DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

Defense Minerals Administration
RECEIVED
JAN 21 1954

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

the Partnership of Byron L. Jones,
Louis M. Jones, Paul N. Jones, and
E. N. Hill, Deceased
Rico, Colorado

pertaining to Exploration Project Contract No. I-m-2491, Docket No. DMA 2685, and including amendments No. 1 to 2, covering a project for exploration of Lead-Zinc, located near Rico, Dolores County, Colorado, commonly known as the Iron Clad Mine, for the months of May to September, 1953.

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

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

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

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

Total cost as billed by Contractor	$8,260.00
Exceptions:	
By DMEA Finance Officer - None	
Herewith (schedule attached) None	None
Total Accepted Cost	$8,260.00

The contract calls for a 50 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Four Thousand One Hundred Thirty and No/100ths Dollars -

- $4,130.00 -

is considered valid and proper.

Dated: January 16, 1954

Donald F. Finch
Donald F. Finch, Auditor

Form MF-16 (Rev.)
(April 195[illegible])

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration

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

Month of Sept., 1953 Docket No. DMEA 2685 Contract No. Idm-E491
Operator's Name Jones, Jones, Jones & Lill Minerals Lead- Zink
Address Rico, Colorado
Contract Amount, $ 8,260.00 Government Participation: 50 % Amount, $ 1,032.50

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) ~~Independent~~ Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting X	$1,032.50	$7,227.50	$8,260.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS				1032.50	7,227.50	8,260.00

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

Date Sept. 30, 1953 *Payee Jones, Jones, Jones & Lill

Per Myron L. Jones Title Partner

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

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

(Instructions on reverse)

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

$ 516.25

Signature [illegible]
(Authorized Certifying Officer)

Date 1/25/54 Vou. No. DMA 54-74

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E491 in accordance with the terms of the contract.

Signature [illegible] $516.25 Title Mining Engr. Date 10-13-53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W H King Title Executive Officer Date JAN 19 1954

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MK-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of Sept. 195 3 Docket No. DMEA 2685 Contract No. Idm-E491

Operator's Name Jones, Jones, Jones & Lill Minerals Lead-Zink

Address Rico, Colorado

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	Feet	$1,032.50	25	$8,260.00	200	$41.30	200	$41.30
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		$1,032.50		$8,260.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$1,032.50		$8,260.00				$8,260.00

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

Date Sept. 30, 1953 Operator Jones, Jones, Jones & Lill

Per Myron Jones Title Partner

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

REMARKS We have requested an extension of this Contract in order to continue drift to the St. Louis Vein.

A Map of this Project is being prepared by an engineer and copies will be sent as soon as possible.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

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

224 New Customhouse
Denver 2, Colorado

January 29, 1954.

Memorandum

To: Secretary to the Operating Committee

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket No. 2685 (Lead-Zinc), Contract No. Idm-E491, A partnership consisting of Myron L. Jones, Louis M. Jones, Paul R. Jones and E. M. Lill, deceased, Dolores County, Colorado.

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

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

Final payment to the Operator in the amount of $516.25 has now been made in conformance with the Report of Review by the Contract Administration and Audit Division, dated January 18, 1954.

W. H. King

W. H. King

Enclosures

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

224 New Customhouse
Denver 2, Colorado

January 19, 1954.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket No. 2685 (Lead-Zinc), Contract No. Idm-E491, A Partnership consisting of Myron L. Jones, Louis M. Jones, Paul R. Jones and E. M. Lill, deceased, Dolores County, Colorado. Operator's Monthly Progress Report for the month of September 1953 - FINAL PAYMENT

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

Work has been accomplished as authorized in the contract and the Operator has complied with all requirements.

Final payment is recommended as follows, which is in conformance with the Report of Review by the Contract Administration and Audit Division, dated January 18, 1954.

Basis for Final Payment

Total accepted costs by Report of Review	$8,260.00
Government participation at 50%	4,130.00
Total prior payments	3,613.75
Balance due the Operator	$516.25

Reconciliation with Operator's Form MF-104 Report Attached

Gross amount of claim for September 1953	$1,032.50
Government participation at 50%	516.25
Amount due the Operator	516.25

W. H. King

Enclosures

JWT:cwm

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
October 14, 1953

Memorandum

To: Executive Officer, Field Team, Region IV

From: Chief, Mineral Resources Branch, Mining Division, Region IV

Subject: DMEA 2685, Contract Idm-E491 (Lead-zinc), Jones, Jones, Jones, and Lill (Ironclad mine), Dolores County, Colorado -- Progress report for September 1953

Enclosed are the original and four copies of the above progress report--forms MF-104 and MF-104A, with narrative, progress map--and the original and six copies of W. L. Dare's memorandum covering inspection of the underground progress and report forms. The contract is unit-cost, short-form and documentation is not required.

Dare verifies the 25 feet drifting advance reported in the operator's narrative and entered on the MF-104A form. Entries and extensions on the reporting forms were checked and are approved.

Payment is recommended and certified on the MF-104 form of $516.25 or 50 percent of the total $1,032.50 claimed by the contractor.

W. M. Traver

W. M. Traver

enclosures

WMT/kp

cc 4
E491
DMEA Chron

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
October 13, 1953

Memorandum

To: Chief, Mineral Resources Branch, Mining Division, Region IV

From: W. L. Dare

Subject: DMEA 2685, Contract Idm-2491 (Lead-zinc), Jones, Jones, Jones, and Lill (Ironclad mine), Dolores County, Colorado -- Progress report for September 1953

The Ironclad mine was visited on October 7, 1953. Myron and Paul Jones were contacted at the mine and underground progress was checked and verified as reported. The 200 feet of exploration footage, as stipulated in the contract, has been completed. Attached is a plat (fig. 1) showing monthly accomplishments.

