OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 19 1959

DATE	INITIALS	CODE
10-19	OCT 16 1959 gad	VVO
10/19	[illegible]	800
10/20	alt	500

Building 20 - Federal Center
Denver 25, Colorado

October 9, 1959

Memorandum

TO: T. A. Christensen

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. DMEA 4765 (Lead-Copper-Zinc) Contract No. Idm-H1175
Knight Mining Corporation (New York claims) Summit County, Colorado

Reference is made to our memoranda dated May 14, 1959 and July 28, 1959, whereby we forwarded the Operator's accounting reports covering expenditures during the period of November - December 1958 and wherein we requested that the sums of $250.00 and $225.00 respectively be withheld from reimbursement to the Operator pending resolution of all matter prerequisite to final payment to the Operator.

The Operator has rendered its final engineering report as required by the contract; therefore, it is recommended that final payment be made to the Operator in the sum of $475.00, which is in conformance with the Report of Review of reported project costs by the Contract Administration and Audit Division, OME, dated October 1, 1959.

Original signed by

J. W. Townsend

JWT:ltm

cc: Chmn. Op. Comm. (2)
MF-104 file, Reg. III
OME/DFC
Hasler
Corres. file
Susp.
Chron.

$475.00

10/14/59 DMEA 60-11

FINAL DISTRIBUTION
AUG 4 - 1959
MADE

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

Administrative Audit Difference Statement

[illegible]

[illegible] Mining Supp.
[illegible] Grove Street
Denver, Colorado

Date: [illegible]
Payee's Reference: [illegible]

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

Amount Claimed $ [illegible]

Difference $ [illegible]

Amount Approved $ [illegible]

The reason for the difference was due to:

[illegible] disallowed for lack of adequate documented costs of the work. [illegible]

The contract provides for a maximum of 6 months supervision at [illegible] per month of which [illegible] months have been previously claimed. The additional contract allowable would be 3A month @ [illegible] or [illegible]. The difference between amount claimed [illegible] and allowable contract of [illegible] is hereby disallowed. [illegible]

The office account due, [illegible] is being withheld pending receipt of Final Report.

EXTRA COPY
ORIGINAL OF M.E.
RECEIVED AUG 7 1959

DATE	INITIALS	CODE
8-7	gad	110
8/7	RP	110
8-10	[illegible]	500

R-III-B & F Form No. 4
4-15-52 D

Any claim for deductions made above must be supported by the original of this form.

Very sincerely yours,

N. E. Stokes
Audit Section

EXTRA COPY O. M. E. RECEIVED AUG 7 1959		
DATE	INITIALS	CODE

Building 20 - Federal Center
Denver 25, Colorado

July 28, 1959

Memorandum

TO: T. A. Christensen

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. MMA 4765 (Lead-Zinc-Copper) Contract No. Mm-XX375 Knight Mining Company (New York Claims) Summit County, Colorado - Operator's Supplemental Claim for Reimbursement of Costs Incurred During the Month of November and December 1958

Enclosed are the original and four copies each of Forms MF-104 and MF-104A, and the original of the Operator's note, and the only copy received of a letter dated April 25, 1959, from Stewart S. Marvin, Consulting Geologist, which is submitted as documentation of costs incurred by the Operator for supervision during the reporting period.

The Operator's Accounting Report is incomplete as to other categories of total costs incurred, but under the circumstances is accepted. For details of other changes, reference must be made to the accounting report submitted for the months of November and December 1958.

The sum of $518.21 for supervision, which was disallowed in processing the Operator's Account Report for the period of November and December 1958, is reclaimed in part. Payment is recommended as follows:

> Stage II of the contract provides for a maximum of 4 months supervision at $600.00 a month of which 3½ months have been claimed previously; therefore, the additional maximum allowable would be 3/4 month at $600.00 a month or $450.00, the Government's portion being 50 percent or $225.00.

The 97 ft. of cementing and rehabilitation mentioned in the Operator's note, and as reported on Form MF-104, is to remain a disallowance for lack of adequate documented costs of the work. For further reference in the matter of disallowance of cementing and rehabilitation footage and costs, please refer to the memoranda to you from this office dated November 21, 1958 and December 10, 1958.

The amount of $225.00 is to be combined with the $850.00 withheld from reimbursement to the Operator in processing the accounting report for the period of November-December 1958, and the combined amount of $975.00 withheld from reimbursement to the Operator pending receipt of the Operator's Final Report as provided for under Article 7(e) of the contract. The Operator should be so advised.

JWT:lm Chairman, OPP. Comm.
cc: Chief, Ofc. Mgt. III
OME/WFC
Butler
Chron. file, Chron.

Original signed by
J. W. TOWNSEND

J. W. Townsend

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

Budget Bureau No. 42-R1036.5

AUG 7 1959
O.M.E.

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

Month of Nov Dec, 1958 Docket No. DMEA 4765 Contract No. DMEA-1125
Operator's Name Knight Mining Corporation Minerals Lead, Zinc
Address 2438 Grove, Denver 11, Colo Copper
Contract Amount, $ 20,380.00 Government Participation: 50% Amount, $ 10,190.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
~~Crosscutting~~ Cementing & Redrill	288.00	2415.00	2703.00			
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision	495.10	2054.90	2550.00			
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	783.10	4469.90	5253.00	457.60	3979.35	14429.35

OME
DEPARTMENT OF THE INTERIOR
JUL 22 1959
REGION III
DENVER, COLORADO

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 7/21/59 *Payee Knight Mining Corp
Per K. J. Lorenz Title Sec - Trea

*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:
$ Payment
Signature (Authorized Certifying Officer)
Date 7/31/59 Vou. No.
(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. 1175 in accordance with the terms of the contract.

Signature [illegible] Title Mng. Engr. Date 7/28/59

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature [illegible] Title Executive Officer Date JUL 29 1959

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 MF-104A
(April 1952)

Budget Bureau No. 42-R151.2

AUG 7 1959
O.M.E.

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

Month of Nov, Dec 1958 Docket No. DMEA 4765 Contract No. Fdm-15 1125

Operator's Name Knight Mining Corporation Minerals Lead, Zinc

Address 2432 Grove Denver 11, Colo. Copper

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date Stage II	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
~~Drifting~~ Supervision	1	495.10	1	2550.00	4	600.00	4	2550.00
Crosscutting								
Raising								
Shafts								
Winzes								
~~Drilling: Core~~ Cementing	ft	288.00	97	2703.00	902	3.00	200	600.00
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs								Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		783.10	98	5253.00				

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 7/21/59 Operator Knight Mining Corp

Per A. J. Lorenz Title Sec-Tres

Remarks:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 872894

FINAL DISTRIBUTION
MADE MAY 20 1959

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

Administrative Audit Difference Statement

Knight Mining Corp.
2432 Grove Street
Denver, Colorado

Date: May 14, 1959
Payee's Reference: Nov. & Dec. 1958

DMEA-4765

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

Amount Claimed $ 2,744.09

Difference $ 616.24

Amount Approved $ 2,127.85

The reason for the difference was due to:

EXTRA COPY
O. M. E.
RECEIVED MAY 25 1959

DATE	INITIALS	CODE
5/26	a	220
		110
		500

Disallowance, Bulldozing

The Operator has reported five hours bulldozer time at $12.00 per hour; however, the statements from the bulldozing contractor indicate that only $8.00 per hour was charged for this work. The excess cost is disallowed, as follows:

Amount reported, 5 hours at $12.00/hr.--------$60.00
Allowable cost, 5 hours at $8.00/hr.---------- 40.00
Amount disallowed----------$20.00

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

Very sincerely yours,

N. E. Stokes
Audit Section

R-III-B & F Form No. 4
4-15-52 D

Disallowance, Supervision

The Operator has failed to furnish sufficient documentation to enable the Government to determine what protion, if any, of the reported cost of supervision is allowable. The entire reported cost for supervision is disallowed.

Disallowed, reported cost for supervision----------$510.21

Disallowance, Gas and Oil

According to the invoices, all gas and oil reported was purchased subsequent to completion of the last approved hole, No. 5, and therefore is not an allowable cost of the project.

Disallowed, reported cost for gas and oil---------- 76.63

Total amount disallowed ----------$616.84

Withheld an amount of $250.00 from reimbursement to the Operator, pending resumption of work under the contract. If the work is not resumed, the amount will continue to be withheld pending resolution of matters prerequisite to closing the account.

224 New Customhouse
Denver 2, Colorado
May 14, 1959

T. A. Christensen

Executive Officer, OME Field Team, Region III

Subject: Docket No. DMEA 4765 (Lead-Zinc-Copper) Contract Idm-E1175, Knight Mining Company, (New York claims) Summit County, Colorado - Operator's Monthly Progress Report for November-December, 1958

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

The work is being performed partly under independent subcontract, and partly at fixed unit costs. The drilling rates are as low or lower than the rates contained in the lowest and best bid submitted with the application. Under the circumstances, the rates for the work performed under independent subcontract are considered to be reasonable.

Except as otherwise indicated below, we consider that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. Payment is recommended on the following basis contingent on your verification of the correctness of applicable rates and arithmetical accuracy of computations.

Disallowance, Bulldozing

The Operator has reported five hours bulldozer time at $12.00 per hour; however, the statements from the bulldozing contractor indicate that only $8.00 per hour was charged for this work. The excess cost is to be disallowed, as follows:

Amount reported, 5 hours at $12.00/hr.---	$60.00
Allowable cost, 5 hours at $8.00/hr.-----	40.00
Amount to be disallowed----------	$20.00

Disallowance, Supervision

The Operator has failed to furnish sufficient documentation to enable the Government to determine what portion, if any, of the reported cost of supervision is allowable. The entire reported cost for supervision is to be disallowed.

