed by these regulations, or work performed or costs incurred before the date of this contract, shall be allowed as costs of the project in which the Government will participate.

11. *Participation by the Government.* At the end of the first full calendar month after the Operator has commenced work under the project, and at the end of each succeeding calendar month, the Operator shall submit to the Government a voucher for payment with a detailed statement of work done and allowable costs (as defined in Article 10 of this agreement) incurred, in a form and with supporting data acceptable to the Government. After approving the voucher, the Government shall pay to the Operator ---90--- percent of the sum of such costs incurred; *Provided,* That the aggregate total of all sums paid by the Government under this agreement shall not exceed $ 71,550.00, which is ---90--- percent of the agreed estimated total cost of this project, $ 79,500.00.

12. *Accounts and audits.* The Operator shall keep suitable records and accounts of operations, which the Government may inspect and audit at any time. The Government may at any time require an audit of the Operator's records and accounts by a certified public accountant, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract.

13. *Progress reports.* The Operator shall provide the Government with monthly reports of progress in form and content satisfactory to the Government, and upon the completion of the project or termination of the contract shall provide the Government with a comprehensive geologic and engineering report, including an estimate of ore reserves, to the best of his ability. Four copies of all reports shall be furnished to the Government.

14. *Repayment by Operator.* If, upon the completion of the exploration project or termination of the contract, the Government considers that a discovery or development has resulted from the work from which commercial production of ore may be made, the Government, within 6 months thereafter shall so certify to the Operator, particularly describing and delimiting its estimate of the discovery or the development. Thereafter, if and as ore is produced as a result of such discovery or development, the Operator and his successor in interest shall be and become obligated to pay to the Government a percentage royalty on the net smelter returns or other net proceeds realized from such ore, concentrates, or metal produced within ten (10) years from the date of this contract, until the total amount contributed by the Government, without interest, is fully repaid or said 10 years have elapsed, whichever occurs first, as follows:

Of net smelter returns or other net proceeds not in excess of eight dollars ($8.00) per ton of ore: One and one-half (1½) percent.

Of net smelter returns or other net proceeds in excess of eight dollars ($8.00) per ton of ore: One and one-half (1½) percent, plus one-half (½) percent additional for each full fifty cents ($0.50) in excess of eight dollars ($8.00) per ton of ore, but not in excess of a maximum of five (5) percent.

This obligation to repay from net returns or proceeds shall be and remain a claim and lien upon the property which is the subject of the exploration project and upon any production resulting from such discovery or development, in favor of the Government, until fully paid, or until said 10-year period has elapsed; and this claim and lien and the Government's right to repayment shall survive any termination of the contract, whether by completion of the exploration project or otherwise. This article is not to be construed as imposing any obligation on the Operator or his successor in interest to produce ore from any such discovery or development.

15. *No assignment of contract.* Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder.

16. *Termination and completion.* The Government may, at any time, by written notice to the Operator, terminate this contract: (*a*) If the Operator fails to provide his share of the money necessary to prosecute operations pursuant to the terms of the contract; (*b*) if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract; or (*c*) if in the opinion of the Government, operations up to the time of the notice have not indicated the probability of making any worthwhile discovery and in the opinion of the Government further operations are not justified. Upon the completion of the project or any termination of the contract the Operator shall render to the Government a full and final accounting of his operations under the contract and his expenditures of money; shall dispose of any unused materials, supplies, and equipment for the joint account of the Operator and the Government in the proportion of their respective interests; and shall pay to the Government its pro-rata share of any money remaining.

Executed in triplicate the day and year first above written.

The Philip Carey Mfg. Co. Inc.
(Operator)

By Vincent P. O'Reilly

THE UNITED STATES OF AMERICA

By Geo. R. Fox

Administrator
Defense Minerals Administration

U. S. GOVERNMENT PRINTING OFFICE 16—64066-1

THE PHILIP CAREY MFG. CO.

Exploration Project Contract

APPENDIX I

1. The Victory Mining Claim, notice of the location of which was recorded December 17, 1943, in Book 33 of Mining Claims, Page 322, in the Office of the Recorder of Nevada County.

2. Cotton King Mining Claim, notice of the location of which was recorded December 17, 1943, in Book 33 of Mining Claims, Page 323, in the Office of said Recorder.

3. Amended Asbestos and Gold Mining Claim, notice of the location of which was recorded December 20, 1943, in Book 33 of Mining Claims, Page 234, in the Office of the Recorder of Nevada County.

4. Lent Asbestos and Gold Mining Claim, notice of the location of which was recorded June 15, 1917, in Book 27 of Mining Claims, Page 84, in the Office of the Recorder of said County.

5. The Asbestos Mill Site, notice of the location of which was recorded September 6, 1921, in Book 28 of Mining Claims, Page 73, in the Office of said Recorder.

6. The following described real estate; namely:

   Northeast Quarter of Northeast Quarter (NE1/4 of NE1/4) of Section Eleven (11), Township Seventeen (17) North, Range Ten (10) East, Mount Diablo Base and Meridian, containing Forty and 00/100 (40). Acres, more or less, together with all rights, privileges and appurtenances thereunto belonging or in any wise appertaining, conveyed to the Owner by Southern Pacific Land Company by deed dated February 2, 1944, recorded in Book 86 of the Official records, Page 415, in the Office of said Recorder.

Exploration Project Contract

Landlord's Subordination Agreement

APPENDIX II

WHEREAS, the subordination agreement of the lessor, required by paragraph numbered 2(b) of the annexed contract, has not been obtained; and

WHEREAS, the United States of America has agreed to waive requirement of the lessor's subordination agreement.

NOW THEREFORE, in consideration of said exploration project contract and of the foregoing, the Operator hereby undertakes and agrees to pay all sums that may fall due and owing to the United States of America under the terms of said contract in the same manner and to the same extent as if the subordination agreement of the lessor had been given. If for any reason the net returns from operations that would be subject under said contract to such payments to the Government are not available as a means of measuring the amount of such payments, then the Operator agrees and undertakes to make such payments according to the best estimates of the amounts that can reasonably be made, and in the event of dispute as to such estimates, the Operator agrees that the determination thereof be either the Administrator of Defense Minerals Administration or by the Director of the United States Bureau of Mines shall be final and binding upon the Operator.

EXHIBIT "A"

Work will consist of:

1. Topographical and geological mapping of the properties. Time approximately - 10 months.

2. Surface magnetometer survey concurrently with (1) above. Magnetometer and surveying instruments will be furnished by applicant without charge.

3. Surface trenching and sampling. It is proposed to excavate trenches across serpentine masses where asbestos is thought to occur, for sampling. Trenches will be about 4' X 4' cross-section in the bedrock beneath overburden. A total of about 200' linear feet of trenching is proposed. Time for completion - 10 months.

4. Approximately 10,000 feet of diamond drilling; shallow holes (50' - 200') in cross-cuts to outline asbestos bodies. Exact location of drilling will depend on magnometer and trenching results. Up to 5000' of drilling to be done in 1951, balance in 1952, if 1951 results are favorable.

All work will be supervised by a competent geologist who will be responsible for geology, mapping, geophysical work, etc. It is contemplated that additional and part time supervision will be given to the work by an official of the applicant corporation without charge to the project.

10,000 core drilling (contract)	@	$ 4.00 ft.	$40,000.00
200' trenching (contract)	@	3.50 ft.	7,000.00
Geologist - 10 months	@	500.00	5,000.00
Transitman - 10 months	@	400.00	4,000.00
2 Rodmen - 10 months	@	300.00 (ea)	6,000.00
Axman - 10 months	@	250.00	2,500.00
Cook - 10 months	@	250.00	2,500.00
Camp Tender - 10 months	@	200.00	2,000.00
Frame tent construction			1,000.00
Core and tool house construction			500.00
Purchase of Jeep			1,500.00
Camp and mess equipment			500.00
Food supplies - $600 per month - 10 months			6,000.00
Core testing, laboratory work, sample milling			1,000.00
	Total		$79,500.00

NOTE: Requirements set out above vary somewhat from those originally stipulated in application. Changes were agreed to in conference with Mr. King and Mr. O'Reilly, applicant's representatives.

EXHIBIT "B"

Fixtures and Improvements:

Frame Tent Camp and mess	$1,000.00
Core and Tool House	500.00
Total	$1,500.00

EXHIBIT "C"

Operating Equipment:

Jeep (purchase)	$1,500.00
Camp and mess equipment	500.00
Total	$2,000.00

EXHIBIT "D"

Labor and Supervision:

1 Geologist	- 10 months	@ $500	$ 5,000.00
1 Transitman	- 10 months	@ 400	4,000.00
2 Rodmen	- 10 months	@ 300 (ea)	6,000.00
1 Axman	- 10 months	@ 250	2,500.00
1 Cook	- 10 months	@ 250	2,500.00
1 Camp Tender	- 10 months	@ 200	2,000.00
Total			$22,000.00

EXHIBIT "E"

Rehabilitation and Repairs:

The cost of rehabilitation and repairs of any existing facilities, buildings, installation, and fixtures necessary to put into useful and

operable condition shall not be changed as a cost of the project.

Form MF-103
(April 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.
Approval expires 6-30-51.

APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5, UNDER DEFENSE PRODUCTION ACT OF 1950

DO NOT FILL IN THIS BLOCK

Docket No. dma 12113X

Date received 5-21-51

Participation

THE PHILIP CAREY MFG. CO.
Lockland
Cincinnati 15, Ohio

Name and address of applicant

Date May 18, 1951

FILL IN THIS BLOCK

Date of application May 18, 1951

Estimated cost Maximum - $75,000.00 See No. 24

Mineral or metal Asbestos (Spinning Grade)

Percentage of Government participation 90%

Location of mine Nevada County, California

Date of filing MF-100

DMA Docket Number, if available

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four signed copies of the application to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive officer thereof, with your name and address on each sheet of the application and all accompanying papers. If any question is inapplicable, or if you cannot answer it, so state on the form. Where the space provided for answer is insufficient, answer on a separate sheet, annex it to the application form, and refer to it in space for answer. If the application is approved, you will be presented with an exploration project contract on Form MF-200, for your signature.

THE APPLICANT

*1. Is applicant an individual, partnership, or corporation? Corporation

*2. If a partnership, state names and addresses of partners. Nil.

*3. If a corporation, state names and addresses of officers, directors, and five largest stockholders. See attached sheet.

*4. Describe the mining and general business experience of (a) the applicant, and (b) the person or persons who will manage the project. (a) Have been in asbestos mining operations over 25 years (b) Company executives.

*5. Are you the owner or the lessee of the property? Lessee

6. If owner, state what claims, liens, or encumbrances, if any, are against the property. Nil.

7. If lessee, attach a copy of the lease and state if it is in good standing. Copy attached.

NOTE.—It will be necessary to procure and attach to the exploration project contract agreements of claimants, lienors, encumbrances and lessors subordinating their interests in the property to the interest of the Government under the contract.

8. Furnish current financial statement, showing assets and liabilities, and a profit and loss statement. Copy attached.

9. How much money is applicant prepared to invest in proposed project? Is it sufficient to pay your part of the cost of the project as detailed in question 23 of this application form, in accordance with the regulations on Government participation (Section 9 of Mineral Order 5)? $7,500.00. Yes.

*If you have already answered these questions on MF-100, you are not required to answer the questions for this application.

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THE PROPERTY

10. (*a*) Give a description of the real property that will be in any way involved in the exploration project, including any existing mine or operating property. See description under Exhibit A in attached lease.

(*b*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted. See attached sheet.

NOTE.—If both areas are the same, so state. The only obligation to repay the Government is from the net earnings from any commercial discovery made in the area specified in (*b*) above in which the exploration is to be conducted, and the expenditure of funds which may be charged as costs of the project must be limited to that area or to work necessary to perform the exploration in that area.

*11. State the present and former names of the property, if any. Genevieve U. Smith, James Snell, and John H. Stark

*12. State, in detail, the location of the property with reference to towns, railroads, roads, shipping points, including distances and directions and kinds and conditions of roads. See attached sheet.

*13. State source and quantity of water available for operations and its sufficiency at all seasons. See attached sheet. State amount of power to be used, rate per hour or other cost, and source.

*14. Describe any existing useable facilities, equipment, buildings, or structure now on the property that will be devoted to the exploration work. None.

15. State in detail how the ore could be shipped and how and where milled. See attached sheet.

*16. History: See attached sheet.

(*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for any past suspensions of operations.

(*b*) State briefly the known history and production of adjoining and neighboring properties.

(*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.

*17. Production: None.

(*a*) If mine is in production, furnish the following information:

	Tons per day	*Grade or analysis*	*Cost per ton*	*Net value per ton*
(1) Mining				
(2) Milling				
(3) Shipped or sold				

*18. Ore or mineral reserves: (If property is or has been operating.)

(*a*) Describe the ore or mineral deposits briefly.

(*b*) Submit available maps and assay data.

(*c*) Give estimated tonnage and grade of each class of ore reserves.

Not in operation

19. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions. See attached sheets.

THE EXPLORATION

20. For what mineral or minerals and for what types of deposits and ores will the exploration be conducted? Asbestos

21. Describe briefly, but concisely, the proposed work and the estimated time required to complete it. See attached sheet.

NOTE.—The Government will not participate in a project that will require more than 2 years to complete.

22. Furnish statement of the geological basis of the project with particular emphasis on factors leading the operator to expect the finding of commercial ore bodies. This statement should be accompanied by supporting maps such as geological maps, maps of the proposed openings and assay maps, sample lists, and other pertinent data. See attached sheet.

THE REQUIREMENTS AND COSTS

23. Tabulate in the form of an itemized statement with a sum for each item the estimated requirements and costs of the project so that the total will give the estimated cost of the project in which the Government will participate, as follows:

(*a*) Labor, by numbers and classes (miners, muckers, millmen, etc.), with wages of each.

(*b*) Supervisors, by numbers and positions, with salaries of each. See attached sheet.

(*c*) Cost of necessary repairs to existing facilities, structures, and buildings.

(*d*) Cost of necessary installation or construction of additional facilities, structures, and buildings.

(*e*) Cost of items of equipment, not now owned by the applicant which must be purchased for operations at a cost of $50 or more each.

(*f*) Cost of rental for equipment which the operator proposes to rent.

(*g*) Rental value of items of equipment which the operator now owns and which will be devoted to the work.

(*h*) Cost of materials and supplies, including items of equipment costing less than $50 each.

(*i*) Cost of power, water, utilities, and any other items not provided for above.

24. Furnish a time schedule of the project, stated in terms of months after project is approved, showing progress expected to be accomplished and the money expected to be spent. See attached sheet.

CERTIFICATION

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

The Philip Carey Mfg. Co.
(Name of company)

May 18, 1951
(Date)

By R. S. King
(Signature of authorized official)

R. S. King, Chairman of the Board
(Title)

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.

*Same as footnote on page 1.

16—64067-1 U. S. GOVERNMENT PRINTING OFFICE

3. Chairman of the Board - R. S. King
President - John W. Humphrey
Vice President and Controller - H. R. Barrett
Vice President (Sales) - L. W. Clarke
Vice President (Mfg.) - C. B. Pooler
Vice President - W. L. Steffens
Treasurer and Asst. Secy. - S. E. Breuleux
Secretary - E. J. Fasold

Directors:

R. S. King	J. W. Humphrey
H. R. Barrett	C. C. Merrifield
L. W. Clarke	C. B. Pooler
H. E. Coombe	G. A. Rentschler
J. J. Rowe	

Five largest stockholders:

G. A. Rentschler - Cincinnati
Fifth Third Union Trust Co. - Cincinnati
R. E. Kramig - Cincinnati
R. S. King - Cincinnati
George A. Anderson - New York City

12. The Stark property is situated northeast of Nevada City near the town of Washington.(It is approximately ten miles from the railroad over county maintained roads. The elevation at the passover is approximately 4000 feet.

13. Sufficient water for normal asbestos operations and for diamond drilling.

15. Milled at ore site and shipped from railroad about ten miles distant.

16. (a) The history as near as we can get it: there was approximately 200 feet of adit drift put in with no cross-cutting and several pits sunk on the property.

(b) During World War I approximately 10,000 tons of rock were mined and shipped. The fibre content extracted is not known to us. There are no neighboring properties producing asbestos.

(c) Dr. R. J. Merrill examined that portion of the surface and exposures opened by trenching and pitting and the underground adit drift and believes that the property should have some cross-sections completed either by trenching or diamond drilling.

21. It is proposed to immediately start geological and geophysical mapping on the property to be followed by trenching and diamond drilling and sampling the sections of serpentine mass which have been indicated to contain crysotile asbestos in commercial quantities. A reasonable amount of diamond drilling should be completed by December 31, 1951. If the results are promising, additional diamond drilling would be commenced early in 1952 to outline the size of the ore body. This should be completed by the fall of 1952.

22. The claims on which exploration is recommended are underlain by a well serpentinized basic intrusion of sufficient width and length and under such topographical conditions as to permit relatively cheap mining operations if the fibre content is of sufficient quantity and quality when explored to justify the operation.

23. (a) Labor involved would be six contract diamond drillers (estimated cost of drilling per foot - $4.00), two assistants (@ $300 a month est.), and one cook ($250 per month est.).

(b) One geologist - salary $500 a month.
(c) Nil.
(d) Approximately $1,000 for tent frames and sections.

(e) Scientific equipment and Willys Jeep - total cost: $2,000

(f) Nil.
(g) Nil.

(h) $3,000 - $6,000 for food, supplies, and equipment for camp, depending on results.

(i) Nil.

24. If approved, work will start immediately and a reasonable amount of diamond drilling should have been completed by fall. If the results are favorable, additional diamond drilling would commence as soon as the season permits in 1952 and continue until the ore body was defined.

As stated above, the estimates are on the assumption that drilling will continue through 1952. If results this year are negative, the project will be abandoned and less funds required, probably less than one half.

THE PHILIP CAREY MANUFACTURING COMPANY
and SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEET, DECEMBER 31, 1949

ASSETS

Current Assets:			
Cash		$ 2,269,376	
United States Government and Dominion of Canada securities, at cost (market value approximately equivalent)		1,550,343	
Notes and accounts receivable—			
Customers (less reserve of $260,000)	$4,184,966		
Employees	20,480		
Other	145,577	4,351,023	
Contract work in progress	$ 900,705		
Less advance billings	654,713	245,992	
Inventories—generally at standard costs which were not in excess of market—			
Finished product and work in process	$2,513,947		
Raw materials and supplies	2,753,967	5,267,914	$13,684,648
Cash Surrender Value of Life Insurance			22,288
Notes and Accounts Receivable—Not current:			
Claims for refund of Canadian income and excess profits taxes		$ 40,828	
Other		151,190	192,018
Property, Plant and Equipment:			
Mineral lands and development (less reserve for depletion, $24,414)		$ 121,083	
Land, land improvements and yard equipment		2,128,428	
Buildings		8,886,992	
Machinery and equipment		13,503,863	
Miscellaneous		580,630	
Construction in progress		2,890,605	
Total		$28,111,601	
Less reserves for depreciation		10,649,424	17,462,177
Deferred Charges:			
Unexpired insurance premiums		$ 134,177	
Other		124,828	259,005
Total			$31,620,136

NOTES:

1. The consolidated financial statements include the accounts of Canadian subsidiaries stated in United States dollars on the following bases:

   Property, plant and equipment—exchange rates effective for the years in which the properties were acquired.
   Other assets and liabilities—official rate of exchange at December 31, 1949.
   Income and expenses—average rate of exchange for the year.

   The consolidated balance sheet includes $678,135, representing the net book value of Canadian property, plant and equipment, and $1,407,205, representing the net current assets of the Canadian subsidiaries. Funds in Canada are subject to certain withdrawal restrictions.

   The parent Company has provided a reserve of $130,000 for the estimated Canadian and Federal income taxes which would result from transferring to the parent Company in the form of dividends the income of the Canadian subsidiaries.

LIABILITIES

Current Liabilities:			
Accounts payable—			
Trade creditors	$1,010,809		
Taxes, etc., withheld from payrolls	163,490		
Other	70,130	$1,244,429	
Accrued accounts—			
Salaries, wages and commissions	$ 488,501		
Federal, State and Canadian income taxes	1,548,672		
Other taxes	116,510		
Other	84,844	2,238,527	
Sinking fund instalment payable in 1950 on 3¼% debentures		425,000	$ 3,907,956
Funded Debt:			
3¼% sinking fund debentures, due November 1, 1962 (fixed sinking fund payments of $325,000 required annually, plus additional annual sinking fund payments contingent upon consolidated net income but not to exceed $100,000 annually)			5,575,000
Other Reserves:			
Roofing guarantees		$ 400,000	
Taxes on future Canadian dividends (Note 1)		130,000	
Contingencies (Note 2)		270,000	800,000
Capital Stock:			
Preferred—authorized, 75,000 shares of $100 par value each; initial series of 20,000 shares issuable as Five Percent Preferred Series, cumulative; issued, 19,575-9/20 shares, less 850-9/20 shares held in treasury; outstanding, 18,725 shares		$1,872,500	
Common—authorized, 1,500,000 shares of $10 par value each; issued and outstanding, 800,000 shares		8,000,000	9,872,500
Surplus:			
Paid-in surplus		$1,563,205	
Earned surplus (Note 3)		9,901,475	11,464,680
Total			$31,620,136

2. The reserve for contingencies has been provided for extraordinary losses from abandonment of property, and other unforseen contingencies not normal in the Company's operations. It is not intended that this reserve shall be used in such a manner as to relieve the income account for any future period of charges that should be made properly against such income.

3. The earned surplus is restricted as to its availability for the payment of dividends (other than stock dividends) on account of the terms of the indenture relating to the Company's issue of 3¼% sinking fund debentures. At December 31, 1949 surplus of $5,122,547 was available for dividends on the preferred and common stocks, of which $4,922,547 was available for dividends on the common stock. As to this latter amount only $2,298,980 could be paid out of working capital.

4. The Company's pension retirement plan for salaried employees provides for annual contributions comprising the normal annual cost and a proportion of the liability for past service. Continuance of the plan is not a contractual obligation of the Company and it may be discontinued at any time. Under the terms of the plan, as presently in effect, the Company at December 31, 1949 had a liability of $562,417 for contributions for past service, which liability is payable over a period of 19 years from December 31, 1949. The aggregate amount of contributions to December 31, 1949 for past services was $259,580 in excess of the minimum requirements.

THE PHILIP CAREY MANUFACTURING COMPANY
and SUBSIDIARY COMPANIES

STATEMENT OF CONSOLIDATED INCOME
For the Year Ended December 31, 1949

Net Sales		$39,902,929
Cost of Goods Sold		30,593,135
Gross Profit		$ 9,309,794
Selling, Administrative and Research Expenses		4,607,620
Profit from Operations		$ 4,702,174
Other Income Credits:		
Interest, rents, royalties, etc.	$ 47,538	
Miscellaneous	19,686	67,224
Gross Income		$ 4,769,398
Income Charges:		
Interest on debentures, etc., and amortization of debt discount and expense	$196,707	
Provision for employees' pension trust and related expenses	179,382	
Net loss from sales and abandonment of property	29,537	
Net loss from Canadian exchange transactions and conversions	65,703	
Miscellaneous	75,763	547,092
Net Income before Provision for Income Taxes		$ 4,222,306
Provision for Federal, State and Canadian Income Taxes		1,666,000
Net Income for the Year		$ 2,556,306

NOTES:

1. Provision of $810,347 for depreciation of property, plant and equipment is included in the above statement.
2. See Note 1 to the consolidated balance sheet with respect to the statement in United States dollars of the income and expense accounts of Canadian subsidiaries.

this property during 1949 we will continue to supply a major portion of our increasing asbestos requirements for 1950.

We have strengthened our organization, and our plant facilities, improved and expanded, are in good physical condition. We feel that with intensive research and energetic efforts on the part of our manufacturing and sales forces, Carey is in a position to take full advantage of the ever-widening markets for our products. It is our opinion that the coming year should be satisfactory both as to volume of sales and profits.

Your management believes it to be to our stockholders' best interests to list the company's common stock on the New York and Cincinnati stock exchanges, and steps are being taken to complete such arrangements within the next few months.

Carey management wishes to extend its deep appreciation to its executive staff and to all other members of the organization. The company's progress the past year reflects their splendid cooperation in giving so unsparingly of their time and efforts.

John W. Humphrey
President

R. S. King
Chairman of the Board

MINING OPTION AND LEASE

THIS AGREEMENT, entered into the day of April, 1951, by and between GENEVIEVE U. SMITH, of San Leandro, California, JAMES SNELL, of Nevada City, California, and JOHN H. STARK, of Oakland, California, the parties of the first part (hereinafter called "Owner"), and THE PHILIP CAREY MANUFACTURING COMPANY, a corporation, the party of the second part (hereinafter called "Carey"),

W I T N E S S E T H:

THAT WHEREAS, the Owner is owner of record of certain lode mining locations, mill site, and real estate situate in Washington Mining District, County of Nevada, State of California, more particularly described in the schedule attached to this agreement marked Exhibit "A"; and

WHEREAS, Carey is desirous of acquiring an option for a lease and possible purchase of said mining claims, on the terms and conditions hereinafter specified;

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and conditions herein contained, the parties hereto agree as follows:

For and in consideration of the sum of Twenty-five Dollars ($25) paid by Carey to Owner, receipt of which is hereby acknowledged, and of the agreements of Carey hereinafter contained, the Owner grants to Carey the exclusive right and option from the date of this agreement until the 1st day of July, 1951, to acquire a lease with incorporated option to purchase the mining claims and property described in Exhibit "A", upon the terms and conditions hereinafter specified. Said period from the date hereof until July 1,

1951, is hereafter described as the "exploratory period." During said exploratory period Carey agrees that not later than May 15, 1951, it will enter upon the above described mining claims and make such investigations and carry on such prospecting, drilling, testing, and sampling of said claims for asbestos fibre and asbestos-bearing materials as Carey deems necessary or desirable in order to determine to its satisfaction whether the asbestos fibre located in such properties is of sufficient quantity and quality to warrant the mining thereof. Owner agrees that during said exploratory period Carey shall have the exclusive right to enter upon said mining claims for the foregoing purposes and may erect thereon such structures, equipment, and machinery as it may deem necessary or advisable in connection with such exploratory operations, and thereafter to remove any property it has placed on said claims if it elects not to exercise this option.