At a point of about 199 feet from the starting face of the contract, a 3- to 6-inch quartz vein, with minor amounts of pyrite, was cut striking N. 52° W. (fig. 1). In his narrative, Jones notes that he intends to raise on this vein at his own expense to explore its intersection with the bedding vein believed to be about 20 feet above. On the date of the inspection, Jones had not started the raise as he is making needed repairs on his compressor. Because of the total absence of lead and zinc sulfides within the vein, it is not believed that the raise will prove the presence of any sizable ore body at the intersection.

Pending completion of the raise, which is not believed will prove any reserves, no ore has been opened up under the contract drifting.

Based upon the agreed unit cost of $41.30 per foot of advance, payment is recommended as $516.25, which is 50 percent of the $1,032.50 claimed.

W. L. Dare
Mining Engineer

WLD/kp

cc 6
2491
DMEA Chron

Narrative Report

Myron L. Jones Rico, Colorado

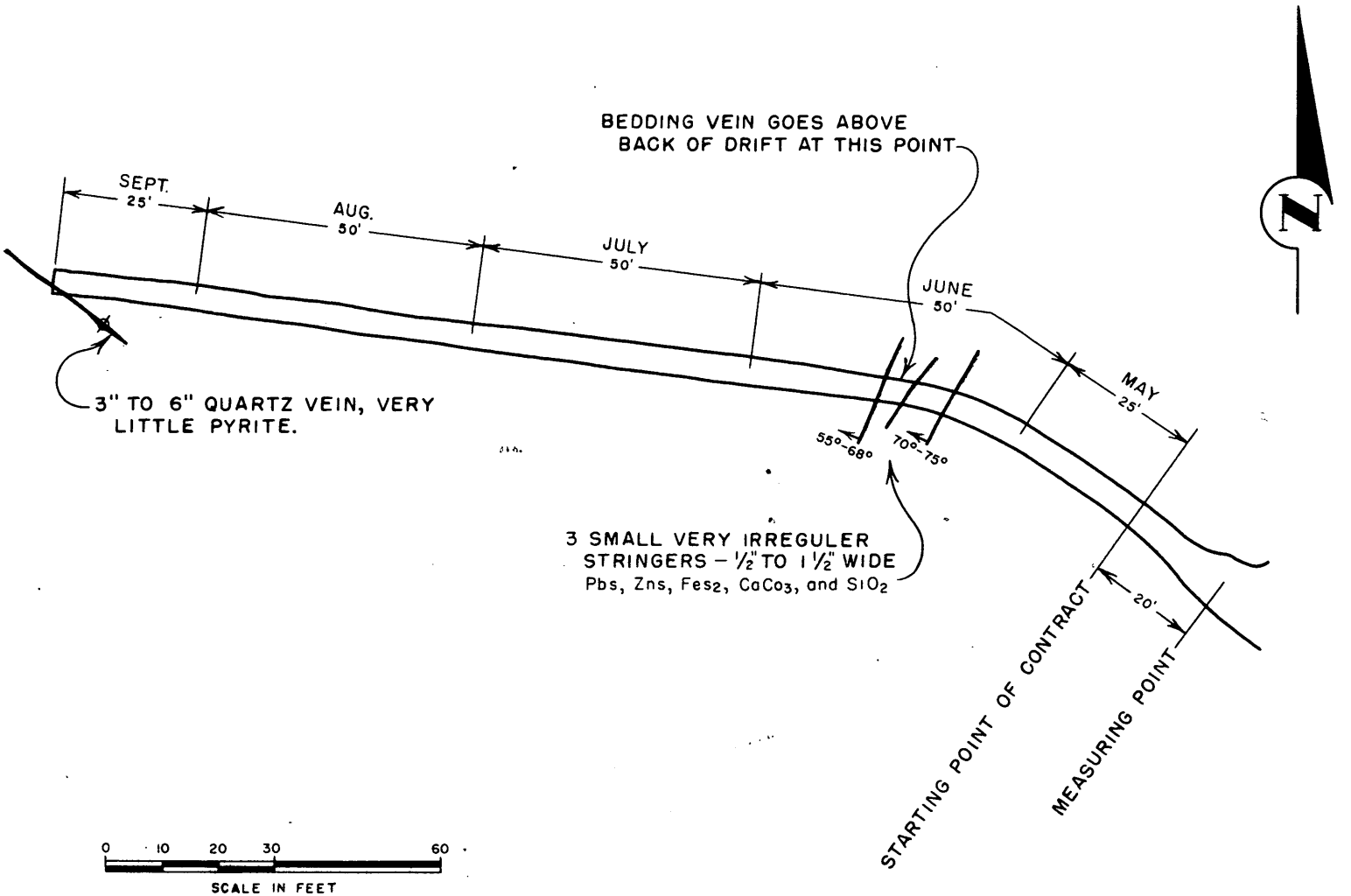
Month of Sept. 1953 Docket No. DMLA 2685 Contract No. Idm-E491

Drift was continued for 25 ft. on a straight course below the horizontal vein during the month of September, making a total of 200 ft.

A two to six inch quartz vein (vertical) was cut at 200 ft. This vein shows a great deal of moisture and some pyrite. Course is aproximately N 65% W. A raise will be driven to determine infuence of this vein on the horizontal vein.

Signed, Myron L. Jones

Myron L Jones



MINERAL RESOURCES BRANCH
MINING DIV. – REGION IV
BUREAU OF MINES

FIGURE 1 - UNDERGROUND PROGRESS, IRONCLAD MINE, DOLORES COUNTY, COLO. (Idm E491, DMEA 2685)

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Department of the Interior
Defense Minerals Administration
RECEIVED
SEP 28 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of Aug., 1953 Docket No. DMEA 2685 Contract No. Idm-E491
Operator's Name Jones, Jones, Jones & Lill Minerals Lead-Zink
Address Rico, Colorado
Contract Amount, $8,260.00 Government Participation: 50 % Amount, $2,065.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) ~~Independent~~ Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting X	$2,065.00	$5,162.50	$7,227.50	2065.00	5162.50	7227.50
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS				2065.00	5162.50	7227.50

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

Date Sept. 1, 1953 *Payee Myron L. Jones

Per Myron L. Jones Title Partner

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

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

(Instructions on reverse)

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

$1,032.50

Signature [illegible]
(Authorized Certifying Officer)

Date 9-17-53 Vou. No. DMA 54-29

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. 7da-E491 in accordance with the terms of the contract.

