DMEA Form 9
Rev. 6/57

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE

Idm-E NO. _____

DMEA NO. 4765

6 MAR 1958 **1175**

Application
- [ ] Denied
- [ ] Withdrawn

Contract
- [ ] Terminated - Not Certified
- [ ] Terminated - Certified

- [ ] Cancelled
- [ ] Royalty Agreement

The records contained in this file are marked (x) and arranged in this order:

Folder No. 1:

Left Side

- [ ] Royalty Audits
- [ ] Certification of Discovery
- [ ] Closing Letter
- [x] Cost Audits Report of Review. 10/1/59
- [x] Termination ~~XXXXX~~ or Agreement 3-6-59 eff.
- [ ] Recision Notice
- [ ] Assignment of Contract
- [x] Contract Amendments
- [x] Contract with all exhibits and annexes
- [x] Owner's Consent to Lien and Subordination Agreement
- [x] Application and attachments

Right Side

- [ ] Project summary (final)
- [x] Work Completed analysis (final)
- All other material filed in chronological order including the following reports if checked:
- [ ] Field Team Semi-Annual Report for Certified Project
- [x] Final Field Team Report (Tab)
- [x] Operator's Final Report (Tab)
- [ ] Interim Field Team Reports
- [x] Operator's monthly reports and all attachments
- [x] On-site Exam Report (Tab) 9-30-57
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Left Side

Folders No. 2 : Reports
- [ ] Analysis of Semi-Annual Inspection Reports
- [ ] Project Summary (Interim) by DMEA Engineers

Right Side

- [ ] Field Team Semi-Annual Report for Certified Project
- [x] Field Team Interim Reports
- [x] Operator's Monthly Reports with transmittal, narrative and maps.

Folders No. _____ : Maps (Use pocket folder or envelope)

Folders No. _____ : Settlement Sheets

Folders No. _____ : Drill Logs

Folders No. _____ : Royalty material.

17963

EXTRA COPY O. M. E. RECEIVED OCT 5 1959		
DATE	INITIALS	CODE

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

The Knight Mining Corporation
2432 Grove Street
Denver, Colorado

pertaining to Exploration Project Contract No. Idm-E1175, DMEA No. 4765, including Amendment No. 1, and Termination Agreement dated June 30, 1959 for the months of May to December 1958, inclusive, covering a project for the exploration of lead, zinc, copper on property known as New York Claims, located in Summit County, Colorado.

My review included an examination of the Monthly Reports (Form MF-104) and supporting documents attached thereto, comparison of the costs claimed with the contract and pertinent schedules, verification of work performed by reference to Field Team reports and correspondence, and a determination of the reasonableness and propriety of the costs.

This review was made in lieu of a final audit of the Operator's accounts and records for the reasons given on the attachment to this report.

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

Total cost as billed by Contractor		$14,884.09
Exceptions: (Schedule attached)		
Prior to this review	$454.84	
Less: Reinstatement by review	0	
Herewith	0	454.84
Total Accepted Cost		$14,429.25

The contract calls for a 50 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Seven Thousand Two Hundred Fourteen and 62/100ths Dollars is valid and proper, provided that the Regional Executive Officer, the Director, or other competent official has accepted or will accept the project as having otherwise met the terms of the contract.

Amount payable to Operator	$7,214.62
Amount reimbursed	6,739.62
Balance due Operator	$ 475.00

Ck. To Corp. 10/14/59

October 1, 1959

Donald T. Finch
Donald T. Finch
OME Auditor

REASONS FOR REPORT OF REVIEW IN LIEU OF FINAL AUDIT

CONTRACT NO. IDM-E1175 DOCKET NO. DMRA 4765

THE KNIGHT MINING CORPORATION

(a) The Monthly reports were supported by documentary proof of that portion ($11,590.75) of the costs which covered work performed at unit costs under independent contract and that portion ($2,838.50) which covered other costs for contribution by the Government on the basis of actual costs. (Per Summary attached).

(b) The administrative cost to the Government of an audit would be excessive in relation to the estimated amount of possible disallowances thereunder.

SCHEDULE OF EXCEPTIONS

CONTRACT NO. IBM-E1175 DOCKET NO. DMEA 4765

THE KNIGHT MINING CORPORATION

Prior to this Review:

Bulldozing charge claimed in excess of invoice cost	$ 20.00	
Gas and Oil claimed for purchases made after completion of approved work under the contract	78.63	
Supervision claimed in excess of allowable maximum of 4.25 months	68.21	
97 ft. of cementing and redrilling disallowed for lack of adequate documentation of cost of this work	$288.00	
Total Exceptions		$454.84

The Executive Officer of the OME Field Team, Region III and the Auditor concur with the foregoing exceptions.

SUMMARY OF DOCUMENTED COSTS

CONTRACT NO. IBM-E1175 | DOCKET NO. DMEA 4765

THE KNIGHT MINING CORPORATION

Independent Contracts			
Bulldozing			
80 hours at average of $11.75/hr		$ 940.00	
Drilling			
Overburden			
76 ft at $12.00/ft	$ 912.00		
Diamond Drilling			
987 ft at $6.75/ft	6,662.25		
Reaming and Casing			
189 ft at $3.50/ft	661.50		
Cementing			
805 ft at $3.00/ft	2,415.00		
Total Drilling		$10,650.75	
Total Independent Contracts			$11,590.75
Direct Costs			
Supervision			
4.25 months at average of $589.39/mo.		$ 2,504.90	
Gas and Oil		104.85	
Depreciation			
1.5 month at $30.00/mo		45.00	
Assaying			
24 assays at $5.00/ea		120.00	
Core boxes			
51 Core Boxes at $1.25/ea		63.75	
Total Direct Costs			$ 2,838.50
Total Accepted Costs			$14,429.25

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O. M. E.
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7/28	Griswold	500

Government's copy

T. Lynch
Hoffman
App'd. Sol. Off.
Michael
Talbert

TERMINATION AGREEMENT

It is agreed this 30th day of June, 1959, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, ~~hereinafter~~ called the "Government", and the Knight Mining Corporation, hereinafter called the "Operator", parties to that certain Exploration Project Contract Idm-E1175, Docket No. DMEA-4765, dated March 6, 1958, as amended, hereinafter called the "Contract", that:

1. Effective March 6, 1959, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

2. The Government shall contribute only to the actual costs of work performed prior to said effective date.

3. The Operator shall promptly perform all winding-up and settlement actions provided for in the Contract including the rendering of the final report and final account.

4. All rights of the Government respecting certification of discovery or development, percentage royalty and liens to secure the payment thereof, reports (including preservation of the Operator's records) accounts, audits, and the right to recover any overpayment, are hereby preserved.

5. The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of said Contract, except as otherwise provided in this Termination Agreement.

IN WITNESS WHEREOF, these parties have executed this agreement as of the day and year first above written.

THE UNITED STATES OF AMERICA

By Frank E. Johnson
Acting Director, Office of
Minerals Exploration

KNIGHT MINING CORPORATION

By David J. Lorenz

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EXPLORATION PROJECT CONTRACT

KNIGHT MINING CORPORATION

DOCKET NO. DMEA 4765

CONTRACT NO. Idm-E1175

AMENDMENT NO. 1

It is agreed this 18th day of April, 1958, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Knight Mining Corporation, hereinafter called the "Operator," parties to that certain Exploration Project Contract No. Idm-E1175, Docket No. DMEA 4765, dated March 6, 1958, hereinafter called the "Contract," that:

> The date fixed in Article 3, on or before which the Operator shall commence the work, is extended from April 15, 1958 to May 15, 1958.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate amount which the Government may be required to contribute, the fixed unit cost of any item of work, nor any item of allowable cost which is expressly designated "maximum."

Executed in quintuplicate the day and year first above written.

KNIGHT MINING CORPORATION

By N. L. Jones
N. L. Jones
Vice President

UNITED STATES OF AMERICA

By E. M. Hansbarger
Acting Executive Officer,
DMEA Field Team, Region III

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MF-200
(Revised June 1954)

Docket No. DMEA 4765

Commodity lead, zinc, copper

Contract No. Idm-E 1175

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

EXPLORATION PROJECT CONTRACT[1]

It is agreed this 6 MAR 1958 day of ....., 195...., between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] The Knight Mining Corporation, a Colorado corporation, whose mailing address is 2432 Grove Street, Denver, Colorado, hereinafter called the "Operator," as follows:

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200), the attached Exhibit "A," Annex I, and one map, Figure 2

The Operator shall not transfer or assign this contract or any right thereunder without the written consent of the Government.

ARTICLE 2. *Operator's property rights.*—(a) The land which is the subject of this contract (hereinafter called "the land") is in the State of Colorado, County of Summit, and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] owner of [5] the entire interest in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] deed, [7] recorded in Book ....., page ....., official records of said County; and

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances: none

(c) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above, and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] Insert name, and if an organization, its nature (corporation and place of incorporation, partnership with names of partners, etc.).
[3] State on a separate sheet marked "Annex I" the legal description or enough to identify the property, particularly excluding any areas from which the production is not to be subject to the Government's percentage royalty.
[4] Insert "owner," "lessee," "contract purchaser," "locator," etc.
[5] Insert "the entire interest," "the mineral rights," "an undivided one-third," etc.
[6] Insert "deed," "lease," "contract," "location notice," "patent," etc.
[7] If not recorded, so indicate by inserting "un."

of the land (lessor, seller, optionor, etc.), are attached, as follows: .....

.....

.....

(d) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. Until the lapse of the time within which the Government may make a certification of discovery or development without any such certification having been made, and after any such certification has been made, the Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. If the Government makes no certification of discovery or development within the time limited in Article 8, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 8(b)(1).

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of lead, zinc and copper. The work to be performed is described in Exhibit "A." The Operator on or before April 15, 1958 shall commence the work, and on or before 12 mos. from contract date. (unless the Operator's obligation to prosecute the work is terminated—see Article 10) shall either have completed the work or shall have incurred allowable costs (see Article 6) in a sum not less than the estimated total allowable cost set forth in Exhibit "A," except as otherwise provided in Exhibit "A" with respect to stages of work.

ARTICLE 4. *Performance of the work.*—(a) *Operator's responsibility.*—The work shall be performed with reasonable diligence, efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for liability insurance covering employment; and with suitable and adequate equipment, facilities, materials, supplies, and labor, to bring it to completion within the time fixed.

(b) *Independent contracts.*—To the extent that the allowable costs are estimated in Exhibit "A" with express reference to performance by independent contractors on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations), the work may be so performed; but if the reference in Exhibit "A" to any such independent contract requires the Government's approval thereof, payments under such contract will not be allowable costs unless the Government gives its written approval of the contract. Any such independent contract shall refer to some specific and identifiable part of the work, and shall be subject to all of the pertinent terms and conditions of this exploration contract; but the Government shall not be considered a party thereto, and its rights under this contract, including the right to terminate its contributions, shall not be affected thereby. Regardless of the provisions of any such independent contract and regardless of the Government's approval thereof, the Government will participate in payments to the independent contractor only on account of work performed in accordance with the provisions of this exploration project contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable.