Disallow, reported cost for supervision----------$518.21

Disallowance, Gas and Oil

According to the invoices, all gas and oil reported was purchased subsequent to completion of the last approved hole, No. 5, and therefore is not an allowable cost of the project.

Disallow, reported cost for gas and oil---------- 78.63

Total amount to be disallowed----------$616.84

Withhold an amount of $250.00 from reimbursement to the Operator, pending resumption of work under the contract. If the work is not resumed, the amount will continue to be withheld pending resolution of matters prerequisite to closing the account.

Reconciliation With Amount Reported by the Operator on Form MF-104 for November-December, 1959

Amount reported on Form MF-104 for November-December, 1958----------	$2744.09
Amount to be disallowed----------	616.84
Allowable cost for November-December, 1958----------	$2127.25
Government participation at 50 percent----------	$1063.62
Amount to be withheld----------	250.00
Balance due the Operator----------	$ 813.62

Remarks:

Date of Report----------March 12, 1959
Date Received in Field Office----------March 16, 1959
Date Received in Region Office----------March 18, 1959
Reason for delay: Held pending receipt of additional documentation, and correction of forms by Operator.

JDC:ltm
cc: Chmn. Op. Comm. (2)
Belser, OME/DFC
MF-104 file, Reg. III
Enclosures: Harshman) w/cpy Engr's Rept
Cooper)
Chron

Original signed by
J. W. TOWNSEND

J. W. Townsend

OME
DEPARTMENT OF THE INTERIOR

MAR 18 1959
REGION III
DENVER, COLORADO

March 17, 1959

Memorandum

To: Executive Officer, OME Field Team, Region III

From: Carl Belser

Subject: Docket DMEA 4765 (lead-zinc-copper) Contract Idm-E1175, Knight Mining Company (New York claims) Summit County, Colorado -- Progress report for November - December 1958

The subject property was visited on November 4, 1958 and again on December 3, 1958. Hole No. 5 had been drilled to a depth of 206 feet and the core filled eight core boxes.

Drilling statements support the operator's claim to drilling through overburden, cementing and redrilling, and reaming. The contract calls for a D-7 Cat which Mr. Lorenz states was the size of the unit used on the contract. However, there are two statements (Oct. 14 and Oct. 21) that total 9 hours at $8.00 per hour or $72.00. The operator has submitted (104) 5 hours at $12.00 per hour or $60.00. Payable is five hours bulldozing at $8.00 an hour or a total of $40.00.

Assaying and supervision invoices are in order. Supervision was billed for the entire month of November. The contract allows for 4¾ months at $600.00 per month of which only .8167 months remain after the payments for 1/4, 1/4, and 2 14/15 months supervision that have been made.

Huntington Service statement is for gas, each, from December 10 - December 30. As the last work under the contract was completed November 13, oil and gas purchases after November 13 are disallowed.

The following items are considered as allowable for November - December 1958:

.8167 months supervision at $518.21 per month	$423.22
5 hours bulldozing at $8.00 per hour	40.00
Gas, oil - not allowed	00.00
7 core boxes at $1.25 each	3.75
Casing overburden 16 feet at $12.00 per ft.	192.00

(cont'd)

190 feet BX core drilling at 6.75 per foot	1,232.50
143 feet cementing and redrilling at 3.00 per foot	429.00
30 feet reaming and casing at 3.50 per foot	105.00
14 chemical analyses at 5.00 each	70.00
	$ 2,550.47

Payment of 50 percent of the above sum, or $1,275.24 is recommended.

Carl Belser

Carl Belser
Mining Engineer

CB-mw
cc: 6
Idm-E1175
chron

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

Budget Bureau No. 42-R1036.5

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

Month of Nov., Dec. 8 Knight Mining Corp. 195 Docket No. DMEA 4765 Contract No. Idm-R1175

Operator's Name 2432 Grove., Denver, Colorado Minerals Lead, Zinc, Copper

Address 20,330.00

Contract Amount, $ Government Participation: 50 % Amount, $ 10,190.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	1474.50	6099.75	7574.25			
Bulldozing	80.00	900.00	960.00			
Crosscutting Cement Kidwell	429.00	1986.00	2415.00			
Drifting Reamstine	105.00	556.50	661.50			
(2) Labor and Supervision:						
Labor						
Supervision	518.21	2054.90	2573.11			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental Gas, Oil	70.63	104.35	103.65			
Purchase		45.00	45.00			
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	70.00	50.00	120.00			
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify): core boxes Crilling, rent, core-boring	3.75	60.00	63.75			
	2744.09					
TOTALS		11852.00	14596.09	2744.09	11852.00	13,979.25

OME
DEPARTMENT OF THE INTERIOR
MAY 25 1959
REGION III
DENVER, COLORADO

OME
DEPARTMENT OF THE INTERIOR
MAR 13 1959
REGION III
DENVER, COLORADO

5/18/59 I certify that the above bill is correct and just and that payment therefor has not been received.

Date 5/18/59 *Payee Knight Mining Corporation

Per J. J. Lorenz Title Sec-Treas

*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:

$ 813.62

Signature (Authorized Certifying Officer)

Date 5/14/59 Vou. No. OME 59-108

(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. Ida-6-1175 in accordance with the terms of the contract.

Signature Carl Belau (4,275.24) Title Mining Engineer Date 3/17/59

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: Checked for Engineering Allowability

Signature [illegible] Title Executive Officer Date ~~APR 22 1959~~ MAY 14 1959

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 MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of November, December 1958 Docket No. DMEA 4765 Contract No. Idm-E1175

Operator's Name Knight Mining Corporation Minerals Lead, Zinc, Copper,

Address 2432 Grove, Denver, 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
				Stage II				
Supervision	Mo.	518.21	1	2423.11 DL	4	600.00	4	2400.00
Bulldozing	Hr.	60.00	5	240.00 DL	20	12.00	20	240.00
gas, oil		78.63		183.48				305.00
core boxes	box	8.75	7	63.75	51	1.25	180	225.00
Overburden	ft.	192.00	16	912.00 DL	76	12.00	60	720.00
Bx	ft.	1282.50	190	6662.25 DL	987	6.75	2000	13,500.00
Cemtnting	ft.	429.00	143	245.00 DL	205	3.00	200	600.00
Reaming	ft.	105.00	30	667.50 DL	189	3.50	200	700.00
Assaying	per	70.00	14	120.00	60	5.00	20	100.00
Trenching Depre Truck				45.00 DL	1.5	30.00	1.5	30.00
Test Pits				Stage I				
Roads and Trails Bulldozing	Hr			720.00	60	12.00	60	12.00
Supervision	MO			150.00	1/4	600.00	1/4	600.00
Total Distributed Costs		2744.09		14,596.09 DL				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		2744.09		14,596.09 DL				

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

Date 3/12/59 Operator Knight Mining Corp.

Per A J Lorenz Title Sec.-Treas

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

(Instructions on reverse)

Remarks:

(For Government use only)

Earl Belan

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 872894

PROGRESS REPORT

STAGE B- COMPLETION OF DIAMOND DRILL HOLE #5

KNIGHT MINING COMPANY

Docket No. 4765
Contract No. IDM- E1175
November 20, 1958

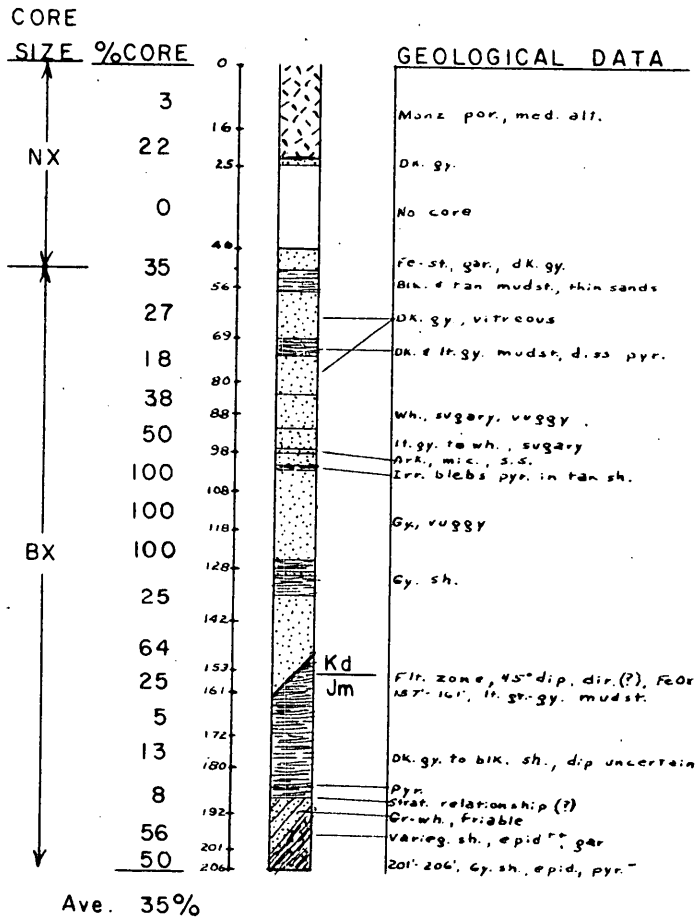
Drill Hole #5 was started on October 23 and completed on November 13, 1958. Total depth was 206 feet. The location was planned to explore the projection of the northeast anticline exposed at the Hole #2 drillsite. Also, the best mineralization found thus far in the program was at the Dakota-Morrison contact in Hole #2. One foot assayed .09 Oz. Au, 2.25 oz. Ag, and 4.75% Cu. Furthermore, rather strong faulting and mineralization (assaying 9.5 oz. Ag/Ton) was exposed in a cut in monzonite porphyry near the #5 drillsite.