Signature M. Dare $1,032.50 Title Mining Engineer Date 9-9-53

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

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

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form M-164A
(April 1952)

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

Defense Minerals Administration
RECEIVED
SEP 28 1953

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of Aug. 1953 Docket No. DMEA 2685 Contract No. Idm-E491
Operator's Name Jones, Jones, Jones & Lill Minerals Lead-Zink
Address Rico, Colorado

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	Feet	$2,065	50	$7,227.50	175	$41.50	200	$41.50
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		$2,065.00		$7,227.50				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$2,065.00		$7,227.50				$8,260.00

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

Date Sept. 1, 1953 Operator Jones, Jones, Jones & Lill

Per Myron L. Jones Title Partner

REMARKS: Unable to complete contract by termination date of Aug. 24th. Requested 30 days extension of time limit.

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

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

Department of the Interior
Defense Minerals Administration
RECEIVED
SEP 28 1953

224 New Customhouse
Denver 2, Colorado

September 14, 1953.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 2685, Contract Idm-1491 (Lead-Zinc), Jones, Jones, Jones and Lill (Ironclad Mine), Dolores County, Colorado. Operator's Monthly Progress Report for the period August 1953.

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

Work has been completed as authorized by the contract. No documentation is required for work performed under contracts prepared on Form MF-200A, therefore we recommend that payment be made for 50 percent of the amount reported by the Operator on Form MF-104, contingent on your verification of arithmetical accuracy within the report.

Remarks:

Date of Report	September 1, 1953.
Date Received in Field Office	September 3, 1953.
Date Received in Region Office	September 10, 1953.

W. H. King
W. H. King

Enclosures

RDB:cwm

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
September 9, 1953

Memorandum

To: Executive Officer, Field Team, Region IV

From: Chief, Mineral Resources Branch, Mining Division, Region IV

Subject: DMEA 2685, Contract Idm-E491 (Lead-zinc), Jones, Jones, Jones, and Lill (Ironclad mine), Dolores County, Colorado - Progress report for August 1953

Transmitted herewith are the original and four copies of the above progress report--forms MF-104 and MF-104A, with narrative--and the original and six copies of W. L. Dare's memorandum covering inspection of the underground progress and checking of the reporting forms. The contract is a unit-cost short-form one on form MF-200 (A) and documentation is not required.

Dare confirms the 50 feet drifting advance reported by the operator in his narrative and entered on the reporting forms.

The entries and extensions on the reporting forms are correct and payment is recommended and certified on the MF-104 form of $1,032.50, or 50 percent of the total $2,065.00 claimed by the contractor.

W. M. Traver

W. M. Traver

enclosures

WMT/cb

cc: 4
E491
DMEA Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
September 9, 1953

Memorandum

To: Chief, Mineral Resources Branch, Mining Division, Region IV

From: W. L. Dare

Subject: DMEA 2685, Contract Idm-E491 (Lead-zinc), Jones, Jones, Jones, and Lill (Ironclad mine), Dolores County, Colorado-Progress report for August 1953

The Ironclad mine was inspected on September 1, 1953. Myron and Paul Jones were contacted at the mine and underground progress checked. As of that date, the exploration drift had been advanced a total of 193.5 feet.

The operator has claimed 50 feet of advance in August, with a total of 175 feet as of August 31, 1953. It has been the practice of Myron Jones to claim less than the actual footage made each month so as to eliminate any possible disagreement of monthly footage measurements.

As Jones notes in his narrative, most of the August advance has been through a sandier strata that lies below the calcareous shales cut earlier in the program. A few very small pyrite stringers were noted striking across the drift at roughly right angles. The drift has been continued on the same bearing as in June and July.

Approval is given to the footage reported, and payment is recommended as $1,032.50, which is 50 percent of the $2,065.00 claimed.

W. L. Dare
Mining Engineer

WLD/eb

cc: 6
E491
DMEA Chron.

Narrative Report

Myron L. Jones Naco, Colorado

Month of Aug. 1953 Docket No. DMEA 2685 Contract No. Idm-E491

Drift was continued for 50 ft. on a straight course below the horizontal vein during the month of August, making a total of 175 ft.

Breast is in sandstone. There is a noticeable increase in moisture, and in quartz and pyrite mineralization.

Signed, Myron L. Jones

Myron L Jones

Form MF[illegible]4 (Rev.)
(April [illegible])

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

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

Month of July, 1953 Docket No. DMEA 2685 Contract No. Idm-E491
Operator's Name Jones, Jones, Jones & Lill Minerals Lead-Zink
Address Rico, Colorado
Contract Amount, $8,260.00 Government Participation: 50 % Amount, $2,065.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) ~~Independent~~ Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting X	$2,065.00	$3,097.50	$5,162.50			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS				2065.00	3,097.50	5,162.50

I certify that the above bill is correct and just and that payment therefor has not been received.
Date Aug. 1, 1953 *Payee Myron L. Jones
Per Myron L. Jones Title Partner

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

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

(Instructions on reverse)

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

$1032.50

Signature [illegible]
(Authorized Certifying Officer)
Date 8/28/53 Vou. No. DMA 54-23
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Tdm-E491 in accordance with the terms of the contract.