(c) *Government may inspect.*—The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract, and also after a certification of discovery or development to inspect production operations and underground workings. The operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 5. *Contribution by the Government.*—The estimated total allowable cost of the project, set forth in Exhibit "A," is the sum of $20,380.00. The Government shall contribute 50 percent of the allowable costs as they are incurred in a total sum not in excess of $10,190.00: *Provided,* That until the Operator has rendered to the Government his final report, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last

voucher or vouchers such sums as it sees fit not in excess of 10 percent of the estimated total cost of the work or not in excess of the amount of the Government's contribution to the cost of property which is or may become subject to disposal as provided in Article 9(c), whichever is greater. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 7(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. "Costs incurred" mean costs that have been paid or have become due and payable, or that in the opinion of the Government have become an obligation. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *Estimated costs.*—(a) *Categories of costs.*—The allowable costs of the work to which the Government shall contribute are limited to those that are direct, reasonable, necessary, and that are estimated in Exhibit "A" by categories as specified in this article. If any category or subcategory is omitted from the estimate of costs, or if the word "none" is annexed to the listing thereof, costs under such category or subcategory are not allowable. Any excess over any estimate which is indicated as the maximum of any category, subcategory, or item, either as to requirement or related cost, and any excess over the estimated total allowable cost of the work, shall not be allowable. Any excess over the estimate of any category, subcategory, or item, either as to requirement or related cost, not indicated as a maximum shall be allowable within the limit of the estimated total allowable cost of the work. To the extent that excesses over maximums other than the estimated total allowable cost of the work may be necessary for the performance of the work, the Operator shall incur such excesses for his own account without contribution by the Government; but except for any such necessary excesses in categories, subcategories, or items thereunder the Operator is not obligated to incur more than his agreed percentage of the estimated, total allowable cost of the work.

To the extent specified in this article or in Exhibit "A" the following categories, subcategories, and elements thereof are maximums; but if not so specified either here or in Exhibit "A" they are not maximums, and may be exceeded within the limit of the estimated total allowable cost of the work:

CATEGORY (1)—INDEPENDENT CONTRACTS.—Work to be performed under independent contracts (see Article 4(b)). The estimated total amount of this category and the estimated cost of each unit of work for performance under an independent contract are maximums. See Article 13.

CATEGORY (2)—PERSONAL SERVICES.

Subcategory (a)—Supervision.—All elements of this subcategory (number of supervisors, periods of employment, rates of pay, and total) are maximums.

Subcategory (b)—Technical services.—All elements of this subcategory (number of technicians, periods of employment, rates of pay, and total) are maximums.

Subcategory (c)—Labor.

CATEGORY (3)—OPERATING MATERIALS AND SUPPLIES.—Includes such items as drill bits and steel, explosives, fuel, pipe, power, small tools costing less than $50 each, timber, track.

CATEGORY (4)—OPERATING EQUIPMENT.

Subcategory (a)—Rental.—The number of each object to be rented [6 mine cars, 1 truck], the rate of rental [$100 per month, $5 per hour], and the total of this subcategory are maximums.

Subcategory (b)—Purchases.—The estimated total of this subcategory is a maximum.

Subcategory (c)—Depreciation.—All elements of this subcategory (time periods, rate of depreciation, and subcategory total) are maximums.

CATEGORY (5)—INITIAL REHABILITATION AND REPAIRS.—Estimates under this category include all requirements and related costs, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The estimated total of this category is a maximum.

Subcategory (a)—Initial rehabilitation and repairs of existing buildings, fixtures, and installations (exclusive of mine workings).—The estimated total of this subcategory is a maximum.

Subcategory (b)—Initial rehabilitation and repairs of operating equipment.—The estimated total of this subcategory is a maximum.

CATEGORY (6)—NEW BUILDINGS, FIXTURES, AND INSTALLATIONS (EXCLUSIVE OF MINE WORKINGS).—Estimates under this category include all requirements and related costs, such as labor, materials and supplies, and supervision at a rate not higher than provided for in Category (2), and shall not be duplicated under any other category. The estimated total of this category is a maximum.

CATEGORY (7)—MISCELLANEOUS.—Repairs and maintenance (other than initial) of operating equipment, analytical work, prints and other reproductions, accounting, Operator's share of payroll taxes, liability insurance covering employment, travel, communications, and any other items of requirement or cost that do not fall within any of the first 6 categories.

THE ESTIMATED TOTAL ALLOWABLE COST of the work is a maximum.

(b) *Nonallowable costs.*—The following costs are not allowable for contribution by the Government:

(1) *Costs of the land,* such as rental, depreciation, depletion, or other cost of acquiring, owning, or holding possession;

(2) *Indirect costs,* such as general overhead, corporate management, interest, taxes (other than payroll and sales taxes), insurance (other than liability insurance covering employment), damages to persons, damages to property (other than necessary repairs or replacements of equipment or other property used in the work);

(3) *Previous work* performed or costs incurred before the date of this contract; and

(4) *Deferred payments.*—Any costs incurred by the Operator under any rental-purchase agreement, installment-purchase agreement, or any agreement for the purchase of goods under the provisions of which payment of the full purchase price is deferred more than 90 days from the delivery of the goods; unless the purchase agreement is approved by the Government in writing.

(c) *Reductions in costs.*—The Operator shall account for and give the Government credit for any incidental benefits, credits, or money received in the ordinary course of business in prosecuting the work (as by salvage or sale of materials or equipment, furnishing of room or board, furnishing of power or services to third persons, rebates or discounts on purchases, etc.), in the same ratio in which the Government contributes to costs; and such amounts shall be treated as a reduction in costs incurred so that they are available for use within the limit of the original estimated total cost. This provision does not apply to receipts from production which are subject to the Government's percentage royalty under the provisions of Article 8. See Article 13.

ARTICLE 7. *Reports, accounts, audits.*—(a) *Operator's records.*—The Operator shall keep suitable records and accounts of the work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. If the Government elects to audit said records and accounts relating to the exploration work by certified public accountant, it may do so as a cost of the work to which the Operator shall contribute. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine any pertinent books, documents, papers, and records of the Operator. All of the Operator's vouchers and records and accounts relating thereto and the Government's payments thereof remain subject to adjustment until final audit by the Government. If work under this contract is carried on in conjunction with any other operations, or if labor, supervision, services, materials, supplies, equipment, facilities, or other requirements for carrying on the work are also used in connection with other operations, the costs shall be segregated and accounted for on a basis and by methods and accounts that are satisfactory to and approved by the Government.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing detailed costs incurred during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and costs incurred for each type of work; and (3) a Narrative Report of the work performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

(c) *Final report.*—Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with five copies of a final report (in addition to the final progress report and voucher). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and related costs incurred.

(d) *Report of sales.*—The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's percentage royalty relates, such as copies of smelter or concentrator settlement sheets, and certified accounts of production and sale or other disposition of production.

(e) *Compliance with requirements.*—If in the opinion of the Government any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the making or completion of such with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records, or accounts.

ARTICLE 8. *Repayment by Operator.*—(a) *Certification.*—If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after a sufficient final report and final account (see Article 7) has been rendered, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

(b) *Royalty on production.*—The Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer, shall pay to the Government a royalty on all minerals mined or produced from the land, as follows: (1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first; or (2) if the Government makes a certification of discovery or development, within a period of ten years from the date of the contract, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first.

(c) *Basis for computation.*—The Government's royalty shall be a percentage of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrates, metal, or equivalent), at the point of delivery (the f. o. b. point); *except,* that charges of *the buyer* arising in the regular course of business, and shown as deductions on the buyer's settlement sheets, on account of the cost of treatment processes performed by *the buyer,* sampling and assaying to determine the value of the production sold, and freight paid by *the buyer* to a carrier (not the Operator), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. Any costs of treatment processes, sampling or assaying, or transportation, performed or paid by the Operator or by anyone other than the buyer, are not deductible in arriving at the "gross proceeds" as that term is here used. The term "treatment processes," as here used, means those processes (such as milling, concentrating, smelting, refining, or equivalent) applied to the crude ore or other production after it is extracted from the ground, to put it into a commercially marketable form; excluding fabricating or manufacturing.

(d) *Unsold production.*—If any production (ore, concentrates, metal, or equivalent), after the lapse of six months from the date the ore was extracted from the ground, remains neither sold nor used by the Operator in integrated manufacturing or fabricating operations (for instance, if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrates, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used by the Operator in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value therof in the form in which and at the time when it is so used. "Value" as here used means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination, or the market value, whichever is greater.

(e) *Percentages of royalty.*—The percentages of the Government's royalty shall be as follows:

One and one-half (1½) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half (½)

percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.

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

(f) *Time for computation and payment.*—The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be, as above provided in this article.

(g) *Lien for payment.*—To secure the payment of its percentage royalty, there is hereby granted to the Government a lien upon the land or the Operator's interest in the land and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(h) *Notice to purchasers.*—The Operator shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Administrator, Defense Minerals Exploration Administration, or his successor, and his estimate thereof shall be final and binding upon the Operator.

(i) *No obligation to produce.*—Nothing in this contract is to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

(j) *Government not obligated to buy.*—Nothing in this contract shall be construed as imposing any obligation on the Government to purchase any minerals mined or produced from the land.

ARTICLE 9. *Interests in purchased property.*—(a) *Title and ownership.*—All costs under this contract shall be incurred by the Operator in the Operator's own name and for the Operator's own account; but any property acquired to the cost of which the Government contributes shall belong to the Operator and the Government jointly in proportion to their respective contributions, although title thereto shall be taken in the name of the Operator.

(b) *Preservation of property.*—Until the final disposal of any property in which the Government has an interest the Operator shall preserve and protect same for the best interest of the Government, any reasonable and necessary costs thereof to be treated as an allowable cost of the project. After the completion of the work or termination of the Government's obligation to contribute, or when such property is not in use for or needed for the work, the Operator shall neither use it without the written consent of the Government nor without paying a reasonable rental to be fixed by the Government for its interest.

(c) *Disposal of property.*—Upon the completion of the work or termination of the Government's obligation to contribute to costs, or when the property is no longer needed for the work, the Operator shall promptly dispose of salable or salvageable property in which the Government has an interest for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator or the Government at a price at least as high as could be obtained from others, unless the Government in writing waives its interest in any such property. Without advance approval of the sales price by the Government the Operator shall not sell at any price any item of property the cost of which was more than $500, and shall not sell at less than 25 percent of the purchase price any item of property which cost $500 or less. The Government, in lieu of approving the sales price for any such item, may itself purchase the item at the best price which the Operator is able to obtain or himself cares to give. Property remaining upon any termination of the work shall be considered in groups or categories (such as drill steel, or explosives, or pipe, or rails), and if the original cost of the remaining unexpended portion of any such group or category is less than $50, the Government waives its interest therein. If necessary to accomplish the disposal of any item the Operator shall dismantle and sever it from the land, the cost thereof to be treated as a cost of the project.