Carey further agrees that in the event it does not exercise the option hereby granted, then at the conclusion of said exploratory period it will notify Owner in writing that it does not desire to accept said Lease and Option, and will deliver to Owner a copy of all reports which may have been prepared by Carey or its agents setting forth the results of such investigations. If on or prior to the 1st day of July, 1951, Carey elects to exercise this option for a lease with incorporated option to purchase covering said claims, then upon making such election it will so notify Owner in writing, and upon receipt of such notification in writing, the following Lease and Option shall be considered as in effect between the parties hereto, and all other subsequent rights shall be governed by the terms of such Lease and Option.

LEASE AND OPTION

Owner hereby leases, demises and lets to Carey, with an option to purchase as hereinafter set forth, and Carey hereby hires and takes from Owner, all of that certain mining property situate in the Washington Mining District, County of Nevada, State of California, and more particularly described in Exhibit "A" attached hereto and made a part hereof, for a term of five (5) years from date hereof, and so long thereafter as asbestos, gold or other metals may be produced by Carey from said property in paying quantities, subject always to the option hereinafter expressed for Carey to acquire title to said properties upon the terms specified in Paragraph 4 hereof.

This Lease and Option is granted subject to the following terms of this agreement, to all of which Carey hereby assents and agrees:

(1) OWNER'S COVENANTS:

Owner covenants that he is the owner of record and in actual and peaceable possession of all of the property described in Exhibit "A"; that his record title to the unpatented mining locations described in said Exhibit "A" is a good and valid locator's title under the mining laws of the United States and of the State of California; that all of the location work required by Section 2304 of the Public Resources Code of the State of California has been performed on each of said unpatented mining locations described in Exhibit "A"; that annual labor , as required by the laws of the United States has been duly performed on each of said claims and proofs thereof regularly recorded prior to delinquent dates prescribed by law (or that during such years as the obligation to perform annual labor shall

have been suspended by statute, that notices of intention to hold each of said claims, as provided by law has been regularly filed) in the office of the County Recorder of the County of Nevada, State of California. Owner further covenants that he is in actual peaceable possession of said property and in a position to deliver possession thereof to Carey.

(2) CAREY'S POSSESSION AND WORKING COVENANTS:

Carey agrees that upon exercise of the option hereinabove contained, and giving notice of such exercise to the Owner as aforesaid, it will continue in possession of said property and will mine and develop the same for asbestos fibre and asbestos-bearing materials, and for that purpose may and will install such buildings, machinery, equipment, materials, and supplies on said premises as Carey may deem necessary or advisable for the mining, milling, or other treatment or beneficiation of ores which Carey may find in or on said property. Carey shall expend not less than 60 man shifts of labor each month in such mining operations and shall at all times work said property in a good and minerlike manner with due regard to the preservation of the same as a workable mine, and will comply with all State and Federal laws and regulations appertaining to such work. Carey may remove and sell or otherwise dispose of any and all asbestos fibre or asbestos-bearing materials or other metals, and shall keep an accurate record of the tonnage of such ores and material mined and milled or removed from said property. It is expressly agreed that Carey shall under no obligation, express or implied, to

prospect, mine or develop said premises for any other minerals or metals than asbestos; and Carey's obligation to pay royalties shall arise if and during such times as it elects to mine the same. Carey shall have the right at any time to suspend performance of all labor herein required and pay to Owner in lieu thereof the sum of $50 per month during such period of suspension.

(3) ROYALTY AND RENTALS

As and for the royalty and rental under the terms of this lease, Carey shall pay to Owner an initial sum of Two Thousand Dollars ($2,000), lawful currency of the United States of America, at the time of giving Owner notice of election to exercise said option to assume this lease; Carey shall pay an additional Three Thousand Dollars ($3,000) on or before the 1st day of October, 1951; and an additional Five Thousand Dollars ($5,000) on or before the 31st day of December, 1951. In addition to said cash rentals, commencing with the 15th day of each month from and after August 15, 1951, Carey will pay Owner a royalty of five cents (5¢) per ton of asbestos-bearing rock or material mined from said properties described in Exhibit "A", or any of them, and milled or otherwise beneficiated during the preceding month. If gold or other metals are discovered, mined, and milled or removed from the premises, Carey will pay Owner a 10% royalty on the net mint or smelter returns from such shipments. Said payments shall be made by deposit to Owner's account in the Wells Fargo Bank and Union Trust Company, San Francisco, California, of the full amount of each monthly payment, and shall be accompanied by a statement signed by Carey certifying the tonnage of material which has been mined and milled or otherwise treated, and a duplicate set of net mint or smelter returns from any metals that may have been treated during said preceding monthly period.

(4) OPTION TO PURCHASE:

At All times during possession under the terms of

said lease on and after January 1, 1952, Carey shall have the exclusive right and option to purchase and acquire said premises, Exhibit "A", from Owner for the total sum of One Hundred Seventy-five Thousand Dollars ($175,000), payable in ten equal installments of Seventeen Thousand Five Hundred Dollars ($17,500), the first of which shall be paid on the date of exercising said option, and the remaining installments shall be paid annually thereafter for the next nine years. Following exercise of the option to purchase and payment of the first of said ten installment payments of purchase price, Carey shall no longer be obligated to pay any cash rental, royalty, in lieu payments, or other payments other than said installment payments, nor to perform any minimum number of man shifts of labor as provided in Paragraph (2) hereof. In order to enable Carey to exercise said option to purchase, Owner agrees to execute, acknowledge and deliver in escrow to said Wells Fargo Bank and Union Trust Company at San Francisco, California, at the time Carey makes said initial payment of $2,000 a good and sufficient deed conveying to Carey a marketable fee title to the patented property described as Item 6 of Exhibit "A", and a good and sufficient locator's title in good standing to each of the mining claims and mill site described as Parcels 1 to 5, inclusive, of Exhibit "A" attached hereto, with instructions to said escrow depositary to deliver said deed to Carey if and when Carey shall have deposited said ten installments of said agreed purchase price, and to deposit all payments made hereunder to Owner's account. At the time of executing said option to purchase and paying the first installment of said purchase price, Carey may, at its option, withdraw said deed from escrow and substitute in its place a promisory note providing for payment of the purchase price in the manner above specified secured by a deed of trust from Carey to Owner in like tenor to said deed placed in escrow by Owner; provided, however, that said note shall be subject to the provisions of Paragraphs 9, 10 and 11 of this agreement. Escrow fees under said option shall be paid by Carey. Owner agrees to remedy any defects in title of which it may have notice from Carey, but if

such defects cannot be remedied, Carey shall have the option to accept said title subject to such defects if it so desires.

(5) CAREY'S OPERATING COVENANTS:

Carey agrees at all times to pay all labor, material and other bills connected with its operations on said premises, and to keep said premises free and clear of any liens for labor or material furnished in connection with said operations, and at Owner's request to post and keep posted notices of Owner's non-responsibility for such liens; to carry compensation insurance as required by the laws of California for all employees engaged in work on said claims; to carry public liability insurance with responsible carriers protecting Carey and Owner as named insured against claims for damage to persons or property arising out of Carey's operations; to perform on or before the 1st day of June of each calendar year, commencing with the year 1952, annual labor on each of said mining locations described in Exhibit "A", in the amount of $100 or such other sum as may be required by law in order to maintain the same in good standing, and to record proof of said labor on or prior to the 1st day of the following July; provided that during any year that moratorium is allowed by Federal law on the performance of such annual labor this obligation shall be excused if Carey files in Owner's behalf such notice of Owner's intention to hold or other document as may be required to keep said option in good standing; to pay all State and County property taxes that may become a lien against said property on and after July 1, 1951, prior to the delinquent date thereof.

(6) RECORDS AND INSPECTION:

Carey agrees to keep accurate records of production of ores and metals, including specifically asbestos ores mined under the terms of this agreement, which record

shall be open to Owner's inspection on the premises at all reasonable times, together with the right on the part of Owner to take copies therefrom. Owner shall also have the right, at his own risk of personal injury, to inspect such premises and the workings thereon or therein and to take and retain samples of any ores or minerals disclosed by Carey's operations.

(7) WATER RIGHTS AND RIGHTS OF WAY:

Carey shall have the right to use such water as may be available for working said claims, but Owner makes no warranty with respect to water rights, and Carey shall satisfy itself as to such availability and right to use. It is also understood that said claims lie within the boundaries of the Tahoe National Forest, and that Carey shall have such rights of access to said property as Owner may possess but shall independently make such arrangements with Forest Reserve officials for other rights of access to said properties covered by this option as may be necessary in said operations. Owner will cooperate in signing any applications for such rights. Any terms or conditions imposed by said permits shall be obligations of Carey and not of the Owner.

(8) FORCE MAJEURE:

Carey shall be excused from performance of all and singular the covenants contained in this agreement, save and except the obligation to make the cash rental payments required in Paragraph 3 hereof, during such time as Carey may be prevented from performing the same by acts of God, the public enemy, war, strikes, riots, invasion,

unusually inclement weather accompanied by heavy snow storms, rain storms, wind storms, or destruction of access roads or facilities incident thereto, labor disturbances, governmental laws and regulations preventing the performance of work or the obtaining of labor or materials requisite therefore, and other causes reasonably beyond the ability of Carey to overcome. Excuse of such performance shall extend only during the existence of such emergency or preventing cause, and all obligations hereunder shall be resumed immediately thereafter.

(9) ABANDONMENT:

Carey shall have the right to abandon this Lease and Option and all obligations hereunder at any time upon thirty (30) days' previous notice to Owner of Carey's intention so to do.

(10) FORFEITURE:

If Carey shall fail well and truly to perform all and singular its obligations hereunder unless prevented by causes described in paragraph entitled "Foree Majeure," and in particular shall fail to make any rental or royalty payments on or before the date on which they, respectively, become due, Owner may declare Carey in default and give Carey written notice of such default. Unless such default is remedied within sixty (60) days from receipt of said written notice, all rights of Carey hereunder shall thereupon cease and terminate, and Owner may enter upon and resume possession of said premises.

(11) RIGHTS OF PARTIES AFTER TERMINATION:

In the event of termination of this agreement for any other reason than the conveyance of the property.

herein provided for in conformity with exercise of option to purchase by Carey, the rights of the parties shall be as follows:

(a) Carey shall peaceably surrender possession of the premises to the Owner, together with any buildings thereon and water rights or other easements acquired in connection therewith;

(b) Carey shall pay all outstanding bills and claims arising out of Carey's operations, and all taxes which may be due and payable at the date of said termination, and all royalties due and unpaid;

(c) Carey shall have the right to remove and retain all buildings, machinery, equipment, materials and supplies placed by Carey upon said premises in connection with said operations, provided that unless said property is removed from the premises within six (6) calendar months from the date of such termination, the same shall remain and become the property of the Owner;

(d) Owner may retain all sums theretofore paid, the same to constitute rental for use and occupancy of said premises, and Owner may withdraw his deed from escrow.

All other rights of the parties shall cease and terminate except as set forth in this paragraph.

Forfeiture and enforcement of the terms of this paragraph shall be the sole remedy of the Owner in the event of breach of covenants by Carey.

(12) <u>NOTICES:</u>

Any notice of default, election of options, or other notices required or permitted to be given hereunder,

shall be considered as delivered five (5) days after they shall have been written, signed, addressed, and deposited in the United States mail, with registered postage thereon duly prepaid, addressed,

if to the Owner, at 5315 Harbord Drive
Oakland 18, California;

if to Carey, The Philip Carey Manufacturing Compan y
Lockland
Cincinnati 15, Ohio.

Either party may change the address at which it or they are to receive such notices upon ten (10) days' previous written notice to the other.

(13) INUREMENT:

This agreement shall inure to the benefit of and be binding upon the parties hereto, their respective successors and assigns.

IN WITNESS WHEREOF, the parties of the first part have hereunto set their hands and the party of the second part has caused its corporate name and seal to be affixed by its officers thereunto duly authorized, all as of the day and year first hereinabove written.

_____
Genevieve U. Smith

_____
James Snell

_____
John H. Stark

Parties of the First Part

THE PHILIP CAREY MANUFACTURING COMPANY

By_____
President

By_____
Secretary

Party of the Second Part

EXHIBIT "A"

1. The Victory Mining Claim, notice of the location of which was recorded December 17, 1943, in Book 33 of Mining Claims, Page 322, in the Office of the Recorder of Nevada County.

2. Cotton King Mining Claim, notice of the location of which was recorded December 17, 1943, in Book 33 of Mining Claims, Page 323, in the Office of said Recorder.

3. Amended Asbestos and Gold Mining Claim, notice of the location of which was recorded December 20, 1943, in Book 33 of Mining Claims, Page 324, in the Office of the Recorder of Nevada County.

4. Lent Asbestos and Gold Mining Claim, notice of the location of which was recorded June 15, 1917, in Book 27 of Mining Claims, Page 84, in the Office of the Recorder of said County.

5. The Asbestos Mill Site, notice of the location of which was recorded September 6, 1921, in Book 28 of Mining Claims, Page 73, in the Office of said Recorder.

6. The following described real estate; namely:

   Northeast Quarter of Northeast Quarter (NE1/4 of Ne1/4) of Section Eleven (11), Township Seventeen (17) North, Range Ten (10) East, Mount Diablo Base and Meridian, containing Forty and 00/100 (40.00) Acres, more or less, together with all rights, privileges and appurtenances thereunto belonging or in any wise appertaining, conveyed to the Owner by Southern Pacific Land Company by deed dated February 2, 1944, recorded in Book 86 of the Official records, Page 415, in the Office of said Recorder.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 21 1951
LANDON F. STROBEL
Executive Secretary

Docket No. DMA-1213X

EXHIBIT "A" (AMENDED)

Work will consist of:

1. Topographic and geologic mapping of the properties. Work is to be carried out during the spring and summer of 1952.

2. Surface trenching and sampling. Trenches to be excavated across serpentine masses where most favorable asbestos showings occur, for preliminary sampling. A total of 500 linear feet of trenching is proposed.

3. Approximately 10,000 feet of diamond drilling to outline asbestos bodies. Exact location of drilling will depend upon results of geologic studies and surface trenching.

4. Bulk sampling and mill tests. To consist of 300 linear feet ~~feet~~ of 5' x 7' crosscut drift through serpentine bodies that sampling of surface trenches indicate contain a grade and percentage of asbestos that justify mill tests. Ore obtained from drift is to be crushed and split at the mouth of the drift to obtain a 44-ton sample which is to be shipped to the Philips Asbestos Mill in Arizona for mill testing.

5. Surveying property lines and making a topographic survey of the entire property if the results of the exploration program justify such mapping.

All work will be supervised by a competent geologist who will be responsible for geology, mapping, drilling, trenching, cross-cutting, etc.

10,000' core drilling (contract) at$4.00 ft.	$ 40,000
10,000' core boxes at 10 cents ft.	1,000
5,500' of roads between drill sites	2,000
600' 1-1/2" water pipe to drill sites at 50 cents ft.	300
500' Surface trenching at$3.80 ft.	1,900
300' crosscut drifting (contract) at$35.65 ft.	10,695
Construction of core and tool house	450
Collecting core and sludge samples, logging cores, etc. 1 laborer 10 months at $250 month	2,500
Laboratory core testing	1,000
Truck haulage of 44-ton sample to Philips Asbestos Mill in Arizona at $45.57 per ton	2,005
Treatment cost of bulk sample at Philips Mill	250
1 3/4-ton truck	2,050

Operating expenses of truck, gasoline, oil, etc. 9 mos. at $100	$ 900
Salary of one geologist 12 months at $500 mo. (basis 1/2 time for 2 years)	6,000
Per diem expenses of geologist 12 mos. at $250	3,000
Transportation expenses of geologists between Nevada City, California, and property 3 mos. at $250	750
Surveying property lines, topographic survey of property (contract)	3,500
General miscellaneous expenses, office, public stenographer, map printing, office supplies, etc.	1,200
Total	$ 79,500

THE PHILIP CAREY MFG. CO.

COPY OF "EXHIBIT "A

Docket DMA-1213X

Itemized Expenses:

10,000 core drilling (contract) @ $4.00 ft.	$ 40,000
200' trenching (contract) @ $3.50 ft.	7,000
Geologist - 10 months @ $500	5,000
Transitman - 10 months @ $400	4,000
2 Rodmen - 10 months : $300 each	6,000
Axman - 10 months : $250	2,500
Cook - 10 months : $250	2,500
Tender, Camp - 10 months : $200	2,000
Frame tent construction	1,000
Core and tool house construction	500
Purchase of Jeep	1,500
Camp and mess equipment	500
Food supplies - $600 per month - 10 months	6,000
Core testing, laboratory work, sample milling	1,000
TOTAL	$ 79,500

THE PHILIP CAREY MFG. CO.

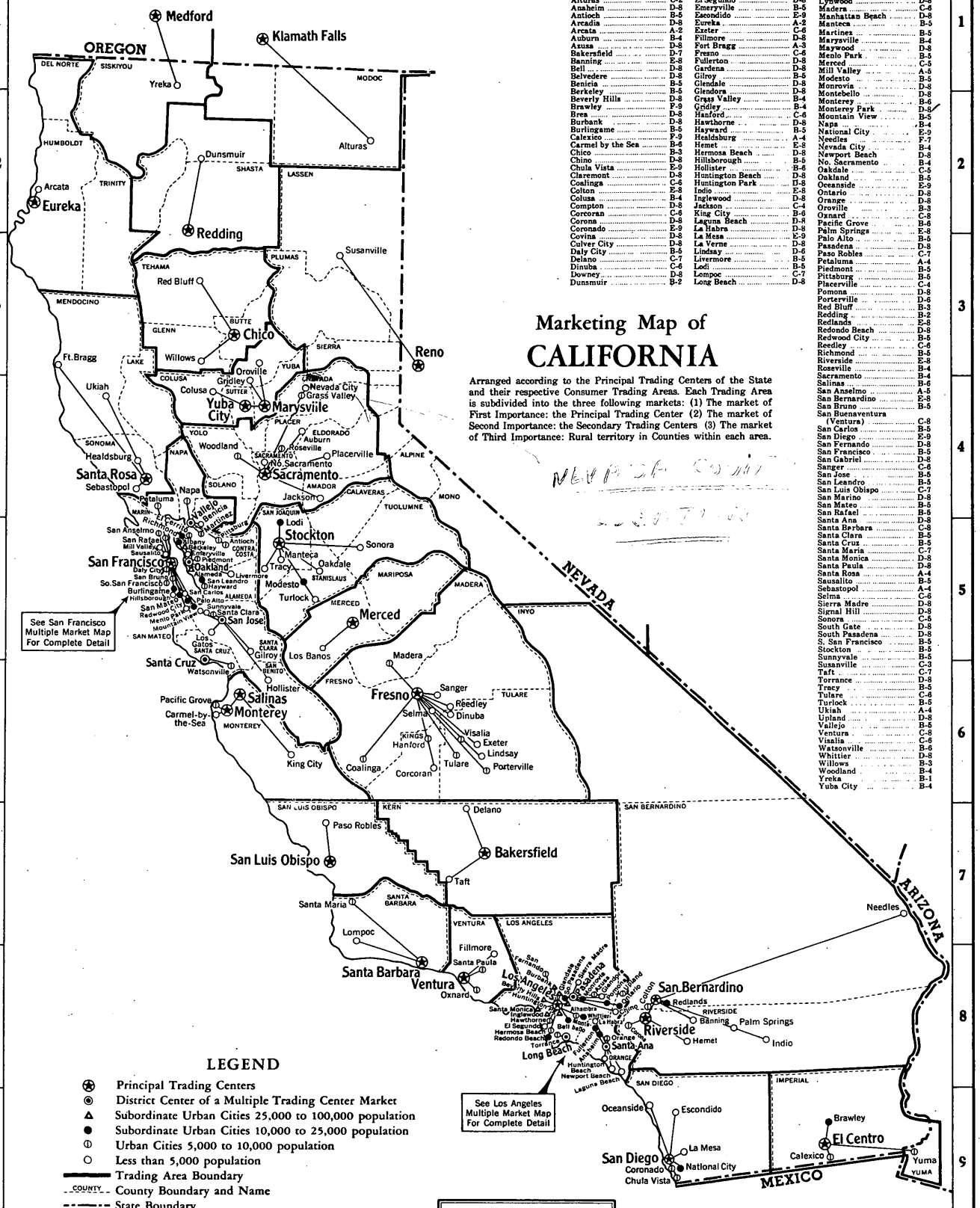
DOCKET DMA-1213X 9/6/51

NEW BREAKDOWN OF COSTS

10,000 feet core drilling @ $4 per ft.	$ 40,000
Roads for transporting drilling equipment	1,500
Water supply equipment	500
Core boxes	1,000
200 feet of trenching @ $3.50 per ft.	7,000
Geologist - 10 months @ $500 per month	5,000
Traveling, phone and living expenses of Geologist @ $400 per month	4,000
Property line and topographic surveys	3,000
1 laborer, 10 months @ $250 per month	2,500
Core and tool house construction	500
Purchase of Jeep	1,500
Operating expenses of Jeep for 10 months	1,000
Core testing, laboratory work, sample milling	1,000
Bulk sampling operations	10,000
Miscellaneous expenses subject to approval by DMA Field Team	1,000
TOTAL	$ 79,500

Marketing Map of CALIFORNIA

Arranged according to the Principal Trading Centers of the State and their respective Consumer Trading Areas. Each Trading Area is subdivided into the three following markets: (1) The market of First Importance: the Principal Trading Center (2) The market of Second Importance: the Secondary Trading Centers (3) The market of Third Importance: Rural territory in Counties within each area.



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Yuba City	B-4

LEGEND

- Principal Trading Centers
- District Center of a Multiple Trading Center Market
- Subordinate Urban Cities 25,000 to 100,000 population
- Subordinate Urban Cities 10,000 to 25,000 population
- Urban Cities 5,000 to 10,000 population
- Less than 5,000 population
- Trading Area Boundary
- COUNTY County Boundary and Name
- State Boundary

Scale of Miles: 0 10 20 40 60 80 100

Determined and Arranged by
HEARST MAGAZINES INC.
Marketing Division

Cosmopolitan	Good Housekeeping
Harper's Bazaar	Town & Country
House Beautiful	American Druggist
Motor	Motor Boating

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

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Bldg.
870 Market St.
San Francisco 2, Calif.

Sept. 19, 1952

Memorandum

To: Operating Committee, DMEA, Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Operator's Monthly Progress Reports - Forms MF-104 & 104A

Enclosed herewith are two copies of each of the subject reports received from the Philip Carey Mfg. Co. in connection with work performed under their contracts Idm-E40 and E52. These reports have now been audited and passed to the Treasury for payment.

Contract No.	Operator	Report dated	Period covered
Idm-E40 DMEA-1213	Philip Carey Mfg. Co.	Dec. 31, '51	December 1951
"	"	Jan. 31, '52	January 1952
"	"	Feb. 29, '52	February 1952
"	"	Mar. 31, '52	March 1952
Idm-E52 DMEA-1212	"	Jan. 31, '52	Sept. 1951 (Supplementary)
"	"	Jan. 31, '52	Jan. 1952

S. Ricker, Acting for
H. C. Miller, Executive Officer
DMEA Field Team, Region III

Attachments

Copy to: E. H. Bailey, USGS

MF-104
(April 1951)

3F-DMCA-14
9-16-52

Budget Bureau No. 42-R1036.
Approval expires 6-30-51.

E-40

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts will be made from time to time.

CERTIFICATION

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

Philip Carey Mfg. Co.	DEPARTMENT OF THE INTERIOR Defense Minerals Administration RECEIVED	By R. J. Merrill
(Name of Company)		(Signature of Authorized Official)
March 31 1952	SEP 23 1952	Geologist.
(Date)		(Title)

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

16—64068-1

MONTHLY SUMMARY COST STATEMENT

Name of operator PHILIP Carey Mfg. Co.
Project No. DMA E-40
Total contract amount 79,599
Government participation percent 10%

Distribution of Expenditures for Month of March

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals to Date
Jeep Oper. Exp.		242.97	242.97			
Wages and salaries		3331.61	3331.61			
Equipment purchase [1]		304.29	304.29			
Sampling	142.54	99.80	242.34			
Core Shed		315.75	315.75			
Explosives		38.00	38.00			
Core Boxes		305.38	305.38			
Gen.Misc.Exp.		270.00	270.00			
Geol. per Diem		892.31	892.31			
Transportation		662.90	662.90			
Withholding taxes Soc. Sec.		17.70	17.70			
Compensation insurance		29.35	29.35			
Other insurance Unempl. Ins.		11.80	11.80			
Contract work		10720.00	10720.00			
Other (specify) Pub. Liab.		2.71	2.71			
Road Const.		797.00	797.00			
Jeep Ins.	43.39		43.39			
Total	185.93	18041.57	18227.50			
Totals previously reported	18041.57					
Totals to date	18227.50					

FOR GOVERNMENT USE ONLY

Checked by PL
Entered by
Approved by
Amount approved for payment $167.34
Remarks

[1] Enter total purchase price in month purchase is made.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.

16—64068-1

DISTRIBUTION OF WAGES AND SALARIES FOR MONTH OF March

Name of operator Philip Carey Mfg. Co.
Project No. DMA E-40
Total contract amount 79,500
Government participation percent 10

Type	Number	Man-Shifts	Rate	Total
Miners			$	$
Muckers				
Trammers				
Timbermen				
Pumpmen				
Hoistmen				
Surface				
Samplers				
Assayers				
Shift bosses				
Mechanics				
Electricians				
Blacksmiths				
Carpenters				
Drill runners				
Drill helpers				
Teamsters				
Manager				
Superintendent				
Engineers				
Geologists				
Bookkeeper				
Foreman				
Clerks				
Stenographers				
Other				
Total				

Note.—Show only that portion of supervisory, office, and engineering salaries that is chargeable to this project.