The hole was collared in the surface monzonite porphyry sill, which is 24 feet thick and is the only porphyry in the hole. Below this is one foot of dark gray quartzite, followed by a 21-foot zone with no core recovery. The exact lithology for this interval is not known but is believed to also be upper Dakota quartzite. No thick middle Dakota shale member was encountered as in the other holes, but the gray shale from 126'-135' is believed to represent this member. The change from the lower quartzite to the Morrison shales appears to be a fault contact, hence part of the lower Dakota section is probably faulted out at this point. In the section exposed by drilling, then, there appears to be 102 feet upper, 9 feet middle, and 20 feet of lower Dakota formation, followed by the black shale, variegated shale, and friable greenish-white sandstone of the Morrison formation. The green and pink variegated Morrison shale shows epidote and garnet typical of the "contact metamorphism" universally found on Gibson Hill.

The target of the mineralized Dakota-Morrison contact in Hole #2 was cut in this hole at 157 feet. However, the only mineralization was sparse pyrite and iron oxide. A few shale members in the upper Dakota member also contain irregular blebs and disseminations of pyrite. No mineralized zone was of sufficient intensity to warrant any assays.

Overall drilling progress was about 12 feet per day, but a few days were lost while changing drilling machines, making the average closer to 16 feet per day. NX core size was used to 52 feet, followed by BX for the balance. Core recovery was 35%. The amount of cementing has not been billed at the time of writing this report, but it will approximate that of previous holes.

Respectfully submitted,
MELBYE AND MERWIN
Charles E. Melbye
Charles E. Melbye
Acting for Knight Mining Co.



GEOLOGIC-ASSAY LOG
DRILL HOLE NO. 5
NEW YORK MINE

Knight Mining Company

DMEA No. 4765
Contract No. IDM-E1175

Bearing:

Inclination: Vertical

Legend: See Plan Map, Plate I

Melbye & Merwin

OFFICIAL FILE COPY

FILE COPY
O. M. E.
RECEIVED DEC 1 1958

DATE	INITIALS	CODE
12/1	C	220
"		110
12/1		500

Docket 4768

FINAL DISTRIBUTION
MADE NOV 28 1958

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

Administrative Audit Difference Statement

Knight Mining Corporation
8432 Grove Street
Denver, Colorado

Date: November 26, 1958
Payee's Reference: July, August and September 1958 & October

Gentlemen:

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

Amount Claimed	$	11,999.79
Difference	$	3,829.00
Amount Approved	$	8,170.79

The reason for the difference was due to:

Reaming and casing in Hole No. 2 is disallowed inasmuch as Operator agreed to ream Hole No. 2 from AX to EX size at his own expense.
265 feet at $3.50 per foot $928.50

Only ½ month depreciation on truck remains unsuspended; therefore, the cost for 2½ months at $30.00 per month is disallowed. 75.00

The reported cost for reaming and casing (except Hole No. 2) is suspended pending receipt of detailed data and justification
Reaming and casing, 159 feet @ $3.50 556.50
Cementing and redrilling, 759 feet @ $3.00 2,277.00
$3,829.00

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

Very sincerely yours,

Randel R. Cooper

XXXXXXXXXXXX Randel R. Cooper
XXXXXXXXXXXX Authorized Certifying Officer

R-III-B & F Form No. 4
4-15-52 D

xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx

OFFICE OF MINERALS EXPLORATION
224 New Customhouse
Denver 2, Colorado
November 21, 1958

Memorandum

To: T. A. Christensen

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. DMEA 4765 (Lead-Zinc-Copper) Contract Idm-E1175, Knight Mining Corporation, (New York claims) Summit County, Colorado - Operator's Monthly Progress Report for the months of July, August, September and October, 1958

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

The work is being performed partly under independent subcontract, and partly at fixed unit costs. The drilling rates are as low or lower than the rates contained in the lowest and best bid submitted with the application. Bids were not submitted for bulldozer work; however, the bulldozing rates are in line with the standard rates prevailing in the project locality for the size and make of bulldozer used on the project. Under the circumstances, the rates for the work performed under independent subcontract are considered to be reasonable.

Except as otherwise indicated below, we consider that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. Payment is recommended on the following basis contingent on your verification of the correctness of applicable rates and arithmetical accuracy of computations.

<u>Disallowance, Reaming and Casing, Hole No. 2</u>

The contract requires that the holes be drilled BX size or larger. The Operator agreed to ream Hole No. 2 from AX to BX size at its sole expense in order to complete the hole to contract specifications; however; through error the cost of reaming and casing in Hole No. 2 is reported on Form MF-104. The reported cost for reaming and casing in Hole No. 2 is to be disallowed, as follows:

Disallow, reported cost of reaming and casing in Hole No. 2, 263 feet at $3.50 per foot---------- $ 920.50

Disallowance, Truck Depreciation

The Operator has reported truck depreciation for 3 months at $30.00 per month. Only ½ month depreciation remains unexpended, therefore, the reported cost for depreciation for 2½ months is to be disallowed, as follows:

Disallow, reported cost of truck depreciation for 2½ months at $30.00 per month----------	75.00
Total amount to be disallowed----------	$995.50

Note: The Operator has reported one foot of Overburden drilling at the lower rate for NX drilling. No exception taken by this office.

Suspension, Reaming and Casing and Cementing and Redrilling

Until detailed data and justification for reaming and casing, and cementing and redrilling is received, the Government cannot determine the allowability of the reported costs thereof. The reported cost for reaming and casing (excepting Hole No. 2), and cementing and redrilling is to be suspended pending receipt of the required data from the Operator.

Suspend:

1. Reported cost for reaming and casing, excepting Hole No. 2, 159 feet, at $3.50/ft.----------	$ 556.50
2. Reported cost for cementing and redrilling, 759 feet, at $3.00/ft.----------	2277.00
Total amount to be suspended----------	$2833.50

Reconciliation With Amount Reported by the Operator on Form NF-104 for July, August, September, and October, 1958

Amount reported by Operator----------		$11,999.79
Amount to be disallowed----------	$995.50	
Amount to be suspended----------	2833.50	
Total deduction----------		3,829.00
Acceptable cost for the period----------		8,170.79
Government participation at 50 percent----------		$ 4,085.39

Remarks:

Date of Report----------October 24, 1958
Date Received in Field Office----------November 14, 1958
Date Received in Region Office----------November 19, 1958

Original signed by
J. W. TOWNSEND

J. W. Townsend

Enclosures

JWT:hmk

cc: Chem. Op. Comm. (2)
Balser, GME/DFC
MF-104 file, Reg. III
Harshman } w/copy of Engr's
Cooper } report
Chrom

OME
DEPARTMENT OF THE INTERIOR

NOV 19 1958
REGION III
DENVER, COLORADO

Nov. 18, 1958

Memorandum

To: Executive Officer, OME Field Team, Region III

From: Carl Belser

Subject: Docket DMEA 4765 (Lead-Zinc-Copper) Contract Idm-X1175, Knight Mining Corporation (New York claims) Summit County, Colorado -- Progress report for July, August, September and October 1958

Progress under the subject was inspected August 5, 1958 by M. H. Salsbury and on September 3, October 8, and November 4, 1958 by Carl Belser.

J. P. Webb was the independent bulldozer contractor and Boyles Brothers Drilling Company was the independent drilling contractor.

The operator has turned in the following costs:

Category 1
Bulldozing 10 hrs. at $12.00 supported by statement by James P. Webb for $144.00 -- The bulldozing is allowable

Hole	Core	Ream	Pipe	Core boxes	Cement	
1	176	65	10	16	160	
2	263	263	8	12	252	
3	152	45	18	7	142	
4	205	49	25	9	205	
(4)	796	422	66	44	759	
	2,000	200	60	180	200	(allowable by contract)

The core on the inventories totals 796 feet not 797 feet.
Cementing and reaming cannot be paid without supporting statements from the drill contractors.

Category 2 - Supervision. Contract permits 4 months at $600 a month. Statements show 3 months (Malbye-Marvin) July - August - September for $1,760.00 - Allowable

Category 3 - Gas and Oil - Fred's Service statements $71.04 (allowable $305.00)
Core boxes 44 (allowable 180)

Category 7 - Assaying statements 27 for $168.00 (claimed 10 at $5 ea.) - allowable

Category 4 - Truck depreciation - claimed $90 - allowable $15

Allowable expenses follow:

Stage II

796 feet of BX core drilling at $6.75/ft.	$5,373.00
60 feet of overburden pipe driving at $12/ft.	720.00
10 hrs. of bulldozing at $12/hr.	120.00
44 core boxes at $1.25/ea.	55.00
10 assays at $5.00 ea.	50.00
2 14/15 months supervision at $600/mo.	1,760.00
Gas and oil (vouchers)	71.04
Truck depreciation	15.00
Total	$8,164.04

Payment of 50 percent of the above amount or $4,082.02 is recommended.

Not Max

Allowable for payment when properly supported are 800 feet of cementing and redrilling at $3.00 a foot and 200 feet of reaming and casing (excepting hole 2) at $3.50 a foot.

Not max

Carl Belzer

Carl Belzer
Mining Engineer

CB/mw
cc: 6
Idm-K1173
chron

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED DEC 1 1958 O.M.E.