(d) *Default of the Operator re disposal.*—If within 90 days after the completion of the work or termination of the Government's obligation to contribute to costs, or after the property is no longer needed for the work, or after such further time as the Government may in writing allow, the Operator has failed to sell or otherwise liquidate or dispose of any property in which the Government has an interest, the Government, at any time prior to final settlement under the contract, may pursue one of the following two courses: (1) the Government, by written notice to the Operator, may place upon such property what in its opinion is a fair valuation thereof, not in excess of the cost less 1.66 percent per month from the

date such property was purchased under this contract to the termination of said 90-day period; and such property shall thereupon be considered and accounted for as having been purchased by the Operator at the valuation so fixed by the Government; or (2) the Government may enter and take possession of such property wherever it may be found, and remove and dispose of it for the joint account of the parties.

ARTICLE 10. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery, and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon: (1) the Government shall be free of all obligation to contribute to costs not then incurred other than such as may be allowable under the provisions of the contract as necessary and incidental to winding up, reporting, and accounting; and (2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

(b) If in the opinion of the Government the Operator is in any manner in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon: (1) the Government shall be relieved of all obligation to contribute to costs not incurred when the notice was given, other than such as may be allowable by the provisions of the contract as necessary and incidental to winding up, reporting, and accounting; and (2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. The remedy provided for the Government in this paragraph "(b)" is in addition to any other remedy provided in this contract, and in addition to any other remedy the law may provide for breach of contract.

(c) The giving of any notice by the Government under the provisions of this Article 10 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and such rights shall be fully preserved.

ARTICLE 11. *Notices to be given by the Government* may be delivered to the Operator, or may be sent by registered mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 12. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 13.—*Changes and added provisions.*—

(a) Notwithstanding any other provision of the Contract, the allowable unit cost per foot of a drilling item is the average unit cost per foot computed on the basis of all the actual unit costs of said drilling item incurred by the Operator: Provided, That the Government will not contribute to any portion of an average unit cost of a drilling item that exceeds the estimated unit cost of said item set forth in the Contract.

16—70617-1

(b) In the last sentence of Article 6(c), the words "Article 8" are substituted for the words "Article 9."

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C. J. Mittendorf
Administrator, Defense Minerals
Exploration Administration

Boyd
Sawyer
Arnwald
Chambers
Martin
Johnson

KNIGHT MINING CORPORATION
(Operator)

By N. L. Jones
Title Vice President

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

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—70617-1

EXPLORATION PROJECT CONTRACT
KNIGHT MINING CORPORATION
DOCKET NO. DMEA-4765

ANNEX I

The land referred to in Article 2 of the Contract consists of three patented mining claims, located in the NW¼ Sec. 32, T. 6 S., R. 77 W. of the sixth principal meridian, Summit County, Colorado, as follows:

Name	U. S. Survey No.
New York No. 3 Lode	20285
New York No. 6 Lode	20285
New York No. 9 Lode	20285

These claims are shown on the attached map entitled "Figure 2 - Claim Map . . . New York Claims 3, 6, 8, 9, Summit County, Colorado."

EXPLORATION PROJECT CONTRACT
KNIGHT MINING CORPORATION
DOCKET NO. DMEA-4765

EXHIBIT "A"

Description of the Work

The purpose of the project is to explore for ores of lead, zinc, and copper by trenching, and by diamond drilling from surface and underground locations. The work is divided into two stages. The Operator shall perform all Stage I work, and as much of the Stage II work as is approved in advance by the Government.

STAGE I

A trench, approximately 1200 feet in length, shall be excavated to bedrock at the general location indicated on the attached map, with D-7 or equivalent unit.

STAGE II

Prepare access roads and drill sites with D-7 or equivalent sized unit and diamond drill 2,000 feet (plus necessary overburden drilling), from surface and underground locations, in not to exceed eight holes. The diamond drilling shall be BX size or larger.

All significantly mineralized core shall be split and one-half assayed for copper, lead, zinc, gold and silver. Sludge samples shall be taken and, if core recovery in any significantly mineralized area is less than 70 percent, the equivalent sludge samples shall be split and one-half analyzed for copper, lead, zinc, gold and silver. One-half of a split core and one-half of a sludge sample (if assayed) shall be made available for the inspection and possible use of the Government.

The approximate locations of three holes (two surface and one underground) are shown on the attached map. However, the actual locations of all drill holes must be approved in advance by the Government.

Drill holes shall be reamed and cased or cemented and redrilled as necessary. Two diamond drill stations with dimensions of approximately 5 feet by 5 feet by 20 feet shall be excavated for underground drilling.

Estimated Costs

Stage I

Category (1) Independent Contracts

60 hours bulldozing (actual working time) @ $12/hr. (includes all costs whatsoever)	$720.00	

Category (2) Supervision and Technical Services

(a) and (b) One Supervising engineer-geologist @ $600.00 monthly, 1/4 month	$150.00	

Cateogry (3) through (7)

None		
Estimated total cost of Stage I		$870.00

Stage II

Category (1) Independent Contracts (See Article 13)

A. Overburden drilling and driving pipe 60 feet @ $12/ft.	$720.00	

2,000 feet diamond drilling @ $6.75/ft.	$13,500.00	
200 feet reaming and casing @ $3.50/ft.	700.00	
200 feet cementing and redrilling @ $3/ft.	600.00	
B. 20 hours bulldozing (actual working time) for drill sites and access roadways, @ $12/hr. (includes all costs whatsoever)	240.00	
C. 2 underground drill stations excavated @ $300/each	600.00	$16,360.00

Category (2) Personal Services

(a) and (b) Supervision and Technical Services

1 supervising engineer-geologist @ $600/mo., 4 months	$2,400.00

(c) Labor

None

Category (3) Operating Materials and Supplies

180 cardboard core boxes @ $1.25 each	$225.00	
Gas and oil (for truck and compressor)	305.00	$530.00

Category (4) Operating Equipment

(a) and (b) None

(c) Depreciation

Gardner-Denver air compressor, value $3,000 - 1½ months @ $50/mo.	$75.00

3/4 ton pick up truck, value $1,800.00 - 1½ months @ $30/mo.	$45.00	$120.00

Categories (5) and (6)

None

Category (7) Miscellaneous

Assaying, 20 samples @ $5/ sample	$100.00	
Estimated total cost of Stage II		$19,510.00

S U M M A R Y

Estimated total cost of Stage I	$870.00	
Estimated total cost of Stage II	$19,510.00	
Estimated total cost of project		$20,380.00
Government's participation, 50 percent		$10,190.00

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

224 New Customhouse
Denver 2, Colorado

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 17 1957
DATE | INITIALS | CODE

June 14, 1957

Memorandum

To: Secretary to the Operating Committee, DMEA

From: DMEA Field Team, Region III

Subject: Application for DMEA Aid (Lead-Zinc-Copper-Molybdenum) Knight Mining Corporation (New York Claims) Summit County, Colorado

Enclosed are the original and two copies of the subject application with its letter of transmittal dated June 12, 1957. One copy of the application and transmittal letter are being retained in our file.

The Applicant makes no mention of the nature or extent of proposed exploration work, but estimates the project will cost $25,000.00.

W H King

W. H. King
Executive Officer

ws1A
HMC
T4
X M

June 12, 1957

DMEA
DEPARTMENT OF THE INTERIOR
JUN 14 1957
REGION III
DENVER, COLORADO

Dear Mr. Harshman:

Enclosed you will find our application for aid in an exploration project.

We would appreciate anything you could do to speed approval as the whether in the Breckenridge area is bad in the winter and we would like to get as much done during the summer as we can.

Thanking you in advance, we remain

Yours very truly,

KNIGHT MINING CORPORATION

D. J. Lorenz

RECEIVED
DATE

Form MF-103
Revised Feb. 1957

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1035.3
Approval expires June 30, 1958

APPLICATION FOR AID IN AN EXPLORATION PROJECT

PURSUANT TO DMEA ORDER I, UNDER THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

NAME OF APPLICANT (Full legal name and mailing address as it should appear on contract if one is executed)

KNIGHT MINING CORPORATION
2432 GROVE
DENVER, COLORADO

DMEA
DEPARTMENT OF THE INTERIOR
JUN 14 1957
REGION III
DENVER, COLORADO

RECEIVED JUN 17 1957 D.M.E.A.

APPLICANT NOT TO USE THIS BLOCK

Docket Number: 4765
Date Received: 6-17-57
Government Participation %:
Region: III
Division Code: 500

BUSINESS ORGANIZATION (Check one)

- Individual [ ]
- Corporation [X]
- Partnership [ ]
- Other (Specify) [ ]

State in which firm is organized: COLORADO

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

Name	Address	Title
EARL KNIGHT	BRECKENRIDGE, COLORADO	PRES.
NORMAN L. JONES	1730 W. EVANS, DENVER	VICE. PRES.
DAVID. LORENZ	2432 GROVE, DENVER	SEC*TREA

Mineral(s) for which you wish to explore: LEAD, ZINC, COPPER, MOLYBDENUM

Estimated Cost of Project: $ 25,000.00

LOCATION OF PROPERTY

Name	County	State
Breckenridge	Summit	Colorado

GENERAL INSTRUCTIONS

Before filling out this application, please read DMEA Order-I, Amended, "Government Aid in Defense Exploration Projects." To assure prompt action, your application must provide all applicable material and information specified on the back of this application form. Avoid unnecessary correspondence and delays by submitting complete and accurate information. *Please submit four copies of this application and all accompanying papers* except as otherwise noted. Place your name and address on each sheet. Each item of information, maps, and reports required as a part of this application is described on the back of this form. Identify each attached statement by the item number to which it applies. If an item does not apply to your application, show the item number on your statement and after it write "not applicable." Maps or sketches should be used to supplement narrative descriptions of the property location and boundaries in item 1, existing mine workings and geology in item 2, and the proposed exploration project in item 4. When this information is not too complex, all of it may be shown on one map or sketch. All documents and other attachments submitted as a part of this application, except those in item 2(g) which you mark to be returned, become the property of the Government and will not be returned to the applicant. Send true copies, *not originals*, of leases, contracts, and other documents which are an essential part of your business records. *File this application with the Defense Minerals Exploration Administration, Department of the Interior, Washington 25, D. C., or with the nearest DMEA Field Office.*

CERTIFICATION

The undersigned, whether as an individual, corporate officer, partner, or otherwise, both in his own behalf and acting for the applicant, certifies that the information set forth in this form and accompanying papers is correct and complete, to the best of his knowledge and belief.

6/12/57
Dated

David Lorenz
BY *(Signature)*

Sec-Trea
Title

A wilfully false statement or certification to any Department or Agency of the United States Government is a criminal offense. U. S. Code, Title 18, Sec. 1001.

INFORMATION REQUIRED WITH THIS APPLICATION

1. *Applicant's Property Rights:*

(a) State the legal description (section, township, and range; metes and bounds; patent number of claims) of the land upon which you wish to explore and all land adjacent to the proposed project area which you own or control. Describe any part of the project land or workings which should not be subject to Government lien for royalty payments. If the land consists of unpatented claims, state the book and page number for each recorded location notice, including amended locations; and the place where recorded (courthouse, recorder's office, county, and state).