FOR GOVERNMENT USE ONLY

Checked by Pl
Entered by
Approved by
Remarks

SEP 3 1952

Lloyd L. Norvell
Authorized Certifying Officer

16—64068-1

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF March

Name of operator: Phillip Carey Mfg. Co.
Project No. DMA: [illegible]
Total contract amount: 39,500
Government participation, percent: 10

Item	Costs					Progress				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract
Drilling on 150 Exp						Dollar		270.00	270.00	
Drilling Water Sys						"		30[illegible].29	30[illegible].29	
Drilling Core Holes						"		305.30	305.30	
Drifting Jeep Op. Exp.						"		2[illegible].97	2[illegible].97	
Assaying Core Hold						"		315.75	315.75	500.00
Drill holes contract						Foot		2[illegible].0	2[illegible].0	10,000
Assaying Jeep Exp				6.39	6.39	Dollar	6.39	-	6.39	
Rehabilitation and preparation										
Geology and geophysics						"		3329.[illegible]	3329.[illegible]	
Trenching						Foot		110	110	
Sampling and assaying				242.54	242.54	Dollar	242.54	97.50	242.54	1000.00
Roads and trails Center						"		797.00	797.00	
Test pits										
Other (specify) Chem. Lab.								1267.14	1267.14	
Totals				185.93	185.93					

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.

16—64068-1 U. S. GOVERNMENT PRINTING OFFICE

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by
Remarks

SF-DMCA-14
9-16-52

MF-104
(August 1951)

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No.
Idm-E -40

Name of Operator Philip Carey Mfg. Co.
Docket No. DMA 1213
Total Contract Amount $ 79,500
Government Participation: 90 % Amount, $ 71,550
Distribution of Expenditures for Month of February, 1952

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts may be made from time to time.

CERTIFICATION

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

Philip Carey Mfg. Co.
(Name of Company)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 23 1952

By R. J. Murrill
(Signature of Authorized Official)

February 29 1952
(Date)

Geologist.
(Title)

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

16—64068-3

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only		
				Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(a) Facilities						
(b) Buildings						
Core House		315.75	315.75			
(c) Fixtures						
2. Operating Equipment:						
(a) Purchased[1]						
Water Pipe		304.29	304.29			
(b) Rented[2]						
(c) Furnished by operator						
3. Rehabilitation and Repairs:						
(a) Facilities						
(b) Buildings						
(c) Installations						

16—64068-3

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
4. Labor[3]	20.00	1510.00	1530.00			
5. Supervision	125.00	1676.61	1801.61			
6. Supplies						
(a) Timber						
(b) Explosives		38.00	38.00			
(c) Repair Parts						
(d) Other Core Boxes	-	305.38	305.38			
7. Power						
8. Transportation	-	662.90	662.90			
9. Insurance						
(a) Tre. Un. Ins.	-	11.80	11.80			
(b) Public Liability	-	2.71	2.71			
(c) Workmen's Compensation	-	29.35	29.35			
Soc. Sec.	-	17.70	17.70			
10. Contract Work	-	10720.00	10720.00			
11. Other (specify)						
Gool. per Diem	-	892.31	892.31			
Gen. Misc. Exp.	25.22	244.78	270.00			
Jeep Op. Exp.	90.66	152.31	242.97			
Road Constr.	-	797.00	797.00			
Sample Billing	-	99.80	99.80			
Total	260.88	17780.69	18041.57			
Deletions						
Adjusted totals						
Totals previously reported	17780.69					
Totals to date	18041.57					

[1] Enter amount paid during month toward total purchase price.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.
[3] Submit copy of the Social Security form filed under the Old Age Insurance system showing complete wage and salary data or furnish copy of payroll sheet giving same data.

NOTE.—Indicate that portion of supervisory, office, and engineering salaries that is chargeable to this project.

FOR GOVERNMENT USE ONLY

Checked by fh
Entered by
Approved by 5-79
Amount approved for payment $ 234.
Remarks

SEP 3 1952

16—64068-3

Lloyd L. Norvell
Authorized Certifying Officer

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF February 1952

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Gen. Misc. Exp				25.22	25.22	Dollar	25.22	244.78	270.00	1200.00
Water Pipe						Foot	-	600	600	600
Core Boxes						Foot	-	3160	3160	10000
Jeep Op. Exp			90.66		90.66	Dollar	90.66	152.31	242.97	900.00
Core Shed						Dollar	-	315.75	315.75	450.00
Drill holes Contract						Dollar	-	2680	2680	10000
Overburden										
Rehabilitation and preparation										
Geology and geophysics	125.00				125.00	Dollar	125.00	3204.81	3329.81	9750.00
Trenching						Foot		110	110	500
Sampling and assaying						Dollar	-	99.80	99.80	1000.00
Roads and trails Contr						Dollar	-	797.00	797.00	2000.00
Test pits										
Other (specify) Gen. Lab.	20.00				20.00	Dollar	-	1247.14	1267.14	2500.00
Totals	145.00		90.66	25.22	260.88					

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.
[4] Specify whether feet, cubic feet, acres, miles, etc.

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE

MF-104
(August 1951)

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No.
Idm-E 40

Name of Operator Philip Carey Mfg. Co.
Docket No. DMA 1213
Total Contract Amount $ 79,500
Government Participation: 90 % Amount, $ 71,550
Distribution of Expenditures for Month of January 1952

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts may be made from time to time.

CERTIFICATION

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

Philip Carey Mfg. Co. By R. J. Merrill
(Name of Company) (Signature of Authorized Official)

January 31 1952 Geologist.
(Date) (Title)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 23 1952

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

16—64068-3

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only		
				Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(a) Facilities						
(b) Buildings						
Core House		515.75	515.75			
(c) Fixtures						
2. Operating Equipment:						
(a) Purchased[1]						
Water Pipe		304.29	304.29			
(b) Rented[2]						
(c) Furnished by operator						
3. Rehabilitation and Repairs:						
(a) Facilities						
(b) Buildings						
(c) Installations						

16—64068-3

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
4. Labor[3]	120.00	1390.00	1510.00			
5. Supervision	125.00	1551.61	1676.61			
6. Supplies						
(a) Timber						
(b) Explosives	-	38.00	38.00			
(c) Repair Parts						
(d) Other Coro Roxon	-	305.38	305.38			
7. Power						
8. Transportation	-	662.90	662.90			
9. Insurance						
(a) Fire Ins. Inc.	1.20	10.60	11.80			
(b) Public Liability	0.21	2.47	2.71			
(c) Workmen's Compensation	2.56	26.79	29.35			
Soc. Sec.	1.80	15.90	17.70			
10. Contract Work Building	-	10220.00	10720.00			
11. Other (specify)						
Gool. For Mon	97.55	794.76	892.31			
Gen. Mac. Exp.	23.31	231.54	254.85			
Jeep Op. Exp	30.00	122.32	152.32			
Road Constr.	-	797.00	797.00			
Temple Building	-	99.00	99.00			
Total	391.59	17359.10	17750.69			
Deletions						
Adjusted totals						
Totals previously reported	17359.10					
Totals to date	17750.69					

[1] Enter amount paid during month toward total purchase price.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.
[3] Submit copy of the Social Security form filed under the Old Age Insurance system showing complete wage and salary data or furnish copy of payroll sheet giving same data.

NOTE.—Indicate that portion of supervisory, office, and engineering salaries that is chargeable to this project.

FOR GOVERNMENT USE ONLY

Checked by fh
Entered by
Approved by
Amount approved for payment $ 352.43
Remarks

SEP 3 1952

Lloyd E. Norvell
Authorized Certifying Officer

16—64068-3

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF January 1952

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Gen. Misc. Exp				13.24	13.24	Dollar	13.24	231.54	244.78	1200.00
Water Pipe						Foot	-	600	600	600
Core Boxes						Foot	-	3160	3160	10000
Jeep Op. Exp.			30.00		30.00	Dollar	30.00	122.31	152.31	900.00
Core Shed Contr						Dollar	-	315.75	315.75	450.00
Drill holes Contract						Foot	-	2680	2680	10000
Overburden										
Rehabilitation and preparation										
Geology and geophysics	125.00			97.55	222.55	Dollar	222.55	2982.26	3204.81	9750.00
Trenching						Foot		110	110	500
Sampling and assaying						Dollar	-	99.80	99.80	1000.00
Roads and trails Contr.						Dollar	-	797.00	797.00	2000.00
Test pits										
Other (specify) Gen. Lab	125.80				125.80	Dollar	125.80	1121.34	1247.14	2500.00
Totals	250.80		30.00	110.79	391.59					

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.
[4] Specify whether feet, cubic feet, acres, miles, etc.

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE

MF-104
(August 1951)

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.
SF- DMCA-12
9-3-52

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No. Idm-E-60

Name of Operator [illegible]
Docket No. DMA [illegible]
Total Contract Amount $ [illegible]
Government Participation: [illegible] % Amount, $ [illegible]
Distribution of Expenditures for Month of [illegible]

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts may be made from time to time.

CERTIFICATION

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

[illegible]
(Name of Company)

By [illegible]
(Signature of Authorized Official)

[illegible]
(Date)

[illegible]
(Title)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 23 1952

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

16—64068-3

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only		
				Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(*a*) Facilities						
(*b*) Buildings						
[illegible]		[illegible]	[illegible]	✓		
(*c*) Fixtures						
2. Operating Equipment:						
(*a*) Purchased[1]						
[illegible]		[illegible]	[illegible]	✓		
(*b*) Rented[2]						
(*c*) Furnished by operator						
3. Rehabilitation and Repairs:						
(*a*) Facilities						
(*b*) Buildings						
(*c*) Installations						

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
4. Labor[3]	[illegible]	[illegible]	[illegible]			
5. Supervision	[illegible]	[illegible]	[illegible]			
6. Supplies						
(a) Timber						
(b) Explosives		[illegible]	[illegible]			
(c) Repair Parts						
(d) Other [illegible]		[illegible]	[illegible]			
7. Power						
8. Transportation		[illegible]	[illegible]			
9. Insurance						
(a) Fire [illegible]	[illegible]	[illegible]	[illegible]			
(b) Public Liability	0.49	1.98	2.47			
(c) Workmen's Compensation	5.33	21.46	26.79			
Soc. Sec.	[illegible]	[illegible]	[illegible]			
10. Contract Work [illegible]	[illegible]	[illegible]	[illegible]			
11. Other (specify)						
[illegible]		[illegible]	[illegible]			
[illegible]	[illegible]	[illegible]	[illegible]			
[illegible]	[illegible]	[illegible]	[illegible]			
[illegible] Construction	[illegible]	[illegible]	[illegible]			
[illegible]	[illegible]		[illegible]			
Total	[illegible]	[illegible]	[illegible]			
Deletions						
Adjusted totals	[illegible]					
Totals previously reported						
Totals to date	[illegible]					

[1] Enter amount paid during month toward total purchase price.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.
[3] Submit copy of the Social Security form filed under the Old Age Insurance system showing complete wage and salary data or furnish copy of payroll sheet giving same data.

Note.—Indicate that portion of supervisory, office, and engineering salaries that is chargeable to this project.

FOR GOVERNMENT USE ONLY

Checked by [illegible]
Entered by
Approved by A. C. Johnson
Amount approved for payment $ 2,612.57
Remarks

SEP 3 1952

Lloyd L. Norvell
Authorized Certifying Officer

16—64068-3

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF December

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting Gen. Misc. Exp.				25.14	25.14	dollar	25.14	206.40	231.54	1200.00
Crosscutting Water Pipe						foot		600	600	600 ✓
Raising Core Boxes						foot		3160	3160	10,000 ✓
Shafts Jeep Op. Exp.			43.88		43.88	dollar	43.88	78.43	122.31	900.00
Winzes Core Shed						dollar		315.75	315.85	450.00
Drill holes Contract				2084.00	2084.00	foot	521	2159	2680	10,000 ✓
Overburden										
Rehabilitation and preparation										
Geology and geophysics	112.90				112.90	dollar	112.90	2869.36	2982.26	9,750.00
Trenching						foot		110	110	500
Sampling and assaying				99.80	99.80	dollar	99.80		99.80	1000.00
Roads and trails Contract				275.00	275.00	dollar	275.00	522.00	792.00	2000.00 ✓
Test pits										
Other (specify) Gen. Labor	262.07				262.07	dollar	262.07	859.27	1121.34	2500.00
Totals	374.97		43.88	2483.94	2902.79					

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.
[4] Specify whether feet, cubic feet, acres, miles, etc.

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE

SF-Dmca-76

MF-104
(August 1951)

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No.
Idm-E - 40

Name of Operator Philip Carey Mfg. Co.
Docket No. DMA 1213
Total Contract Amount $
Government Participation: 90% Amount, $ 71,550
Distribution of Expenditures for Month of November

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts may be made from time to time.

CERTIFICATION

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

Philip Carey Mfg. Co.
(Name of Company)

By R. J. Merrill
(Signature of Authorized Official)

November 30, 1951

Geologist (Title)

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

16—64068-3

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only		
				Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(a) Facilities						
(b) Buildings						
Core House		315.75	315.75			
(c) Fixtures						
2. Operating Equipment:						
(a) Purchased[1]						
Water Pipe		304.20	304.20			
(b) Rented[2]						
(c) Furnished by operator						
3. Rehabilitation and Repairs:						
(a) Facilities						
(b) Buildings						
(c) Installations						

16—64068-3

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
4. Labor[3]	250.00	890.00	1140.00			
5. Supervision	250.00	1188.71	1438.71			
6. Supplies						
(a) Timber						
(b) Explosives		38.00	38.00			
(c) Repair Parts						
(d) Other Core Boxes	195.05	110.33	305.38			
7. Power						
8. Transportation		662.90	662.90			
9. Insurance						
(a) Fire Unempl. Ins.	2.50	5.60	8.10			
(b) Public Liability	0.49	1.49	1.98			
(c) Workmen's Compensation	5.33	16.13	21.46			
soc. sec.	3.75	8.40	12.15			
10. Contract Work Drilling	2200.00	6436.00	8636.00			
11. Other (specify)						
Geol. per diem	97.65	697.11	794.76			
Gen. Misc. Exp.	56.99	149.41	206.40			
Jeep Op. Exp.	35.56	42.87	78.43			
Road Construction		522.00	522.00			
Total	3097.32	11388.99	14486.31			
Deletions						
Adjusted totals						
Totals previously reported	11388.99					
Totals to date	14486.31					

[1] Enter amount paid during month toward total purchase price.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.
[3] Submit copy of the Social Security form filed under the Old Age Insurance system showing complete wage and salary data or furnish copy of payroll sheet giving same data.

NOTE.—Indicate that portion of supervisory, office, and engineering salaries that is chargeable to this project.

FOR GOVERNMENT USE ONLY

Checked by Ph
Entered by
Approved by A. C. Johnson
Amount approved for payment $2787.59
Remarks

MAY 23 1952

Lloyd L. Nervell
Authorized Certifying Officer

16—64068-3

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF November

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drilling xxx Gen. Misc. Exp.				56.99	56.99	dollar	56.99	149.41	206.40	1200.00
Crosscutting xxxx Water Pipe						foot		600	600	600
Raising xxx Core Boxes			195.05		195.05	foot	1980	1180	3160	10,000
Shafts xx Jeep Op. Exp.			35.56		35.56	dollar	35.56	42.87	78.43	900.00
Winzes xxx Core Shed						dollar		315.75	315.75	450.00
Drill holes contract				2200.00	2200.00	foot	550	1609	2159	10,000
Overburden										
Rehabilitation and preparation										
Geology and geophysics	250.00			97.65	347.65	dollar	347.65	2521.71	2869.36	9,750.00
Trenching						foot		110	110	500
Sampling and assaying										
Roads and trail contr.						dollar		522.00	522.00	2000.00
Test pits										
Other (specify) Gen. Labor	262.07				262.07	dollar	262.07	597.20	859.27	2500.00
Totals	512.07		230.61	2354.64	3097.32					

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.
[4] Specify whether feet, cubic feet, acres, miles, etc.

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE

MF-104
(April 1951)

Budget Bureau No. 42-R
Approval expires 6-30-51.

E 40

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts will be made from time to time.

CERTIFICATION

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

Philip Carey Mfg. Co.
(Name of Company)

By R. J. Merrill
(Signature of Authorized Official)

October 31, 1951
(Date)

Geologist
(Title)

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

16—64068-1

MONTHLY SUMMARY COST STATEMENT

Name of operator Philip Carey Mfg. Co.
Project No. DMA E-40 Docket 1213
Total contract amount 79,500
Government participation percent 90%

Distribution of Expenditures for Month of October

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals to Date
Wages and salaries	630.00	1448.71	2078.71			
Equipment purchase [1]		304.29	304.29			
Equipment rental [2]	42.87		42.87			
Buildings Core House	146.31	169.44	315.75			
Explosives		38.00	38.00			
Repair parts Core Boxes	43.01	67.32	110.33			
Other supplies Gen.Misc.Exp.	62.33	87.08	149.41			
~~xxx~~ Power Geol. per diem	130.17	566.94	697.11			
Transportation		662.90	662.90			
Withholding taxes Soc. Sec.	3.75	4.65	8.40			
Compensation insurance	5.33	10.80	16.13			
Other insurance Unempl. Ins.	2.50	3.10	5.60			
Contract work Drilling	3388.00	3048.00	6436.00			
Other (specify) Pub. Liab.	0.49	1.00	1.49			
	3	522.00	522.00			
Total	4454.76	6934.23	11388.99			
Totals previously reported	6934.23					
Totals to date	11388.99					

FOR GOVERNMENT USE ONLY

Checked by pl
Entered by
Approved by A. C. Johnson
Amount approved for payment $ 4009.28
Remarks

MAY 23 1952

Lloyd L. Norvell
Authorized Certifying Officer

[1] Enter total purchase price in month purchase is made.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.

16—64068-1

DISTRIBUTION OF WAGES AND SALARIES FOR MONTH OF October

Name of operator Philip Carey Mfg. Co.
Project No. DMA E-40 Docket 1213
Total contract amount 79,500
Government participation percent 90%

Type	Number	Man-Shifts	Rate	Total
Miners	2	13	$ 10.00/day	$ 130.00
Muckers				
Trammers				
Timbermen				
Pumpmen				
Hoistmen				
Surface	1	25	250.00	250.00
Samplers				
Assayers				
Shift bosses				
Mechanics				
Electricians				
Blacksmiths				
Carpenters				
Drill runners				
Drill helpers				
Teamsters				
Manager				
Superintendent				
Engineers				
Geologists	1	16	500.00	250.00
Bookkeeper				
Foreman				
Clerks				
Stenographers				
Other				
Total	4	54		630.00

Note.—Show only that portion of supervisory, office, and engineering salaries that is chargeable to this project.

FOR GOVERNMENT USE ONLY

Checked by PL
Entered by
Approved by R. C. Johnson
Remarks

16—64068-1

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF October

Name of operator Philip Carey Mfg. Co.
Project No. DMA E-40 Docket 1213
Total contract amount 79,500
Government participation, percent 90%

Item	Costs					Progress				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract
Gen. Misc. Exp.				62.35	62.35	dollar	62.35	87.08	149.41	1200.00
Water Pipe						foot		600	600	600
Core Boxes			43.01		43.01	foot	160	720	1180	10,000
Jeep Op. Exp.			42.87		42.87	dollar	42.87		42.87	900.00
Core Shed(contr.)				146.31	146.31	dollar	146.31	169.44	315.75	450.00
Drill holes contract				5388.00	5388.00	foot	847	762	1609	10,000
Overburden										
Rehabilitation and preparation										
Geology and geophysics	250.00			130.37	380.37	dollar	380.37	2141.54	2521.91	9,750.00
Trenching	130.00				130.00	foot	35	75	110	500
Sampling and assaying										
Roads and trails contract						dollar		522.00	522.00	2000.00
Test pits										
Other (specify) Gen. Labor	262.07				262.07	dollar	262.07	335.13	597.20	2500.00
Totals	642.07		85.88	3726.81	4454.76					

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.

16—64068-1 U. S. GOVERNMENT PRINTING OFFICE

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by A. C. Johnson
Remarks

SF-Omea-26

MF-104
(April 1951)

Budget Bureau No. 42-R1036.
Approval expires 6-30-51.

E-40

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts will be made from time to time.

CERTIFICATION

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

Phillip Energy Dev. Co.
(Name of Company)

By D. J. Dorrill
(Signature of Authorized Official)

September 30, 1952
(Date)

Geologist
(Title)

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

16—64068-1

MONTHLY SUMMARY COST STATEMENT

Name of operator Philip Corey Mfg. Co.
Project No. DMA [illegible] Sec. of 1113
Total contract amount 25,000
Government participation percent 00

Distribution of Expenditures for Month of September

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals to Date
Wages and salaries	600.00	850.71	1440.71			
Equipment purchase [1]		304.20	304.20			
Equipment rental [2]						
Buildings: Core House	160.44		160.44			
Explosives		32.00	32.00			
Repair parts: Core Boxes	25.00	37.60	62.60			
Other supplies: Con. Inc. Ex.	34.50	32.50	67.00			
Power: Gol. for dig	323.10	323.70	646.84			
Transportation	240.34	422.00	662.00			
Withholding taxes: Soc. Sec.	3.00	1.03	4.03			
Compensation insurance	9.11	0.89	10.00			
Other insurance: Unempl. Ins	2.40	0.70	3.10			
Contract work	2328.00	912.00	3240.00			
Other (specify): Sub. Lab.	0.47	0.53	1.00			
Road Construction		522.00	522.00			
Total	3904.03	3960.03	6864.03			
Totals previously reported	3960.03					
Totals to date	6864.03					

FOR GOVERNMENT USE ONLY

Checked by fh
Entered by
Approved by A. C. Johnson
Amount approved for payment 3478.14
Remarks

MAY 23 1952

Lloyd L. Norvell
Authorized Certifying Officer

[1] Enter total purchase price in month purchase is made.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.

16—64068-1

65

DISTRIBUTION OF WAGES AND SALARIES FOR MONTH OF October

Name of operator [illegible] Carey Mfg. Co.
Project No. DMA [illegible]-40 Sec et 1815
Total contract amount 90,500
Government participation percent 90%

Type	Number	Man-Shifts	Rate	Total
Miners			$	$
Muckers				
Trammers				
Timbermen				
Pumpmen				
Hoistmen				
Surface	1	14	10.00	140.00
Samplers				
Assayers				
Shift bosses				
Mechanics				
Electricians				
Blacksmiths				
Carpenters				
Drill runners				
Drill helpers				
Teamsters				
Manager				
Superintendent				
Engineers	1	12	50.00	600.00
Geologists				
Bookkeeper				
Foreman				
Clerks				
Stenographers				
Other				
Total	0	40	750.00	740.00

Note.—Show only that portion of supervisory, office, and engineering salaries that is chargeable to this project.

FOR GOVERNMENT USE ONLY

Checked by PH
Entered by
Approved by C. C. Johnson
Remarks

16—64068-1

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF September

Name of operator Philip Carey Mfg. Co.
Project No. DMA R-40 Docket 1213
Total contract amount 79,500
Government participation, percent 90%

Item	Costs					Progress				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract
~~Gen.~~ Misc.Exp.				34.53	34.53	dollar	34.53	52.55	87.08	1200.00
~~Water~~ Pipe						foot		600	600	600
~~Core~~ Boxes			29.92		29.92	foot	320	400	720	10,000
~~Core~~ Shed			169.44		169.44	dollar	169.44		169.44	450.00
Winzes										
Drill holes contract				2536.00	2536.00	foot	634	128	762	10,000
Overburden										
Rehabilitation and preparation										
Geology and geophysics	350.00			493.13	843.13	dollar	843.13	11298.41	12141.54	9,750.00
Trenching						foot		75	75	500
Sampling and assaying										
Roads and trails contract				522.		dollar		522.00	522.00	2000.00
Test pits										
Other (specify) Gen.Labor	251.58				251.58	dollar	251.58	83.55	335.13	2500.00
Totals	601.58		199.36	3063.66	3864.60					

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.

16—64068-1 U. S. GOVERNMENT PRINTING OFFICE

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by A. C. Johnson
Remarks

SF-DmCa-26

MF-104
(April 1951)

Budget Bureau No. 42-R1036.
Approval expires 6-30-51.

E 40

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

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Maps.—Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts will be made from time to time.

CERTIFICATION

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

Philip Carey Mfg. Co.
(Name of Company)

By R. J. Morrill
(Signature of Authorized Official)

August 31, 1951
(Date)

Geologist
(Title)

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

16—64068-1

MONTHLY SUMMARY COST STATEMENT

Name of operator Philip Carey Mfg. Co.
Project No. DMA E-40 Docket 1213
Total contract amount 79,500
Government participation percent 90%

Distribution of Expenditures for Month of August

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals to Date
Wages and salaries	418.71	440.00	838.71			
Equipment purchase [1] Water Pipe	304.29		304.29			
Equipment rental [2]						
Buildings						
Explosives		38.00	38.00			
Repair parts Core Boxes	37.40		37.40			
Other supplies Gen. Misc. Exp.	28.10	24.45	52.55			
Power Geol. per diem	186.30	137.45	323.75			
Transportation	249.96	163.00	412.96			
Withholding taxes Soc. Sec.	1.05		1.05			
Compensation insurance	1.64	4.05	5.69			
Other insurance Pub. Liab.	0.16	0.37	0.53			
Contract work Drilling	512.00		512.00			
Other (Specify) Unemp. Ins.	0.70		0.70			
Road Construction	522.00		522.00			
Total	2262.31	807.32	3069.63			
Totals previously reported	807.32					
Totals to date	3069.63					

FOR GOVERNMENT USE ONLY

Checked by PL
Entered by
Approved by A. O. Johnson
Amount approved for payment $ 2036.08
Remarks

MAY 23 1952

Lloyd L. Norvell
Authorized Certifying Officer

[1] Enter total purchase price in month purchase is made.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.