NOV 19 1958 REGION III DENVER COLORADO

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

Month of ~~Sept, Oct~~ July, Aug 1958 Docket No. DMEA 4765 Contract No. Idm-E1125

Operator's Name Knight Mining Corp. Minerals Lead - Zinc

Address 2432 Grove Denver, Colo. Copper

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~~ Supervision	Mo	1760.00	2 14/15	2054.90	3 1/5	600.00	3 1/5	2054.90
~~Crosscutting~~ Bulldozing	Hr	120.00	10	900.00	75	120.00	20	960.00
~~Raising~~ gas-oil Truck		71.04		104.85				305.00
~~Shafts~~ Truck. Dep	Mo	90.00	3	120.00	4	30.00	4	120.00
~~Winzes~~ Core Boxes	Box	55.00	44	55.00	44	1.25	180	225.00
Drilling: ~~Core~~ Overburden	FT	720.00	60.00	720.00	60	12.00	60	720.00
Churn DX	FT	5379.75	797	5379.75	797	6.75	2000	13,500.00
Auger Cementing	FT	2277.00	759	2277.00	759	3.00	200	600.00
~~Stripping~~ Reaming	FT	1477.00	422	1477.00	422	3.50	200	700.00
Trenching								
Test Pits								
~~Roads and Trails~~ Assaying	per	50.00	10	50.00	10	50.00		100.00
Total Distributed Costs		11999.79	2107 14/15	13,138.50	7			Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		11999.79		13,138.50				

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

Date 10/24/58 Operator Knight Mining Corp.

Per N. J. Lowry Title Sec-Treas

Remarks: 1/14/59 [illegible]

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) Earl Bilson

OME
DEPARTMENT OF THE INTERIOR
OCT 27 1958
REGION III
DENVER, COLORADO

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 872894

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

Budget Bureau No. 42-R1036.5

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

RECEIVED DEC 1 1958

Month of July, Aug, Sept. Oct, 1958 Docket No. DMEA 4765 Contract No. Idm-E 11.75
Operator's Name Knight Mining Corp. Minerals Lead - Zinc
Address 2432 Grove Denver, Colo. Copper
Contract Amount, $20,380.00 Government Participation: 50% Amount, $10,190.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing	120.00	780.00	900.00			
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision	1760.00	294.90	2054.90			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase gas-oil	71.04	33.81	104.85			
Depreciation truck	90.00	30.00	120.00			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis	50.00	0	50.00			
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
Core Boxes	55.00	0	55.00			
Drilling, Reaming, Cement	9853.75	0	9853.75			
TOTALS	11,999.79	1138.71	13,138.50			

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

Date 10-24-58 *Payee Knight Mining Corp.

Per D. J. Lorenz Title Sec-Trea

*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:

$4,085.39

Signature RRa
(Authorized Certifying Officer)

Date 11-26-58 Vou. No. DMEA-59-64

(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-E1175 in accordance with the terms of the contract.

Signature Carl Belden (P 4,082.02) Title Mining Engineer Date 11/17/58

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: Checked for Engineering Allowability

Signature [illegible] Title Executive Officer Date NOV 21 1958

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.

PROGRESS REPORT

STAGE 2- COMPLETION OF DIAMOND DRILL HOLE #1

KNIGHT MINING COMPANY

Docket No. 4765
Contract No. IBM- R1175
September 10, 1958

Diamond Drill Hole #1 was started on August 8, 1958 and completed on September 2, reaching a total depth of 200 feet.

The hole was located at the top of the Dakota quartzite near the intersection of at least 2 faults. The upper quartzite (66' thick) and the middle shale member (54' thick) were penetrated, but the lower quartzite member was missing and probably cut out by a thick monzonite porphyry sill. The first Morrison formation was found, and then only 2 feet, at 158 feet. Below that was another large porphyry sill to the bottom or 200-foot depth. Because of this 80-foot section of porphyry, broken only by 2 feet of silicified Morrison shale, the hole was stopped, since the objective of this drilling is to test as much Dakota and Morrison sedimentary section as possible.

The only significant mineralization, outside of considerable disseminated pyrite, specular hematite, and chalcopyrite in the porphyry, is in the zone from 109'-120', where faulted and shattered Dakota shale contains pyrite, specular hematite, chalcopyrite, and possible specks of galena and sphalerite. The best is from 109'-110' and 119'-120'. Core recovery in the fault zones consisted of only a few small fragments, so only sludge samples from these zones were assayed.(See geologic-assay log). Core recovery for the entire hole was 60%.

Drilling progress was at the usual slow rate in this highly fractured ground. Core size was NX to 69 feet and BX on the remainder. Considerable cementing was absolutely necessary to permit hole completion and consisted of 85 hours. This number of hours is nearly half the total time spent on the hole.

Respectfully submitted,
MELBYE AND MERWIN

Charles E. Melbye

Charles E. Melbye
Consulting Geologist Acting for
Knight Mining Company

DEPTH-TYPE	Oz. Au	Oz. Ag	% Cu	% Pb	% Zn
110'-15' S	.01	Tr	.10	.35	.10
115'-20' S	.01	.15	Tr	.35	Tr

	% CORE		GEOLOGICAL
	0	2	Tan to gy. sandy sh., highly silic.
	100	9	
	94	18	Upper Kd qtzte., med. gy., mass.
	86	25	1.5' fract., vuggy w/lim. & gar. x/s. & qtz.
	100	32	Friable s.s.
NX	60	42	
	8	48	Vuggy w/lim.
	58		Gy w/gr. cast
	50	60	Recem. bx. w/iron & man. oxides
	0	69	Tan to pk.
	10	75	Light tan to gr., med. silic.
	57	80	
	44	87	Dk. gy. to blk., med. silic.
	14	95	Soft, highly alt., bleached
		109	Fault zone, at porph-sh. contact, hem, pyr, lim. Dip ?
	41		Blk. sh.
		120	119-120', Brecc. gr. & gy sh.
BX	65	130	
	88	138	Spec. hem. & chl., diss.
	0	145	
	50	152	Kd
	63	158	Gr-pk. silic. sh.
	100	165	Jm
	91	176	Diss. pyr. throughout porph., alt. less intense
	67	185	Minor faulting
	100	192	
	100	200	Qtz. monz. porph., soft, alt.
Ave.	60 %		

GEOLOGIC-ASSAY LOG
DRILL HOLE NO. 1
NEW YORK MINE

Knight Mining Company

DMEA No. 4765
Contract No. IDM-E1175

Bearing:

Inclination: Vertical

Legend: See Plan Map, Plate 1

Melbye & Merwin

PROGRESS REPORT

STAGE 2- COMPLETION OF DIAMOND DRILL HOLE #2

KNIGHT MINING COMPANY

Docket No. 4765
Contract No. IDM- M1175
September 17, 1958

Diamond Drill Hole #2 was started about June 1, 1958, utilizing the Golden Drilling Company, Golden, Colorado. Because of the extreme brecciation of the ground and difficult drilling, they quit the job after about a month, reaching a depth of only 45 feet. Boyles Bros. Drilling Company was then employed to finish the job, and they completed the hole on about September 8. Total depth was 271 feet.

The hole was located near the top of the Dakota quartzite, at the crest of a NE-SW fold. The Dakota is highly fractured at this location and a monzonite porphyry sill has been intruded along the beds near the fold axis. The upper quartzite (71' thick), the middle shale (62.5' thick), and the lower quartzite member (27' thick) were all penetrated. Below this and to the bottom is the Morrison formation consisting largely of highly silicified, variegated, limy shales with a few sandstone beds. Three porphyry sills, 12'-27' thick, have intruded the Dakota formation, but only 2 thin sills, 1.5' and 6' thick, were found in the Morrison section. The upper Morrison is highly silicified and metamorphosed of the "contact" type.

Significant mineralization is present at two horizons in the Dakota formation; from 43'-47' is brecciated quartzite containing limonite crystals and other forms of iron oxide, and from 101'-104.5', a steeply-dipping fault was cut which contains malachite, pyrite, chalcopyrite and iron oxides. The only assay with appreciable values, however, is the core sample assay from the interval 101'-102.5', which showed 3.24 oz. Ag. (See Geologic-Assay Log).

Two significant mineralized horizons were also cut in the upper "contact-metamorphosed" Morrison section, which is highly silicified and contains disseminated garnet, epidote, pyrite, chalcopyrite, and specular hematite. From 164'-165' is a brecciated zone containing 60-70% sulphides, which assayed .09 oz. Au, 2.25 oz. Ag, and 4.75% Cu. The section from 175'-185' showed a higher concentration of disseminated minerals and was more intensely faulted. The gold values were the only appreciable ones, varying from .12-.16 oz. in the interval 180'-185'.

The hole was stopped after drilling 112' into the Morrison formation, since the shales and sandstones were no longer silicified and metamorphosed, and the 2 thin porphyry sills were only slightly altered.

Drilling was unusually slow and difficult for both drillers. Core recovery was 37%, notwithstanding a total of 85 hours cementing time. Core size was NX to 25 feet and BX for the remainder.