Signature [illegible] $1032.50 Title [illegible] Date 8-24-53

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

Signature W. H. King Title Executive Officer Date AUG 27 1953

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form [illegible]T-104A
(A[illegible]952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July 1953 Docket No. DMEA 2685 Contract No. Idm-2491
Operator's Name Jones, Jones, Jones & Lill Minerals Lead-Zink
Address Rico, Colorado

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	Feet	$2,065.00	50	$5,162.50	125	$41.50	200	$41.50
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		$2,065.00		$5,162.50				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$2,065.00		$5,162.50				$8,260.00

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

Date Aug. 1, 1953 Operator Jones, Jones, Jones & Lill

Per Myron Jones Title Partner

REMARKS Progress was checked by Bureau of Mines Engineer.

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

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

224 New Customhouse
Denver 2, Colorado

August 27, 1953.

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 2685, Contract Idm-E491 (Lead-Zinc), Jones, Jones, Jones and Lill (Ironclad Mine), Rico, Dolores County, Colorado. Operator's Monthly Progress Report for the period July 1953.

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

Work has been completed as authorized by the contract. No documentation is required for work performed under contracts prepared on Form MF-200A, therefore we recommend that payment be made for 50 percent of the amount reported by the Operator on Form MF-104, contingent on your verification of arithmetical accuracy within the report.

Remarks:

Date of Report	August 1, 1953.
Date Received in Field Office	August 3, 1953.
Date Received in Region Office	August 27, 1953.

W. H. King
W. H. King

Enclosures

RDB:cwm

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
August 26, 1953

Memorandum

To: Executive Officer, Field Team, Region IV

From: Chief, Mineral Resources Branch, Mining Division, Region IV

Subject: DMEA 2685, Contract Idm-E491 (Lead-zinc), Jones, Jones, Jones, and Lill (Ironclad mine), Rico, Dolores County, Colorado - Progress report for July 1953

Enclosed are the original and four copies of the above progress report--forms MF-104 and MF-104A, with narrative--and the original and six copies of W. L. Dare's memorandum covering inspection of the underground progress and reporting forms. The contract is unit-cost on formMF-200 (A), and requires no documentation.

The 50 feet drifting advance was confirmed by the inspection, bringing the total drifting to 125.0 feet as of July 31. On the date of inspection, 168.5 feet had been completed, leaving only 31.5 feet to complete the contract.

Entries and extensions on the reporting forms were also confirmed and payment is recommended and certified on the MF-104 form of $1,032.50, or 50 percent of the total claimed by the contractor.

You have the contractor's request for an amendment to allow a time extension, and his request for funds to do additional work will depend on results in the remaining drift advance. The results in July, according to Dare, were encouraging.

W. M. Traver

W. M. Traver

enclosures

WMT/eb

cc: 4
E491
DMEA Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
August 26, 1953

Memorandum

To: Chief, Mineral Resources Branch, Mining Division, Region IV

From: W. L. Dare

Subject: DMEA 2685, Contract Idm-2491 (Lead-zinc), Jones, Jones, Jones, and Lill (Ironclad mine), Rico, Dolores County, Colorado - Progress report for July 1953

Myron Jones was contacted at the Ironclad mine on August 18, 1953, by W. L. Dare, Bureau of Mines, and D. R. MacLaren, Geological Survey. At the time of the inspection, the exploration drift had been advanced a total of 168.5 feet. The reported July advance of 50 feet, with the reported total of 125 feet as of July 31, 1953, is, therefore, approved.

The exploration drift has been continued on the same bearing of N. 83° W., as reported last month. Other than the three stringers cut at about the distances of 37 feet, 44 feet, and 50 feet from the starting face, no other vertical veins have been encountered. At the time of the inspection, the face was starting to make some water and appeared somewhat altered. Although it cannot be determined until additional advance has been made, the water and alteration might indicate the drift is approaching a vertical vein. The calcareous shale stands well in the new advance and no timbering has been required to date.

Myron Jones was informed of the pending contract completion date, August 24, 1953, and informed the inspectors that he would write the Executive Officer immediately, requesting an extension.

With reference to the operator's request for funds to allow for additional drifting, Myron Jones reported that he will submit a plat of the underground workings of the Ironclad mine tieing in with those of the St. Louis mine, located above. This will be necessary to give a better picture of the probable location of what the operator designates as the St. Louis fissure, which was worked in the St. Louis mine, with reference to the present face of the exploration drift in

the Ironclad mine. The extension of funds will depend a great deal upon what is found in the remaining 31.5 feet of allowable drifting and the projected location of the St. Louis fissure at the level of the Ironclad workings.

DMEA monthly advance is good considering that Myron and Paul Jones are doing the work alone, hand loading the broken muck and hand tramming a distance of about 460 feet.

Based upon the short form of agreed unit costs, payment is recommended as $1,032.50, which is 50 percent of the allowable $2,065.00 claimed.

Scott W. Hagen
for W. L. Dare
Mining Engineer

WLD/eb

cc: 6
E491
DMEA Chron.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 8-1953

Narrative Report

Myron L. Jones Rico, Colorado

Month of July, 1953 Docket No. DMEA 2685 Contract No. Idm-E491

Drift was continued for 50 ft. on a streight course below the horizontal vein during the month of July, making a toltal of 125 ft. No mineralization was encountered. Breast is in sand amd shale.

Signed, Myron L. Jones

Myron L Jones

Form [illegible]F-104 (Rev.)
(April 1949)

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

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

Month of June, 1953 Docket No. DMEA 2685 Contract No. Idm-E491
Operator's Name Jones, Jones, Jones & Lill Minerals Lead-Zink
Address Rico, Colorado
Contract Amount, $8,260.00 Government Participation: 50 % Amount, $2,065.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) ~~[illegible]~~ Short Form } Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting X	$2,065.00	$1,032.50	$3,097.50			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS				2065.00	1032.50	3097.50

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

Date July 1, 1953 *Payee Myron L. Jones

Per Myron L. Jones Title Partner

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

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

(Instructions on reverse)

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

$1032.50

Signature [illegible]
(Authorized Certifying Officer)

Date 8/5/53 Vou. No. DMA 54-120

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E 491 in accordance with the terms of the contract.