(b) State all the names by which you know the property.

(c) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise. If you are not the owner, submit with this application one exact copy of the lease, contract, or other document (with address of owner) under which you control the property.

(d) Describe all liens, mortgages, or other encumbrances on the property.

2. *Physical Description:*

(a) Describe in detail and illustrate with maps or sketches all mining or exploration operations which you know have been or are being conducted upon the lands, including existing mine workings. Describe all production facilities.

(b) State your interest, if any, in operations stated in 2*(a)*.

(c) State, as far as you know, the past and current production, supporting your statement with copies of settlement sheets, mine records, or published data if available.

(d) Describe known ore reserves on the property giving quantities and grades and sampling methods used, supporting your statement with copies of assay certificates and assay maps if available.

(e) Describe by narrative and maps or sketches the geologic features of the property, including ore minerals, geologic formations if known, and type of deposit (vein, bedded, etc.).

(f) State your reasons for expecting to find ore, and if you have sampled the area you propose to explore, show where the samples were taken, describe sampling methods used, and provide copies of assay certificates.

(g) Send with your application at least *two* copies of all geologic or engineering reports, assay maps, or technologic information which you may have, indicating on each whether you require its return to you.

3. *Accessibility of Project:*

(a) To aid DMEA representatives who may be required to examine the property, state the name and address of the person who will meet the DMEA representative; give directions for reaching the property; and describe accessibility of the property including the mine workings.

(b) Name the shipping and supply points and places where employees reside and state the distances between them and the property.

4. *The Exploration Project:*

(a) Describe fully the proposed exploration project giving individual footages and sizes of openings *for each item of work*. Use narrative, maps, plans, and longitudinal and cross sections as necessary. Show the location of the proposed work as related to geologic features such as veins, ore-bearing beds, contacts of rock formations, etc. Show also the relation of the proposed work to any existing mine workings and to *property boundaries* or to the closest identifiable corner.

(b) If an access road to the project must be built, show the location on the property map and state the length, type, and construction methods proposed.

(c) In the event that an exploration contract with DMEA is executed, how soon will the work start and how many months will be required to complete it? State your anticipated average daily or monthly rate of progress for each type of work.

5. *Experience:*

State your operating experience and background with relation to your ability to carry out this exploration project, and also that of the person or persons who will supervise the operations.

6. *Estimate of Costs:*

Furnish detailed estimates of the costs *for each item of the work proposed in 4(a)* under the headings listed below with a total for each heading and the estimated total cost of the project. Costs for any work to be performed by an independent contractor should be shown separately under category *(a)* below. Costs for any work that is not to be performed by an independent contractor should be given in detail under categories *(b)* through *(g)*.

(a) Independent contracts. State the cost of any proposed independent contract for the performance of all or any part of the work, expressed in units of work, such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved. Cost estimates should be supported by bids from three contractors if possible. *(Note* – If none of the work is to be contracted, write "none" after this item.)

(b) Personal services. For necessary supervision, engineering and geological services, and labor, include an itemized schedule of numbers, classes, rates of wages, salaries or fees, and periods of employment. State whether these technicians and employees are available.

(c) Operating materials and supplies. List items of material and supplies with their cost. Include under this heading power, water, and fuel, and units of equipment and tools costing less than $50 each.

(d) Operating equipment. List items of operating equipment to be used giving specifications and indicating how each item is to be acquired – i.e., rented, purchased, or provided by the applicant. If it is rented or purchased, state the estimated rental or purchase price. If it is to be furnished by the applicant, give its present fair market value.

(e) Initial rehabilitation and repairs. Describe the type and the cost of necessary *initial* rehabilitation or repair of existing buildings, fixtures, installations (exclusive of mine workings), and movable operating equipment now owned by the applicant, which will be used on the exploration project.

(f) New buildings, fixtures, installations. Describe each building, fixed improvement, and installation to be purchased, constructed, or installed for the exploration project stating specifications and cost including labor, materials and supervision.

(g) Miscellaneous. For the operating equipment listed in 6*(d)*, describe the type and estimate the cost of repairs and maintenance expected during project operations. Do not repeat initial repairs listed in 6*(e)*. Show also the costs of analytical work, accounting, workmen's compensation and employees' liability insurance, payroll taxes, and other required costs that do not fall within the previous categories.

Note – No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes), or any other indirect costs, or work performed or costs incurred before the date of the contract, should be included in the estimate of costs.

7. *(a)* State whether you are prepared to furnish your share of the cost of the proposed project in accordance with the regulations on Government participation stated in Sec. 7 of DMEA Order–I, Amended.

(b) Explain to what extent you propose to furnish your share of the costs by providing money, by use of equipment owned by you, or otherwise.

* * * * *

INT.-DUP. SEC., WASH., D.C. 15539

Recorded at 9:00 o'clock A.M. November 9, 1956
No. 77604 Lina J. Engeart Recorder

THIS INDENTURE, made the fifth day of November, in the year of our Lord, One Thousand Nine Hundred and Fifty-six, between EARL W. KNIGHT, JR., of the County of Summit, and NORMAN L. JONES, of the County of Arapahoe, both of the State of Colorado, parties of the first part, and KNIGHT MINING CORPORATION, a Colorado corporation, of the City and County of Denver and State of Colorado, party of the second part,

WITNESSETH, that the parties of the first part for and in consideration of the sum of $10 and other good and valuable considerations to them in hand paid by the party of the second part, the receipt of which is hereby acknowledged, have granted, bargained, sold, remised, released, and forever quit claimed and by these presents do grant, bargain, sell, remise, release, and forever quit claim unto the party of the second part, and its assigns, the following described property situate in the County of Summit, State of Colorado:

New York No. 3 Lode, U. S. Survey No. 20285
New York No. 6 Lode, U. S. Survey No. 20285
New York No. 9 Lode, U. S. Survey No. 20285.

Together with all the dips, spurs and angles, and also all the metals, ores, gold, and silver bearing quartz, rock and earth therein, and all the rights, privileges, and franchises thereto incident, appendant and appurtenant, or therewith usually had and enjoyed; and also all and singular the tenements, hereditaments and appurtenances thereto belonging, or in anywise appertaining, and the rents, issues, and profits thereof; and also all the estate, right, title, interest, property possession, claim and demand whatsoever, as well in law as in equity of the said party of the first part, of, in or to the said premises, and every part and parcel thereof, with the appurtenances; and the said EARL W. KNIGHT, JR., and NORMAN L. JONES, parties of the first part, for themselves and their heirs, executors, and administrators, do hereby covenant with the said party of the second part, its heirs and assigns; that the said parties of the first part at the request of the said party of the second part, its heirs or assigns, shall and will from time to time, and at all times hereafter, execute, acknowledge and deliver, or cause to be executed, acknowledged, and delivered, all and every such further and other acts, conveyances and assurances in the law for the better assuring the said party of the second part, its heirs and assigns, of the premises, in manner as above conveyed or mentioned, and intended to be conveyed, as by the said party of the second part, its heirs and assigns, or its counsel learned in the law, shall be reasonably advised and required.

TO HAVE AND TO HOLD, all and singular, the said premises, together with all the appurtenances and privileges thereto incident, unto the said party of the second part, its heirs and assigns forever.

IN WITNESS WHEREOF, the said parties of the first part have hereunto set their hands and seals the day and year first above written.

Earl W. Knight Jr
Earl W. Knight, Jr.

Norman L. Jones
Norman L. Jones

STATE OF COLORADO)
CITY AND COUNTY : SS.:
OF DENVER)

The foregoing instrument was acknowledged before me this 5th day of November, 1956, by EARL W. KNIGHT, JR., and NORMAN L. JONES.

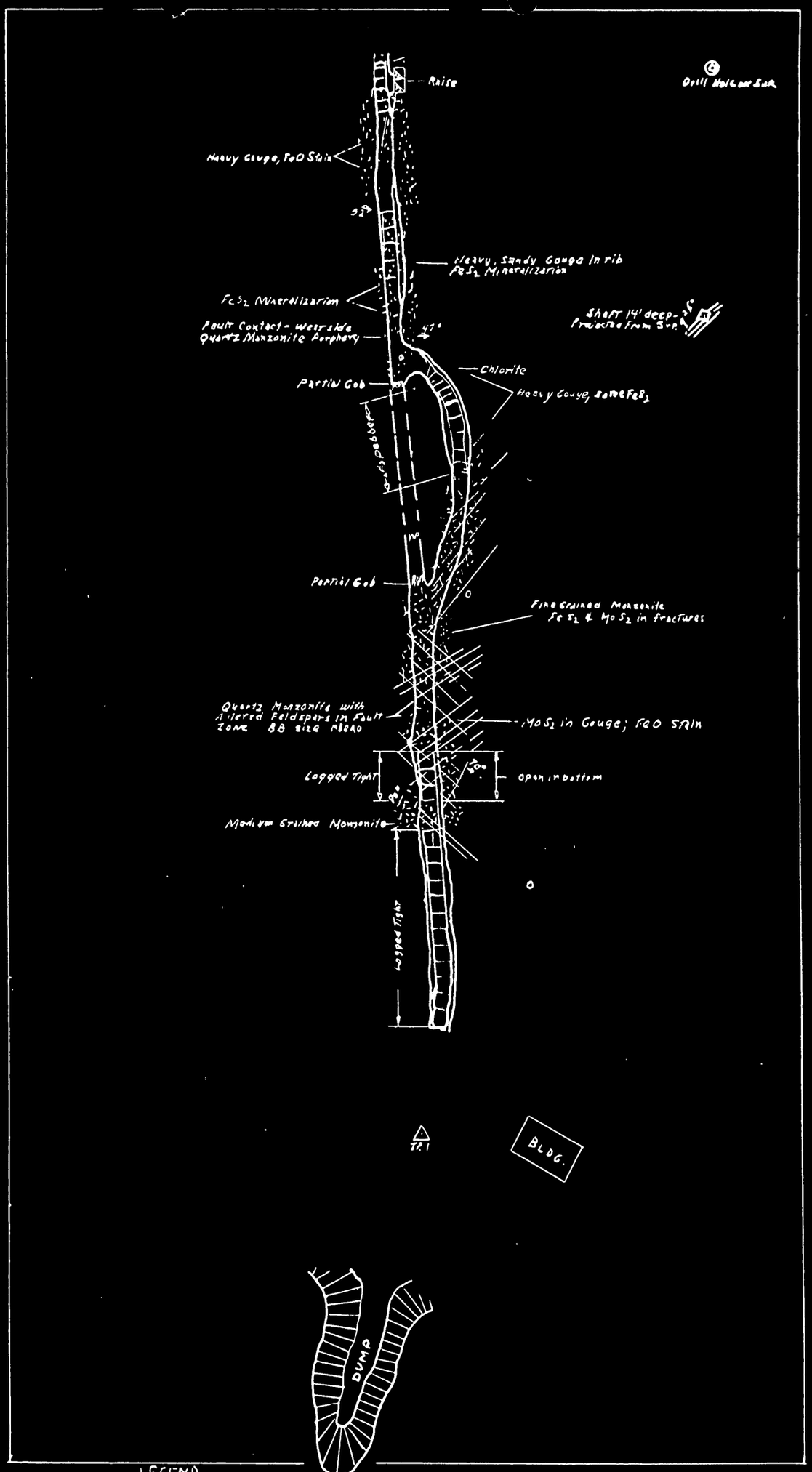
Wm J. Bruce
Notary Public

My Commission expires October 1, 1957
My commission expires

OFFICIAL FILE COPY
D N E A
RECEIVED JUN 7 1957

DATE	INI	CODE

PHOTOCOPY
FOR EXTRA
JUN 11 1957
PICK PHOTOGRAPH & BLUEPRINT CO.
1015 - 17th ST.
CERTIFIED ON REQUEST



LEGEND

Fault

Alteration

Jointing

Chlorite

Quartz Monzonite

Mineralization

N

GEOLOGICAL MAP
of the
NEW YORK MINE

BRECKENRIDGE, COLORADO
Scale 1" = 50' Jan, 1957

COLORADO EXPLORATION CO

DMEA-4765

Docket copy

PROJECT SUMMARY REPORT

By: J. W. Alt December 23, 1959

1. Docket No. DMEA-4765 (Lead-Zinc-Copper)
   Contract No. Idm-E1175

   Operator: The Knight Mining Corporation
   2432 Grove Street
   Denver, Colorado

   Property: New York Claims
   Summit County
   Colorado

   Operator's Property Rights - Owner

2. Contract, Form MF-200 (June 1954) dated March 6, 1958.
   Work to start on or before April 15, 1958.
   Work to be completed within 12 months from date of contract.