16—64068-1

DISTRIBUTION OF WAGES AND SALARIES FOR MONTH OF August

Name of operator Philip Carey Mfg. Co.
Project No. DMA R-40 Docket 1213
Total contract amount 79,500
Government participation percent 90%

Type	Number	Man-Shifts	Rate	Total
Miners			$	$
Muckers				
Trammers				
Timbermen				
Pumpmen				
Hoistmen				
Surface	1	8	250.00	80.00
Samplers				
Assayers				
Shift bosses				
Mechanics				
Electricians				
Blacksmiths				
Carpenters				
Drill runners				
Drill helpers				
Teamsters				
Manager				
Superintendent				
Engineers				
Geologists	1	21	500.00	338.71
Bookkeeper				
Foreman				
Clerks				
Stenographers				
Other				
Total	2	29	750.00	418.71

Note.—Show only that portion of supervisory, office, and engineering salaries that is chargeable to this project.

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by A. C. Johnson
Remarks

16—64068-1

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF August

Name of operator Phillip Carey Mfg. Co.
Project No. DMA E-40 Docket 1213
Total contract amount 79,500
Government participation, percent 90%

Item	Costs					Progress				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract
Drifting Gen. Misc. Exp.				28.10	28.10	dollar	28.10	24.45	52.55	1200.00
Crosscutting Water pipe		304.29			304.29	foot	600	--	600	600
Raising core boxes			37.40		37.40	foot	400	--	400	10,000
Shafts										
Winzes										
Drill holes Contract				512.00	512.00	foot	128	--	128	10,000
Overburden										
Rehabilitation and preparation										
Geology and geophysics	338.71			436.26	774.97	dollar	774.97	523.44	1298.41	9,750.00
Trenching						foot		75	75	500
Sampling and assaying										
Roads and trails Contract				522.00	522.00	dollar	522.00	--	522.00	2,000.00
Test pits										
Other (specify) Gen'l Labor	83.55				83.55	dollar	83.55		83.55	2500.00
Totals	422.26	304.29	37.40	1498.36	2262.31					

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.

16—64068-1 U. S. GOVERNMENT PRINTING OFFICE

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by A. C. Johnson
Remarks

SF-DMCA-26

MF-104
(April 1951)

Budget Bureau No. 42-R1036.
Approval expires 6-30-51.

E 40

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

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Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts will be made from time to time.

CERTIFICATION

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

Philip Carey Mfg. Co.
(Name of Company)

By U. J. Morrill
(Signature of Authorized Official)

July 31, 1951
(Date)

Geologist
(Title)

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

16—64068-1

MONTHLY SUMMARY COST STATEMENT

Name of operator Philip Carey Mfg. Co.
Project No. DMA E-40 Docket No. 1213
Total contract amount 79,500
Government participation percent 90%

Distribution of Expenditures for Month of July

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals to Date
Wages and salaries	440.00		440.00			
Equipment purchase [1]						
Equipment rental [2]						
Buildings						
Explosives	38.00		38.00			
~~Repair parts~~ Gen. Misc. Exp.	24.45		24.45			
Other supplies						
~~Power~~ Geol. per diem	137.45		137.45			
Transportation	163.00		163.00			
Withholding taxes						
Compensation insurance	4.05		4.05			
Other insurance Pub. Liab.	0.37		0.37			
Contract work						
Other (specify)						
Total	807.32		807.32			
Totals previously reported						
Totals to date	807.32					

FOR GOVERNMENT USE ONLY

Checked by fh
Entered by
Approved by A. C. Johnson
Amount approved for payment 726.59
Remarks

MAY 23 1952

Lloyd L. Norvell
Authorized Certifying Officer

[1] Enter total purchase price in month purchase is made.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.

16—64068-1

DISTRIBUTION OF WAGES AND SALARIES FOR MONTH OF July

Name of operator Philip Carey Mfg. Co.
Project No. DMA E-40 Docket 1213
Total contract amount 79,500
Government participation percent 90%

Type	Number	Man-Shifts	Rate	Total
~~Miners~~ ~~Trenchers~~	2	7	$10.00/day	$ 70.00
~~Muckers~~ ~~Trenchers~~	2	15	8.00/	120.00
Trammers				
Timbermen				
Pumpmen				
Hoistmen				
Surface				
Samplers				
Assayers				
Shift bosses				
Mechanics				
Electricians				
Blacksmiths				
Carpenters				
Drill runners				
Drill helpers				
Teamsters				
Manager				
Superintendent				
Engineers				
Geologists	1	14	$500/month	250.00
Bookkeeper				
Foreman				
Clerks				
Stenographers				
Other				
Total	5	36		440.00

Note.—Show only that portion of supervisory, office, and engineering salaries that is chargeable to this project.

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by A. C. Johnson
Remarks

16—64068-1

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF July

Name of operator Philip Carey Mfg. Co.
Project No. DMA E-40 Docket 1213
Total contract amount 79,500
Government participation, percent 90%

Item	Costs					Progress				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract
Drifting										
Crosscutting										
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics	250.00			273.44	523.44	dollar	523.44	--	523.44	9,750
Trenching	194.42		38.00	51.46	283.88	foot	75	--	75	500
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	444.42		38.00	324.90	807.32					

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.

16—64068-1 U. S. GOVERNMENT PRINTING OFFICE

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by A. C. Johnson
Remarks

Breakdown of Other Costs:

Office expense	$ 24.45
Geol. per diem	137.45
Geol. Transportation Exp.	150.60 137.45
Total	312.50
Transporting trenchers to work	12.40
	324.90

Trenching - 1/8 x 312.50 - 39.06
Geology - 7/8 x 312.50 - 273.44

312.50

5/20/74

Note:

At the request of Mr. Herb Harris, Nicolet Co., Ambler, Pennsylvania, the subject docket was reviewed for possible information which he could use. The property has been offered to Nicolet Co. for consideration.

It found no drill logs or sampler-assay records or geologic maps in the docket. It sketched over the memo by Selfridge of Oct. 28, 1963 to The File by phone to Mr. Harris. As there was nothing else of interest to review, Mr. Harris decided not to come to Washington to review the docket (or that portion we could offer him).

Docket was returned to Archives.

H. Kirkemo

OFFICIAL FILE COPY

Date	Surname	Code
	Selfridge	120
10/29		110
1	Fumich	100

OCT 29 1963

Mr. B. J. Varnhagen
Manning W. Cox Associates
57 Post Street
San Francisco, California

Re: DME-1213 (Asbestos)
Philip Carey Manufacturing Co.
Stark Property
Nevada County, California
Contract Idm-E40

Dear Mr. Varnhagen:

In response to your letter of October 23, 1963, no obligations remain under the subject contract.

Our records show that this particular Stark property lies in secs. 2, 11, and 12, T. 17 N., R. 10 E. rather than T. 12 N. It is less than one mile west of Washington.

Your question regarding the availability of OME funds can be answered only after receipt of an application for exploration assistance and assessment of the data contained therein.

Sincerely yours,

George Fumich, Jr.

Director

GCSelfridge:jab (10-29-63)
cc: Director's Reading File
Mr. Selfridge

43683

MANNING W. COX ASSOCIATES consulting geologists

57 post street san francisco, california YU 2-1436

OFFICIAL FILE COPY
O. M. E
RECEIVED OCT 25 1963

DATE		CODE
10/26		300
10/26		100
10/25		110
		120
		500

October 23, 1963

Mr. George Fumich Jr.
Director, Office of Minerals Exploration
Department of Interior
Washington 25, D.C.

Re: DMEA-1213 (Asbestos)
Philip Carey Manufacturing Co.
Red Mountain Asbestos Deposits
Trinity County, California
Contract Idm-E40

Dear Mr. Fumich:

Thank you for your letter of October 18 with reference to the subject contract. There is one point that bothers me. The property we are interested in is the Stark Asbestos Property, worked by the Philip Carey Company in 1951, but located in Nevada County, California rather than Trinity County. It is located in Sections 11 and 12, T12N, R10E, M.D.B.M. The Red Mountain deposit is some miles away.

Since it is our intention to complete the geologic exploration of the property, and our understanding the DMEA contract was not completed, would there be any OME funds available for this project?

Sincerely yours,

S. J. Varnhagen

S. J. Varnhagen

SJV:jmj

What's possibility?

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
	GCS	

October 28, 1963

Memorandum

To: The File

From: Chief, Division of Field Operations

Subject: DMEA-1213 (Asbestos)
Philip Carey Manufacturing Co.
Stark Property
Nevada County, California
Contract Idm-E40

The writer reviewed the subject docket because the land involved therein may be part of an OME application in the future.

The subject contract was written without the benefit of a field examination. In a comment of June 13, 1951, by Oliver Bowles, mention is made that one paragraph in the Bureau of Mines Bulletin 403, Asbestos, (1937) covers the subject property. A sample received by the Bureau is recorded as chrysotile of good spinning grade. A mill operated on the property for a short time produced a few hundred tons, most of which was under 5/8-inch in length. A small quantity of spinning fiber was produced. Supposedly the deposit had a width of about one-half mile and a length of at least one-half mile. In a memorandum of December 13, 1951, by H. C. Miller, Executive Officer, DMEA Field Team, Region III, mention is made that a field examination indicated a marked decrease in chrysotile content ~~in the~~ northwestward from the open pit and that it is likely further drilling in the northern end of the area is not warranted. A mill test was recommended because little fiber was seen that was over 1/4-inch in length and the maximum fiber content seemed to be less than 5%. These estimates indicated low grade ore.

In a memorandum of April 2, 1952, Mr. Miller states that a mill test did not seem warranted for the low grade asbestos rock in the northern area. The Field Team thought that some mill testing of cores from the southern part might be warranted. Apparently there had been a previous mill test. The cores had not been logged but seemingly it was thought that the company's logs were representative. The Field Team believed that the contract should be terminated. Although mention is made of a report by the company geologist, the docket contains no report or anything indicating the actual grade of the deposit. On April 9, 1952, Mr. Miller wrote Mr. Robert S. King, chairman of the board of the Philip Carey Manufacturing Co., that the contract was terminated because of the improbability of making a worthwhile discovery.

GCSelfridge/mm 10/28/63
cc: Director's Reading File
Mr. Selfridge

George C. Selfridge

43683

Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
10/17	Selfridge	120
10/18	Johnson	110
1	Fumich	100
		220

OCT 18 1963

Mr. S. J. Varnhagen
Manning W. Cox Associates
57 Post Street
San Francisco, California

Re: IMEA-1213 (Asbestos)
Philip Carey Manufacturing Co.
Red Mountain Asbestos Deposits
Trinity County, California
Contract Idm-E40

Dear Mr. Varnhagen:

Your inquiry of October 11, 1963, to Mr. Fillo has been referred to this office.

With reference to the subject contract, there are no obligations thereunder.

Sincerely yours,

George Fumich, Jr.

Director

GCSelfridge/gla (10-17-63)
cc to: Director's Reading File
Mr. Selfridge
Region II
Docket

23263

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

555 Battery Street
San Francisco 11, California, 94111

Memorandum October 15, 1963

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

From : Acting Field Officer, OME, Region II

Subject: DMEA 1212 (Asbestos)
Philip Carey Manufacturing Co.
Red Mountain Asbestos Deposits
Trinity County, California
Contract Idm-E 52

Enclosed is a copy of a letter from S. J. Varnhagen requesting information and advice.

It would be appreciated if this was handled from your office. Thank you.

Paul V. Fillo

Paul V. Fillo

enclosure

cc:
Chief, Division of Field Operations, OME, Washington, D. C.

OFFICIAL FILE COPY
O. M. E
RECEIVED OCT 17 1963

DATE	INITIALS	CODE
		120
		800
		500

MANNING W. COX ASSOCIATES consulting geologists

57 post street san francisco, california YU 2-1436

October 11, 1963

OCT 1963
BUREAU OF MINES
OFFICE OF
MINERALS EXPLORATION
REGION II

Mr. Paul V. Fillo
Acting Field Officer
Office of Mineral Exploration
555 Battery Street
San Francisco 11, California

Dear Mr. Fillo:

Since last speaking with you, we have taken an option on the Stark Asbestos property in Nevada County, California. In 1957 a D.M.E.A. loan was granted to the Philip Carey Company of Cincinnati, Ohio to do exploratory drilling. We would like to know the present status of the loan and what obligations, if any, reside with the land. It is our understanding the project was not completed.

You mentioned that it would be necessary for Mrs. Stark to appear personally to request the information. Since she is an elderly lady, residing in Oakland, and quite crippled, this would be a hardship for her. I will be happy to submit a copy of our option agreement signed by Mrs. Stark or obtain a letter from her, if you will indicate the format.

Sincerely yours,

S. J. Varnhagen

SJV:jmj

Box 9

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
1605 Evans Avenue
Reno, Nevada

Oct. 15, 1958

10/21 C

220
600
225

John H. Stark, M.D.
5335 Hilltop Crescent
Oakland 18, California

DMA-1213

Dear Mr. Stark:

For the information requested in your letter of October 10, we suggest that you communicate with the Philip Carey Manufacturing Company. I assume that you had a clause in your lease which obligated the Lessee to furnish you with the results of this work.

It is not the policy of the DMEA to publish or disclose their conclusions as to the merits of the properties in which they participate in the costs of exploration.

Very truly yours,

S. Ricker
Executive Officer
OME Field Team, Region II

SRicker:ft
cc: Opr. Com., OME, Wash., D.C.
RMSmith
File
Chron

OMEA 1213 Asb.
Contract Idm E40
Philip Carey Mfg Co.
Cincinnati, Ohio

Resumé

The contract, dated June 29, 1951, for a period of one year, covers reconnaissance and diamond drilling for asbestos on the Stark property, northeast of Nevada City, Nevada County, Cal. The total funds are $79,500.00. The program includes geologic and magnetometric mapping and 200 ft. of trenching at $3.50 per foot for a period of ten months, and up to 5,000 ft. of core drilling at $4.00 per ft. in 1951, with an additional 5,000 ft. in 1952 if preliminary work justifies it.

Amendment #1, April 10, 1952, amended Exhibit "A" so that vouchers could be issued for $3,256.18 for work not covered by the original contract.

A total of $14,486.31 was spent, including 110 feet of trenching and 2,159 feet of core drilling. No significant discoveries were made.

The contract was terminated April 22, 1952, by mutual agreement.

Philip Carey Mfg Co. DMEA 1213
Cincinnati 1dm 640'

Asbestos

Application dated May 18, 1951 $75,000.00
Stake property N.E. of Nevada City, Nevada County, Cal. Geological and Geophysical Mapping followed by trenching and diamond drilling

Contract dated June 29, 1951 to June 29, 1955, $79,500.00,
Geologic and magnetometric mapping - 10 mo.
200' of trenching - 10 mo. 3.50/ft
10,000' of core drilling, 50'-200' per hole, up to 5,000' in 1951, continue in 1952 $4.00/ft.

Amendment #1, April 10, 1952 amended Exhibit "A" so that vouchers could be issued for $8,256.18 not covered in the original.

$18,227.50

$14,486.34 total spent
3,159' of core drilling
110' of trenching
Contract terminated April 22, 1952

☑ Audited

☐ Certified

WO[redacted] ANALYSIS SHEET - DMEA PROJECT [redacted]

Analysis as of 12/3/54
Incl. Voucher for 3-1952

☑ Actual Cost

☐ Agreed Unit Costs

Name Philip Carey Mfg C.

Docket No. 1213 X

State California

Commodity Asbestos

Idm-E No. 40

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting	300'	$10,695.00	—	—	—
Raising					
Shafts					
Winzes					
Drilling (Specify)	10,000' D.D. 10,000' Core 600' Water Bo	40,000.00 1,000.00 800.00	2159' 3160' 600'	$8,636.00 $305.38 $304.29	$9245.67
Surface Excavation		$1,900.00		$418.00	$418.00
Underground Excavation					
Roads and Trails		$2000.00		$797.00	$797.00
Operating Equipment Purchased		$2050.00		0	0
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.		$450.00		$315.75	$315.75
Other (Specif..		$21,105.00		$7451.08	$7451.08
		79,500.00		$18227.50	$18227.50

	Auth	Completed
Sampling + Testing	$3750.00	$242.34
Transportation	2905.00	1135.19
Geo. mapping	9950.00	5803.55
Surveying	3500.00	
Office Misc.	1200.00	270.00
	$21,105.00	$7451.08

Totals

Prepared by [signature]

COPY

March 4, 1955

Memorandum

To: Jay L. Chambers

From: Lawrence G. Houk (initialed) L. G. H.

Subject: Closing dockets

The Nonmetallic Minerals Division have reviewed the following contracts and do not intend to make certifications of discovery or development:

Idm-E52	DMEA-1212	Idm-E	DMEA-
40	1213	217	1969
13	1679	244	1955
73	519	253	2134
74	1390	257	2077
78	1664	272	2360
93	812B	288	2344
97	1224	324	2255
121	1517	344	2156
124	1318	373	2439
125	1720	411	2528
129	1665	430	2524
134	1732	433	2620
140	1813	444	2646
179	1122	450	2681
180	1250	480	2725
191	1914	497	2778
195	1812	507	2840
198	1929	518	2785
211	1721	524	2909
216	2104	543	2950
		565	3030

FILE COPY
SURNAME:

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

C
O
P
Y

D.M.E.A

J. L. Chambers
3462 2612

1213

14X3923.970 Working Fund, DMEA
August 19, 1952

Mr. Robert M. Hull, c/o Mr. A. E. Weissenborn South 157 Howard Street
Spokane 8, Washington

Reour letter August 14. Think it better to send Forms 104 for Philip Carey Contracts E40 and #52 to San Francisco for payment and final entry on records. Region III may want to make settlement on sales of equipment at time of final payment for project.

signed

Jay L. Chambers, Chief
Contract Administration and
Audit Division

J. L.Chambers/wb
August 19, 1952

Copy to: Mails & files
Admr. Reading File
Mr. Chambers

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

Office of
Executive Officer
DMEA Field Team
Region III

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 11 1952

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

August 5, 1952

Memorandum

To: Jay L. Chambers, Chief, Contract Administration and Audit Division, DMEA, Interior Building, Washington, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Exploration Contract Idm-E40, Docket DMA-1213X and Exploration Contract Idm-E52, Docket DMA-1212X Philip Carey Manufacturing Company

Reference is made to your subject letter, dated July 18.

First, let me correct the last paragraph on the first page of the letter, which is a quotation from my December 31, 1951 letter to the Administration. The name of the property discussed therein should have been referred to as the "Codding" property rather than the "Gooding" property, as Mr. Bruce L. Codding is one of the owners of the land leased to the Philip Carey Company on April 25, 1951. The statement - "We are of the opinion that reference is to the company's other exploration project contract Idm-E52" - is correct and work done on the Codding property should not be charged to Contract Idm-E40. Despite the apparent confusion that has resulted from the error which occurred in the above-mentioned paragraph, no work done on the Codding property was charged to Contract Idm-E40.

Accordingly, the first paragraph on the second page of your July 18 letter can be answered that definitely all costs claimed under Contract Idm-E40 were for work actually performed on the property, described in and covered by that contract.

It is more difficult to answer the remaining part of your letter as the Geological Survey cannot agree on whether the time spent on reconnaissance work was excessive or not and whether some of the work was done in areas beyond those covered by Contract Idm-E52. Exhibit (Annex II) of Contract Idm-E52 lists fourteen claims which is definite information. However, after the list of claims there appears this statement: "And including all after-acquired claims coming within the Mining Option and Lease of April 25, 1951 between Applicant and G. L. Carrico and Bruce L. Codding."

We have no copy of the cited lease in our files and are under the impression that if we ever had a copy of the lease it may be in the folders which we loaned to Mr. Hull sometime ago and which to date have not been returned.

In the final report on the Red Mountain Asbestos Deposit by Edgar H. Bailey, Geologist, U. S. Geological Survey, dated April 1, 1952, there is a map (figure 1) on which is drawn a dotted line, identified as the "Limit of area reconoitered by Philip Carey Mfg. Co. geologists in search for serpentine masses." Apparently, it is this area of approximately 140-150 square miles that was considered by Philip Carey Company as coming under their lease, of which the fourteen cited claims were a part.

We have no knowledge of how thorough the Company geologists and transitmen reconnaissanced the area. Mr. Bailey, due to the fact that most of the area is devoid of favorable indications for asbestos, could have, perhaps, looked over the area in about two man-weeks time and he could have looked at the work done as being ridiculous. It is appreciated, however, that the Philip Carey geologist was entirely unfamiliar with California geology and was, perhaps, over cautious not to overlook anything, so that he naturally spent more time on reconnaissance of the area than would have been spent by a Geological Survey geologist, more familiar with California geology.

My decision, therefore, is that the costs incurred under Contract Idm-E52 are "reasonable" within the meaning of Article 10 of the contract.

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Copy to Mr. Robert M. Hull, Auditor, Contract Administration and Audit Division
c/o Mr. A. E. Weissenborn, Executive Officer, DMEA Field Team, Region II, Spokane, Washington
Mr. E. H. Bailey, USGS

FILE COPY
SURNAME:

Talbot Chamberlin

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

JUL 18 1952

Mr. H. C. Miller
Executive Officer
DMEA Field Team, Region III
1012 Flood Building
870 Market Street
San Francisco 2, California

Re: Exploration Contract Idm-E40
Docket DMA-1213X
and
Exploration Contract Idm-E52
Docket DMA-1212X
Philip Carey Manufacturing Company

Dear Mr. Miller:

Reference is made to Mr. Hull's letters of June 11 and June 12 requesting certain information relative to the subject contracts and the memorandum of June 17, 1952, from Mr. Johnson, Chief, Mining Division, Region III, which you forwarded to Mr. Hull by memoranda dated June 25, 1952.

It appears from Mr. Johnson's memorandum that he has interpreted Mr. Hull's request for information as being exceptions taken during the audit. Such was not the case. The information is required in order that a determination can be made that the costs claimed by the operator are "the necessary, reasonable, direct costs of performing the exploration work" in accordance with Article 10 of the contracts. This must be done before the auditor may certify that payment of the Government's participating share of the costs is valid and proper and final settlement of the account may be effected.

In a letter dated December 13, 1951, addressed by you to the Administration relative to Contract Idm-E40 you stated in part:

> "The October report states 'reconnaissance of the Gooding property in Trinity County was completed during the first two weeks of October, and a map and report are in preparation. A decision regarding further work on the property is pending'. We have no record of the location of the Gooding property, but are reasonably certain it is <u>not</u> one of the properties listed in Appendix 1 of the exploration project contract. We are of the opinion that reference is to the company's other exploration project contract Idm-E52. <u>If so, we question why work done on the Gooding property should be charged to the contract Idm-E40.</u>" (Underscoring supplied.)

In Mr. Johnson's memorandum of June 17, 1952, he states that "As the Philip Carey Mfg. Co. evidently has done some exploratory work on property that is covered by their contract, it seems that they should be entitled to payment for all work that has been done". It is not believed that this reply is adequate to relieve all doubt that the costs claimed by the operator were incurred in exploratory work on the specific property covered by the contract. The Government cannot pay for exploratory work on property other than that covered by the contract. Therefore, we request you as Executive Officer of DMEA Field Team, Region III, to make a definite and final determination as to whether the work for which costs are claimed under Contract Idm-E40 was actually performed on the property described in and covered by the contract.

With reference to Contract Idm-E52, under date of April 8, 1952, you addressed a memorandum to the Administration transmitting four copies of the "Final Report by Field Team, Region III", Contract Idm-E52." This report contains the following statements:

> "for a transitman to have required 2 months and a geologist 9 days to do this small amount of work is ridiculous."
>
> "the reconnaissance of the area was done at what appear to be excessive cost and probably much of it was not authorized in the contract."
>
> "The reconnaissance and evaluation of the area called for probably could have been done by geologists or engineers under the supervision of the Field Team in less than 2 man-weeks time."

Mr. Johnson's memorandum of June 17, 1952, states "For a transitman to make a reconnaissance survey of this area under conditions indicated above, two months' time is not excessive", and "There has been no time limitation set on the transitman or rodmen, so again, I believe that these costs will have to be allowed". It is apparent that Mr. Johnson's memorandum and your Field Team Final Report represent contradictions. It is requested, therefore, that you, as Executive Officer, make a final determination as to whether the costs under Contract Idm-E52 are "reasonable" within the meaning of Article 10 of the contract.

Please forward a copy of your reply to this letter directly to Mr. Hull, c/o Mr. A. E. Weissenborn, Executive Officer, DMEA Field Team, Region II, South 157 Howard Street, Spokane 8, Washington.

EDTalbert/ama
July 17, 1952

Sincerely yours,

7/18/52

Jay L. Chambers, Chief
Contract Administration and
Audit Division

Copy to: Admr. Reading File
Mails and Files
Mr. Houk
Mr. Hull
Mr. Chambers

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

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

June 25, 1952

Memorandum

To: Robert M. Hull, Auditor, Contract Administration and Audit Division, DMEA, South 157 Howard Street, Spokane, Washington

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMA-1213 (Asbestos) The Philip Carey Manufacturing Company, Lockland, Cincinnati 15, Ohio, Exploration Project Contract Idm-E40

Reference is to your letter, dated June 12, concerning subject contract.

The memorandum from A. C. Johnson, Chief, Mining Division, Bureau of Mines, Region III to me, dated June 17, of which two copies are being sent to you with my memorandum of even date, concerning Docket 1212X (Contract Idm-E52), gives you the answers you desire.

H. C. MILLER

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Copy to Contract Administration and Audit Division, DMEA, Interior Building, Washington 25, D. C.