Signature W. Dare $1032.50 Title Mining Engineer Date 7-20-53

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

Signature W. H. King Title Executive Officer Date JUL 24 1953

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-[illegible]4A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of June 1953 Docket No. DMEA 2685 Contract No. Idm-E491
Operator's Name Jones, Jones, Jones, & Lill Minerals Lead-Zink
Address Rico Colorado

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	Feet	$2,065.00	50	$3,097.50	75	$41.50	200	$41.50
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		$2,065.00		$3,097.50				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$2,065.00		$3,097.50				$8,260.00

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

Date July 1, 1953 Operator Jones, Jones, Jones & Lill

Per Myron L Jones Title Partner

REMARKS: Progress was checked by Bureau of Mines Engineers on June 16th.

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

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

224 New Customhouse
Denver 2, Colorado

July 24, 1953

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 2685, Contract Idm-E491 (Lead-Zinc), Jones, Jones, Jones, and Lill (Ironclad mine), Rico, Dolores County, Colorado-Operator's Monthly Progress Report, for the period June 1953.

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

Work has been completed as authorized by the contract. No documentation is required for work performed under contracts prepared on Form MF-200A, therefore we recommend that payment be made for 50 percent of the amount reported by the Operator on Form MF-104, contingent on your verification of arithmetical accuracy within the report.

Remarks:

Date of Report----------July 1, 1953
Date Received in Field Office------July 3, 1953
Date Received in Region Office-----July 23, 1953
Date Processed for Payment---------July 24, 1953

W. H. King
W. H. King

Enclosures

RDB:es

cc: Contract
Sec. to the Oper. Comm. (2)
Chron.
Traver

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
July 23, 1953

Memorandum

To: Executive Officer, Field Team, Region IV

From: Chief, Mineral Resources Branch, Mining Division, Region IV

Subject: DMEA 2685, Contract Idm-R491 (Lead-zinc), Jones, Jones, Jones, and Lill (Ironclad mine), Rico, Dolores County, Colorado - Progress report for June 1953

Submitted herewith are the original and four copies of the subject progress report--forms MF-104 and MF-104A, with narrative--and the original and six copies of W. L. Dare's memorandum covering inspection of the underground progress and reporting forms. The contract is short form and requires no documentation.

The inspecting engineer verifies the 50 feet of June progress drifting and total of 75 feet since the starting operations. He again describes the physical work, and while he fails to state so in his memorandum, there is no ore in sight, and accordingly, no possibility of making any statements relative thereto. The drifting advances are correctly stated in the narrative and certified on the reporting forms.

Payment is approved and certified on the MF-104 forms of $1,032.50, or 50 percent of the total $2,065.00 claimed by the contractor.

W. M. Traver

W. M. Traver

WMT/pam

enclosures

cc 4, R491, DMEA Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
July 23, 1953

Memorandum

To: Chief, Mineral Resources Branch, Mining Division, Region IV

From: W. L. Dare

Subject: RMEA 2685, Contract Idm-2491 (Lead-zinc), Jones, Jones, Jones, and Lill (Ironclad mine), Rico, Dolores County, Colorado - Progress report for June 1953

The Ironclad mine was visited on July 9, 1953, and progress checked with Myron and Paul Jones. As of the date of the inspection, the exploration drift had been advanced a total of 108.5 feet. The reported 50 feet of advance in June, with a total of 75 feet as of the end of June, is therefore approved.

From a point of 43.5 feet from the starting face, the drift has been continued on a bearing of N. 82° W. At a distance of about 49 feet from the starting face, due to the dip of the beds, the bedding vein that was being followed left the back of the drift. The operators plan to continue the heading on its present bearing, because to turn the drift any more will mean to increase the distance to the intersections with the vertical veins which are believed to exist ahead.

When they cross any strong vertical veins, they plan to put up dog-hole type raises to explore the intersections with the bedding vein.

Based on the short-form type contract of agreed unit costs per foot of advance, payment is recommended as $1,032.50, which is 50 percent of the allowable $2,065.00 claimed.

W. L. Dare
Mining Engineer

WLD/pam

cc 6
2491
RMEA Chron.

OFFICE OF THE DIRECTOR
Colorado Mineral Information
RECEIVED
JUN 2 1953

Narrative Report

Byron L. Jones — Rico, Colorado

Month of June, 1953 Docket No. DMEA 2685 Contract No. Idm-5491

Drift was continued 75 ft. beyond starting point in a northwesterly direction. Horizontal vein increased upward pitch to the north-west and drift was turned more to the west in atempt to keep vein in sight. Continued increase in pitch made more turn impractical, so drift was continued on streight course below horizontal vein at a point 50 ft. from starting point.

Several small(stringer) veins carrying lead-zink were crossed between 40 and 50 ft. from starting point. No lead-zink mineralization was incountered beyond this area.

Signed, Byron L. Jones

Byron L Jones

Form MF-104 (Rev.)
April 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of May, 1953 Docket No. DMEA 2685 Contract No. Idm-E491
Operator's Name Jones, Jones, Jones & Lill Minerals Lead-Zink
Address Rico, Colorado
Contract Amount, $ 8,260.00 Government Participation: 50 % Amount, $1,032.50

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) [redacted] Short Form } Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting X	$1,032.50	none	$1,032.50			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS				1032.50	--	1032.50

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

Date June 1, 1953 *Payee Wyron L Jones

Per Title Partner

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

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

(Instructions on reverse)

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

$516.25

Signature (Authorized Certifying Officer)

Date 7/3/53 Vou. No. 54-5

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idn-E491 in accordance with the terms of the contract.