Description of the Work

The purpose of the project is to explore for ores of lead, zinc, and copper by trenching, and by diamond drilling from surface and underground locations.

Stage I

Excavate a trench to bedrock approximately 1,200 feet in length.

Stage II

Diamond drill 2,000 feet from surface and underground, in not to exceed eight holes.

Estimated Costs

Stage I

Category (1) Independent Contracts	
60 hours bulldozing @ $12/hr.	$720.00
Category (2) Supervision and Technical Services	
(a) and (b) one supervising engineer-geologist @ $600 monthly, 1/4 month	150.00
Estimated total cost of Stage I	$870.00

Stage II

Category (1) Independent Contracts		
A. Overburden drilling and driving pipe 60 feet @ $12/ft.	$720.00	
2,000 feet diamond drilling @ $6.75/ft	13,500.00	
200 feet reaming and casing @ $3.50/ft.	700.00	
200 feet cementing and redrilling @ $3.00/ft.	600.00	
B. 20 hours bulldozing for drill sites and roadways @ $3.00/ft.	240.00	
C. Two underground drill stations excavated @ $300/each	600.00	$16,360.00
Category (2) Personal Services		
(a) and (b) Supervision and Technical Services		
One supervising engineer-geologist @ $600/month for 4 months		2,400.00
Category (3) Operating Materials and Supplies		
180 cardboard core boxes @ $1.25 ea.	$225.00	
Gas and oil (for truck and compressor)	305.00	530.00
Category (4) Operating Equipment		
(c) Depreciation	$120.00	120.00
Category(7) Miscellaneous		
Assaying, 20 samples @ $5.00/sample	$100.00	100.00
Estimated total cost of Stage II		19,510.00

SUMMARY

Estimated total cost of Stage I	$870.00	
Estimated total cost of Stage II	19,510.00	
Estimated total cost of project		$20,380.00
Government's participation, 50%		$10,190.00

Amendments

No. 1. Agreed April 18, 1958, the time to commence work is extended from April 15, 1958 to May 15, 1958

Work Completed

Stage I

Bulldozing trench approximately 1,200 feet - 60 hours @ $12.00/hr.	$720.00
Supervision and technical services, 1/4 month	150.00
Total cost, Stage I	$870.00

Stage II

Bulldozing drill sites, 20 hours @ $11.00/hr.	$220.00
Overburden drilling, 76 feet @ $12.00/ft.	912.00
Diamond drilling, 987 feet @ $6.75/ft.	6,662.25
Cementing and redrilling, 895 feet @ $3.00/ft.	2,415.00
Reaming and casing, 189 feet @ $3.50/ft.	661.50
Incidental costs: Supervision, gas and oil, depreciation, sample assays, core boxes	2,688.50
Total cost, Stage II	$13,559.25
Total cost, Stages I and II	$14,429.25

Final Reports

Operator's final report, dated September 21, 1959, received September 28, 1959.

Field Team final report, dated November 27, 1959, received December 11, 1959.

Work on the project under the terms of the contract was commenced early in May 1958 and work was suspended early in December 1958. Effective March 6, 1959, the contract was mutually terminated.

3. Audit Report of Review, made in lieu of final audit dated October 1, 1959.

Total cost as billed by contractor	$14,884.09
Exceptions	- 454.84
Total accepted cost	$14,429.25
Government participation @ 50%	$7,214.62

4. Certification of discovery: None issued.

5. Comments:

Weather conditions prevented the Operator from starting to work on or before April 15, 1958, as stipulated in the contract. Numerous difficulties were encountered in performing the work.

The ground was found to be badly fractured which necessitated extensive reaming and casing of the holes and redrilling. Core recovery was poor. The Operator had difficulty in maintaining drillers on the job.

The completed work consisted of excavation of a 1,200-foot surface trench, preparation of drill sites, and drilling of five diamond drill holes from the surface aggregating 987 feet.

The results of the drilling were almost negative and the work performed did not result in the discovery of a significant quantity of lead-zinc-copper ore. The Field Team does not recommend a certification of discovery.

Additional exploration work on this property with Government financial assistance is not warranted.

J. W. Alt

x x x

JWAlt:kb - December 23, 1959
Copy to: Docket
Director's reading file
Mr. Alt
Chron.

MME Form 17
Mar. 59

OFFICE OF MINERALS EXPLORATION

WORK COMPLETED ANALYSIS

___ Certified

After final audit or review report is received, prepare in duplicate. File original in official docket. Send copy to Code 210.

Operator: The Knight Mining Corporation

Actual Cost: $20,380.00

State: Colorado

Commodity: Lead-Zinc-Copper

Agreed Unit Cost:

Final Report of Audit:

Docket No.: DMEA-4765

Final Report of Review: October 1, 1959

Contract No.: Idm-I 1,175

Type of Work (Use these categories only)	Authorized by Contract and Amendments		Completed and Paid for		Net cost after sale of Gov't. Property
	Units	Cost 1/	Units	Cost 1/	
Bulldozing - Stage I - Trenching	60 hrs.	$ 720.00	60 hrs.	$ 720.00	
~~Drilling and Prospecting~~ Stage II - Roads & Drill Sites	20 hrs	240.00	20 hrs.	220.00	
Stage II - Diamond Drilling BX or larger ~~Raising~~ Overburden drilling	60'	720.00	76'	912.00	
~~Shafts~~ Stage II Diamond Drilling	2,000'	13,500.00	987'	6,662.25	
~~Winzes~~ Stage II - Reaming & Casing	200'	700.00	189'	661.50	
~~Drilling~~ (~~Specify~~) Stage II - Cementing & Redrilling	200'	600.00	805'	2,415.00	
~~Surface Excavation~~ Stage II - Operating Equipment - Compressor Depreciation		75.00			
~~Underground Excavation~~ Stage II 2 Underground Drill Sta.		600.00			
~~Roads and Trails~~ Stage II - Supervision		150.00	1/4 mo.	150.00	
~~Operating Equipment Purchased~~ Stage II Supervision		2,400.00	4 mo.	2,354.90	
~~Surface Rehabilitation & Repairs~~ Stage II - Operating Equip. Deprec. Truck		45.00		45.00	
~~Underground Rehabilitation~~ Stage II - Materials & Supplies - Core Boxes		225.00	51	63.75	
~~New Buildings, Improvements, etc.~~ Stage II - Materials & Supplies. Gas & Oil		305.00		104.85	
~~Other (Specify)~~ Stage II - Assaying 20 Samples		100.00		120.00	
Totals		$ 20,380.00		$ 14,429.25	2/

1/ Round off to dollars.
2/ Net cost total must agree with final report of audit or review.

Prepared by J. W. [illegible] Date 1/14/60

52616

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
3/22	[illegible]	500
	[illegible]	500
	[illegible]	800
3/29	On leave	120
3/29	Johnson	110
3/29	gad	220
		225

Hold until 3/28/60

MAR 29 1960

Mr. N. L. Jones
Vice President
The Knight Mining Corporation
2432 Grove Street
Denver, Colorado

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

Dear Mr. Jones:

Reference is made to your terminated exploration contract with the Government.

We sincerely regret that the work performed did not result in a certification of discovery or development under the provisions of the contract. In the absence of such certification, the Government retains no claim or lien against the property subject to the contract or any future production therefrom. We, therefore, are closing our books and records on this project. Your attention, however, is called to the provisions of the contract which require the operator to keep and preserve certain records for the period indicated.

We appreciate your interest and participation in the DMEA exploration program.

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Director

JWAlt/gla
3-22-60
cc to: Director's Reading File
CA&A Division
OME Field Team, Region III (2)
Docket
Chron
Code 500

43683

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Building 20 - Federal Center
Denver 25, Colorado
December 2, 1959

OFFICIAL FILE COPY
O. M. E.
RECEIVED DEC 7 1959

DATE	INITIALS	CODE
12-7	gad	220
12-7	[illegible]	130
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12-11	[illegible]	130
12-11	gad	220
"	[illegible]	110
12/14	[illegible]	800

500-a.

Memorandum

TO: Chairman, Operating Committee, OME

From: 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 - FINAL SUMMARY REPORT

Enclosed are the original and two copies of a Joint Final Engineering and Geologic Report dated November 27, 1959, by F. B. Moore, Geologist, Geological Survey, and T. M. Romslo, Mining Engineer, Bureau of Mines, pertaining to work completed under the subject contract. The original and two copies of the Operator's final report were forwarded by memorandum of September 23, 1959.

The contract was terminated before performance of all work originally provided for by a Termination Agreement dated June 30, 1959, which was made effective March 6, 1959. Final payment to the Operator was processed by this office October 9, 1959, in conformance with the Report of Review of reported project costs by the Contract Administration and Audit Division, OME, dated October 1, 1959.

The acceptable exploration work completed under the contract consisted of the expenditure of 20 hours of Bulldozer time preparing drill sites, 76 ft. of overburden drilling, 987 ft. of diamond drilling, purchase of 51 core boxes, and the analyses of 24 samples. Extremely fractured ground was encountered in the diamond drilling which necessitated 189 ft. of reaming and casing of holes and 805 ft. of cementing and redrilling of hole. The total accepted cost of work was $14,429.25 toward which the Government contributed 50 percent or $7,214.62.

The exploration work performed did not result in the discovery or development of a significant quantity of lead-zinc-copper ore; therefore, certification of the project is not recommended.