Respectfully submitted,
MELBYE AND MERWIN

Charles E. Melbye

Charles E. Melbye
Consulting Geologist Acting For
Knight Mining Company

Type & Sample Int.	Au	Ag	Cu	Pb	Zn	% Core Recovery
						0
						100
						100
						100
C:43'-5'	Tr	Tr	Tr	.10	Tr	67
C:46'-7'	.01	.17	Tr	Tr	Tr	75
						25
						36
						22
						9
						9
C:101'-2.5'	.02	3.24	.15	.09	Tr	50
S:100'-5'	.10	.54	Tr	Tr	Tr	53
						50
						11
						14
						8
C:164'-5'	.09	2.25	4.75	.10	.10	33
S:160'-5'	.02	.36	Tr	.15	.10	61
S:175'-80'	.04	.28	Tr	.10	.25	28
C:181'-2'	.12	.18	Tr	.10	.10	
S:180'-5'	.16	.30	Tr	.10	.10	85
						60
						54
						35
						5
						5
						20
						20
						8
						8
						27
					Ave.	37

Assays

Depth: 0, 9.5, 15, 25, 36, 45, 51, 58, 70, 79, 90, 101, 104.5, 113, 123, 132, 150, 156, 162, 171, 182, 185, 200, 205, 216, 220, 230, 240, 250, 255, 260, 271

Geological Data

- Gy., mass, vuggy
- Brecc., limonite xls.
- Lt. tan w/ Fe Ox
- Monz. porph., felds. alt. to gr. clay
- Black
- Malach., lim., pyr, chalco. 1/8" strgrs. Est. 2.5'
- Gy. to gr-gy. mudst.
- Diss. pyr.
- Black
- Chalco., pyr.
- Gy. basal cong. w/small pebbles
- Lt. gy., limy
- 60-70% pyr., chalco, 1', Faulting, attitude ?
- Dk. gy, sandy, spec. hem, pyr, chalco.
- 162'-233' Variegg. sh. & mudst., limy w/ epid. & garnet, spec. hem.
- Extreme silic, brecc.
- Lt. gr-gy.
- Gr to blk.

GEOLOGIC-ASSAY LOG
DRILL HOLE NO. 2
NEW YORK MINE

Knight Mining Company

DMEA No. 4765
Scale 1" = 50'

Bearing:

Inclination: Vertical

Legend: See Plan Map, Plate I

Melbye & Merwin

PROGRESS REPORT

STAGE 2- COMPLETION OF DIAMOND DRILL HOLE #3

KNIGHT MINING COMPANY

Docket No. 4765
Contract No. IDM- E1175
October 22, 1958

Drill Hole #3 was started on September 11 and completed on September 27, 1958. Total depth was 170 feet.

The stratigraphic location of the hole was uncertain before drilling, but it was collared and continued in Tertiary quartz monzonite porphyry for the first 12 feet, after which the black carbonaceous shale of the middle Dakota member was encountered. There was 22 feet of this shale, followed by 77.5 feet of the lower quartzite member. The Dakota-Morrison contact is at 111.5 feet and is followed by the variegated pink and green silicified Morrison shales and the less silicified greenish-gray sandy shales and sandstone. In addition to the upper quartz monzonite porphyry sill, five thin (2'-4' thick) monzonite porphyry sills were cut near the Dakota-Morrison contact. The major north-striking fault zone to the west of the hole was encountered from 94-127 feet. Faulting of only a minor nature was found in the balance of the hole.

Although the amount of specular hematite and pyrite was notable throughout the fault zone, the assays of very small pieces of core and of the sludges were quite low (See Geologic-Assay Log). The only one of consequence was that of the sludge from interval, 100 - 105 feet, which showed 1.66 oz. Ag/Ton. Stratigraphically, the mineralization is situated similarly to that in Hole #2, where the Dakota-Morrison contact zone is mineralized. The 3.5-foot thick monzonite porphyry sill at the contact contained about 15% specular hematite and pyrite.

Drilling was stopped at 170 feet since the bottom 15 feet showed little or no silicification or alteration of the Morrison shale and sandstone.

Drilling progress was the best thus far in the program, averaging about 12 feet per day. Core recovery was 35%. Core size was NX to 64 feet and BX for the remainder.

Respectfully submitted,
MELBYE AND MERWIN

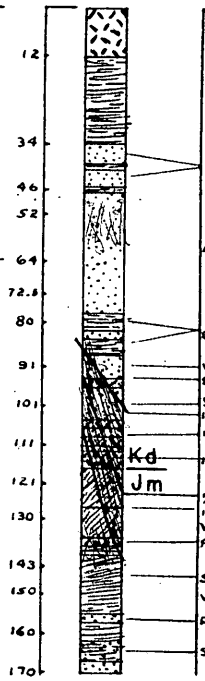
Charles E. Melbye

Charles E. Melbye
Acting for Knight Mining Company

TYPE SAMPLE INTERVAL	Oz.Au	Oz.Ag	%Cu	%Pb	%Zn
S.95'-100'	Tr	.06	Tr	Tr	Tr
C.103'(2")	Tr	Tr	Tr	Tr	Tr
S.100'-5'	Tr	1.66	Tr	.17	Tr
C.111.5'-15'	Tr	.08	Tr	Tr	Tr
S.110'-15'	Tr	.08	Tr	Tr	Tr
S.115'-20'	Tr	Tr	Tr	Tr	Tr
C.122'(2")	Tr	.12	Tr	Tr	Tr
S.120'-25'	Tr	Tr	Tr	Tr	Tr
C.125'-27'	Tr	Tr	Tr	Tr	Tr
S.125'-30'	Tr	Tr	Tr	Tr	Tr

CORE SIZE	%CORE
NX	42
	0
	21
	33
	83
BX	100
	27
	14
	41
	50
	15
	28
	15
	43
	70
	30

Ave. 35 %



GEOLOGICAL DATA

Qtz. mons. porph.

Blk., carb.

Dk. gy. qtzite.

Lt. gy. sugary qtzite., recemented breccia & vuggy in varying degrees.

Gr. gy. mudst.

White

94'- 45° flt. plane

99'-102' FeOx in fract. pk-wh. qtzite.

103'- 2" vn. spec. hem. & FeOx

108.5' 3in. flt. gouge

111.5'-115' 15% diss. hema. & limo. in alt., lt. gy. mons. porph.

1/4" veinlets pyr., spec. hem.

125'-127' Flt. gouge w/ pyr.

Variegated pk. & gr. shale

Porph. flt. gouge

Spec. hem.

Variegated shs. less. silic.

Pinkish-wh., fine-gr.

Sandy, gr-gy.

GEOLOGIC-ASSAY LOG
DRILL HOLE NO. 3
NEW YORK MINE

Knight Mining Company

DMEA No. 4765
Contract No. IDM-E1175

COORDS. 19,919 N 18,836 E

Bearing:

Inclination: VERTICAL

Legend: See Plan Map, Plate I

Melbye & Merwin

OME
DEPARTMENT OF THE INTERIOR
NOV 19 1958
REGION III
DENVER, COLORADO

OME
DEPARTMENT OF THE INTERIOR
NOV 10 1958
REGION III
DENVER, COLORADO

PROGRESS REPORT

STAGE 2- COMPLETION OF DIAMOND DRILL HOLE #4

KNIGHT MINING COMPANY

Docket No. 4765
Contract No. IDM- E1175
November 6, 1958

Drill Hole #4 was started on September 30 and completed on October 21, 1958, reaching a total depth of 230 feet. In contrast to the previous three holes, this one was drilled at 57° inclination in a N80°W direction. The purpose was to explore the major N-S fault zone which shows strong brecciation and mineralization at the surface and along which an electromagnetic anomaly was found, indicating a buried conducting body.

The hole was collared in monzonite porphyry and at 20 feet encountered the black carbonaceous shale of the middle Dakota member. A fault from 35'-62' is also the contact between the middle shale and lower quartzite members. Numerous faults make it difficult to determine exact stratigraphic thicknesses, but 62 feet of the lower Dakota quartzite was drilled before encountering the Dakota-Morrison fault contact at the 128-foot depth. Eighty five feet (true thickness) of Morrison was then drilled in the remainder of the hole, the lithology being the typical variegated or greenish-gray silicified limy shales, sandy shales, and sandstones. Sandy members were more numerous in this hole than in the previous three. The Morrison formation also contains epidote and other evidences of the contact metamorphism prevalent on Gibson Hill. The only porphyry sill of consequence was the one at the surface, as only 2 minor thin porphyries were found at greater depths.

The major N-S fault, which constituted the exploration target, was cut from 106'-171'. Utilizing a projection from known surface locations, the dip is 77° East. Although the actual fault contact is at 128 feet, the entire 65 feet is highly faulted, altered, and mineralized with abundant iron and manganese oxides and with occasional zones of abundant pyrite, specular hematite, and calcite. Assays of all the cores and sludges, however, were disappointing in that only a 2-inch vein at 117 feet, a 5-foot zone from 140'-145', and a 2-foot zone from 160'-162' showed appreciable metal values. The significant values were in lead and silver; the maximum was 1.01 oz. Ag and 1.40% Pb at 117 feet. The maximum gold was .02 oz./Ton and all the copper and zinc assays were traces. Both the Dakota and Morrison lithologies in the fault zone seemed to be equally mineralized.

Two additional fault zones, unknown from surface indications, were discovered at depths, 195'-201' and 224'-225'. These were both in the greenish-gray silicified sandy shales of the Morrison formation. Metal values in the first were the highest for the hole; the average of core and sludge being .03 oz. Au, .72 oz. Ag, .15% Pb, and 2.78% Zn. The drillers reported ½ foot of massive sulphides were drilled. Small amounts of galena can be seen in the core from 224'-225', but the assays were all low.

Drilling progress averaged 12 feet per day. Core recovery was 38%. Core size was all BX or larger, but the exact footages of NX and BX cores is not available at the time of writing this report. Because of the broken ground and difficult drilling, the drillers found it necessary to cement from 25'-250'.