Signature W. Dare $896.25 WMA Title Mining Engineer Date 6-24-53

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

Signature W. H. King Title W. H. KING Date JUL 2 1953

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Bureau of Mines
RECEIVED
JUL 10 1953

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of May, 1953 Docket No. DMEA 2685 Contract No. Ic-E491
Operator's Name Jones, Jones, Jones & Lill Minerals Lead-Zink
Address Rico, Colorado

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	Feet	$1,032.50	25	$1,032.50	25	$41.30	200	$41.30
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		$1,032.50		$1,032.50				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$1,032.50		$1,032.50				$8,260.00

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

Date June 1, 1953 Operator Jones, Jones, Jones & Lill

Per Myron L. Jones Title Partner

REMARKS: Starting point for the contract was established by Bureau of Mines Engineers on May 20th. Work began on May 21st.

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

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

224 New Customhouse
Denver 2, Colorado

July 2, 1953

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket 2685, Contract Idm-2491 (Lead-Zinc), Jones, Jones, Jones, and Lill (Ironclad Mine), Rico, Dolores County, Colorado. Operator's Monthly Progress Report for the period May 1953.

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

Work has been completed as authorized by the contract. No documentation is required for work performed under contracts prepared on Form MF-200A, therefore we recommend that payment be made for 50 percent of the amount reported by the Operator on Form MF-104, contingent on your verification of arithmetical accuracy within the report.

Remarks:

Date of Report	June 1, 1953.
Date Received in Field Office	June 3, 1953.
Date Received in Region Office	July 1, 1953.
Date Processed for Payment	July 2, 1953.

W. H. King
W. H. King

Enclosures

RDB:cwm

cc: Contract
Secretary to the Oper. Comm.
WMTraver
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
June 30, 1953

Memorandum

To: Executive Officer, Field Team, Region IV

From: Chief, Mineral Resources Branch, Mining Division, Region IV

Subject: DMEA 2685, Contract Idm-E491 (Lead-zinc), Jones, Jones, Jones, and Lill (Ironclad mine), Rico, Delores County, Colorado - Progress report for May 1953

Please find enclosed the original and four copies of the subject initial progress report--forms MF-104 and MF-104A, with narrative--and the original and six copies of W. L. Dare's memorandum covering inspection of the underground progress and reporting forms. The contract is short form, and documentation is not required.

Dare verifies the 25 feet of drifting progress reported in the narrative and entries on the reporting forms. He adequately describes the work accomplishments for the reporting period.

Payment is recommended and certified on the MF-104 form of $516.25, or 50 percent of the $1,032.50 claimed by the contractor.

W. M. Trover

W. M. Trover

enclosures

WMT/pam

cc: 4
E491
DMEA Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
June 30, 1953

Memorandum

To: Chief, Mineral Resources Branch, Mining Division, Region IV

From: W. L. Dare

Subject: DMMA 2603, Contract Idm-2491 (lead-zinc), Jones, Jones, Jones, and Lill (Ironclad mine), Rico, Dolores County, Colorado - Progress report for May 1953

The Ironclad mine was visited by R. D. Berhamkotter and W. L. Dare on June 16, 1953, and underground progress checked with Myron and Paul Jones.

The starting point for the contract drifting was established at the time of the previous visit, May 20, 1953. Work started under the contract on May 21, 1953.

At the suggestion of the inspecting team at the time of the first visit, the operators have timbered a portion of the old drift near the original face that was open to a small stope above. The measuring point was then relocated on June 16, and is now a spad in the last stull in this new timber representing a distance of 20 feet to the point where the face was located at the start of the contract.

As of June 16, the drift has been driven a total of 66.5 feet. The reported May advance of 25 feet is approved.

It was originally proposed that the exploration drift be driven on the near-horizontal bedding vein exposed in the breast and explore for possible ore deposits at or near the intersections with vertical fissure veins believed to lie ahead. In nearby mines ore deposits occur at these type intersections as blanket deposits in the bedding veins and with replacements around the junctions. In about the last 40 feet of drift the beds have steepened somewhat, and to keep the bedding vein in sight without excessively increasing the grade of the drift, the drift has been turned from the original bearing of N. 32° W. to N. 22° W. On the date of the last inspection, the

bedding vein was very near the back of the drift and varies from 1/2 to 2 inches in width. It is not planned to turn the drift at any greater angle for this would increase the distance to the intersections. The vertical veins, cutting the sediments, are believed to strike N. 45°-55° E. If the beds continue to steepen, it is planned to let the bedding vein leave the back but to keep a close check on its location and width by means of short rounds into the back.

Three small near-vertical stringers have been cut in the 66.5 feet of new drifting. These stringers have a general strike of the veins believed to lie ahead. They vary in width from 1/2 to 1-1/2 inches and contain lead and zinc sulphides with larger amounts of calcite. Numerous other smaller calcite stringers were also noted.

Good progress has been made to date. It should be stated that the operators are very sincere, and from the amount of equipment on hand the operation is very efficient. Good judgement has been used in planning the direction of the heading so as to most efficiently explore the intersections.

Based on the short-form type contract, payment is recommended as $516.25, which is 50 percent of the $1,032.50 claimed.

W. L. Dare
Mining Engineer

WLD/pam

cc: 6
2491
DMEA Chron.

Myron L. Jones Nico, Colorado

Narrative Report

Month of May, 1953 Docket No. DMA 2885 Contract No. Idm-3491

Work was started on May 21st. and drift was driven twenty five feet in a north westerly direction along the horizontal vein. There is no change aparent in vein or formation.

Cave was timbered in stope, 15 ft. behind starting point.

Signed, Myron L. Jones

Myron L. Jones

C
O
P
Y

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

February 5, 1954

Mr. Myron L. Jones, Partner
Jones, Jones, Jones, and Lill
Rico, Colorado

Re: Docket No. DMEA-2685 (Lead-Zinc)
Myron L. Jones, et al.
Ironclad Mine
Dolores County, Colorado
Contract No. Idm-E491

Dear Mr. Jones:

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

The final audit of the contract expenditures and the final reports of the Operator have been received and accepted by this Administration. Of the total amount of $8,260.00, approved under the contract, such sum represents the accepted and approved expenditures actually made. Of this sum, 50 per cent, or $4,130.00, represented the Government's share. The exploration work was completed in a satisfactory manner.