By J. W. Townsend
J. W. Townsend
Executive Officer

Reviewed by
OME OPERATING COMMITTEE
12-11-59
(date)

OFFICIAL FILE COPY
O. M. E.
RECEIVED DEC 7 1959

DATE	INITIALS	CODE
12-11	JHB	130
		220

UNITED STATES
DEPARTMENT OF THE INTERIOR
FRED A. SEATON, SECRETARY

OFFICE OF MINERALS EXPLORATION
REGION III

DMEA 4765

Contract Idm-E 1175

Knight Mining Corporation

New York Claims

Summit County, Colorado

Lead-Zinc-Copper-Molybdenum

Joint Final Engineering and Geologic Report

by

F. B. Moore, Geologist
Geological Survey

T. M. Romslo, Mining Engineer
Bureau of Mines

Reviewed by
OME OPERATING COMMITTEE
12-11-59
(date)

November 27, 1959

CONTENTS

	Page
Introduction and summary	1
The Project Work	2
Geology, Ore Deposits, and Ore Reserves	3
Conclusions and Recommendations	5

ILLUSTRATIONS

Figure	Follows page
1. Location map of New York claims (Knight Mining Corporation), Summit County, Colo., DMEA 4765	1
2. Claim map showing generalized geology, mine workings, and locations of completed Stage 1 & 2 exploration	6

TABLES

Number	Page
1. Summary of authorized and accepted work and costs	6

DMEA 4765
Contract Idm-E 1175

KNIGHT MINING CORPORATION
NEW YORK CLAIMS
SUMMIT COUNTY, COLORADO

INTRODUCTION AND SUMMARY

The Knight Mining Corporation, 2432 Grove Street, Denver, Colorado, applied June 12, 1957, for Government financial assistance in exploration work under the program of the Defense Minerals Exploration Administration to explore for lead, zinc, copper, and molybdenum on the New York claims near Breckenridge in Summit County, Colorado (fig. 1). The proposed exploration work consisted of surface plant construction and diamond drilling at a total estimated cost of $25,000.00.

The New York claims, also known as the New York mine, were examined on August 1, 1957, by Frank B. Moore, geologist, U. S. Geological Survey, and Edward W. Buel, mining engineer, U. S. Bureau of Mines, in the company of Earl W. Knight, Jr., the applicant's representative.

The examining engineer recommended that the application be denied. However, the examining geologist contended that the property merited Government assistance in exploration work and recommended a three-stage program consisting of surface trenching and diamond drilling from the surface and underground from the New York tunnel at a total estimated cost of $21,088.77.

Contract No. Idm-E 1175 dated March 6, 1958, was executed which provided for a two-stage exploration program consisting of bulldozing a

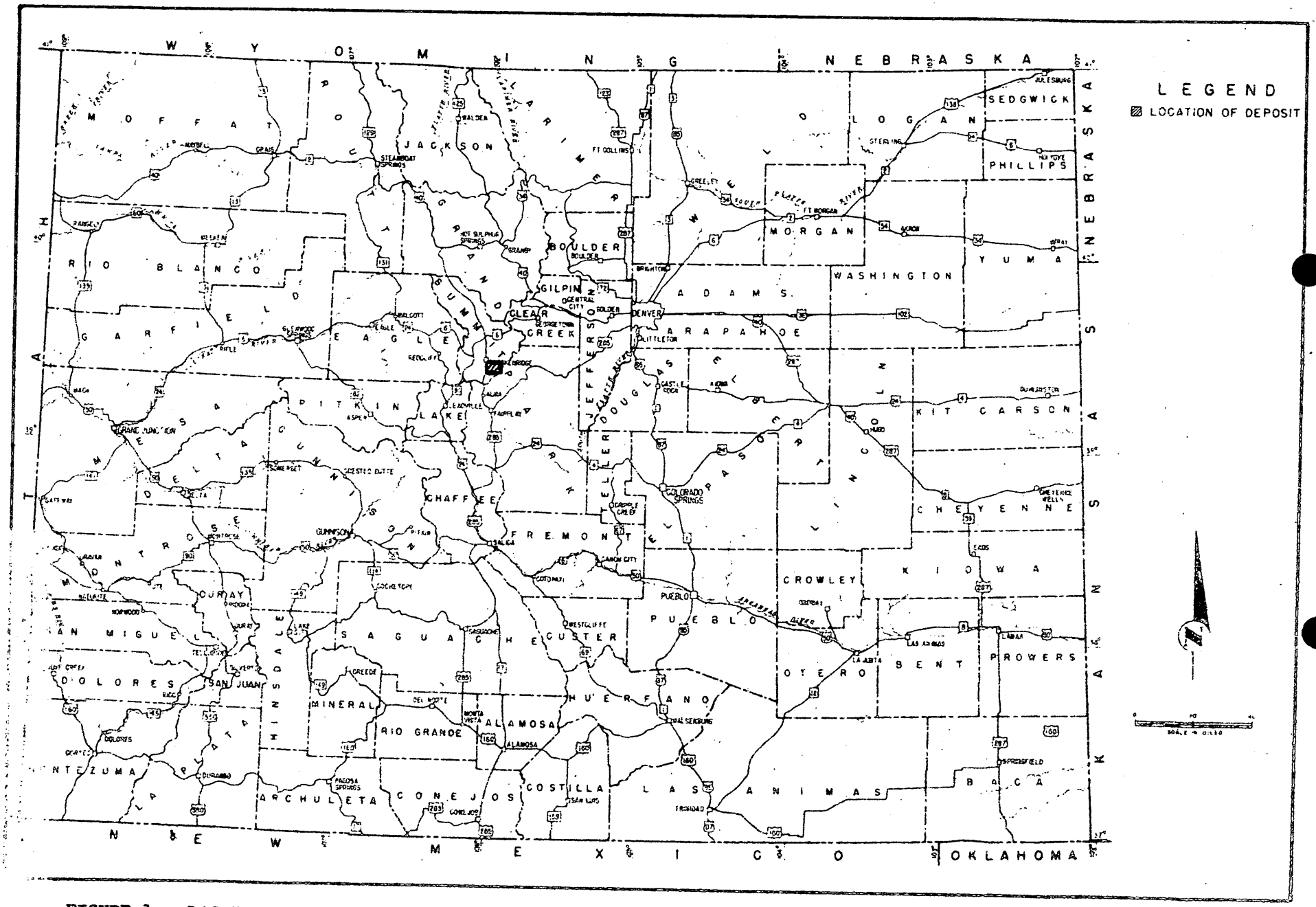

FIGURE 1 - LOCATION MAP OF NEW YORK CLAIMS, (KNIGHT MINING CORPORATION), SUMMIT COUNTY, COLO. DMEA 4765

surface trench some 1,200 feet in length and 2,000 feet of surface and underground diamond core drilling at a total estimated cost of $20,380.00 toward which the Government would contribute 50 percent or not to exceed $10,190.00.

Accepted work completed under the contract consisted of excavation of a 1,200-foot surface trench, preparation of drill sites, and drilling of five diamond drill holes from the surface aggregating 987 feet. The total accepted cost of the work, subject to final audit, was $14,429.25 with Government participation at 50 percent being $7,214.62. Details of the accepted work and incidental costs are shown in table 1.

THE PROJECT WORK

Weather conditions prevented the operator from starting the work on or before April 15, 1958, as stipulated in the contract; therefore, Amendment No. 1 was executed to extend the starting date from April 15, 1958, to May 15, 1958. Work was commenced early in May 1958 and was continued with numerous interruptions to early in December 1958 when it was suspended so that the operator could rehabilitate the New York tunnel at his expense in order to formulate plans for underground diamond drilling from the tunnel.

The results of work performed were unfavorable, and since the operator failed, after repeated requests, by the Government, to submit a proposal for additional drilling the contract was terminated effective March 6, 1959, by a Termination Agreement dated June 30, 1959.

Work completed consisted of excavating a surface trench about 1,200 feet in length and the drilling of five surface diamond core drill holes aggregating 987 feet. Details of the accepted work completed and related or incidental costs are given in table 1.

Numerous difficulties were encountered by the operator in performing the work.

The ground was found to be badly fractured which necessitated extensive reaming and casing of the holes or cementing and redrilling. Core recovery was poor. The operator had difficulty in maintaining drillers on the job.

GEOLOGY, ORE DEPOSITS, AND ORE RESERVES

The New York claims are on the south side of Gibson Hill which is underlain by sedimentary rocks of the Maroon, Morrison, Dakota, and Benton formations. The sedimentary rocks are cut by Tertiary monzonite and quartz monzonite porphyry in the form of sills and small stocks.

The Maroon formation consists of 600 to 900 feet of conglomerates, grit, and red micaceous shale. The shale is more common in the upper part of the section.

The Morrison formation consists of 200 to 300 feet of sandstone and dark gray to maroon shale containing local limy beds. The lithology of the Morrison is extremely varied in detail. The Morrison shales can be distinguished from the Maroon shales by lack of visible mica and from the Dakota shales by a reddish tinge.

The Dakota formation on Gibson Hill is about 125 feet thick and is composed of three members, an upper and lower quartzite member separated by a dark-gray to black shale member.

Above the Dakota quartzite is a black fissile shale of the Benton formation. The Benton, which contains limestone beds, is about 350 feet thick.

The sedimentary beds on Gibson Hill dip northerly at moderate angles of 15 to 25°. A series of north-northeast to northeast-trending faults cut and displace the beds. In general, the faults appear to step the beds down on the east side. In the New York tunnel many northerly- to northeasterly-trending faults can be seen; on a sublevel, 20 feet above the adit, three northerly-trending faults displace the ore beds by amounts of 1 to 7 feet with the east side down in each case.

The lead-zinc-silver deposits on Gibson Hill are blanket-type deposits mostly in favorable beds of the Dakota formation and, to a lesser extent, in the Maroon formation. In the New York tunnel lead-zinc sulfides are found in 1-foot thick beds in what is believed to be the Morrison formation. Rocks exposed in the tunnel other than porphyry include quartzitic sandstone, black shale, and either limestone or limy shale. Galena, sphalerite, pyrite, and chalcopyrite replace sandstone shale and probably limestone beds. Small amounts of molybdenite coat fractures and joints at several places. The area explored by the tunnel is intensely fractured. Because of the large number and variation in strike and dip of the fissures, no particular set could be recognized

which might have controlled ore deposition. However, northeasterly-trending fissures are most abundant and are believed to be the most likely set for control of ore deposition. An east-dipping north-trending set probably related to the large faults shown on figure 2 is post mineral.

The New York mine has no calculable ore reserves.

CONCLUSIONS AND RECOMMENDATIONS

Exploration work completed under the current contract did not result in the discovery of any significant ore reserves. It is therefore recommended that no further funds under Government participation be expended and that the contract be terminated without certifying any discovery or development.