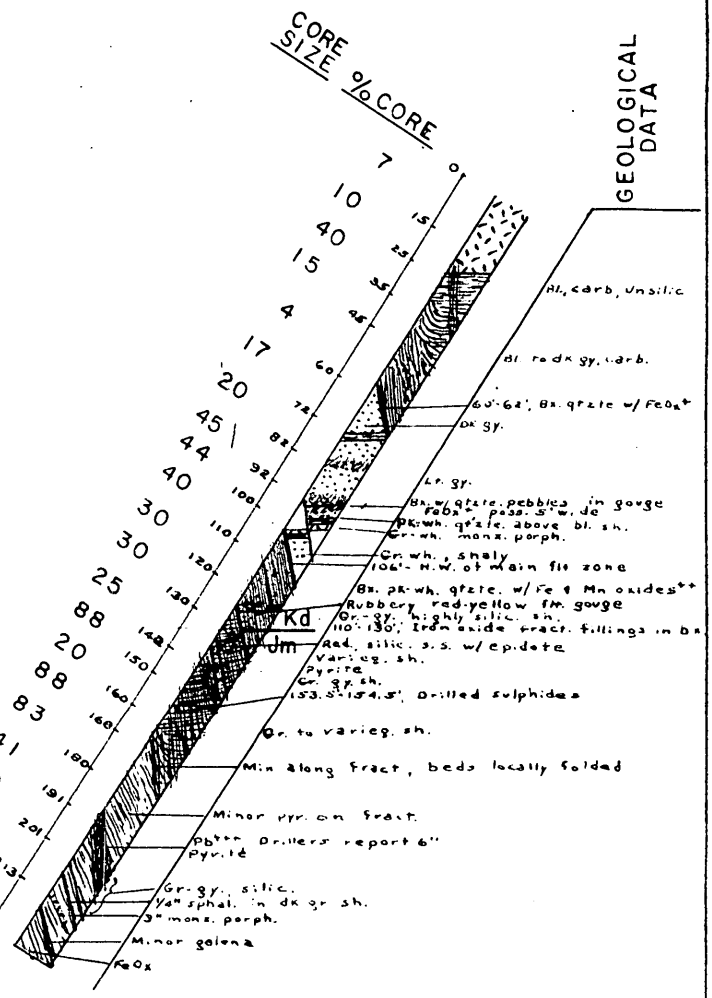
Respectfully submitted,
MELBYE AND MERWIN

Charles E. Melbye

Charles E. Melbye
Acting for Knight Mining Company

TYPE SAMPLE INTERVAL	Oz. Au	Oz. Ag	% Cu	% Pb	% Zn
C:60-62	Tr	.66	Tr	.11	Tr
S:60-67	Tr	.07	Tr	Tr	Tr
C:110'-15'	Tr	Tr	Tr	Tr	Tr
S:110-15'	Tr	.18	Tr	Tr	Tr
C:117(2')	.02	1.01	Tr	1.40	Tr
C:115-20	Tr	.T6	Tr	Tr	Tr
C:125-30	Tr	.22	Tr	Tr	Tr
S:125-30	Tr	.06	Tr	Tr	Tr
C:137-39	Tr	.26	Tr	.35	Tr
S:135-40	.01	.32	Tr	Tr	Tr
C:142-44.5	Tr	.24	Tr	1.10	Tr
S:140-45	.015	.68	Tr	.90	Tr
C:146-50	.01	.52	Tr	Tr	Tr
S:145-50	.01	.56	Tr	Tr	Tr
S:150-55	.02	.66	Tr	.75	Tr
C:150-55	Tr	.16	Tr	.45	Tr
C:155-60	Tr	.12	Tr	.40	Tr
S:155-60	.005	.30	Tr	Tr	Tr
C:160-62	.005	.38	Tr	1.30	Tr
C:195-201	.04	.32	Tr	.20	3.25
S:195-200	.02	1.12	Tr	.10	2.30
C:224-25	.01	.08	Tr	.15	.55

Ave. 38%



GEOLOGIC-ASSAY LOG
DRILL HOLE NO. 4
NEW YORK MINE

Knight Mining Company

DMEA No. 4765
Contract No. IDM-E1175

COORDS. 20,016 N 18,887 E

Bearing: N80°W

Inclination: 57°

Legend: See Plan Map, Plate I

Melbye & Merwin

FINAL DISTRIBUTION
MADE JUL 30 1958

224 New Customhouse
Denver 2, Colorado

July 28, 1958

Memorandum

To: T. A. Christensen

From: Alternate Acting Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 4765 (Lead-Zinc-Copper), Contract No. Idm-E1175 Knight Mining Corporation (New York claims) Summit County, Colorado - Operator's Monthly Progress Report for the months of May-June, 1958.

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

The work is being performed partly under independent subcontract, and partly at fixed unit costs. Bids were not submitted for bulldozer work; however, the bulldozing rates are in line with the standard rates prevailing in the project locality for the size and make of bulldozer used on the project. Under the circumstances, the rates for the work performed under independent subcontract are considered to be reasonable.

We consider that the Operator has complied with the intent of the contract, and the work for which payment is recommended is acceptable to the Government. Payment is recommended for 50 percent of the amount reported on Form MF-104 for May-June, 1958, contingent on your verification of the correctness of applicable rates and arithmetical accuracy of computations.

Remarks:

Date of Report----------July 9, 1958
Date Received in Field Office----July 11, 1958
Date Received in Region Office---July 17, 1958

Original signed by
J. W. TOWNSEND

J. W. Townsend

Encls.
MHM:bh
cc: Chmn. Op. Comm.(2)
DMEA/DFC
MF-104 File, Reg. III
Harshman) w/copy of
Cooper) Engr's report
Chron.

DMEA
DEPARTMENT OF THE INTERIOR

REGION III

JUL 17 1958
REGION III
DENVER, COLORADO

Building 20
Denver Federal Center
Denver2, Colorado
July 16, 1958

Memorandum

To: Acting Executive Officer, DMEA Field Team, Region III

From: E. W. Buel
W. W. Winkel

Subject: Docket DMEA 4765 (Lead-zinc-copper) Contract Idm-E1175, Knight Mining Corporation (New York claims) Summit County, Colorado -- Progress report for May and June 1958

Progress under the subject contract was inspected on June 10, 1958 by E. W. Buel. The inspection included all work claimed under Stages I and II for May and June 1958.

The bulldozer trench, about 1200 feet in length, was completed under Stage I work, and conformed with requirements of the contract.

Access roads and drill site preparations for holes Nos. I and II were completed under Stage II work, and in accordance with the contract.

The operator has submitted a narrative report in quintuplicate with map showing location and extent of dozer trenching, drill site locations for holes Nos. I and II and location of access roads, forms MF-104 and 104A for Stages I and II, contractor's invoices for bulldozer time, geological and engineering supervision, and invoices for gasoline and oil used on 3/4 ton pickup truck. Other documentation to support this claim is not required by the contract.

A dated gasoline purchase receipt for the $2.00 charge for gasoline, shown at the bottom of the invoice from Fred and Cecil's Service, dated June 4, 1958, was not submitted with the 104 claim for May and June 1958; however, the inspecting engineer did not recommend a disallowance for this oversight on the part of the operator.

Payment of $569.36 or 50 percent of the amount claimed $1,138.71 is recommended by the inspecting engineer.

E. W. Buel

E. W. Buel
Mining Engineer

W. W. Winkel

W. W. Winkel
Mining Engineer

WWW/mr

cc: 6 Idm-E1175 chron

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

Budget Bureau No. 42-R1036.5

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

Month of May - June, 1958 Docket No. DMEA 4765 Contract No. Idm-E 1175
Operator's Name Knight Mining Corp. Minerals Lead - Zinc
Address 2432 Grove - Denver - Colo Copper
Contract Amount, $ 20,380.00 Government Participation: 50 % Amount, $ 10,190.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing	780.00	- 0	780.00	9/5/58		
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision	294.90	0	294.90			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase Gas - oil	33.81	0	33.81			
Depreciation Truck	30.00	0	30.00			
(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	1138.71	0	1138.71	1138.71		1138.71

DMEA
DEPARTMENT OF THE INTERIOR
JUL 10 1958
REGION III
DENVER, COLORADO

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 7-9-58 *Payee Knight Mining Corp.
Per D. J. Lorenz Title Sec - Trea

*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:

$569.36

Signature (Authorized Certifying Officer)

Date 7/29/58 Vou. No. DMEA 59-10

(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. E-1175 in accordance with the terms of the contract.

Signature E. W. Bud Title Mining Engr's Date July 16, 1958

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE: W. W. Winkel

Checked for Engineering Accuracy

Signature J. W. Turnwald Title Alternate Acting Executive Officer Date JUL 28 1958

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 MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of May-June 1958 Docket No. DMEA 4765 Contract No. Idm-E 1175

Operator's Name KNIGHT MINING CORP. Minerals Lead - Zinc

Address 2432 Grove Copper

DENVER 11, 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
				Stage II				
~~Drifting~~ Supervision	Mo	144.90	1/4	144.90	1/4	600.00	1/4	144.90
~~Crosscutting~~ Bulldozing	Hr	60.00	5	60.00	5	12.00	20	12.00
~~Raising~~ gas-oil		33.81		33.81				305.00
~~Shafts~~ Truck depreciation	Mo	30.00	1	30.00	1		1	120.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs		268.71	6 1/4	268.71				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		268.71		268.71				

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 7-9-58 Operator KNIGHT MINING CORP. 2432 Grove DENVER 11, COLORADO

Per A. J. Lorenz Title Sec.-Trea

Remarks:

E. W. Buel

A. A. Whitfield

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 872894

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of May-June 1958 Docket No. DMEA 4765 Contract No. Idm-E 1175

Operator's Name KNIGHT MINING CORP. Minerals Lead - Zinc

Address 2432 Grove Copper

DENVER 11, COLORADO

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date Stage I	Units to Date	Unit Costs to Date	Authorized by Contract Units	Authorized by Contract Unit Costs
~~Drifting~~ Supervision	Mo	150.00	1/4	150.00	1/4	600.00	1/4	600.00
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching Bulldozing	Hr	720.00	60	720.00	60	12.00	60	12.00
Test Pits								
Roads and Trails								
Total Distributed Costs		870.00	60 1/4	870.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		870.00		870.00				

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.