E. H. Bailey, USGS

Copy of Johnson memo filed in Idm-E52

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 30 1952

FILE COPY
SURNAME:

800

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~

South 157 Howard Street
Spokane 8, Washington

Mr. H. C. Miller
Executive Officer
DMEA Field Team, Region III
1012 Flood Building
870 Market Street
San Francisco 2, California

JUN 12 1952

Dear Mr. Miller:

Reference is made to your memorandum to the Defense Minerals Exploration Administrator dated December 13, 1952, on Docket DMA-1213, Exploration Project Contract Idm-240, The Philip Carey Manufacturing Company.

In view of certain statements in the second paragraph, which I quote below, doubt has been raised as to whether the work performed was actually on the property as described in Appendix I of the contract.

> "The October report states 'reconnaissance of the Gooding property in Trinity County was completed during the first two weeks of October, and a map and report are in preparation. A decision regarding further work on the property is pending.' We have no record of the location of the Gooding property, but are reasonably certain it is not one of the properties listed in Appendix I of the exploration project contract."

Before the audit report and certificate can be written, it will be necessary to definitely establish whether any of the work for which costs are claimed was done on property other than that described in Appendix I of the contract; if so, what portion of the costs covered the unauthorized work; and what costs the Field Team agrees are reasonable and proper for the acceptable work performed within the terms of the contract.

I would appreciate your replying to me direct with a copy to the Contract Administration and Audit Division, Defense Minerals Exploration Administration, Department of the Interior, Washington, D.C.

Sincerely yours,

STAMPED

Robert M. Hull, Auditor
Contract Administration and
Audit Division

RMHull/wb
June 12, 1952

Copy to: Admr. Reading File
Mails & Files
Mr. Hull
Mr. Chambers

6/12/52

D. M. E. A.

3461 J. L. Chambers 2612

1A20137 Salaries & Expenses, Defense Production Activities, Interior, 1952
May 22, 1952

Mr. H. C. Miller, Executive Officer, 1012 Flood Building, 870 Market Street
San Francisco 2, California

REUR teletype 5-21-52. Tell Hull to pick up all documents necessary to audit Philip Carey projects E-40 and E-52. Your office should hold back sufficient funds to care for any exceptions taken in audit. Suggest two or three thousand dollars. Ask Hull to change his routing to Washington through St. Louis and Cincinnati with stopover at Cincinnati, by contacting the outgoing road. Lockland, home of Carey Company, is suburb of Cincinnati.

(Signed) J. L. Chambers

Jy L. Chambers, Chief
Contract Administration and
Audit Division

JLChambers/wb
May 22, 1952

cc: DMEA Mails & Files
Mr. Houk, Rm. 4639
Mr. Chambers, Rm. 2612
Admr. Reading File

1-1027
(April 1946)

UNITED STATES
DEPARTMENT OF THE INTERIOR

AGENCY Bureau of Mines

PBS TELETYPE

Originator:
Ext.: 472 Room: 1006
Flood Bldg., San Francisco

Appro.: Bureau of Mines
Date: May 21, 1952
Time: 2:10 p.m.
No.:
To: Jay L. Chambers, Chief, Contracts Administration & Audit Division, DMEA, Interior Building, Washington, D. C.
Subject:

Following wire received today from Philip Carey Company. "Documents pertaining to expenditures on contracts Idm-E40, Docket 1213, and E-52, docket 1212, may be examined by your auditors at our offices at Lockland, Ohio. Do not have details on payrolls but will arrange to have them here for your review if you so desire. Please advise." Will attempt to audit payrolls from San Francisco. Majority of MF-104's on E-40 being processed for payment. Will advise you of those MF-104's not being paid. Equipment will be sold as soon as possible.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 26 1952

H. C. Miller
Executive Officer, DMEA Field Team,
Region III

Authorized:
H.C.Miller

CONFIRMATION

Sign original message and transmit to Room _____ in duplicate

U. S. GOVERNMENT PRINTING OFFICE 16—50915-1

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

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Building
870 Market Street
San Francisco 2, California

April 22, 1952

Memorandum

To: Defense Minerals Exploration Administration, Interior Building, Washington, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMA-1213X (Asbestos) - Exploration Project Contract Idm-E40 - Amendment No. 1, Philip Carey Manufacturing Co.

Attached is the original and three copies of Amendment No. 1, dated April 10, to subject exploration project contract.

The operator has retained his copy of the amendment and one copy is being sent to the field engineer at Reno. We shall expect the finance officer's copy from you shortly.

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Attachment

Copy to A. C. Johnson, Reno, Nev.
(w/copy of Amendment No. 1)
E. H. Bailey, USGS

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
APR 28 1952

FILE COPY
SURNAME:

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

600
APR 14 1952

Houk
Chandler
K. Jensen

Mr. H. C. Miller
Executive Officer, DMEA
Field Team, Region III
1012 Flood Building
870 Market Street
San Francisco, California

Subject: Docket No. DMEA-1213 Asbestos
Philip Carey
Stark Property
Nevada County, California
Contract Idm-E40

Dear Mr. Miller:

Pursuant to our telephone conversation of April 7 and 10, 1952, on the subject docket, we suggest that you pay all of the costs that you feel can be allowed under the present contract, and then prepare an amendment covering such other items that you feel are necessary and reasonable for carrying out the project.

The MF-104 vouchers should be properly supported with receipted purchase orders or certified copies thereof, and copies of payrolls or quarterly reports, social security on payrolls, as a prerequisite to payment.

The Washington Legal Staff have prepared the enclosed three types of contract termination notices for your information and guidance in terminating contracts. We expect to have these forms duplicated and will send you a supply when they are available.

Sincerely yours,

4/14

(signed) FRANK E. JOHNSON (for)

for Acting Administrator
Defense Minerals Exploration
Administration

Enclosures 3
LGHouk:gad 4/11/52
Copy to: Admin. Reading File
Docket File
Dr. Bowles, 3522
Mr. Norton, G-232, GSA Bldg.
Mr. Houk

DE

FILE COPY
SURNAME:

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C. 600

Houk
Hedges
Fager
JE Johnson

Mr. H. C. Miller
Executive Officer, DMEA
Field Team, Region III
1012 Flood Building
870 Market Street
San Francisco, California

Subject: Docket No. DMEA-1213 Asbestos
Phillip Carey
Stark Property
Nevada County, California
Contract Idm-E40

Dear Mr. Miller:

Pursuant to our telephone conversation of April 7, 1952, on the subject docket, we suggest that you pay all of the costs that you feel can be allowed under the present contract, and then prepare an amendment covering such other items that you feel are necessary and reasonable for carrying out the project.

With regard to termination of the contract, the legal staff of the Washington office are preparing termination forms that may be used where there is mutual agreement, and where the Executive Officer desires to terminate for cause. These forms will be forwarded to you when available.

Sincerely yours,

C. O. Mittendorf

Acting Administrator
Defense Minerals Exploration
Administration

LGHouk:gad 4/9/52

Copy to: Adm. Reading File
Docket File
Dr. Bowles, 3522
Mr. Norton, G-232, GSA Bldg.
Mr. Houk

P. S. Three different types of termination agreements are enclosed.

Enclosures 3

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 14 1952

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

Air Mail

April 10, 1952

Memorandum

To: Lawrence G. Houk, Chief, Non-Metallic Minerals Division, Defense Minerals Exploration Administration, Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMA-1213X, The Philip Carey Manufacturing Co., Trinity County, California (Asbestos), Contract Idm-E40

As requested by you over the phone on April 2, we have prepared an Amendment No. 1 to Philip Carey Exploration Project Contract Idm-E40. This amendment provides authority to charge to the project certain items (a to i, inclusive) which were not included in the original contract, and which were necessary to carry out the work specified in the contract.

The company to date has turned in vouchers covering a total expenditure of $18,289.30, only $15,033.12 of which can be considered covered by the original contract. Therefore, Amendment No. 1 was prepared to permit our Accounts Section to take care of the balance of expenditures amounting to $3,256.18. In other words, of the amount spent by the company to date ($18,289.30) according to vouchers in this office, items costing $15,033.12 can be allowed under the original contract. The balance of the money spent is provided for in the amendment.

The original and five copies of Amendment No. 1, dated April 10, 1952, and signed by me for the Government as Executive Officer, DMEA, were sent to Mr. Robert S. King, Chairman of the Board, Philip Carey Manufacturing Co. for his signature today. A copy of the amendment is attached herewith for your information. Also attached is a copy of my letter of today to Mr. King.

You suggested over the phone that I prepare a letter to the Philip Carey Manufacturing Co. terminating the contract and that I send the letter to you for transmittal to the company. Such a letter has been prepared and the original and five copies are attached herewith. If this letter is not prepared properly, or

my scheme is not the best way to handle the matter, you have my permission to change the procedure and, if desired, rewrite the letter for Mr. Mittendorf's signature.

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Attachments 3

Copy to E. H. Bailey, USGS

April 10, 1952

3:30 P.M.

Mr. L. G. Houk calling Philip Carey Co. of Cincinnati, Ohio.
TELEPHONE NO. Valley-3000

Mr. Houk: We are trying to determine where your books are kept on the DMEA Project Contract E-40?

Mr. Fasold: Our general offices are here at Lockland and the general information is here.

Mr. Chambers: What position do you hold.

Mr. Fasold: I am the secretary of the company.

Mr. Chambers; I am the auditor of the DMEA and the chief question is have you received any funds at all from your project in Nevada County, California.

Mr. Fasold: Do you have the file there. Is it the Stark property?

Mr. Chambers: Yes. It is the Stark property.

Mr. Fasold: No we have not received any funds.
The primary reason is to get the figures of the various amounts to be covered in the contract.

Mr. Chambers: Do you have any other activities nearby in Nevada County?

Mr. Fasold: Down in Trinity County is the nearest.

Mr. Chambers: No other operations?

Mr. Fasold: No. The figures we put in the application when the man got out there he decided he would need funds for some other expenditures and the breakdown is to be changed.

Mr. Chambers: How about the monthly reports.

Mr. Fasold: The monthly reports are being held up getting clarification on that. They were filed about a month ago - about 4 weeks ago.

Mr. Chambers: Thank you very much that is the information I wanted. I wanted to be quit certain you have not received any funds.

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

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

April 10, 1952

Mr. Robert S. King
Chairman of the Board
Philip Carey Manufacturing Co.
Lockland
Cincinnati 15, Ohio

Re: Docket DMA-1213X,
Exploration Project
Contract Idm-E40

Dear Mr. King:

The attached Amendment No. 1 to Exploration Project Contract Idm-E40, dated June 29, 1951, has been prepared so that we will be able to pass your monthly MF-104 vouchers on for payment. Vouchers totaling $18,289.30 have accumulated in this office. Of that amount $3,256.18 cannot be allowed under the original contract so that the amendment was needed.

Kindly sign all six copies of the amendment and return the original and four copies to this office. We will then pass all of your vouchers on for payment of the Government's share.

Sincerely yours,

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Copy to Lawrence G. Houk
E. H. Bailey, USGS

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS ADMINISTRATION

WASHINGTON 25, D. C.

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 4 1952

Air Mail

April 2, 1952

Memorandum

To: Frank E. Johnson, Chairman, Operating Committee, Defense Minerals Exploration Administration, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-1213 (Asbestos), Philip Carey Manufacturing Co., Exploration Project Contract Idm-E40

Your subject memorandum dated March 27 must have left Washington just about the time my air mail memorandum of March 26 on the same subject arrived there.

In regards to the third paragraph of your memorandum, you will note that on the Exhibit "A" (Amended) which was attached to our March 26 memorandum, we allowed only 1/2 of $500, or $250 a month, for the salary of a geologist on the assumption that he divided his time equally between the two Philip Carey Manufacturing Company's contracts (Idm-E40 and Idm-E52). Per diem expenses for the geologists are allowed in our Exhibit "A" because Mr. Merrill had to reside at a hotel in Nevada City, California, while doing the geological work and supervising the drilling and trenching. These living expenses, wrote Mr. Merrill, amounted to $250 a month which he could not afford to meet out of his salary of $500 a month.

The 600 feet of water pipe mentioned in your fourth paragraph were essential to the diamond drilling program, as was 792 feet (not 3,500 feet) of roads between drill sites. We allowed 2,680 feet of core boxes to take care of the 2,680 feet of cores. These were justifiable items not covered in the original contract. Similarly, the core and tool house at a cost of $305.38 should be allowed.

In regard to the third paragraph of the second page of your memorandum, we believe inasmuch as the material from the north end of the deposit, that is, the cores and surface samples indicate only low grade asbestos rock, a mill test of material from that area is not justified. Mr. Bailey of the Geological Survey is of the opinion that if the company desires to carry out some mill testing of cores from holes 1, 4, 5, and 6 in the southern part of the area, that this should be allowed. Then if the yield from these holes is significantly better (say, twice as good) than indicated by the first mill test, then larger scale sampling would be justified.

Mr. Bailey states that he and his geological assistants saw the cores on the property, but that they didn't log them. He is certain, however, that the material is no better than the company's logs indicate. Although the company claims that experience has shown that mill tests give better results than logging, we see no reason for believing that.

Mr. Bailey is of the opinion that the exploration was done satisfactorily and in the right place, and if there had been asbestos there the work would have found it.

It is the opinion of the field team that the contract should be terminated, as nothing done to date points towards the existence of a commercial asbestos deposit in the area considered by Mr. Merrill as most likely asbestos-bearing.

After you have read this memorandum and my memorandum of March 26, kindly teletype me if I am to follow the instructions in the first and second paragraphs on the second page of your March 27 memorandum, or whether the amendment will be framed in the Washington Office. The entire matter is pretty well bawled up, and I wonder if we can handle it properly at this end.

We would, however, like to get the matter settled and the bills paid as soon as possible, so if you still feel that we can handle it, we will do the best we can to straighten it out. Will you also take care of terminating the contract and notifying the company or should that, too, be handled by us?

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Copy to E. H. Bailey, USGS

FILE COPY
SURNAME:

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C. 600

MAR 27 1952

Mr. H. C. Miller
Executive Officer
DMEA Field Team, Region III
1012 Flood Building
870 Market Street
San Francisco 2, California

Subject: Docket No. DMEA-1213 - Asbestos
Phillip Carey Manufacturing Co.
Exploration Project Contract
Idm-E40

Dear Mr. Miller:

Pursuant to your telephone conversation of March 20,1952, with Mr. Lawrence G. Houk on Phillip Carey Contract Idm-E40, we understand that this contract will be amended by your office and submitted to Washington for approval if any difficulties arise.

It is noted from your recent letter that you feel termination of the contract is justified in view of the report of the Operator's Geologist, Mr. R. J. Merrill. Before any action is taken with respect to terminating the contract, any necessary amendments should be made to the contract in order to pay the Government's share of expenditures you deem proper.

From the information on the last page of Mr. Merrill's report listing items in the exploration program, it appears that expenditures for most of these items are allowable under the original contract. However, some items given in the last two paragraphs of his report can only be allowed if the contract is amended.. In this respect there is no provision in the contract for per diem allowance and transportation of a Geologist. It was felt that the salary of $500.00 a month should be sufficient for doing the geological work required for this small drilling program. However, if you feel this additional cost is a justifiable expense you should include it in the amendment.

As to the 600 feet of water pipe that had to be purchased to supply water for the drilling contractor, the jeep road of 3,500 feet that had to be built, and the core boxes that had to be purchased, if you feel that these items were necessary and the costs reasonable for carrying out the project, although they were not covered in the original contract, they could be paid under a simple amendment to the contract. Mr. Merrill states that the Carey Company had to build a shed for storing core and equipment. This item was taken care of in the original contract, unless the cost was excessive.

BL

We suggest that you pay all the costs that you feel can be allowed under the present contract, and then prepare an amendment covering such other items that you feel were necessary and reasonable for carrying out the project. On execution of this amendment you could then approve payment for these items. You have the delegated authority to execute such an amendment.

It seems to us that the difficulty in making an amendment, as desired by the operator, is not to take care of necessary unforeseen costs that could not be paid under the original contract; but to permit payment for certain things the operator wanted to do that were not included in the original contract and were not intended to be, such as, geological work over large areas not described in the contract, surveying property lines, and taking large bulk samples for pilot mill testing.

It is also noted that you believe additional mill testing, as recommended by Mr. Merrill, will not be of any advantage because the material would be taken from the poor end of the deposit. Mr. Merrill also suggests that check samples be run on holes 1, 4, 5, and 6. We have no objection to doing the check sampling, if the Field Team approves it.

We would like to have the Field Team's opinion regarding this operation. Although they have had no mill tests made on the drill cores, the Field Team must have seen some of them, and logged the cores. From their observation of these cores and other exposures of asbestos on the property, they should be in a position to indicate whether they thought the exploration work was accomplishing the purpose intended, that is, to find asbestos. We would like to have the Field Team's recommendation as to whether or not they believe the contract should be terminated.

The Merrill report is being returned herewith.

Sincerely yours,

J.N. 3-27-52

(signed) FRANK E. JOHNSON

(JB)

Chairman, Operating Committee
Defense Minerals Exploration
Administration

Enclosure

Approved: W. H. Hedges (JB)

Member, Bureau of Mines

E. [illegible] Mayes (JB)

Member, Geological Survey

L. G. Houk:gad 3/25/52

Copy to: Admin. Reading File
Operating Committee
Docket File
Mr. F. E. Johnson
Mr. Houk

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

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

Air Mail

March 26, 1952

Memorandum

To: Lawrence G. Houk, Chief, Non-Metallic Minerals Division, Defense Minerals Exploration Administration, Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMA-1213X, The Philip Carey Manufacturing Co., Trinity County, California (Asbestos), Contract Idm-E40

In accordance with your telephonic instructions of a few days ago, we have taken the vouchers of the subject applicant for the months of July through December 1951, and have prepared the attached Exhibit "A" (Amended).

The item "mill testing of ore samples, $1,000" as originally proposed, has been included in the amendment on the supposition that work is still continuing on this phase of the project. Vouchers indicating expenses of less than $100 for that item have been submitted so far.

The exhibit as prepared is based on the sums spent through December for the items listed. It is assumed that no other expenses other than for mill testing have been made since then.

Six copies of the exhibit are attached. As soon as the amendment which you said would be prepared in Washington is signed by the Government and the Philip Carey Company, and we receive our two signed copies, we will pass the vouchers which we are holding through for payment of the Government's share.

H. C. Miller
Executive Officer
DMEA Field Team, Region III

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 28 1952

Attachment

Copy to E. H. Bailey, USGS

Contract Idm-E40

Docket No. DMA-1213X

EXHIBIT "A" (AMENDED)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 28 1952

Work will consist of:

1. Topographic and geologic mapping of the properties, as required during the summer and fall of 1951.

2. Surface trenching and sampling. Trenches to be excavated across serpentine masses where most favorable asbestos occurs, for preliminary sampling.

3. Approximately 2680 feet of diamond drilling to outline asbestos ore bodies.

4. Mill testing of core samples to more fully determine grade and quality of possible ore bodies.

All work will be supervised by a competent geologist who will be responsible for geology, mapping, drilling, trenching, etc.

2680' core drilling (contract) at $4.00 ft.	$10,720.00
3160' core boxes at 9.63 cents per lineal ft. of core	305.38
792' roads between drill sites at $1.01 per ft.	797.00
600' water pipe to drill sites at 0.51 per ft.	304.29
75' trenching	202.40
Explosives	38.00
Construction of core and tool house	315.75
Rental of equipment	42.87
Collecting core and sludge samples	
1 laborer at $250 per month	1,070.00
Public liability, unemployment security, social security, and compensation insurance	55.76
Miners	130.00
Operating expenses, one jeep	79.44
Salary one geologist (basis 1/2 time $500 per mo.)	1,551.61
Per diem expenses of geologist	794.76
Transportation of geologist between Nevada City, California, and property	650.50
General miscellaneous expenses, office, office supplies, map printing, public stenographer, etc.	231.54
Mill testing of ore samples	1,000.00
Total	$18,289.30

March 14, 1952

Mr. Lawrence G. Houk, Chief, Non-Metallic Minerals Division, calling Mr. Bailey, U. S. G. S., San Francisco, California

Mr. Houk: This is Houk, DMEA. I am calling in respect to the Phillip Carey contract Idm-E40. We are not very well informed about that and we have the field team letter transmitting Merrill's report. We can't make out what the field team's reaction.

Mr. Bailey: They haven't developed any test, the mill test, and it is time to get away. ~~xxxxxxxxxx~~ It seems to me when they take measurements they get a much better mill test. They get a percentage of the various grades, and the mill tests have not compared with their measurements. As much of the mill test as they run.

Mr. Houk: They want to make a test on check holes 1,4,5 and 6.

Mr. Bailey: That is what they would like to do.

Mr. Houk: How much would that cost?

Mr. Bailey: I have no idea. I know very little on the technicalities of asbestos.

Mr. Houk: Who drew up the amendment.

Mr. Bailey: Mr. Miller.

Mr. Houk: It is our thought that the necessary amendment should be made the subject of an amendment before contract termination.

Mr. Bailey: Yes.

Mr. Houk: Ten square miles ~~xxxxxxxxx~~ reconnaissance but the geologist would not come by the terms of the contract. We cannot pay for that. The 3,000 jeep road, etc. should be paid. The core storage feed was allowed for in the original contract. Mr. Johnson says pay all the costs allowed under the original contract which are reasonable. This material, while quite low grade, might possibly be worked.

Mr. Bailey: I just didn't know about asbestos. I don't think it can be mined. Their mill run probably gave a better picture of the values than their measurements.

Mr. Houk: Should we let them go ahead with the mill tests?

Mr. Bailey: I think for the first three holes that would be reasonable.

Mr. Houk: Core testing and a laboratory work, sampling and milling, $1,000 in the contract. Would it be worth while to let them go ahead and test 7 to 10?

Mr. Bailey: No. 7 to 10, according to the measurements of the core are very appreciable. There is another mill run showing their first run very accurately.

Mr. Houk: Of course let them run a check on the first holes, depending on the results of that, we will terminate the contract.

Mr. Bailey: That sounds reasonable to me.

Mr. Houk: Are you familiar with the jeep?

Mr. Bailey: No, Mr. Miller handled that.

Mr. Houk: Who is making the monthly examinations? Are you.

Mr. Bailey: Yes.

Mr. Houk: You have more or less logged a core.

Mr. Bailey: We worked at the core but we did not log it. We could do it if it was absolutely necessary.

Mr. Houk: They could do a good job. Dr. Bowles said they use a great deal of fiber.
Have you been down to see DuMontier?

Mr. Bailey: No.

Mr. Houk: How about Andy Schrider? You would have no objections to having him come in there?

Mr. Bailey: No, that is a very good idea.

Mr. Houk: Mr. Kupfer suggested to have him come in to evaluate that.

Mr. Bailey: Good idea.

Mr. Houk: How about that area to the northeast? Has that been developed through this work we have done?

Mr. Bailey: I don't know. Let me switch you over to Bob Johnson.

Mr. Houk: Are there any other contracts on non-metallics.

Mr. Bailey: The other Phillip Carey No. 52. They did not find anything on that and there will be no certificate there.

Mr. Houk: Are you having any difficulty at all on any of the others? How does the property look now that we have completed that preliminary stage.

Mr. Johnson: They did not develope any new source.

Mr. Houk: Then it isn't continuous?

Mr. Johnson: No the over ashes are not continuous.
The serpentine is irregular.

Mr. Houk: Is it worthwhile going ahead on.

Mr. Johnson: I haven't worked up anything yet. It looks like the best thing is for them to do what they can on the long fiber that is found.

Mr. Houk: Would they work around the area?

Mr. Johnson: Yes. They have found a fairly continuous short fiber on the east side.

Mr. Houk: Which way was that dipping?

Mr. Johnson: Westward.

Mr. Houk: DuMontier - they gave the impression it was dipping to the E.

Mr. Johnson: It is not very extensive.

Mr. Houk: Would it be a good idea to get Andy Schrider over there to evaluate it.

Mr. Johnson: I don't know. He knows about this type. I will work up a report on that.

Mr. Bailey: I believe we have covered about everything.

Mr. Houk: You don't believe a certificate is needed?

Mr. Bailey: No, I don't think so.
Mr. Miller wanted the amendment to be made in Washington.

Mr. Houk: We couldn't make the amendment unless we have all the cost data.

Mr. Bailey: I believe he wants you to make the amendment.

Mr. Houk: Talk with him and if we are supposed to make the amendment we will have to have more information here.

Mr. Bailey: OK - well that is all.

March 14, 1952

Mr. Lawrence G. Houk, Chief, Non-Metallic Minerals Division calling Mr. Ricker, Region III, San Francisco, California

Mr. Houk: I am calling in respect to the Phillip Carey Contract Idm-E40.

Mr. Ricker: I understand it has been terminated. It is being wound up. There is something about amending the contract and they were around here yesterday to wind it up.

Mr. Houk: We have a letter from you dated March 6th, it is on the report of R. J. Merrill, Geological Survey for Phillip Carey and he talks like it should be terminated.

Mr. Ricker: He was over here talking with our finance officer and I understand he is winding it up yesterday. They were winding up the financial end of it on the books.

Mr. Houk: Your letter said it is noted that you believe an additional mill test would not be of an advantage. Mr. Merrill suggests a test be run on holes 1, 4, 5, 6.

Mr. Ricker: There will be a test run on the core, it would be for our benefit.

Mr. Houk: Before we take any action we think the operator aught to be called in and make any necessary amendments to the contract. You can't make amendments after termination.

Mr. Ricker: I will take that up with Miller when he returns this afternoon.

Mr. Houk: As far as 600 ft. of water pipe and jeep road and the core possibly those are legitimate expenses and we suggest that you pay all cost you feel reasonable in carrying out the project.

Mr. Ricker: I will tell Miller when he comes in this afternoon.

Mr. Houk: Take the present contract and make any reasonable expenses they have made outside the contract. The item of their doing geological work over a large area. They listed only five claims in the contract and the survey of property line, it is not in the original contract and should not be allowed.