Table 1.--Summary of authorized and accepted work and costs

Item	Authorized work and costs: Units	Unit cost	Total est. cost		Accepted work and costs **: Units	Unit cost	Total cost	
Stage I								
Actual cost basis								
Category (1)								
Bulldozing trench approx. 1,200 ft.	60 hrs.	$ 12.00 hr.	$ 720.00		60 hr.	$ 12.00 hr.	$ 720.00	
Supervision & tech. serv.	¼ mo.	600.00 mo.	150.00		¼ mo.	600.00 mo.	150.00	
Total Stage I								$ 870.00**
Stage II								
Actual cost basis								
Category (1)								
Bulldozing drill sites	20 hrs.	12.00 hr.	240.00		20 hr.	10.00 hr. $11.00	220.00	
Overburden drilling	60 ft.	12.00 ft.	720.00		76 ft.	12.00 ft.	912.00	
Diamond drilling	2,000 ft.	* 6.75 ft.	13,500.00		987 ft.	6.75 ft.	6,662.25	
Reaming & casing	200 ft.	* 3.50 ft.	700.00		189 ft.	3.50 ft.	661.50	
Cementing and redrilling	200 ft.	* 3.00 ft.	600.00		805 ft.	3.00 ft.	2,415.00	
Drill station excavation	2 ea.	300.00 ea.	600.00		--	--	--	
Supervision & tech. serv.	4 mo.	600.00 mo.	2,400.00		4 mo.	586.12 mo.	2,354.90	
Core boxes (cardboard)	180 ea.	1.25 ea.	225.00		51 ea.	1.25 ea.	63.75	
Gas & oil for truck & compressor	--	--	305.00		--	--	104.85	
Compressor depreciation	1½ mo.	50.00 mo.	75.00		--	--	--	
Pickup depreciation	1½ mo.	30.00 mo.	45.00		1½ mo.	30.00 mo.	45.00	
Sample analyses	20 samples	5.00 ea.	100.00		24 samples	5.00 ea.	120.00	
Drill holes	8 ea.	--	--		5 ea.	--	--	
Total Stage II				$19,510.00				$13,559.25**
Total Stages I and II				$20,380.00				$14,429.25**
Government participation at 50%				$10,190.00				$ 7,214.62**

* Maximum average unit cost.
** Subject to final audit.

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
10/5	alley	800
10/5	C	220
		500

OCT 5 1959

Memorandum

To: Mr. Donald T. Finch, OME Auditor

From: E. D. Talbert, Acting Chief (Signed) E. D. Talbert
Contract Administration and Audit Division

Subject: Docket No. DMEA-4765 (Lead-Zinc-Copper)
The Knight Mining Corporation
Contract No. Idm-E1175

Your Report of Review in lieu of final cost audit on the subject contract is acceptable and normal distribution is authorized.

AMAlley/ama
October 5, 1959

Copy to: Docket
Director's Reading File
CA & A Division

43683

OFFICIAL FILE COPY
O. M. E.
RECEIVED SEP 28 1959

DATE	INITIALS	CODE
9-28	gad	VVO
9/28	[illegible]	800
9/29	[illegible]	500

Building 20 - Federal Center
Denver 25, Colorado

September 25, 1959

Memorandum

TO: Donald T. Finch, OME Auditor, Region III

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. DMEA 4065 (Lead-Zinc-Copper) Contract No. Ida-K1175
Knight Mining Corporation (New York Claims) Summit County, Colo.

The subject contract was terminated by mutual agreement, effective March 6, 1959. A copy of the executed Termination Agreement is enclosed for your records.

The Operator has rendered a Final Engineering and Geologic Report and a final accounting as required by the contract; therefore, final payment of the Operator's account is in order, contingent on release to this office of a Certificate and Report of Audit, or Report of Review of reported project costs whichever the case indicates.

All work under the contract was completed on an "Actual Cost" basis.

An aggregate sum of $475 was withheld from reimbursement to the Operator in processing the November-December 1958 accounting report, and the supplementary accounting report for the same period, which was submitted at a later date.

Original signed by

J. W. Townsend

JWT:ltm

cc: Chmn. Op. Comm. (2)
Hasler
Corres. file, Reg. III
Supp. file
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
WASHINGTON 25, D. C.
Building 20 - Federal Center
Denver 25, Colorado

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RECEIVED SEP 28 1959

DATE	INITIALS	CODE
9-28	gad	VVO
9/28	[illegible]	800
~~9/29~~	~~[illegible]~~	~~500~~

September 23, 1959

Memorandum

TO: Chairman, Operating Committee, OME

From: Executive Officer, OME 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

Enclosed are the original and one copy of a final report submitted by a Consulting Geologist for the Operator.

It is recommended that the final report be accepted as complying with contract requirements.

J. W. Townsend

Enclosures

W.O.

MELBYE & MERWIN

MINING GEOLOGICAL AND GEOPHYSICAL ENGINEERS

OFFICIAL FILE COPY
O. M. E.
RECEIVED SEP 28 1959

DATE	INITIALS	CODE
	CHARLES E. MELBYE	
	STUART S. MERWIN	

September 21, 1959

Mr. J. W. Townsend
OME Field Team, Region III
Office of Minerals Exploration
224 New Customhouse
Denver 2, Colorado

Re: Docket No. DMEA 4765
Contract No. IDM-E1175
Knight Mining Corp.
Summit County, Colorado

Dear Mr. Townsend:

Enclosed are five copies of the final report . I trust it includes all the information you need.

If further data is needed to complete this contract, I should be pleased to assist in any way possible.

Very truly yours,

Charles E. Melbye

Charles E. Melbye
Consulting Geologist
Acting for Knight Mining Company

M/am

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

Operator's Final Report

FINAL REPORT

DRILLING PROGRAM - NEW YORK MINE

KNIGHT MINING COMPANY

Docket No. 4765

Contract No. IDM - E 1175

September 21, 1959

The program was commenced on June 1, 1958 with Drill Hole #2, since the drill road to Hole #1 necessitated additional bulldozer work to permit bringing in the drill. The original contract was with Golden Drilling Company, Golden, Colorado, but because of the extreme brecciation of the rock and difficult drilling with subsequent financial loss, 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 first hole on September 8, 1958. From that time on, drilling, although slow, was carried on without interruption until November 13, 1958, when winter weather forced a shutdown of operations. Total footage is as follows:

	Inclination	Depth
Hole No. 1	Vertical	200'
Hole No. 2	"	271'
Hole No. 3	"	170'
Hole No. 4	-57° - $N80^{\circ}W$	230'
Hole No. 5	Vertical	206'
	Total	1077'

Each of the holes were collared in either the upper quartzite or middle shale members of the Dakota formation since they represent the most favorable portion of the formation for ore deposition, based on experience at nearby mines such as the Detroit. In every instance, the holes were bottomed well into the Morrison formation, (from 40-112 feet) although in Hole #1 the actual lithology at the bottom was quartz monzonite porphyry, which had cut out a great thickness of Morrison formation. From one to five monzonite or quartz monzonite porphyry sills, ranging from one to over 40 feet in thickness, were intersected in each hole.

Because of these numerous porphyry sills, as well as many faults or breccia zones, the rock was all highly shattered and hydrothermal alteration of the porphyry was usually strong to intense. All sedimentary lithologies were highly silicified.

Mineralization, although present at numerous locations, was disappointing in that it consisted mainly of pyrite and specular hematite. Concentrations of these two minerals almost invariably contained silver values in small amounts, and small amounts of gold, copper, lead and zinc were found less consistently. The highest concentrations of sulphides were present in fault zones at or near the Dakota-Morrison contact, and the best values occurred at this horizon in Hole #2 where the interval 164'-165' contained 60-70% sulphides, which assayed .09 oz Au, 2.25 oz. Ag and 4.75% Cu. The highest gold values were also in the same hole from 180'-185', assaying 0.12 to 0.16 oz Au. Highest zinc values were found in Hole #4 from 195'-201' which averaged 2.78% Zn. (See following assay tabulation.) The fault zone from 106'-171' in Hole #4 contained the most interesting mineralization, although again it was mostly pyrite, limonite and specular hematite, as shown by the assays. For final hole locations, a copy of the 200 scale map is attached.

Drilling progress, during the period with Boyle Bros. Drilling Company, averaged 12 feet per day. Core recovery averaged 41%. No attempt will be made to average the cementing time, since the writer is not aware of the final cementing time billing agreed upon between representatives of Boyles Bros., Knight Mining Co., and the government. It should be mentioned, however, that the extreme fractured ground required more cementing than anything ever previously encountered by the writer in numerous diamond drilling programs. Coring in all holes was started with NX and finished with BX size. Half of the core and the sludge from each mineralized interval were assayed.

In summation, no economic ore deposits were found under the exploration contract.

Respectfully submitted,
MELBYE AND MERWIN

Charles E. Melbye

Charles E. Melbye
Consulting Geologist Acting for
Knight Mining Company

ASSAY TABULATION

Hole No.	Depth	Type	Oz.Au	Oz.Ag	% Cu	% Pb	% Zn
1	110'-115'	S	.01	Tr	.10	.35	.10
	115'-120'	S	.01	.15	Tr	.35	Tr
2	43'-5'	C	Tr	Tr	Tr	.10	Tr
	46'-7'	C	.01	.17	Tr	Tr	Tr
	101'-2.5'	C	.02	3.24	.15	.09	Tr
	100'-5'	S	.10	.54	Tr	Tr	Tr
	164'-5'	C	.09	2.25	4.75	.10	.10
	160'-5'	S	.02	.36	Tr	.15	.10
	175'-80'	S	.04	.28	Tr	.10	.25
	181'-2'	C	.12	.18	Tr	.10	.10
	180'-5'	S	.16	.30	Tr	.10	.10
3	95'-100'	S	Tr	.06	Tr	Tr	Tr
	103(2")	C	Tr	Tr	Tr	Tr	Tr
	100'-5'	S	Tr	1.66	Tr	.17	Tr
	111.5'-15'	C	Tr	.08	Tr	Tr	Tr
	110'-15'	S	Tr	.08	Tr	Tr	Tr
	115'-20'	S	Tr	Tr	Tr	Tr	Tr
	122'(2")	C	Tr	.12	Tr	Tr	Tr
	120'-25'	S	Tr	Tr	Tr	Tr	Tr
	125'-27'	C	Tr	Tr	Tr	Tr	Tr
	125'-30'	S	Tr	Tr	Tr	Tr	Tr
4	60-62	C	Tr	.66	Tr	.11	Tr
	60-67	S	Tr	.07	Tr	Tr	Tr
	110'-15'	C	Tr	Tr	Tr	Tr	Tr
	110'-15'	S	Tr	.18	Tr	Tr	Tr
	117(2")	C	.02	1.01	Tr	1.40	Tr
	115-20	C	Tr	.T6	Tr	Tr	Tr
	125-30	C	Tr	.22	Tr	Tr	Tr
	125-30	S	Tr	.06	Tr	Tr	Tr
	137-39	C	Tr	.26	Tr	.35	Tr
	135-40	S	.01	.32	Tr	Tr	Tr
	142-44.5	C	Tr	.24	Tr	1.10	Tr
	140-45	S	.015	.68	Tr	.90	Tr
	146-50	C	.01	.52	Tr	Tr	Tr
	145-50	S	.01	.56	Tr	Tr	Tr
	150-55	S	.02	.66	Tr	.75	Tr
	150-55	C	Tr	.16	Tr	.45	Tr
	155-60	C	Tr	.12	Tr	.40	Tr
	155-60	S	.005	.30	Tr	Tr	Tr
	160-62	C	.005	.38	Tr	1.30	Tr
	195-201	C	.04	.32	Tr	.20	3.25
	195-200	S	.02	1.12	Tr	.10	2.30
	224-25	C	.01	.08	Tr	.15	.55
5	No Assays						

August 31, 1959

United States Department of the Interior
Office of Minerals Exploration
Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E.
RECEIVED SEP 8 1959

DATE	INITIALS	CODE
9-8	gad	770
		170
9-9	alt	500

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

Attention: J. W. Townsend
Executive Officer, OME
Field Team, Region III

Dear Sir:

In reference to your letter of August 24th regarding the Operator's final report, please be advised that this report is being in the process of being made up.