KNIGHT MINING CORP.
2432 Grove
DENVER 11, COLORADO

Date 7-9-58 Operator

Per D. J. Lorenz Title Sec - Trea

Remarks:

E. W. Buck
W. W. Whitlock

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 872894

July 1, 1958

DMEA
DEPARTMENT OF THE INTERIOR
JUL 3 - 1958
REGION III
DENVER, COLORADO

U. S. Department of the Interior
Executive Officer
Defense Minerals Exploration Adm.
224 New Customhouse
Denver 2, Colorado

Re: Docket No. DMEA 4765 (Lead-Zinc-Cppper)
Contract No. Idm-E1175
Knight Mining Corporation
(New York Claims)
Summit County, Colorado

Gentlemen:

Enclosed please find the MF-104 and MF-104A forms and a sketch showing the Bulldozer cut and the new roads to the drill holes 1 and 2.

The cut was made as per your original plan and insturctions for Stage #1. The new road and drill hole locations are a part of Stage #2.

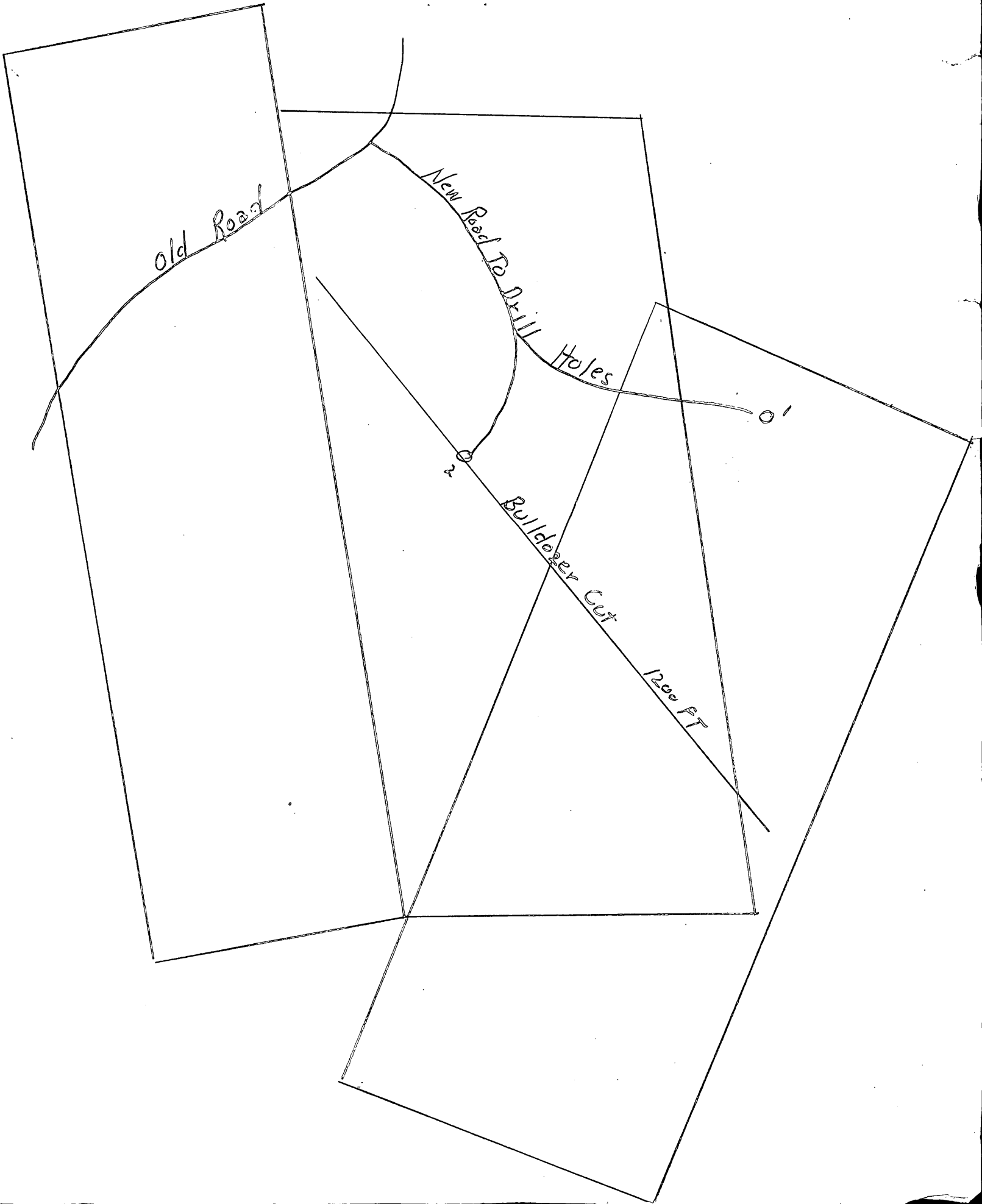
Yours very truly,

KNIGHT MINING CORPORATION

D. J. Lorenz

D. J. Lorenz

Knight Mining Corporation
2432 Grove
Denver, Colorado


Old Road
New Road To Drill Holes
O'
2
Bulldozer Cut
1200 FT

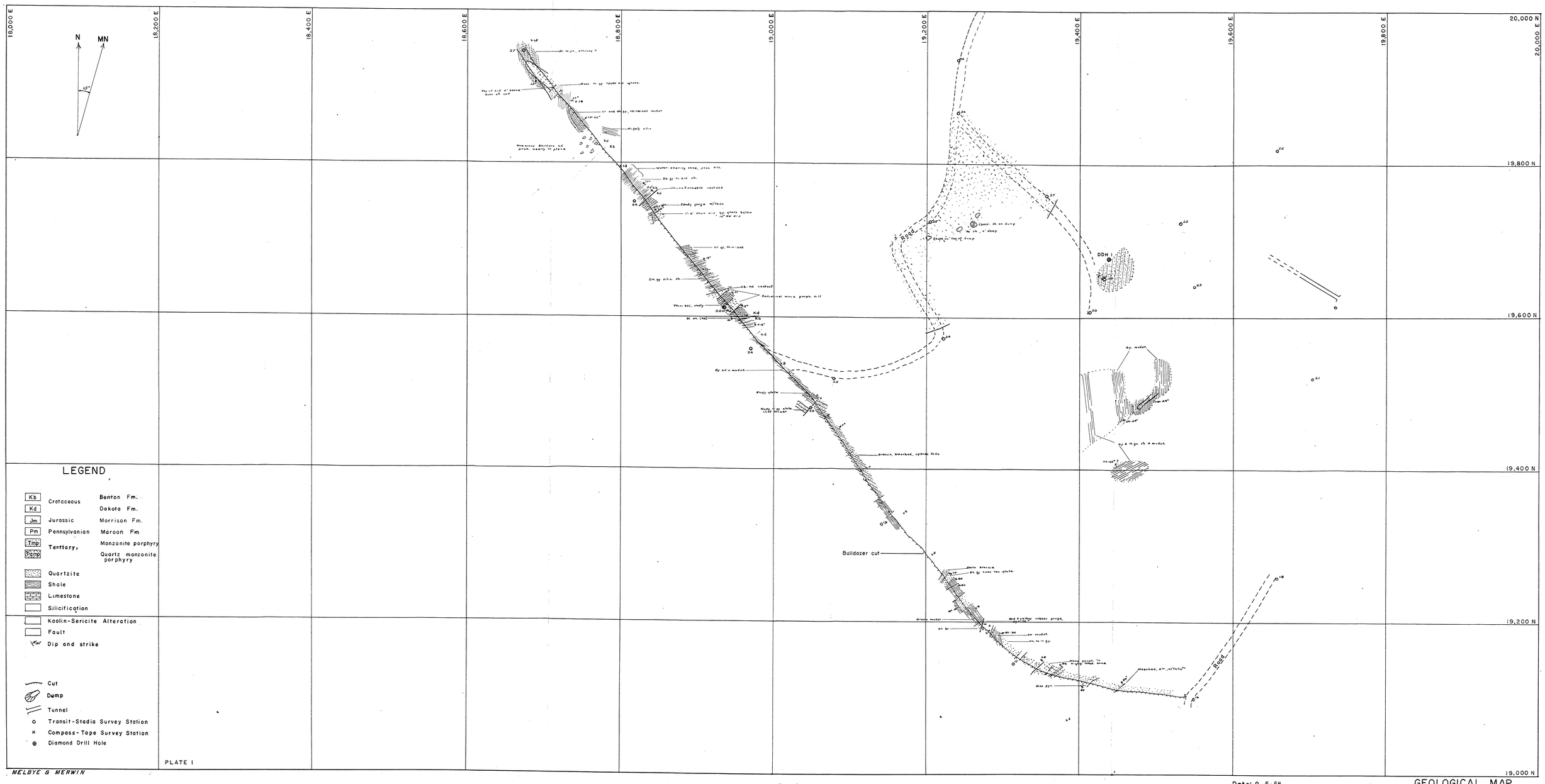


PLATE I

MELBYE & MERWIN

SCALE 1"=50'

Date: 9-5-58
Revisions:

GEOLOGICAL MAP
NEW YORK MINE
KNIGHT MINING CO.