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

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

Sincerely yours,

/s/ C. O. Mittendorf

Administrator

WRGriswold/bjl (2/3/54)
Copy to: Docket
Admr. R. File
Op. Committee
Base Metals
Mr. Kinkel
Mr. Bishop
Region IV (2)
Chron.

No. 2

AMENDMENT OF CONTRACT: No. Idm-E491

Contract Docket No. DMEA-2685, dated February 24, 1953, between the United States of America and a partnership consisting of Myron L. Jones, Louis M. Jones, Paul R. Jones and E. M. Lill, is hereby amended as follows, effective as of the date of said contract:

> Referring to "Article 3. Exploration Project" of Exploration Project Contract Form MF-200(A), delete "six months" and in lieu thereof substitute "seven months".

This amendment shall not be construed to increase the estimated total cost of the project, the amount of the Government's contribution, or any item of allowable cost which is expressly designated "allowable maximum".

Dated SEP 2 1953

By Myron L. Jones
Myron L. Jones, Partner

By Louis M. Jones
Louis M. Jones, Partner

By Paul R. Jones
Paul R. Jones, Partner

E.M. Lill, partner deceased

By Douglas C. Evans
Douglas C. Evans, Administrator
of the estate of E.M. Lill

UNITED STATES OF AMERICA

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

Rice, Colorado

Aug. 18, 1953

Mr. W. H. King

Executive Officer, Field Team, Region IV

U. S. Department of the Interior, DMEA

224 New Customhouse

Denver 2, Colorado

Dear Mr. King:

Due to mechanical dificulties, Exploration Project Contract No. Idm-E491, Docket No. DMEA 2685, cannot be finished by Aug. 24th. termination date of the contract.

We request that the termination date be extended for thirty days.

Very truly yours,

Myron L. Jones

Myron L Jones

AMENDMENT OF CONTRACT: No. Idm-E491 No. 1

Contract Docket No. DMEA-2685, dated February 24, 1953, between the United States of America and a partnership consisting of Myron L. Jones, Louis M. Jones, Paul R. Jones and E. M. Lill, is hereby amended as follows, effective as of the date of said contract:

> Referring to "Article 3. Exploration Project" of Exploration Project Contract Form MF-200(A), delete "60" and in lieu thereof insert "90".

This amendment shall not be construed to increase the estimated total cost of the project, the amount of the Government's contribution, or any item of allowable cost which is expressly designated 'allowable maximum'.

Dated JUN 1 1953

By Myron L. Jones
Myron L. Jones, Partner

By Louis M. Jones
Louis M. Jones, Partner

By Paul R. Jones
Paul R. Jones, Partner

By Douglas C. Evans
E. M. Lill, Partner
Adm. for the Estate of Ernest M. Lill

UNITED STATES OF AMERICA

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

AMENDMENT OF CONTRACT: No. IM-4401 No. 1

Contract Dodge No. NIM-2505, dated February 24, 1955, between the United States of America and a partnership consisting of Myron E. Jones, Louis M. Jones, Paul R. Jones and R. M. Hill, is hereby amended as follows, effective as of the date of said contract:

Referring to 'Article 3. Exploration Project' of Exploration Project Contract Form IM-200(A), delete '50' and in lieu thereof insert '70'.

This amendment shall not be construed to increase the estimated total cost of the project, the amount of the Government's contribution, or any item of allowable cost which is specifically designated 'allowable maximum'.

Dated _____

By _____
Myron E. Jones, Partner

By _____
Louis M. Jones, Partner

By _____
Paul R. Jones, Partner

By _____
R. M. Hill, Partner

UNITED STATES OF AMERICA

By _____
R. M. Hill
Executive Officer, NIM
Field Team, Region IV

Mr. W. H. King
U. S. Department of the Interior
DMEA
Executive Officer
Field Team, Region IV
224 New Customhouse
Denver 2, Colorado

Rico, Colorado

May, 9, 1953

Dear Mr. King;

I request thirty days extension of the starting date of contract, DMEA 2685 (Lead-Zink), Idm-E491.

Starting was delayed due to dificultys conserning the E. M. Lill estate, and winter damage to the portal of the mine.

As work can now start immediatly no extension of completion date should be necessary.

Very truly yours,

Myron Jones

Myron L. Jones

Docket No. DMEA2685

Commodity Lead-Zinc

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

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

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

Contract No. Idm-E 491

Date of Contract ~~or Amendment~~: February 24, 1953

Name and Address of Operator:
Myron L. Jones, Louis M. Jones, Paul R. Jones,
Rico, Colorado
E. M. Lill
Bagdad, Arizona

Amount of Government participation $ 4,130.00

Percent of Government participation 50 %

Region: IV State: Colorado

(Name)

J. L. Chambers,
Chief, Contract Administration and Audit Division

(Title)

Date Delivered to Bureau of Mines, Washington. Feb. 24, 1953

13808

MF-200 (A)
(February 1952)

DOCKET NO. DMEA 2685

COMMODITY Lead-Zinc

Idm-E491

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 13 1953

EXPLORATION PROJECT CONTRACT[1]

(Short Form)

IT IS AGREED this 24th day of February, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] a partnership consisting of Myron L. Jones, Louis M. Jones, Paul R. Jones, all residing at Rico, Colorado and E. M. Lill of Bagdad, Arizona

hereinafter called the "Operator," as follows:

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

ARTICLE 2. *Operator's property rights.*—With respect to that certain land situated in the State of Colorado, County of Dolores, described as follows:[3]

See Annex 1

the Operator represents and undertakes:[4]

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

None

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

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

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

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

ARTICLE 4. *Costs of the project.*—The agreed, estimated costs of performing the work, expressed in terms of units of work to be performed (per foot of drifting, per foot of drilling, per cubic yard of material to be moved, etc.) are set forth in Exhibit "A," attached hereto. The Government will pay fifty (50) percent of these agreed, estimated costs, as they accrue, for units of work actually performed that conform with the description or specifications for the work set forth in this contract, in an aggregate total amount not in excess of $4,130.00, which is 50 percent of $8,260.00, the agreed, estimated total cost of the project in which the Government will participate: *Provided,* That until the Operator's final report and final accounting have been rendered to the Government and any final check or auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract. The Government may, as it sees fit, make payments direct to the Operator's independent contractors, if any, for the account of the Operator, rather than to the Operator.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 9. *Changes and added provisions* _____

Executed in sextuplicate the day and year first above written.