Mr. Ricker: The geological work outside of those claims should not be allowed.

Mr. Houk: Whatever happened to that jeep repair bill?

Mr. Ricker: I don't know.

Mr. Houk: Who has been handling it.

Mr. Ricker: Mr. Bailey, Geological Engineer

Mr. Houk: Who is the Bureau of Mines Engineer?

Mr. Ricker: The Geological Engineer did most of the field work.

Mr. Houk: Could we get more information as to whether or not a certificate should be made by calling Reno

Mr. Ricker: No, waite until Miller Gets in. I assume they were getting ready to finish up.

Mr. Houk: Would it do any good in talking to Bailey?

Mr. Ricker: Yes, I believe so.

Mr. Houk: What is his number?

Mr. Ricker: His number is Klondike 2-2350, X-6440, he is in the Federal Building in U. S. G. S.

Mr. Houk: Johnson handled a lot of that.

Mr. Ricker: In the field work.? Bailey made the last inspection, it was made by the U. S. G. S.

Mr. Houk: Ok, I'll call him. Thank you.

OFFICE OF THE ADMINISTRATOR

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS ADMINISTRATION

WASHINGTON 25, D. C.

1012 Flood Building
870 Market Street
San Francisco 2, California

Office of
Executive Officer
DMEA Field Team
Region III

March 6, 1952

Memorandum

To: Defense Minerals Exploration Administration, Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMA-1213; Exploration Project Contract Idm-E40, Philip Carey Manufacturing Company

Reference is made to your subject memorandum dated January 24, relating to the proposed amendment to the above-captioned contract.

We have finally received a report on the subject project from Mr. R. J. Merrill, Geologist, Philip Carey Manufacturing Co., who is still in East Broughton, Quebec.

We note in the second paragraph of the Conclusions and Recommendations on page 5 of the report that Mr. Merrill recommends further mill testing to be done on the cores from holes 7, 8, 9, and 10, and that check samples be run on holes 1, 4, 5, and 6.

We doubt that further testing of cores from holes 7 to 10, inclusive, will reveal very much as that is the poor end of the deposit. In other words, if none of the sample core sections represent ore as stated in the first sentence of page 5 of the report, we are quite certain that no commercial ore is present in the area of holes 7 to 10, inclusive. It seems to us, therefore, that unless tests on other cores indicate the need, no tests should be run on 7 to 10. The results given in the table, page 6 of the report, also do not seem to justify trenching or tunnelling across the zones in the vicinity of one of the holes to obtain a 40 to 50 ton sample.

I believe the report contains answers to all questions asked by Mr. Frank E. Johnson in his January 24 memorandum to me, and I trust it will be helpful to the asbestos experts in the Defense Minerals Exploration Administration, Bureau of Mines, and Geological Survey in determining the kind of amendment to contract Idm-E40.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 10 1952

that is required to permit us to reimburse the company for the Government's share of the costs. These experts may probably recommend that the contract be terminated and it seems to me, based upon Mr. Merrill's report, that such action is justified.

Mr. Merrill, by letter dated February 26, sent forms MF-104 to Mr. A. C. Johnson, Chief, Mining Division, Region III, Bureau of Mines, Reno, Nevada, covering expenditures for the months of July to December, inclusive, for his approval. The total costs of the project up to December 31 were $17,389.10, of which 90% is to be paid by the Government. To date nothing has been paid out by us on this contract. I am sure that Mr. Johnson will not approve the expenditures until an amendment is drawn up and signed by the company and the Government, or the contract is terminated.

USGS

How can we prepare amendment without determination of items making up expenditures of $17,389.10

The attached copy of Mr. Merrill's report is the only copy we have in this office, and it will be appreciated if you will return it to us when it has served your purpose.

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Attachment

Copy to A. C. Johnson, Reno, Nevada
E. H. Bailey, USGS

March 11, 1952

Memorandum

To: Mr. H. C. Miller, Executive Officer, DMEA Field Team, Region III

From: Mr. Frank Johnson, Chairman, Operating Committee

Subject: DMEA-1213, Idm-E40, Phillip Carey Manufacturing Company, Asbestos, Stark Asbestos Deposit, Nevada County, California

Reference is made to your memorandum of March 6 and the applicant's report on the progress of work and expenditures to December 31, 1951.

It is recommended by this office that this contract be terminated. However, if it is not possible for your office to pay all the legitimate costs of the work incurred by the Phillip Carey Company under the terms of the old contract, it is suggested that you draft an amendment to the contract taking care of such items as are not legitimately within the original contract.

I see nothing on page 6 of Mr. Merrill's report outlining the work done on the exploration project since July 3 that cannot be legitimately charged under the original contract, except 3,500 feet of jeep road.

Reference is made to Sprague and Henwood's contract letter to the Phillip Carey Company, dated June 21, 1951, stating in the first sentence that the approximate distance to water is 1,500 feet. They state they are prepared to do between 2,000 and 10,000 feet of drilling on this property for $3.75 per foot. Suitable roads for transfer of core and drilling equipment do not usually mean anything more than bulldozing a primitive trail. It has been my feeling that the applicants diversion from the contract, particularly in respect to the labor and supervision,

should be for his own account and should not be the subject nor reason for making an amendemtnt to the contract. In no instance should we pay for the survey of property lines.

In your memorandum of December 13 in reference to the September Progress Report, the applicant states that the geologic reconnaissance over an area ten miles in radius was commenced. Any work performed outside of the four mining claims, the mill site, or the N.E. quarter of the N.E. quarter of Section 11, township 17, north range 10E, Mt. Diablo Base and meridian, is for the operator's account.

While we realize that much of the confusion that has arisen in respect to this contract was due to the fact that it was prepared in Washington, much of the delay in amending the contract could have been avoided if the applicant had been cognizant of the limitations of the Government liability under the contract. It is your duty, of course, to inform him of all his responsibilities and duties under the contract, making him fully aware that the work performed outside of the frame work of the contract is for his own account, unless he, prior to the performance of the work, applies to the field team for an amendment to the contract, and this amendment has been either approved verbally by the field team or written approval has been received from Washington. It is entirely within your responsibility to make any amendments whatsoever in the contract as long as the overall amount of Government participation is not changed upward.

FILE COPY
SURNAME:

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C. 600

RLC
Houk

Memorandum

To: H. C. Miller, Executive Officer, DMEA Field Team, Region III

From: Chairman, Operating Committee

Subject: Docket No. DMEA-1213, Exploration Contract Idm-E40, Philip Carey Manufacturing Company (Asbestos)

In regard to the Amendment to the above contract which you sent in to us, we feel that we should have complete data on the operation to date, before making a decision.

This data should show what money has been spent to the present time, the number and footage of diamond drill holes completed, the amount of trenching that has been completed, and any other work that has been done. A sketch or map showing location of work should also be sent in.

We should also have a report on what has been learned to date from the diamond drill holes and trenching.

1-24-52

(signed) FRANK E. JOHNSON

Chairman, Operating Committee
Defense Minerals Exploration Administration

Approved:
/s/ J. H. Hedges
For Bureau of Mines
/s/ T. P. Thayer
For Geological Survey

TChapman:gad
1/23/52
Copy to: Admin. Reading File
Docket
Mr. Houk
Mr. O. Bowles, 3522
Mr. J. J. Norton, Rm. G-228 GSA Bldg.

OFFICE OF THE ADMINISTRATOR

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

Office of
Executive Officer
DMEA Field Team
Region III

1012 Flood Building
870 Market Street
San Francisco 2, Calif.

Air Mail

January 4, 1952

Memorandum

To: C. O. Mittendorf, Acting Administrator, Defense Minerals Exploration Administration, Washington, D. C.

From: Executive Officer, DMEA Field Team, Region III

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 7 1952

Subject: Docket DMA-1213, Exploration Contract Idm-E40
Philip Carey Manufacturing Company
Lockland, Cincinnati 15, Ohio.

As you know from previous correspondence dating back to my memorandum on the captioned subject dated September 25, 1951, an initial request was made by the subject company for an amendment of its contract on September 18. We have been all those months since then attempting to work out an amendment satisfactory to the Government and the company. It was not until yesterday when I had Mr. R. J. Merrill, geologist, Philip Carey Manufacturing Company, come to San Francisco from Quebec, Canada, and sit down with Messrs. Bailey and Johnson of the Geological Survey and me to work out, if possible, a satisfactory amendment to the company's contract.

You may recall that the subject project was worked up during the early days of DMA entirely in the Washington Office, and that we were never asked to make a field examination or render our approval of the program laid out by the Cincinnati Office of the applicant company. As a result, a large part of the program indicated on Exhibit "A" of the contract was not adaptable to field conditions. For example, surface magnetometer surveys are of no value in our serpentine belts; also, the contract calls for establishing a camp at the property complete with cook house. There is no need for a camp at the property as such accommodations are readily available at near by towns.

The company has been carrying out a drilling program under the contract for several months and according to Mr. Merrill has completed 10 holes. Drilling has been stopped temporarily while the company is "taking stock" of what has been learned so far, and is making some tests of the cores at its Quebec laboratory.

Because the field force of the company found it virtually impossible to follow the proposal set forth in the contract and was negotiating for an amendment to the contract since last September, it has not to date sent in any voucher for payment of the Government's share of the cost. In the meantime, some work that should have been specified in the original contract and probably would have been if the processing of the application had been along usual channels, has been carried out and expenses connected therewith incurred.

We found it virtually impossible to prepare a simple amendment to the original contract. So many items had to be changed that we decided to prepare an entirely new Exhibit "A" such as we think should have been the exhibit attached to the original contract which is dated June 29, 1951. We do not know if this is the way the matter might best be handled; we are certain, however, that we don't know what else to do.

We have prepared and are attaching herewith six copies of what we call Amendment No. 1 to which are attached copies of Exhibit "A" (Amended). We have left the dates of the Amendment for the Washington office to fill in if the Amendment is satisfactory. If you approve what we have done, Mr. Merrill suggested that the copies for the company's signature be sent directly to Mr. J. W. Humphreys, President, Philip Carey Manufacturing Company, Lockland, Cincinnati 15, Ohio.

Now for a short justification for what is included in the amended cost of the project which, as you will note, adds up to the same amount shown on the company's contract.

Core boxes were found necessary for orderly care of the cores. The 600 feet of water pipe to get water to the drill sites is necessary because at $4.00 a foot for drilling, the contractor cannot afford to furnish the pipe. Surface trenching is proposed to remove the overburden from a representative area in order to get a surface sample. A trench sample, according to Mr. Merrill, will not do for a mill test and he has asked the inclusion of an item of $10,695 for driving a 300 foot drift through the ore body to get a representative 44-ton sample for a mill test. I cannot give you all the reasons why drifting for a sample is desired, but will say that Mr. Merrill convinced us yesterday that there was no alternative. Driving the drift and making the mill test, however, will not be carried out unless the cores and all other preliminary sampling are encouraging enough to justify the work.

Included in the estimate is an item for per diem expenses of a geologist. Mr. Merrill stays in Nevada City, California, when he is at the property. On his salary he cannot afford to maintain his home in Quebec and field headquarters at Nevada City, and it seems the per diem item is justified.

During the first three months work under the contract, Mr. Merrill ran up a bill of $750 for transportation between Nevada City, California, and the property, which to us seems should be allowed. This item will not reoccur as he now uses the pickup truck for transportation and the hauling of supplies. An item of $900 is included for operating expenses of the truck.

The item of $3500 for surveying is included, but the topographic survey of the property will not be made unless drilling and sampling indicate that the company has disclosed asbestos deposits of commercial worth. The same undoubtedly will apply to the survey of the property lines.

I suggest that this request for an amendment be processed as quickly as possible. It has not been our fault that it has been unduly delayed -- it just goes to show that one cannot always get to first base by relying on correspondence to get you there. Another reason for requesting speedy action is that I told Mr. Merrill that we would not honor any vouchers until the matter had been straightened out between his company and the Government. We have gone as far as we can out here; we believe each item shown in Exhibit "A" is justified and should be allowed, but we need Washington help on how the matter should be handled legally.

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Attachments

Copy to E. H. Bailey, USGS

FILE COPY
SURNAME:

100

FL Knouse
Mittendorf (for)

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

DEC 20 1951

Mr. H. C. Miller
Executive Officer
Region III
1012 Flood Building
870 Market Street
San Francisco 2, California

Re: Docket DMEA 1213
Philip Carey Manufacturing Company
Commodity: Asbestos
Exploration Project Contract Idm-E40
Proposed Amendment

Dear Mr. Miller:

We wish to acknowledge receipt of your letter dated December 13, 1951 regarding the above-referenced contract amendment. As you recommend we will not take any further action on the preparation of this amendment until we receive your instructions.

Sincerely yours,

C. O. Mittendorf (for)
Acting Administrator
Defense Minerals Exploration
Administration

J.N.
12-20

FLKnouse/meb
12/19/51
cc to: Adm.Reading File
~~Rep~~Mails & Files
Mr. Mittendorf
FLKnouse
Docket

SA.

OFFICE OF THE ADMINISTRATOR

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

1012 Flood Building
870 Market Street
San Francisco 2, Cal.

Office of
Executive Officer
DMEA Field Team
Region III

December 13, 1951

Memorandum

To: Defense Minerals Exploration Administration, Interior Building, Washington 25, D. C.

Attention: F. L. Knouse

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMA-1213, Exploration Project Contract Idm-E40
Philip Carey Manufacturing Company

After talking to you over the phone this morning, I discussed the subject exploration with my co-worker on the DMEA Field Team, Edgar H. Bailey of the Geological Survey. Mr. Bailey recently visited the Philip Carey Manufacturing operations which are covered by the subject contract, and convinced me this morning that before we go ahead amending the contract we should have a conference with the company geologist, Mr. R. J. Merrill, in order to straighten out a number of matters that have taken place which do not appear to be covered by the subject exploration project contract.

For one thing, the contract calls for "topographical and geological mapping of the properties". The map accompanying the contract shows that the properties consist of five claims, yet in the September progress report the geologist states that "a geological reconnaissance of an area 10 miles in radius was commenced". The October report states "reconnaissance of the Gooding property in Trinity County was completed during the first two weeks of October, and a map and report are in preparation. A decision regarding further work on the property is pending". We have no record of the location of the Gooding property, but are reasonably certain it is not one of the properties listed in Appendix 1 of the exploration project contract. We are of the opinion that reference is to the company's other exploration project contract Idm-E52. If so, we question why work done on the Gooding property should be charged to the contract Idm-E40.

E52

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 18 1951

Mr. Merrill, the company's geologist in charge of the company's operation, was not at the property at the time Mr. Bailey and Mr. R. F. Johnson, who also is a Geological Survey geologist, visited the property, but a Mr. Townsend, engineer for the company, accompanied them during their examination.

The Geological Survey geologist found about 1500 feet of drilling had been completed. Six holes had been drilled and the seventh was in progress. The holes range from 100 to 345 feet in length. Mr. Townsend stated that upon completion of Hole No. 8 drilling would stop and the results would be evaluated. Future drilling would depend on the results of the evaluation.

The field examination indicated a marked decrease in crysotile content northwestward from the open pit, and that it is likely further drilling in the northern end of the area is not warranted. The examining geologist recommended that the DMEA Field Team consult with the company regarding this evaluation before further work is done. Accordingly on November 16 Mr. Ricker in my absence wrote to Mr. Merrill asking that he come to this office for a conference in order to review results to date before additional exploration is begun. To date we have had no reply to that letter, so I am writing again telling Mr. Merrill that we will pass no further vouchers for payment until the entire project has been reviewed and satisfactory (to us) terms are reached for continuing the work.

You were asking about the need for a mill test. The examining geologist recommended a mill test of the ore because little fiber seen during their examination was over 1/4 inch in length, and the maximum fiber content seems to be less than five percent. These estimates indicate low grade ore, and a mill test would show whether or not development is practical at present mining costs.

In view of what has been learned since I sent Mr. Merrill's request for an amendment to the contract to Washington, I suggest you hold up further consideration of my December 6 airmail memorandum to Mr. Mittendorf until we have conferred with Mr. Merrill and succeed in tying him down to something tangible rather than giving him a blanket amendment such as it seems we might be giving if we carry through as suggested in that memorandum.

H. C. Miller
Executive Officer
DMEA Field Team, Region III

Copy to Edgar H. Bailey, USGS

OFFICE OF THE ADMINISTRATOR

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

DEPARTMENT OF THE INTERIOR
RECEIVED
DEC 11 1951
Defense Minerals Administration,
Production Expansion Division.

Office of
Executive Officer
DMA Field Team
Region III

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 10 1951

1012 Flood Bldg.
870 Market St.
San Francisco 2, Calif.

December 6, 1951

Air Mail

Memorandum

To: C. O. Mittendorf, Administrator, DMEA, Washington, D. C.

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMA-1213, Exploration Project Contract Idm-E40
Philip Carey Manufacturing Company

On October 10, I sent you a memorandum to which I attached an amendment to the contract of the Philip Carey Manufacturing Company, dated June 29, 1951. On October 23, you wrote me that the proposed amendment I had forwarded (with my memorandum of October 10) could not be used and that it would be necessary for me to prepare a revised Exhibit "A" as indicated by certain enclosures attached to your letter.

Accordingly, I wrote Mr. Robert S. King, Chairman of the Board, the Philip Carey Mfg. Company, on October 23, informing him that inasmuch as his project was being changed substantially from that indicated in the original contract, the amendment dated October 10 and signed by me was not valid and that a new one would have to be prepared and signed, not only by me, but by him as well.

Mr. King desired that the amended contract should be for the same amount ($79,500) as the original contract. Consequently, I asked him by letter, dated October 23, to submit his revised program to me so that an amendment could be drawn up.

On November 8, Mr. R. J. Merrill, Geologist, the Philip Carey Mfg. Company, submitted an Exhibit "A" (amended). A copy of his transmittal letter with the amended exhibit is attached. Subsequently in attempting to prepare an amendment for Mr. King's signature, I ran into several matters in his submitted amendment that were not clear to me, so I wrote him on November 27 to advise me further as to what he intended under the item "Equipment" on page 2 of his proposed amended Exhibit "A".

This morning I received a telegram from Mr. Merrill in East Broughton, Quebec, dated December 5, which reads as follows:

> "Re Docket 1213 Stop First three figures are monthly rental extension figures are total rental for two and three-quarter months stop Wages are based on twenty-five working days per month stop Kindly send amendment to East Broughton."

I have now reached the point where I do not know what to do. It seems to me that the job of amending the contract is too big to be consummated by me in the field where no legal advice is available. It should, it seems to me, be carried out by the counsel in Washington, so that it will be legally correct. I suggest, therefore, that you have the legal department prepare the revision of the contract as requested by Mr. Merrill in his letter to me dated November 8 (with copy of proposed amendment enclosed).

If my signature is needed on the amendment, I suggest, in order to save time, that you send the six copies of the amendment to Mr. R. S. King, the Philip Carey Mfg. Company, Lockland, Cincinnati 15, Ohio, for his signature with the request that after signing them he send all six copies to me for my signature. I will then make the necessary distribution of the signed copies.

H. C. Miller
Executive Officer, DMEA Field Team
Region III

Attachment

Copy to Mr. E. H. Bailey, U.S.G.S.

C O P Y

Nevada City, California
November 8, 1951

Mr. H. C. Miller
1012 Flood Building
870 Market Street
San Francisco 2, California

Re: Docket No. DMA 1213
Exploration Project Contract Idm E 40
The Philip Carey Mfg. Co.

Dear Mr. Miller:

Attached is my revised estimate of costs on the above-mentioned contract. You will note that certain items listed in my revision of September 24 have been increased, and that $12,950.00 for bulk sampling has been added. The increase in cost of roads became necessary due to a recent increase in the cost of hiring a bulldozer. It has become necessary to increase the period during which the geologist will be working on the property from 10 months to 12 months and to increase the estimated operating expenses of the truck from $100.00 per month to $150.00.

Bulk sampling will consist of driving 300 feet of crosscuts through the ore zone, splitting of the ore obtained to a 44-ton sample and shipping the sample to the Philips Asbestos Mill in Arizona for treatment.

It is hoped that the attached estimate meets with your approval.

Yours very truly,

/s/ R. J. Merrill

R. J. Merrill, Geologist
Philip Carey Mfg. Co.

R.J.M:emc

COPY

Docket No. DMA-1213
Exploration Project Contract
Idm-E40
The Philip Carey Mfg. Co.

EXHIBIT "A" (Amended)

The estimated costs are as follows:

10,000 ft. of core drilling(contract)at $4 per ft.	$40,000
10,000 ft. of core boxes at 10 cents per ft.	1,000
5,500 ft. of roads between drill sites	2,000
2,500 ft. 1-1/2" water pipe to supply water to drill sites at 50 cents per ft.	1,250
Core testing, laboratory work, sample milling	1,000
Surveying (contractor's estimate)	3,500

Field Work:			
1 Transitman	$20	per	day
1 Chainman	10	"	"
1 Rodman	10	"	"
Transit rental	2	"	"
Transportation	4	"	"
Taxes	2	"	"
Supervision and Profit	20	"	"
Total	$68	"	"

Office Work:			
1 Computer	$15	"	"
Supervision and office expense	23	"	"
Total	$38	"	"

1 Geologist 12 months at $500 per month	6,000
Living expenses of Geologist 12 mos. at $250 per mo.	3,000
Traveling expenses of Geologist 7/3/51-10/51, July Aug Sept, $250 per mo.	750
1 - 3/4-ton truck with 4-speed transmission	2,050
Operating expenses of truck-9 mos. at $150 per mo. (after 10/1/51)	1,350
1 - Laborer (to collect cores and sludge samples, log cores, assist geologist) $250 per mo. - 10 months	2,500
Trenching through overburden prior to and in conjunction with drilling	500

Construction - core and tool house, 12' x 18' rough lumber with core racks:

COPY

Materials	
Labor - 1 Carpenter at $2.40 per hr. -6 days)	250
1 Helper at 1.80 " " " ")	200

General expenses at $100 per mo. for 12 months
Public stenographer at $1.50 per hour, office supplies, Typewriter rental ($5 per mo.), map printing, etc. 1,200

Bulk Sampling:

Contractor's Cost Estimate:
Driving 300 feet of 5' x 7' crosscut through serpentine assuming that a 3-man crew can average five (5') per day of completed drift. No allowance is made below for any timbering materials or any rail, ties or cars since there is material already on the property in sufficient quantity to satisfy the requirements of this work. 300÷5=60 days on job plus 5 days to set up and move off.

Labor:

1 Foreman, 65 days at $22.00	1,430
1 Miner 65 days at $20.00	1,300
1 Mucker 65 days at $16.00	1,040
1 Operating Engineer, 65 days at $20.00	1,300
Subsistence, 260 days at $3.00	780
Compensation Insurance etc.	700
	6,550

Equipment: Rented.

1 210 c.f.m. Compressor at $260.00	/ mo	2 3/4 mos	715
1 10 x 16 jaw crusher at $250.00	/ mo	" "	690
1 Heavy Duty Drifter 72.00	/ mo	" "	190
			1,595

Tools and Supplies: to be purchased

Drill Steel and Bits	300.00	
Fuel and lubricants	300.00	
Small Hand Tools	100.00	
Caps	100.00	
Powder	230.00	
Air hose and pipe	125.00	1,155

Total	$9300.00
Contractor's overhead and profit at 15%	1395.00
Total estimated cost	$10,695.00

Cost per foot $35.60

Truck haulage of 44 ton sample to the Philips Asbestos Mill in Arizona at $45.57 per ton	$2005.00
Treatment cost at mill	250.00
Total Cost Bulk Sampling	$12,950.00
Total Cost of Project	$79,500.00

FILE COPY
SURNAME:

410

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

FEJohnson
Mittendorf

G.R.C.

OCT 23 1951

Mr. H. C. Miller
Executive Officer
Region III
1012 Flood Building
870 Market Street
San Francisco 2, California

Re: Docket No. DMA - 1213
Philip Carey Manufacturing Company
Exploration Project Contract Idm-[illegible]

Dear Mr. Miller:

This will acknowledge receipt of your letter of October 10, 1951 concerning proposed amendment to the subject contract.

Under date of October 4, 1951 we sent you instructions regarding this amendment. We are enclosing a copy of enclosures sent with our letter. In preparing the amendment, please follow the instructions given in this enclosure. In this connection all copies of the amendment must be signed by both you and the Operator, consequently the proposed amendment which you forwarded to this office cannot be used. It will also be necessary for you to prepare a revised Exhibit "A" as indicated in the enclosures. The original of the executed amendment with Exhibit "A" and three copies should be forwarded to my office when completed. Two copies are to be retained by you, one to be given to the Operator and the other copy for your files.

Sincerely yours,

C. O. Mittendorf (for) FJ. 10.23
Acting Administrator

Enclosures
APPROVED

Chairman, Coordinating Committee

Member, Geological Survey

Member, Bureau of Mines

FEJohnson/meb
10/16/51
cc to: Admr's Reading Files
Reports and Records
Messrs.Mittendorf/Olund
Mr. Moon Mr. Rove
Mr. Lyon Mr. FEJohnson
Docket

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

Office of
Executive Officer
DMA Field Team
Region III

1012 Flood Bldg.
870 Market Street
San Francisco 2, Calif.

Air Mail

October 23, 1951

Mr. Robert S. King
Chairman of the Board
The Philip Carey Mfg. Company
Lockland
Cincinnati 15, Ohio

Subject: Docket DMA-1213
Exploration Project Contract
I-DMA-240
The Philip Carey Mfg. Company

Dear Mr. King:

The amendment to the subject Exploration Contract, which I gave to you when you were in my office on October 10 as evidence that I was willing to approve the change which you requested in the contract, is not acceptable to the Washington Office of the Defense Minerals Administration. According to the General Counsel of Defense Minerals Administration, inasmuch as the project is being changed substantially, a somewhat different approval is needed, which must follow a certain form and be signed, not only by me, but also by you as Chairman of the Board of the Philip Carey Mfg. Company.