Breckenridge District
Summit County, Colorado
DMEA No. 4765
Contract No. IDM-E 1175

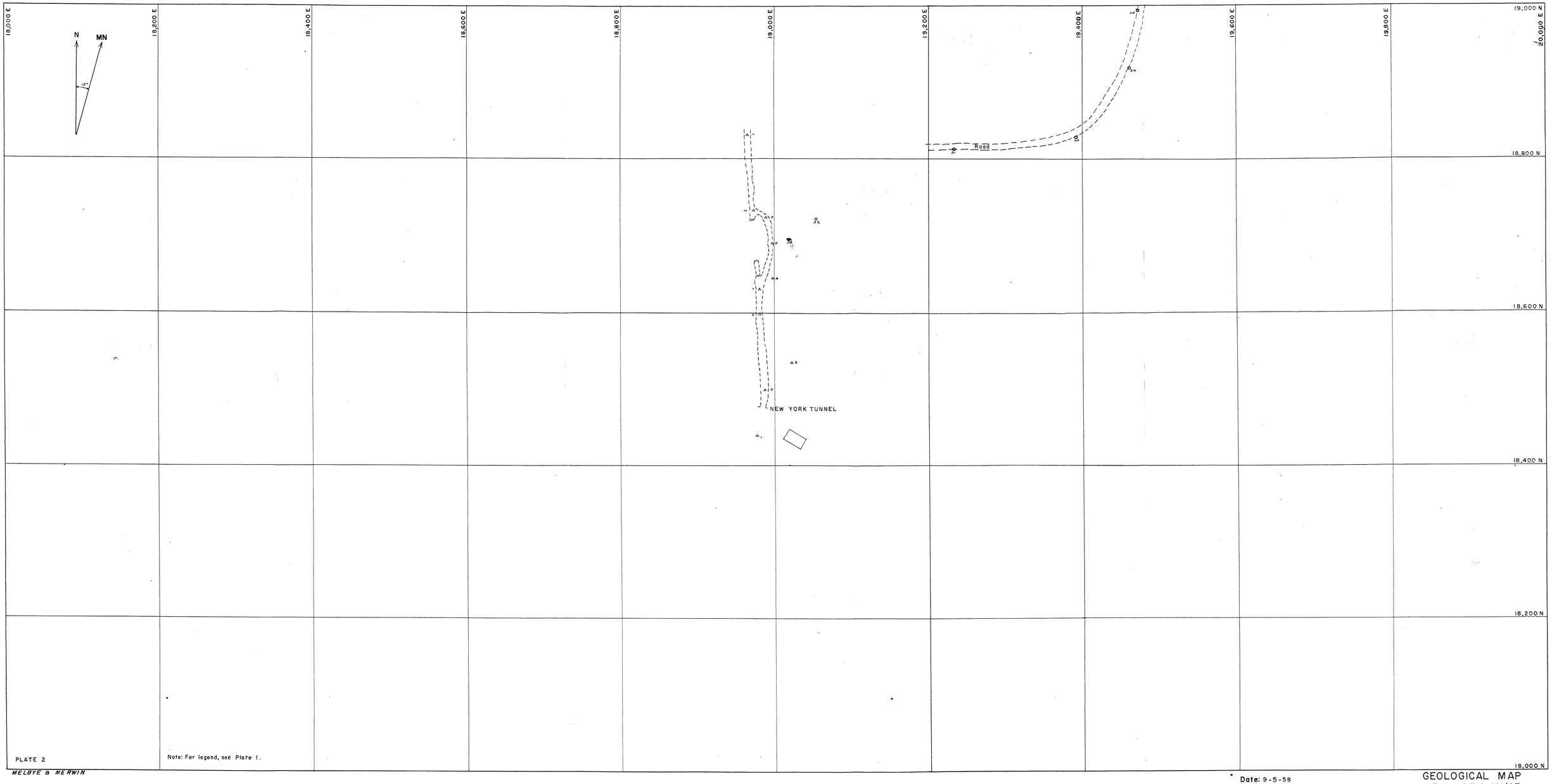


PLATE 2

Note: For legend, see Plate 1.

MELBYE & MERWIN

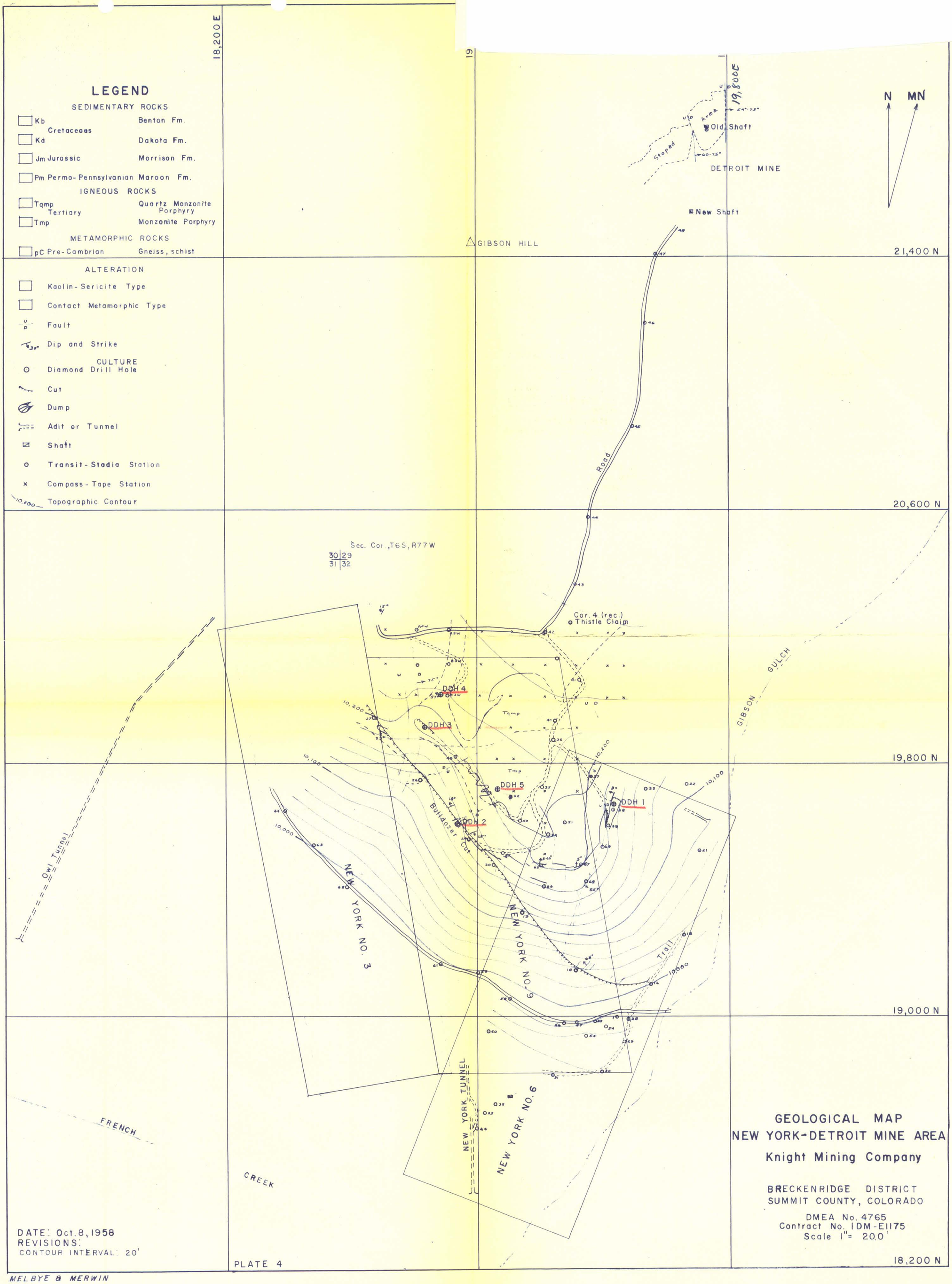
SCALE 1"=50'

Date: 9-5-58
Revisions:

GEOLOGICAL MAP
NEW YORK MINE
KNIGHT MINING CO.

Breckenridge District
Summit County, Colorado

DMEA No. 4765
Contract No. IDM-E 1175


18,200 E
19,800 E
N
MN
LEGEND
SEDIMENTARY ROCKS
Kb Cretaceous Benton Fm.
Kd Dakota Fm.
Jm Jurassic Morrison Fm.
Pm Permo-Pennsylvanian Maroon Fm.
IGNEOUS ROCKS
Tqmp Tertiary Quartz Monzonite Porphyry
Tmp Monzonite Porphyry
METAMORPHIC ROCKS
pC Pre-Cambrian Gneiss, schist
ALTERATION
Kaolin-Sericite Type
Contact Metamorphic Type
Fault
Dip and Strike
CULTURE
Diamond Drill Hole
Cut
Dump
Adit or Tunnel
Shaft
Transit-Stadia Station
Compass-Tape Station
Topographic Contour
Area
Old Shaft
Stoped
DETROIT MINE
New Shaft
GIBSON HILL
21,400 N
Road
20,600 N
Sec. Cor. T6S, R77W
30 29
31 32
Cor. 4 (rec.)
Thistle Claim
GIBSON GULCH
DDH 4
DDH 3
DDH 5
DDH 2
DDH 1
Tqmp
Tmp
Bulldozer Cut
19,800 N
Owl Tunnel
NEW YORK NO. 3
NEW YORK NO. 9
Trail
19,000 N
NEW YORK TUNNEL
NEW YORK NO. 6
FRENCH
CREEK
GEOLOGICAL MAP
NEW YORK-DETROIT MINE AREA
Knight Mining Company
BRECKENRIDGE DISTRICT
SUMMIT COUNTY, COLORADO
DMEA No. 4765
Contract No. IDM-E1175
Scale 1" = 20.0'
18,200 N
DATE: Oct. 8, 1958
REVISIONS:
CONTOUR INTERVAL: 20'
PLATE 4
MELBYE & MERWIN