Myron L. Jones Louis M. Jones
Paul A. Jones
(Operator)
Mary Lus C. Evans Admr.
By of E. M. Lill Estate

THE UNITED STATES OF AMERICA

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

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

_____ [CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—86329-1

Annex No. 1

The following patented mining claims: Ironclad, U. S. Survey No. 865; St. Louis, U. S. Survey No. 8099. The following unpatented mining claims: Rico Boy recorded in Book 58, page 136; Red Dog recorded in Book 58, page 167; all recorded in the Office of the County Clerk and Recorder in the Dolores County Court House.

EXHIBIT A

Description of the Work

Drift 200 feet westward from the present breast in the Ironclad main level along the horizontal vein to explore for mineralization at or near the vein intersections believed to exist ahead of the present workings.

The work is shown on Figure 3 attached hereto which is hereby made a part of Exhibit A.

Estimated Costs of the Work

Drift 200 feet at $41.30 per foot including any and all costs necessary for the completion of the work.

Total	$8,260
Government Participation 50%	$4,130

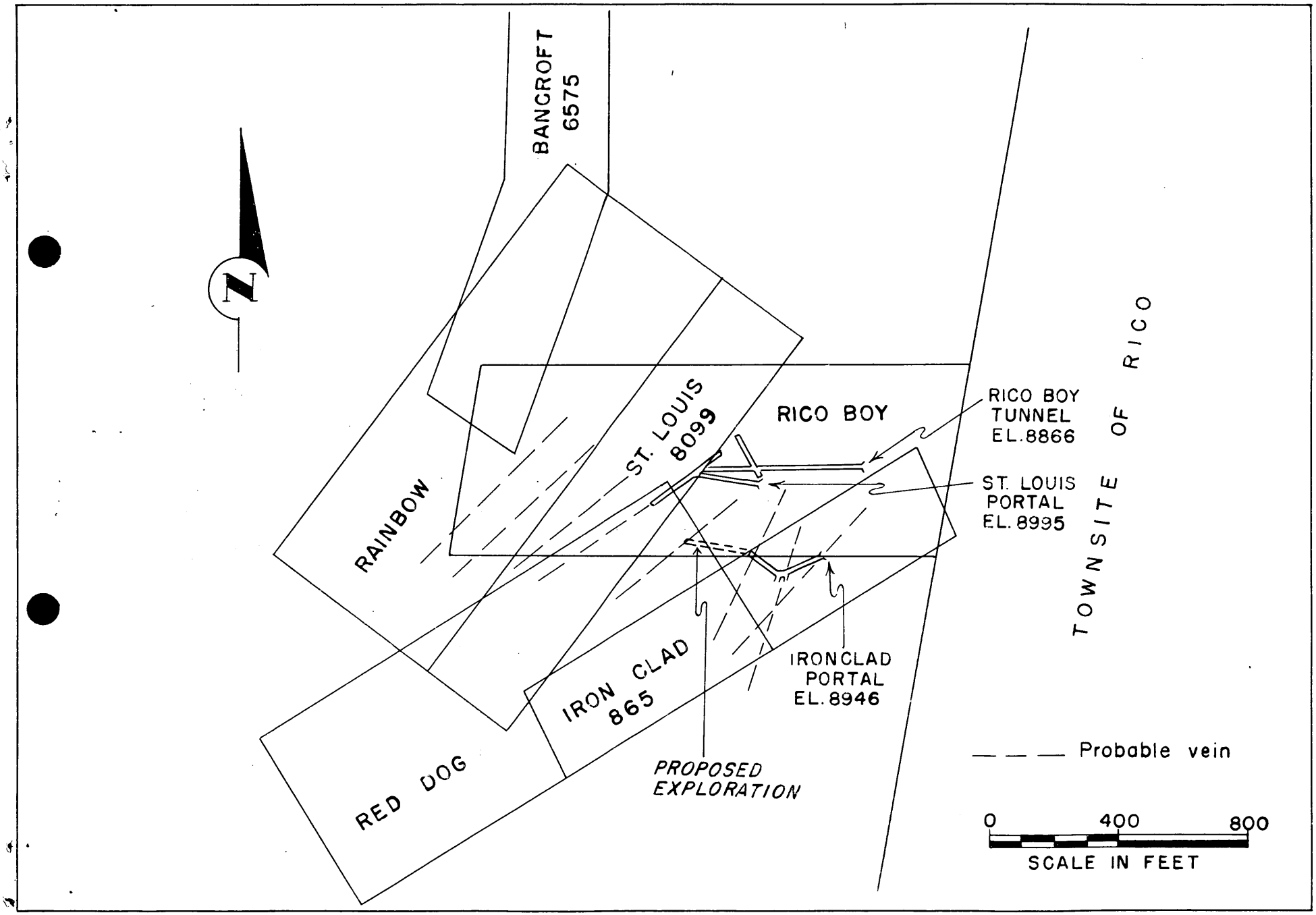


FIGURE 3 – CLAIM MAP, IRONCLAD MINE, DOLORES COUNTY, COLO., DMEA 2685