The General Counsel rules that the exhibits to the contract should be rewritten in their entirety, including the statement of what the work is to consist of, as set forth in the first part of Exhibit "A" and the rewritten exhibits should be substituted for the present exhibits. I believe that I could handle the matter here in its entirety and prepare the proper amendment for your signature, were it not for the fact that the proposed new work totals $63,700 and you expressed a thought when you were in my office that the contract should remain at $79,500.

Mr. Merrill has given me no information as to how the difference of $15,800 is to come into the picture. It will therefore be imperative that I prepare the amended contract to cover the reduced cost, unless I have justifiable information as to for what the $15,800 will be spent. It likewise is imperative that I have this information quickly, as our Accounts Section will not pass your monthly vouchers for payment until the amendment is prepared along the lines suggested by the General Counsel. Deleting the sentence "this amendment reduces the cost of the project from $79,500 to $63,700 and the Government's participating cost from $71,550 to $57,330" from the statement which I gave you when you were here does not make matters right, as the General Counsel writes me that "in view of the proposed reduction in the amount of the contract and of the Government's share, there is no need of the last paragraph of the amended

form." What I deleted, therefore, was superfluous in the first place and as matters stand now your application for an amendment brings the cost of the project down to $63,700, which at the present writing is the amount that I will have to use in the amended contract, unless you can justify additional exploratory work costing $15,800.

As soon as I hear from you, I will prepare the amendment for your signature.

Sincerely yours,

H. C. Miller

H. C. Miller
Executive Officer, DMA Field Team
Region III

Copy to: C. O. Mittendorf, Washington
E. H. Bailey, U.S.G.S.

FILE COPY
SURNAME:

Johnson

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

October 19, 1951

a.e.l.

Mr. H. C. Miller
Executive Officer
Field Team, Region III
Defense Minerals Administration
1012 Flood Building
870 Market Street
San Francisco 2, California

Re: Docket DMA-1213
Philip Carey Manufacturing Co.
Exploration Project Contract
Idm-E40

Dear Mr. Miller:

This is with reference to your letter of October 15, 1951 concerning the proposed amendment to the subject contract. In this connection, please be guided by our letter of October 10 and enclosed copy of memorandum of October 2 from Mr. J. L. Hofflund, General Counsel. In our previous correspondence with you we inadvertently referred to this letter as being dated October 4, 1951, the date on which it was prepared for mailing. We now find, however, that it was not mailed until October 10.

Evidently you did not receive our telegram of October 8, but only a confirmation copy mailed to you. Obviously, any misunderstanding is due to a mix-up in the mails, and telegrams, which certainly is not your fault.

I trust this will clarify the situation and that you will be able to complete the proper amendment.

Sincerely yours,

(signed) FRANK E. JOHNSON

Frank E. Johnson
Acting Director
Production Expansion Division

not stripped in R.R.

FEJohnson/fw
cc: Reports & Records
Admr. Reading File
PED
FEJohnson
Docket

DEFENSE MINERALS ADMINISTRATION WASHINGTON, D.C.

UNITED STATES
DEPARTMENT OF THE INTERIOR

OCT 17 9 11 AM '51

DEFENSE MINERALS ADMINISTRATION

DEPARTMENT OF THE INTERIOR
RECEIVED
OCT 17 1951
Defense Minerals Administration,
Production Expansion Division.

1012 FLOOD BUILDING
870 MARKET STREET
SAN FRANCISCO 2, CALIFORNIA

OFFICE OF
Executive Officer
DMA Field Team
Region III

Air Mail

October 15, 1951

Memorandum

To: C. O. Mittendorf, Director, Production Expansion Division, Defense Minerals Administration, Washington, D. C.

From: Executive Officer, DMA Field Team, Region III

Subject: Docket - DMA-1213
Philip Carey Mfg. Company
Exploration Project Contract Idm-E40

I now have your telegram dated October 8, concerning amendment to subject docket, also your letter dated October 10, transmitting a copy of a letter, dated October 2, from J. L. Hofflund, General Counsel, together with a suggested draft of the amendment.

By this time you should have received my memorandum to you dated October 10, indicating that I have approved the applicant's amendment as per the four copies of my approval which I had attached to my memorandum of September 25 to you. Apparently I have "balled up the works" somewhat as my approval does not follow exactly the form suggested by the General Counsel. I feel, however, that it is not entirely my fault if I did not do exactly what should have been done. If your telegram of October 8 had been wired to me in place of coming to me by regular mail, I would have held up my approval until I had received your further instructions. Furthermore, we have never received the letter of instructions which your wire says was mailed October 4.

In approving the amendment I struck out the statement "This amendment reduces the cost of the project from $79,500 to $63,700 and the Government's participating cost from $71,500 to $57,330," as Mr. King said that although the proposed work at this time would reduce the overall cost of the project, his company may want to amend the contract again at a later date and therefore preferred to let the original cost of the contract remain.

Apparently my first effort to amend a contract was not a real success, and I shall be careful in the future to get the Counsel's okay before I approve anything other than some minor changes. If DMA is in the doghouse because of what I did, I will depend on Mr. Hofflund to set me straight.

I would appreciate also a copy of the letter of instructions which your wire says was mailed on October 4.

H. C. Miller
Executive Offier, DMA Field Team
Region III

Copy by regular mail

UNITED STATES
DEPARTMENT OF THE INTERIOR
~~BUREAU OF MINES~~
~~REGION XIII~~
DEFENSE MINERALS ADMINISTRATION

DEFENSE MINERALS ADMINISTRATION WASHINGTON, D. C.
OCT 15 8 44 AM '51

RED

OFFICE OF
~~REGIONAL DIRECTOR~~
Executive Officer
DMA Field Team
Region III

1012 FLOOD BUILDING
870 MARKET STREET
SAN FRANCISCO 2, CALIFORNIA

October 10, 1951

Memorandum

To: C. O. Mittendorf, Director, Production Expansion Division, Defense Minerals Administration, Washington, D. C.

From: Executive Officer, DMA Field Team, Region III

Subject: Docket DMA-1213--Exploration Project Contract Idm-E40
Philip Carey Mfg. Company

Mr. Robert S. King, Chairman of the Board, The Philip Carey Mfg. Company, and Mr. R. J. Merrill, the company's geologist, called this afternoon in regard to the company's amendment to the subject Exploration Project Contract.

Not having had a reply from you to my subject memorandum dated September 25, I concluded that you found no fault in the amendment, of which I sent you four signed copies with my memorandum of September 25. Accordingly, I gave Mr. King a signed copy of Exhibit "A" amended, which I dated October 10, 1951, and from which I deleted the first sentence of the last paragraph on Page 2. Will you kindly have that sentence, which reads "This amendment reduces the cost of the project from $79,500 to $63,700 and the Government's participating cost from $71,550 to $57,330," stricken from the copies of Exhibit "A" amended which were sent to the Washington Office with my memorandum of September 25. Also, if the copies I sent to you were dated, please redate them as of October 10, 1951.

H. C. Miller
Executive Officer, DMA Field Team
Region III

Copy to: E. H. Bailey, U.S.G.S.

FILE COPY
SURNAME:
410

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

F L Knouse
H C Johnson
Mittendorf

Mr. H. C. Miller
Executive Officer
Region III
1012 Flood Building
870 Market Street
San Francisco 2, California

OCT 10 1951

Re: Docket No. DMA - 1213
Philip Carey Manufacturing Company
Exploration Project Contract Idm-EL0

Dear Mr. Miller:

We are transmitting herewith a copy of a letter dated October 2, 1951 from Mr. J. L. Hofflund, General Counsel, together with a suggested draft of the Amendment.

When the Amendment and revised Exhibit "A" have been prepared and signed, as instructed in the letter from the General Counsel, please deliver one copy to the Operator, retain one copy and send the original and four copies of each (the Amendment and Exhibit "A") to this office.

Sincerely yours,

C. O. Mittendorf

C. O. Mittendorf, Director
Production Expansion Division

Enclosures-2

APPROVED:

Chairman, Coordinating Committee

Member, Bureau of Mines

Member, Geological Survey

FLKnouse/meb/meh
10/4/51
cc to: Adm. Reading File
Reports and Records
Messrs. Mittendorf, Olund
Barr
Moon
Knouse
Docket
Region III

10/11

C. O. MITTENDORF, DIRECTOR
Production Expansion Division

FILE COPY

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

DEF MSE MINERALS ADM. - Interior
1420137 Salaries & Expenses,
Defense Production Activities

FE Johnson
CO Mittendorf

a. e.

October 8, 1951

H. C. MILLER
EXECUTIVE OFFICER
DMA FIELD TEAM, REGION III
1012 Flood Building
870 Market Street
San Francisco 2, California

Philip Carey Mfg. Co.

REURTEL OCTOBER 4 CONCERNING AMENDMENT TO DOCKET DMA 1213.

LETTER OF INSTRUCTIONS MAILED OCTOBER 4.

C. O. Mittendorf (J. H.)
10/8

C. O. MITTENDORF

FEJohnson/bih

cc to: Reports & Records
Mr. Mittendorf-Olund
Mr. Johnson
Docket

338 WA SFS/I-BOM/

SANFRANCISCO 10-4-51 1156A

C O MITTENDORF DIR PRODUCTION EXPANSION DIVN

DEFENSE MINERALS ADM INTERIOR BLDG WA

RE MY MEMORANDUM TO YOU DATED SEPT 25 CONCERNING APPLICATION OF PHILIP CAREY MFG COMPANY TO AMEND DOCKET DMA-1213 CONTRACT IDM-E40. WHEN MAY I EXPECT YOUR REPLY/QM/

H C MILLER EXEC OFCR DMA FLD TEAM REGN III

25 DMA-1213 IDM-E40

RB 1157A

Telegram 10/10/51

OCT 5 10 22 AM '51
BUREAU OF MINES
MAIL ROOM
WASHINGTON, D. C.

FILE COPY
SURNAME: 140

Guthrie

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

October 2, 1951

not stripped in RKR.

Memorandum

To: Director, Production Expansion Division

From: General Counsel

Subject: Philip Carey Mfg. Company exploration project contract No. Idm-140 - Docket No. DMA-1213

Reference is made to your submission to us on October 1, 1951 of a proposed amendment of the exploration contract in this case prepared by the Executive Officer, DMA Field Team, Region III.

The amendment should be prepared for the signature of both parties upon the form suggested in Circular Letter No. 8. A suggested draft of the amendment is attached. Since the project is being changed substantially, the exhibits should be rewritten in their entirety including the statement of what the work is to consist of as set forth in the first part of Exhibit "A" and the rewritten exhibits should be substituted for the present exhibits. In view of the proposed reduction in the amount of the contract and of the Government's share, there is no need of the last paragraph of the amendment form.

Your file is returned herewith.

J. L. Hofflund

J. L. Hofflund
General Counsel

Attachment

RRGuthrie/ema

Copy to: Reports & Records
R. R. Guthrie
J. L. Hofflund
Chron.

A.E.P.

AMENDMENT

Contract Docket No. DMA-1213, dated June 29, 1951, between the United States of America and the Philip Carey Manufacturing Co. is hereby amended as follows:

1. In the next to last line of article 11 delete the figure "71,550.00" and substitute "57,330.00."

2. In the last line of article 11 delete the figure 79,500.00 and substitute "63,700.00."

3. Delete exhibits "A", "B", "C", "D" and "E" attached to the contract and substitute the revised exhibits attached hereto.

Dated_____ _____, 195__

UNITED STATES OF AMERICA

By_____
Executive Officer - DMA

Philip Carey Manufacturing Co.

By_____
President.

FILE COPY
SURNAME:

F. Johnson
Mittendorf

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

MEMORANDUM

TO: Mr. John L. Hofflund, Chief Counsel
Defense Minerals Administration

FROM: C. O. Mittendorf, Director
Production Expansion Division - DMA

SUBJECT: Docket No. DMA 1213
Philip Carey Mfg. Company
Exploration Project Contract No. Idm-E40

Attached is a letter dated September 25, 1951 from Mr. H. C. Miller, Executive Officer, DMA Field Team, Region III, concerning the subject contract, and four copies of a proposed amendment to the contract which involves a reduction in the total cost of the project, and hence a reduction in the amount of the government's participation.

Your attention is called to the fact that the contract is on Form MF-200 (April 1951) which requires Exhibits "A", "B", "C", "D" and "E" to be attached.

Will you please review the letter and proposed amendment and furnish me with your comments thereon.

C. O. Mittendorf (J. H.)

C. O. Mittendorf

not stripped in R.R

O.K.

Enclosures - 5

FEJohnson/bih
cc to: Reports & Records
Admr's. Reading File
Mr. Mittendorf-Olund
Mr. Johnson (FE)
Docket

Written 9/28/51

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS ADMINISTRATION WASHINGTON, D. C.

~~BUREAU OF MINES~~

SEP 27 8 44 AM '51

~~REGIONAL~~ OFFICIAL FILE COPY

DEFENSE MINERALS ADMINISTRATION
DEPARTMENT OF THE INTERIOR
RECEIVED
SEP 27 1951
Defense Minerals Administration,
Production Expansion Division.

OFFICE OF
~~REGIONAL DIRECTOR~~
Executive Officer
DMA Field Team
Region III

1012 FLOOD BUILDING
870 MARKET STREET
SAN FRANCISCO 2, CALIFORNIA

To	Init.	Date
400	A.E.C.	9-27
210		

Sept. 25, 1951

Air Mail

Memorandum

To: C. O. Mittendorf, Director, Production Expansion Division, Defense Minerals Administration, Washington, D. C.

From: Executive Officer, DMA Field Team, Region III

Subject: Docket DMA-1213--Exploration Project Contract Idm-E40 Philip Carey Mfg. Company

Subject applicant has reported to me by letter and telephone that in the progress of the work under Exploration Contract Idm-E40 on the Stark property certain expenditures have become, or will become, necessary, which are not specified in Exhibit "A" of his contract. He reports also that it has become apparent that too much is allotted for certain projects and not enough for others. A request, therefore, has been made for an amendment of his contract.

The original request for an amendment came to me by letter from Mr. R. J. Merrill, Geologist with the Philip Carey Mfg. Company, Nevada City, Calif., dated September 18. As further information was needed, I wrote Mr. Merrill on September 20. Yesterday, I received a reply to my letter and today prepared from the information given me an Exhibit "A" (amended). As this is my first use of the authority granted me by Secretary's Order #2653, I am sending herewith four signed, approved copies of the amended Exhibit for the Washington Office. I will, however, not send the applicant his copy until I hear from you by teletype that what I have done meets with your approval.

From the correspondence and telephone calls I have had from Mr. Merrill, I am convinced that the work called for in the original contract is not all necessary and that some work not originally included should be dome. Inasmuch as the new cost of the project is $15,800 less than the contract calls for, there should not be much, if any, objection to meeting the applicant's wishes.

I will not burden you with all the reasons the applicant has presented for desiring his contract amended. I will say, however, that to me they seem to be legitimate reasons which have been carefully thought out and necessary as a result of the work done to date. As there may be some additional changes requested from time to time, even in the amended figures, as the work progresses, I am especially anxious to know if my initial attempt to amend a contract meets with Washington's approval. Kindly wire me your thoughts as soon as possible.

H. C. Miller
Executive Officer, DMA Field Team
Region III

Attachments

Docket No. DMA-1213
Exploration Project Contract Idm-E40
The Philip Carey Mfg. Co.

EXHIBIT "A" (Amended)

The estimated costs (as amended in certain cases) are as follows:

10,000 ft. of core drilling (contract) at $4 per ft.	$40,000
10,000 ft. of core boxes at 10 cents per ft.	1,000
5,500 ft. of roads between drill sites	1,500
2,500 ft. 1-1/2" water pipe to supply water to drill sites at 50 cents per ft.	1,250
Core testing, laboratory work, sample milling	1,000
Surveying (contractor's estimate)	3,500

Field Work:

1 Transitman	$20	per day
1 Chainman	10	" "
1 Rodman	10	" "
Transit rental	2	" "
Transportation	4	" "
Taxes	2	" "
Supervision and Profit	20	" "
Total	$68	" "

Office Work:

1 Computer	$15	per day
Supervision and office expense	23	" "
Total	$38	" "

1 Geologist 10 months at $500 per month	5,000
Living expenses of Geologist 10 mos. at $250 per mo.	2,500
Traveling expenses of Geologist 7/3/51 - 10/51 $250 per mo.	750
1 - 3/4-ton truck with 4-speed transmission	2,050
Operating expenses of truck - 7 mos. at $100 per Mo. (after 10/1/51)	700
1 - Laborer (to collect cores and sludge samples, log cores, assist geologist) $250 per mo. - 10 months	2,500
Trenching through overburden prior to and in conjunction with drilling	500

Construction - core and tool house, 12' x 18' rough lumber with core racks:

Materials	$250
Labor - 1 Carpenter at $2.40 per hr.-6 days)	
1 Helper at 1.80 " " " ")	200

General Expenses at $100 per mo. for 10 months
Public stenographer at $1.50 per hour, office supplies, Typewriter rental ($5 per mo.), map printing, etc. 1,000

Total $63,700

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

This amendment reduces the cost of the project from $79,500 to $63,700 and the Government's participating cost from $71,550 to $57,330. Amendment of the Contract Idm-E40 as here outlined is approved.

Date 9/25/51 1951.

H. C. Miller
Executive Officer, DMA Field Team
Region III

THE PHILIP CAREY MANUFACTURING COMPANY

LOCKLAND, CINCINNATI 15, OHIO

ROBERT S. KING
CHAIRMAN OF THE BOARD

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 17 1951

September 14, 1951

DEPARTMENT OF THE INTERIOR
RECEIVED
SEP 17 1951
Defense Minerals Administration,
Production Expansion Division.

Mr. C. O. Mittendorf, Director
Production Expansion Division
Defense Minerals Administration
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMA - 1213
Exploration Project Contract

Dear Mr. Mittendorf:

Referring to the above docket, I wish to acknowledge receipt of your letter advising that detailed revisions of expenses may be arranged with Mr. Miller in California.

Very truly yours,

R. S. King

R. S. King

RSK:rjs

File
Noted 9/17/51

OFFICIAL FILE COPY

To	Init.	Date
Geo	G.E.C.	9-17-51
210		

FILE COPY
SURNAME:

F. Johnson
Mittendorf

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

SEP 12 1951

A.E.C.

Mr. R. S. King
Chairman
The Philip Carey Manufacturing Company
Lockland, Cincinnati 15, Ohio

Re: Docket No. DMA - 1213
The Philip Carey Manufacturing Company
Exploration Project Contract

Dear Mr. King:

We are in receipt of your letter of September 6, 1951, and copies of Exhibit "A" of the captioned contract and proposed revision of this exhibit, all of which were delivered to my office by Mr. V. P. O'Reilly.

The DMA Field Teams have been delegated authority to amend contracts under Order No. 2653, covered by DMA Circular Letter No. 9, dated August 22, 1951. Inasmuch as the proposed changes in the contract come within the scope of this authorization, it is suggested that you arrange with Mr. H. C. Miller, Executive Officer, Region III, 1012 Flood Building, 870 Market Street, San Francisco 2, California,, for the necessary amendment to the contract.

Sincerely yours,

BJ
9/12

C. O. Mittendorf (J.H.)

C. O. Mittendorf, Director
Production Expansion Division

FEJohnson/meb
9/11/51
cc to: Admr's Reading File
Reports & Records
Messrs.Mittendorf/Olund
Field Team,RegIII (2)
R.V. O'Reilly
Johnson
Docket

THE PHILIP CAREY MANUFACTURING COMPANY
LOCKLAND, CINCINNATI 15, OHIO

ROBERT S. KING
CHAIRMAN OF THE BOARD

Sept. 6, 1951

Mr. C. O. Mittendorf, Director
Production Expansion Division
Defense Minerals Administration
Department of the Interior
Washington 25, D.C.

Dear Sir:

Referring to Docket DMA-1213X, you will find attached Exhibit A in which we itemized upon presenting our application the estimated cost of the project. In advance it was only possible to estimate the breakdown of various expenses. Our engineer has recently been to the coast and discussed with your Mr. Miller - Executive Officer, DMA Field Team, Region III - the question of a more practical breakdown which he feels will come within the estimate approved. For your convenience we copy the application (Exhibit A) showing the breakdown presented and amounting to $79,500. We also attach herewith Exhibit called "New Breakdown of Costs", amounting to $79,500 which is the latest estimate prepared by our engineer.

Your Mr. Miller suggested that we take this up with you to see whether a change in the breakdown would be satisfactory. In this way, we could actually charge each account with the proper amount. Some of the original estimates were too high and some expenses were overlooked altogether but the sum total remains the same.

Our Mr. Merrill is in the field and our drill is on the property. It would be greatly appreciated if you could advise us whether or not we may use the new proposed breakdown.

Very truly yours,

THE PHILIP CAREY MFG. CO.

R. S. King

R. S. King, Chairman

RSK:rjs
Enc.

RES.: 5508 PARK STREET
CHEVY CHASE 15, MD.

THE PHILIP CAREY MFG. COMPANY

VINCENT P. O'REILLY
DIRECTOR OF GOVERNMENT SALES

WASHINGTON OFFICE
421 SWANN AVENUE
ALEXANDRIA, VA.
PHONE: OVERLOOK 2300

THE PHILIP CAREY MFG. CO.

COPY OF "EXHIBIT A"

Docket DMA-1213X

Itemized Expenses:

10,000 core drilling (contract) @ $4.00 ft.	$ 40,000
200' trenching (contract) @ $3.50 ft.	7,000
Geologist - 10 months @ $500	5,000
Transitman - 10 months @ $400	4,000
2 Rodmen - 10 months @ $300 each	6,000
Axman - 10 months @ $250	2,500
Cook - 10 months @ $250	2,500
Tender, Camp - 10 months @ $200	2,000
Frame tent construction	1,000
Core and tool house construction	500
Purchase of Jeep	1,500
Camp and mess equipment	500
Food supplies - $600 per month - 10 months	6,000
Core testing, laboratory work, sample milling	1,000
TOTAL	$ 79,500

Form 217-M

THE PHILIP CAREY MFG. CO.

Docket DMA-1213X 9/6/51

NEW BREAKDOWN OF COSTS

10,000 feet core drilling @ $4 per ft.	$ 40,000
Roads for transporting drilling equipment	1,500
Water supply equipment	500
Core boxes	1,000
200 feet of trenching @ $3.50 per ft.	7,000
Geologist - 10 months @ $500 per month	5,000
Traveling, phone and living expenses of Geologist @ $400 per month	4,000
Property line and topographic surveys	3,000
1 laborer, 10 months @ $250 per month	2,500
Core and tool house construction	500
Purchase of Jeep	1,500
Operating expenses of Jeep for 10 months	1,000
Core testing, laboratory work, sample milling	1,000
Bulk sampling operations	10,000
Miscellaneous expenses subject to approval by DMA Field Team	1,000
TOTAL	$ 79,500

FILE COPY
~~ISSURNAME:~~

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

July 20, 1951

a, E, C -

Mr. Frank McAtee, Jr.
Contract Service Section
General Accounting Office
4th Floor - New GAO Building
Washington 25, D. C.

Re: Docket No. DMA-1213
Philip Carey Mfg. Co.
Exploration Project Contract
No. Idm-E40

Dear Mr. McAtee:

Enclosed for recording in your office is the original of an executed Exploration Project Contract between the Operator named in the above reference and the Government of the United States.

Sincerely yours,

C. O. Mittendorf

C. O. Mittendorf, Director
Production Expansion Division

Enclosure (1)

FEJohnson/ecl

cc to: Admr's. Reading File
Messrs. Mittendorf - Olund
Reports & Records
Barr
Norton
H. C. Miller, Reg. III (2)
Johnson
F I L E S

FILE COPY
SURNAME:

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

July 20, 1951

Mr. H. C. Miller
Executive Officer, Region III
Defense Minerals Administration
1415 Appraisers Building
San Francisco, California

Re: Docket DMA-1213
Philip Carey Manufacturing Co.
Cincinnati, Ohio

Dear Mr. Miller:

Enclosed for the use of your office is a copy of the contract covering the subject exploration project, which has been signed for the Philip Carey Company and the Defense Minerals Administration.

A copy for the Regional Finance Officer will be forwarded by the Washington Finance Division, together with accounting instructions.

Sincerely yours,

C. O. Mittendorf

C. O. Mittendorf, Director
Production Expansion Division

Enclosure-1

COMittendorf/fw

cc to: Admr. Reading File
Mr. Mittendorf, Mr. Olund
Mr. Lyon
Miss Terry, Finance Sec.
Field Team, Reg.III
Mr. F.E.Johnson
FILES

410 FILE COPY
SURNAME:

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

FEJohnson
Mittendorf

July 20, 1951

Mr. R. S. King
Chairman
Philip Carey Mfg. Co.
Lockland
Cincinnati 15, Ohio

Re: Docket No. DMA-1213
Exploration Project Contract

Dear Mr. King:

Mr. Vincent P. O'Reilly, your representative in Washington, has supplied us with the necessary map of your Stark Mine project in Nevada County, California and we have had photostats made of the map for attachment to the several copies of the contract for this project. We are enclosing your copy of Exploration Contract Idm-E40 with attached Appendix I, Appendix II, Exhibits "A" to "E" inclusive, and map. This is your authority to proceed with the work on the project.

There is also enclosed a copy of "Questions and Answers on the Mineral Exploration Program" and a set of Progress Report forms MF-104 for making your first monthly report on the project. Additional copies may be obtained from:

Mr. H. C. Miller
Executive Officer
DMA Field Team, Region III
1415 Appraisers Building
San Francisco, California

If you have any questions regarding your project, please contact Mr. Miller. In any event, you should notify him as to when you expect to start work on the project.

Sincerely yours,

FEJohnson/ecl

C. O. Mittendorf

C. O. Mittendorf, Director
Production Expansion Division

cc to: Admr's. Reading File
Messrs. Mittendorf
Olund
R. & R. Br.
Lyon
Miss Terry
Field Team, Reg. III
Johnson
O'Reilly - Alexandria, Va.
F I L E S

FILE COPY
SURNAME:

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

July 11, 1951

Mr. R. S. King
Chairman
The Philip Carey Manufacturing Co.
Lockland
Cincinnati 15, Ohio

Re: Docket No. DMA-1213
Exploration Project Contract

Dear Mr. King:

This will acknowledge receipt of your letter of July 6, 1951 concerning the Exploration Project Contract for your Stark Mine in Nevada County, California.

We note your comments with respect to the core drilling contracts and that a copy of the new contract will be forwarded to Mr. H. C. Miller, Executive Officer, DMA Field Team, Region III. Mr. Miller's office will administer your project for DMA after work is started on it.

However, the map requested should be sent direct to my office as copies of it will be made for attachment to the copies of the contract. As soon as this map is received and copies made, you will be furnished with a copy of the executed contract with attachments, which will be your authority to proceed with the project.

Sincerely yours,

C. O. Mittendorf

C. O. Mittendorf, Director
Production Expansion Division

FEJohnson/ecl

cc to: Messrs. Mittendorf - Olund
Strobel
H. C. Miller, Reg. III
Johnson
F I L E S

Mr. Johnson Mittendorf PED file

THE PHILIP CAREY MANUFACTURING COMPANY

LOCKLAND, CINCINNATI 15, OHIO

ROBERT S. KING
CHAIRMAN OF THE BOARD

July 6, 1951

Mr. C. O. Mittendorf
Director, Prod'n Expansion Div.
Defense Materials Administration
Department of the Interior
Washington 25, D.C.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 9 - 1951
LANDON F. STROBEL
Executive Secretary

Dear Sir:

Replying to your docket number DMA-1213 expansion project contract, we beg to advise that we do not have at this time a detailed contract covering core drilling on this property. We did, however, submit with our application an agreement on the part of the contractor to do this drilling at a specified price.

A detailed map of the area has been sent for and the best map available showing the location of the property will be forwarded.

As soon as our engineers have made recommendations where the core drilling is to be done and the number of feet, we will secure another contract on this specific project from the drilling company.

In view of the fact that neither of these items is available at the moment, we will follow your instruction and forward them as soon as possible to Mr. H. C. Miller, Executive Officer, DMA Field-Team, Region III, 1415 Appraisers Bldg., San Francisco, California.

Thanking you for your attention in this matter, we are,

Very truly yours,

THE PHILIP CAREY MFG. CO.

R. S. King

R. S. King, Chairman

FILE COPY
SURNAME:

FEJohnson
C.O. Mittendorf

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

July 3, 1951

AIR MAIL

Mr. R. S. King, Chairman
The Philip Carey Manufacturing Co.,
Lockland
Cincinnati 15, Ohio

Re: Docket No. DMA-1213
Exploration Project Contract

Dear Mr. King:

We have approved an exploration project contract on your Stark property in Nevada County, California in the amount of $79,500.00, subject to receipt of a map or sketch showing the location of your property and where the proposed work will be done, and also subject to approval of the contracts for doing the core drilling and trenching.

As soon as we receive a satisfactory detailed map from you showing the location of your property and the proposed work we will forward you a copy of the executed contract which has been signed by Mr. Vincent P. O'Reilly on behalf of The Philip Carey Manufacturing Company. If you have already entered into the contracts for core drilling and trenching please forward two copies of each contract to my office. If these contracts have not been completed at this time, two copies of each contract must be submitted to Defense Minerals Administration for approval before disbursement of the Government's share of the costs will be made. In the latter instance, they may be sent to the address shown below for approval:

Mr. H. C. Miller
Executive Officer
DMA Field Team, Region III
1415 Appraisers Building
San Francisco, California

Sincerely yours,

SIGNED

C. O. Mittendorf, Director
Production Expansion Division

FEJohnson/bih
cc to: Messrs. Mittendorf-Olund
Strobel
HCMiller, Region III (2)
FEJohnson
F I L E S
V.P. O'Reilly

CLASS OF SERVICE

This is a full-rate Telegram or Cablegram unless its deferred character is indicated by a suitable symbol above or preceding the address.

RA09 CT22 36

WESTERN UNION

1201

(09)

1951 JUN 29 PM 12 20

W. P. MARSHALL, PRESIDENT

SYMBOLS
DL=Day Letter
NL=Night Letter
LT=Int'l Letter Telegram
VLT=Int'l Victory Ltr.

The filing time shown in the date line on telegrams and day letters is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination

CTLLK147 PD=WUX CINCINNATI OHIO 29 1131A=

W P O'REILLY=

421 SWANN AVE ALEXANDRIA VIR=

YOU ARE HEREBY AUTHORIZED TO SIGN ON BEHALF OF THE PHILIP CAREY MFG CO ALL NECESSARY PAPERS IN CONNECTION WITH THE EXPLORATION CONTRACTS NOW BEING NEGOTIATED BETWEEN THE GOVERNMENT AND CAREY=

R S KING THE PHILIP CAREY MFG CO=

Lockland Cincinnati 15, Ohio

Adv

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

FILE COPY
SURNAME:
Koontz

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

June 29, 1951

Memorandum

To: C. O. Mittendorf

From: J. L. Hofflund

Subject: Philip Carey Manufacturing Company exploration contract — Docket No. DM-1213.

This office has reviewed the proposed contract in the above case and finds it to be in satisfactory from for execution and dating. The drilling contract referred to in Exhibit "A" should be submitted to the Government for approval.

Your file in this case is returned.

J. L. Hofflund
Gener l Counsel

Attachments

CJKoontz/bjl

Copy to: L. F. Strobel
J. L. Hofflund
C. J. Koontz
Chron.
Files

FILE COPY
SURNAME:

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

June 21, 1951

Memorandum

To: Mr. James A. Barr, Mr.

From: Mr. A. B. Parsons

Subject: Docket DMA-1213X
The Philip Carey Manufacturing Co.

The prospective available supply of Chrysotile Asbestos is far short of meeting defense requirements. Consequently, it is highly desirable that exploration for new domestic deposits be stimulated by any reasonable Government assistance to private interests. Any exploration project that holds promise of finding significant new reserves, merits consideration by the Defense Minerals Administration.

A. B. Parsons
Assistant Director
Supply Division

RWASKEY:mp

cc: Mr. Strobel
Mr. Parsons
Mr. Barr
Mr. Norton
Mr. Mittendorf
DMA Files

BRANCH OFFICES

NEW YORK
PITTSBURGH
PHILADELPHIA

SPRAGUE & HENWOOD, INC.

CONTRACTORS FOR
DIAMOND CORE DRILLING
SHOT CORE DRILLING - WASH BORINGS & SOUNDINGS - WATER WELLS & CHURN DRILLING

MANUFACTURERS OF
DIAMOND DRILLS AND
SUPPLIES

ADDRESS ALL COMMUNICATIONS
TO MAIN OFFICE AND SHOPS
BOX 446
SCRANTON 2, PA.

SCRANTON 2, PA.

June 21, 1951

Phillip Carey Company
Lockland 15, Ohio

Attention:- Mr. E. S. King

Re: Diamond Drilling near
Washington, California

Gentlemen:-

As per our previous understanding we are pleased to confirm our price quoted for drilling on your property near Washington, California an approximate distance from water of fifteen hundred feet. Housing for our men will be available within a distance of two miles from the job and we understand there are suitable roads to transport our equipment to the proposed drilling sites.

We are prepared to undertake between two and ten thousand feet of drilling on this property and our price for this work would be - THREE DOLLARS SEVENTY-FIVE CENTS ($3.75) per foot.

We would be pleased to enter into a contract to do this work for you.

Thanking you, we are

Very truly yours

SPRAGUE & HENWOOD, INC.

Wm. J. Schank
Treasurer

WJS:IHS

Memorandum:

To: Director, Production Expansion Division
Defense Minerals Administration

From: Director, Supply Division
Defense Minerals Administration

Subject: Recommendation for Contract Approval

Name of Applicant: **Philip Carey Manufacturing Co.**
Lockland
Cincinnati 15, Ohio

DMA No. **1213X**

Commodity: **Asbestos**

Amount Requested: $ **75,000 (amended after conference)**

Amount Approved: $ **79,500**

Government Participation: 90 % $ **71,550**

Tom Lyon

RECOMMENDATION:

1. That applicant be granted Exploration aid contract in the amount of $79,500, Government participation 90%, in accordance with exhibits attached hereto.

2. That applicant be allowed to substitute guarantee of repayment in event of production in lieu of Subordination Agreements.

NOTE: Applicant is represented in Washington by Mr. O'Reilly, who may be contacted at OW-2300 and who will sign contract for applicant.

Docket DMA-1213X

EXHIBIT "A"

Work will consist of:

1. Topographical and geological mapping of the properties. Time approximately - 10 months.

2. Surface magnetometer survey concurrently with (1) above. Magnetometer and surveying instruments will be furnished by applicant without charge.

3. Surface trenching and sampling. It is proposed to excavate trenches across serpentine masses where asbestos is thought to occur, for sampling. Trenches will be about 4' x 4' cross-section in the bedrock beneath overburden. A total of about 200' linear feet of trenching is proposed. Time for completion - 10 months.

4. Approximately 10,000 feet of diamond drilling; shallow holes (50' - 200') in cross-cuts to outline asbestos bodies. Exact location of drilling will depend on magnometer and trenching results. Upto 5000' of drilling to be done in 1951, balance in 1952, if 1951 results are favorable.

All work will be supervised by a competent geologist who will be responsible for geology, mapping, geophysical work, etc. It is contemplated that additional and part time supervision will be given to the work by an official of the applicant corporation without charge to the project.

10,000' core drilling (contract)	@	$ 4.00 ft.	$40,000.00
200' trenching (contract)	@	3.50 ft.	7,000.00
Geologist - 10 months	@	500.00	5,000.00
Transitman - 10 months	@	400.00	4,000.00
2 Rodmen - 10 months	@	300.00 (ea)	6,000.00
Axman - 10 months	@	250.00	2,500.00
Cook - 10 months	@	250.00	2,500.00
Camp Tender - 10 months	@	200.00	2,000.00
Frame tent construction			1,000.00
Core and tool house construction			500.00
Purchase of Jeep			1,500.00
Camp and mess equipment			500.00
Food supplies - $600 per month - 10 months			6,000.00
Core testing, laboratory work, sample milling			1,000.00
		Total	$79,500.00

NOTE: Requirements set out above vary somewhat from those originally stipulated in application. Changes were agreed to conference with Mr. King and Mr. O'Reilly, applicant's representatives.

Docket [illegible]

EXHIBIT "E"

Frame Tent Camp and mess	$1,000.00
Core and Tool House	500.00
Total	$1,500.00

EXHIBIT "G"

Jeep (purchase)	$1,500.00
Camp and mess equipment	500.00
Total	$1,500.00

EXHIBIT "D"

1 Geologist	- 10 months	@ $500	$ 5,000.00
1 Transitman	- 10 months	@ 400	4,000.00
2 Rodmen	- 10 months	@ 300 (ea)	6,000.00
1 Axman	- 10 months	@ 250	2,500.00
1 Cook	- 10 months	@ 250	2,500.00
1 Camp Tender	- 10 months	@ 200	2,000.00
Total			$ 22,000.00

EXHIBIT "I"

Not applicable.

6/5/51

Defense Minerals Administration

Review of Application for Exploration Assistance

Docket No. 1213-X

Commodity Asbestos

Total Amount $75,000

Govt. Participation 90%

1. Name and Address of Applicant The Philip Carey Mfg. Co. Lockland, Cincinnati 15, Ohio

2. Location of Property Nevada County, California

3. Mineral or metal Asbestos Is it listed in Section 9 of MO-5? YES

If not, application will be rejected.

4. Geologic probability of discovery—based on data in application (question #16, 17, 18, 20 and 22)*

Mines or Survey reports, etc., do you rate chances:

a) ✓ Good See Dr. Banks Memo, Attached

b) Poor

c) None

d) Don't know—needs field examination

e) Is there an alternative and favorable project? (If so, attach an explanation)

5. Is the applicant's right to the property clearly stated? Yes, Lessee (question 5, 6, 7)*

6. If applicant is a lessee, is a copy of the lease attached? Yes

Does the lease have sufficient time to run to cover a future productive period?

*Question numbers are those of MF-103

7. Are subordination agreements necessary? Applicant will substitute

a) ~~MF-201?~~ guarantees per verbal arrangement

b) ~~MF-202~~ with Mr. Hoffland

8. From the data presented, does the proposed project appear feasible from the point of view of:

a) Available manpower Yes

b) Equipment and supplies Yes
(Question 14 plus general knowledge of availability)*

c) Accessibility (question 12)* Yes

d) Water (question 13)* Yes

e) Power (question 13)* Yes

Is a field check needed on any of these points? NO

9. Does the experience of the applicant appear to be adequate to assure that he can properly conduct the proposed project? (question 4)* Yes

Is a field check needed on this point? NO

10. Exhibit A. (questions 21 and 22)*

a) Is the project adequately described? Yes

If not, are there sufficient data given so that you can describe the project? _____ If so, attach a draft.

b) Is there an adequate map or sketch of the proposed work? NO A part of the project is map preparation

c) Is the proposed work "exploration" under the definition of Section 8, MO-5? Yes

If not, what part of it is? _____

1213-B

Is this part a worthwhile exploration project? _____

d) Are the cost estimates detailed? YES

Can they be summarized, as on page 2 of Procedural Instruction 5-A, from the available data? YES If so, attach a draft.

e) Are the cost estimates reasonable? YES

f) Should more information be requested from applicant? NO

g) Is a field examination necessary to complete Exhibit A? NO

11. Exhibit B (question 23-d)*

a) Is it applicable? YES

b) If so, are sufficient data furnished? YES If so, attach a draft.

c) Is a field check needed? NO

12. Exhibit C (question 23-e, f and g)*

a) Is it applicable? YES

b) Sufficient data? YES If so, attach a draft.

c) Are rents and charges reasonable? YES

d) Is a field check needed? NO

13. Exhibit D (question 23-a, b)*

a) Are there sufficient data? YES

b) Is the schedule adequate for the work proposed? YES

c) Is the schedule excessive for the work proposed? NO

d) Are the proposed wages and salaries reasonable? YES

e) Is a field check needed? NO

14. Exhibit E (question 23-c)*

a) Is it applicable? NO

b) Sufficient data? _____

c) Reasonable? _____

d) Field check needed? NO

15. In your judgment, can the proposed work be done in the proposed time? YES

(All exploration must be completed within two years)

16. If field examination is not needed, attach your recommendation.

17. If field examination is needed, do you have any special instructions for the field team not indicated by your answers to the foregoing question? _____

Reviewed by: [illegible]

Date 6/21/51

97692

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

June 13, 1951

Re: DMA Docket 1213X

Exploration Loan requested by Philip Carey Manufacturing Co.
Cincinnati, Ohio

Comment

In Bureau of Mines Bull. 403 Asbestos (1937) one paragraph (p. 22) is devoted to the property covered by this application. A sample received by the Bureau of Mines at that time is recorded as chrysotile of good spinning grade. A poorly designed mill operated for a short time and produced a few hundred tons most of which was under 5/8-inch in length. A small quantity of spinning fiber was produced. According to a report of the California Dept. of Mines in 1918 the deposit is extensive having a width of about 1/2 mile and a length of at least 1/2 mile. The fiber was said to be of good quality in veins up to 1 1/2 inches long. Sales of a few hundred tons were reported in 1923. In view of the evident extent of the deposit and the production of fiber of good quality in past years I would recommend approval of the exploration loan without a preliminary examination by the field team.

Yours very truly,

Oliver Bowles

Oliver Bowles
Commodity Specialist
Bureau of Mines

IN REPLY REFER TO:

G-MD-JAR

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

June 8, 1951

Memorandum

To: James A. Barr, Sr.

From: J. A. Redden

Subject: Application DMA-1213X from the Philip Carey Manufacturing Company, Cincinnati, Ohio, for loan to explore asbestos deposit in Nevada County, California.

Application DMA-1213X is to explore a spinning fiber asbestos deposit near Washington, California.

The Geological Survey has no file evidence on the property. The only available literature is from a California State Mining Bureau publication of December 1918 which describes a small milling operation, apparently on the same property as that optioned by Carey. The mill produced asbestos of grades 1, 2, and 3, and a "few hundred pounds of spinning fiber." Most of the fiber was short, less than 5/8 inch in length.

The applicant gives no geological evidence except that the property is underlain by a serpentinized basic intrusion, and that asbestos was produced during World War I.

It is proposed by the applicant to start immediate geological and geophysical mapping on the property which will be followed by trenching and diamond drilling. Diamond drilling in 1952 will be dependent on results in 1951 and may be entirely unnecessary. Consequently, expenditures may be 1/2 as much as the requested funds.

Since there is essentially no geologic information about the deposits other than the recommended diamond drilling of their geologist, it is recommended that a field team visit the property and decide if surface indications of the size of the deposit and grade and quality of the asbestos warrant further exploration and diamond drilling.

Jack Redden
J. A. Redden

Post Office Department

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6/29/51

Mr. Boyd:

We have already approved an Exploration Project Contract (DMA-1214) in the amount of $38,100.00 for a project in Vermont, with this operator.

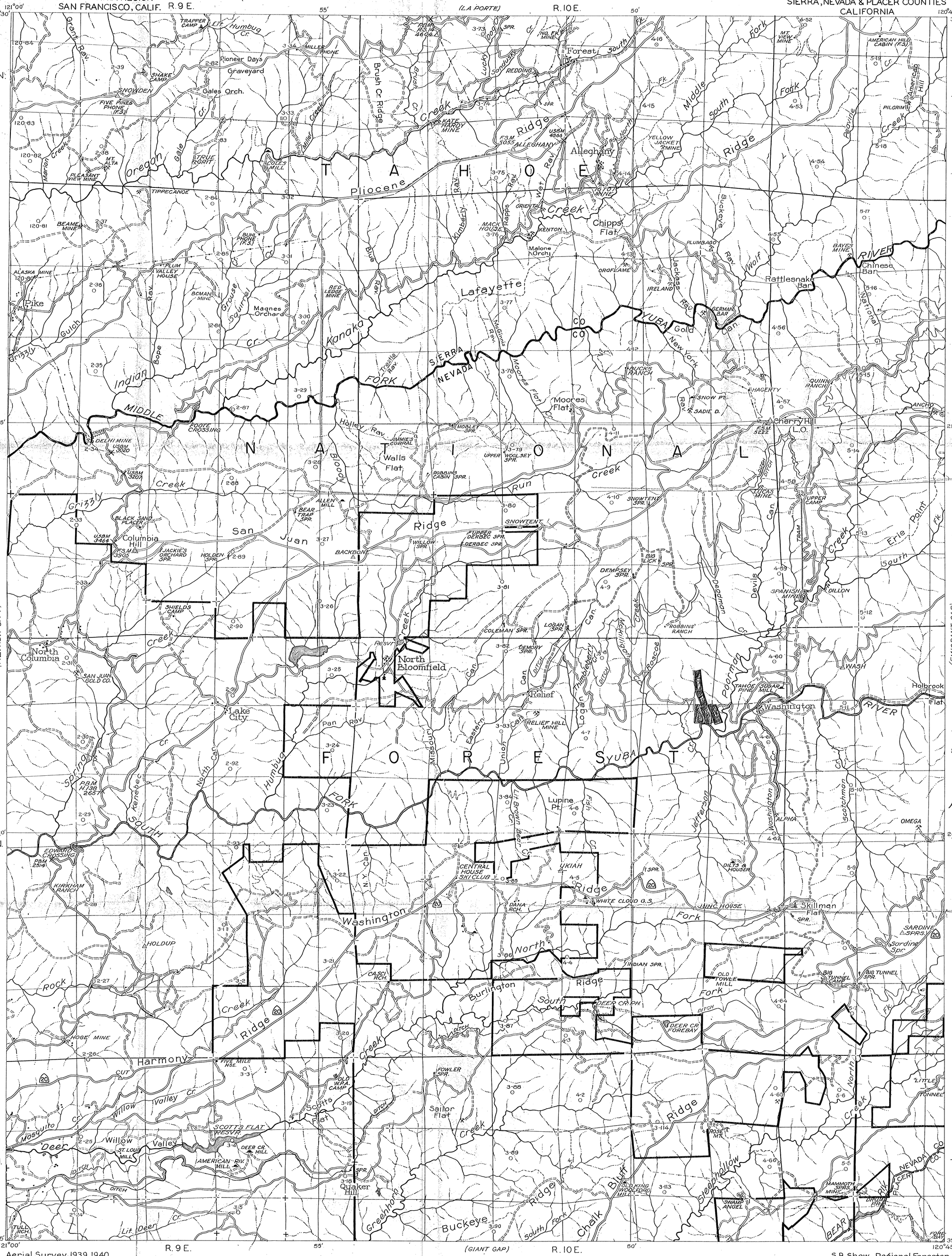
The attached contract covers their proposed project. It is recommended that it be approved also. LLJ.

This is in Calif — Mitt —
One you signed today in Vermont.

ALLEGHANY
QUADRANGLE

U.S. DEPARTMENT OF AGRICULTURE
FOREST SERVICE
CALIFORNIA REGION
SAN FRANCISCO, CALIF.

TAHOE NATL FOREST
SIERRA, NEVADA & PLACER COUNTIES
CALIFORNIA



Aerial Survey 1939, 1940
C.D. Jackson, Surveys & Maps
Control by Leigh B. Lint
Compiled by A.C. Hammon, T.F. Sievers
W.J. Leonard
Traced by A.I. Bell
Field Edit by A.K. Rodman, 1944

Scale 1:31,680

½ 0 1 2 MILES

N.A. 1927 Datum

S.B. Show, Regional Forester
A.P. Dean, Asst. Reg. Forester

ALLEGHANY

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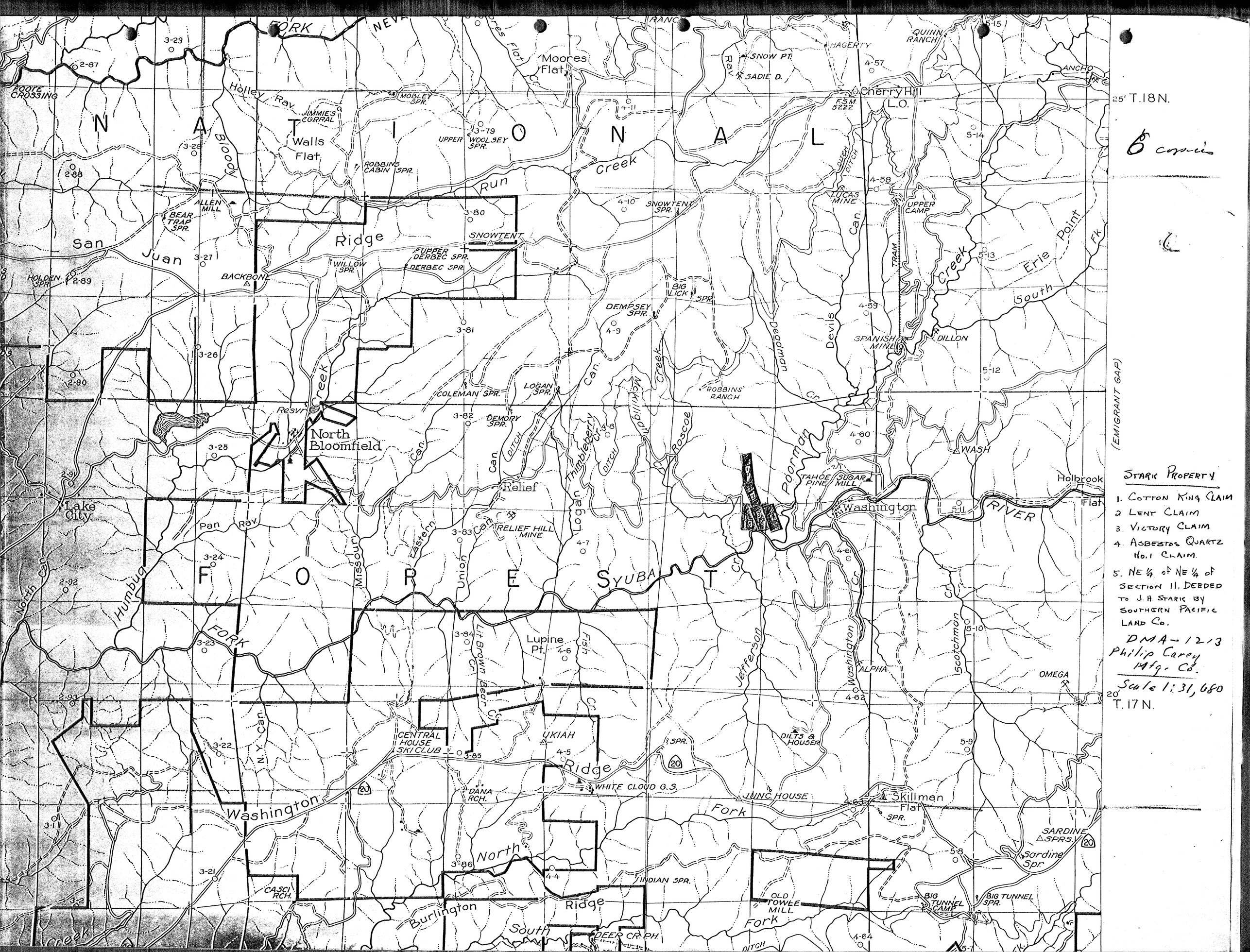
Stark Property
1. Cotton King Claim
2. Lent Claim
3. Victory Claim
4. Asbestos Quartz No. 1 Claim.
5. NE ¼ of NE ¼ of Section 11, Deeded to J.H. Stark by Southern Pacific Land Co.

DMA-1213
Philip Carey
Mfg. Co.

Scale 1:31,680



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