As soon as same is completed, which should be within the next two weeks, it will be forwarded to you.

Thank you for your consideration in this matter.

Very truly yours,

KNIGHT MINING CORPORATION
2432 Grove Street
Denver, Colorado

David J. Lorenz

David J. Lorenz

DJL:a

9/2/59
Copy to
Chairman (2)
Hazlett
Susp.

OME
DEPARTMENT OF THE INTERIOR
SEP 1 1959
REGION III
DENVER, COLORADO

6-95 (Revised)
(April 1955)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

REFERENCE SLIP

Route to:	Name	Room
1.	Chairman, Operating Committee OME (2)	
2.		
3.		
4.		
5.		

For:

..... Action	✓ Record of .....
..... Approval	..... Referring to .....
..... Comment	..... Reply for signature of .....
..... Conference	..... Rewriting
..... Consideration	..... See or call me
..... Filing	..... Signature
..... Initials	..... Suggestions
..... Instructions	..... Surname
..... Investigation	..... Your information
..... Mailing	
..... Note and return	
..... Previous correspondence	
..... Recommendation	

Remarks:

Replaces prior letter to operator dated August 20, 1959

DMRC 4765

From (Name) [illegible signature] Date 8/24/59

Division—Office—Address

Ext: Room:

☆ U. S. GOVERNMENT PRINTING OFFICE : 1957—O-416832

OFFICIAL FILE COPY		
RECEIVED Aug 27 1959		
DATE		
8-27	gad	270
		~~170~~
8/27	GEF	800
~~8/28~~	~~Transmitted~~	~~800~~

Building 20 - Federal Center
Denver 25, Colorado

August 24, 1959

Mr. David J. Lorenz
Secretary-Treasurer
Knight Mining Corporation
3432 Grove Street
Denver, Colorado

Re: Docket No. DMEA 6765 (Lead-Zinc-Copper)
Contract No. Idm-50175
Knight Mining Corporation
(New York Claims)
Summit County, Colorado

Dear Mr. Lorenz:

Supplementing my letter to you of July 29, 1959, the procedure of closing DMEA accounts is as follows:

Amounts are withheld from reimbursement to an Operator in processing the last accounting report or reports pending receipt of the Operator's final report, as provided for in the contract.

When the Operator's final report is received, the account is scheduled for an audit of reported project costs by an auditor of the Contract Administration and Audit Division, OME. Upon release of the Report of Audit to this office, final payment is made to the Operator in conformance with audit findings.

The sum of $230 was withheld from reimbursement to you in processing your accounting report for the period of November--December, 1958, and an additional $225 was withheld from reimbursement to you in processing the Supplementary Accounting Report for the same period.

In line with the above information, to expedite final payment to you, you should promptly submit the required five copies of your final engineering and geologic report pertaining to work completed under the contract.

So that we can formulate plans regarding scheduling of the final audit, please advise the date on or before which we can expect to receive your final report.

Very truly yours,

Original signed by

J. W. Townsend
Executive Officer, OME
Field Team, Region III

JWT/cg

cc: Chmn. Op. Comm. (2)
Hasler
Finch
Fin. Rept. file, Reg. III
Corres. file
Susp. file
Chron.

Ay to 800

OFFICIAL FILE COPY
O. M. E.
RECEIVED AUG 24 1959

DATE	INITIALS	CODE
8/24	gad	VVO
		IVO
		~~800~~
cc	Received	VOO

Building 20 - Federal Center
Denver 25, Colorado
August 20, 1959

Mr. David J. Lorenz
Secretary-Treasurer
Knight Mining Corporation
5432 Grove Street
Denver, Colorado

DMEA-4765
E1175

Dear Mr. Lorenz:

Supplementing my letter to you of July 29, 1959, the procedure of closing DMEA accounts is as follows:

Amounts are witheld from reimbursement to an Operator in processing the last accounting report or reports pending receipt of the Operator's final report, as provided for in the contract.

When the Operator's final report is received, the account is scheduled for an audit of reported project costs by an auditor of the Contract Administration and Audit Division, OME. Upon release of the Report of Audit to this office, final payment is made to the Operator in conformance with audit findings.

The sum of $250 was withald from reimbursement to you in processing your accounting report for the period of November--December, 1958, and an additional $225 was withald from reimbursement to you in processing the Supplementary Accounting Report for the same period.

In line with the above information to expedite final payment to you, you should promptly submit the required five copies of your final engineering and geologic report pertaining to work completed under the contract.

So that we can formulate plans regarding scheduling of the final audit, please advise the date on or before which we can expect to receive your final report.

JWT/cg

Very truly yours,

Original signed by

J. W. Townsend
Executive Officer, OME
Field Team, Region III

cc: Chmn. Op. Comm. (2)
Hasler
Finch
Fin. Rept. file, Reg. III
Corres. file
Susp. file
Chron.

OFFICIAL FILE COPY
O. M. E.
RECEIVED AUG 5 1959

DATE	INITIALS	CODE
8-7	gad	990
8-6	[illegible]	800
"	[illegible]	500

Building 20 - Federal Center
Denver 25, Colorado

July 29, 1959

Mr. David J. Lowenz
Secretary-Treasurer
Knight Mining Corporation
2452 Grove Street
Denver, Colorado

Re: Docket No. DMEA 4765 (Lead-Zinc-Copper)
Contract No. 16m-M1175
Knight Mining Corporation
(New York Claims)
Summit County, Colorado

Dear Mr. Lowenz:

As your final accounting report has been placed in line for reimbursement to you, your attention is directed to item 3 of the Termination Agreement relative to the rendering by you of a Final Engineering and Geologic Report pertaining to the work completed under the contract as provided for under Article 7(e) of the contract. We are desirous of closing this account at an early date; therefore, we will appreciate your prompt rendering of the original and four copies of the required final report.

Yours very truly,

Original signed by
J. W. TOWNSEND

J. W. Townsend
Executive Officer, OME
Field Team, Region III

JWT:ltm

cc: Chmn. Op. Comm. (2)
Finch
Final Rept. File, Reg. III
Corres. file, Reg. III
Susp. file
Chron.

OFFICIAL FILE COPY O. M. E. RECEIVED JUL 27 1959		
DATE	INITIALS	CODE
7/27	RCW	225
7/27		800
7-28		500

224 New Customhouse
Denver 2, Colorado

July 23, 1959

Mr. David J. Lorenz
Secretary-Treasurer
Knight Mining Corporation
2432 Grove Street
Denver, Colorado

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

Dear Mr. Lorenz:

Enclosed is the Operator's copy of the Termination Agreement which has been executed to terminate contract Idm-E1175, effective March 6, 1959.

Very truly yours,

Original signed by
J. W. TOWNSEND
J. W. Townsend
Executive Officer, OME
Field Team, Region III

Enclosure

JWT:ltm
cc: Chmn. Op. Comm. (2)) w/cpy Gov't
& Dkt of Term. Agree.
Finance Off. Reg. III) w/cpy of Term. Agree.
Hasler)
OME/DFC)
Corres. file)
Susp. file
Chron.

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUL 10 1959

DATE	INITIALS	CODE
7-10	gad	1-20
7/10	[illegible]	800
		500

224 New Customhouse
Denver 2, Colorado

July 2, 1959

CERTIFIED MAIL

Mr. David J. Lorenz
Secretary-Treasurer
Knight Mining Corporation
2432 Grove Street
Denver, Colorado

Re: Docket No. DMEA 4765 (Lead-Zinc-Copper)
Contract No. Ldm-X1175
Knight Mining Corporation
(New York Claims)
Summit County, Colorado

Dear Mr. Lorenz:

In conjunction with matter discussed in the last paragraph of my letter to you of May 20, 1959, enclosed are the Government's, Audit, Finance Office, and Field Team copies of a proposed Termination Agreement which has been prepared to terminate the contract effective March 6, 1959.

If the Termination Agreement is satisfactory, all copies are to be signed by an official of Knight Mining Corporation authorized to sign such an instrument, the signer's title inserted, the corporate seal affixed and all copies promptly returned to this office upon receipt of which the Operator's copy will be forwarded to you.

If the Termination Agreement is not satisfactory, all copies must be returned to this office immediately together with your comments on or objections to the Termination Agreement.

Very truly yours,

Original signed by
J. W. TOWNSEND

J. W. Townsend
Executive Officer, OME
Field Team, Region III

Enclosures

JWT:ltm

cc: Chmn. Op. Comm. (2)
Harshman
OME/DFC
Corres. file, Reg. III
Susp. file
Chron.

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
6/29	[illegible]	500
6/29	Talbot	800
	B/Griswold	130
6/30	Johnson	110
		~~100~~
		~~HB~~
		220
		500

500

JUN 30 1959

Memorandum

To: Executive Officer, OME Field Team, Region III

From: ACTING Chairman, Operating Committee

Subject: Docket No. LMSA-4765 (Lead-Zinc-Copper-Molybdenum)
Knight Mining Corporation
New York Claims
Summit County, Colorado
Contract No. Idm-E1175

With reference to your teletype of June 3, 1959, and our teletype reply of June 5, we are enclosing the original and four copies of a proposed Termination Agreement for the cited project, which have been signed by the Acting Director, for the Government. Also enclosed are two extra copies for the use of the Field Team.

If the agreement meets with your approval, kindly present it to the Operator for approval and signature and, when completed, distribute all the copies in the usual manner. Otherwise, and if anyproposed changes should lie beyond your delegated authority, all copies should be returned to us with your recommendations.

/s/

W. R. Griswold

(246)

Enclosures

APPROVED:

Frank D. Lamb (246)
Member, Bureau of Mines

Harold Kirkemo (246)
Member, Geological Survey

WRGriswold/er 6-29-59
Copy to: Docket
Dir Read File
Op. Committee
Mr. Bishop, USBM
Mr. Kirkemo, USGS
Chron.

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code

June 29, 1959

Memorandum for the Docket

From: Chief, Division of Base Metals

Subject: Justification for the Termination Agreement for
Docket No. DMEA-4765 (Lead-Zinc-Copper-Molybdenum)
Knight Mining Corporation
New York Claims
Summit County, Colorado
Contract No. Idm-E1175

The project, in Summit County, Colorado, was concerned with surface trenching and diamond drilling for both surface and underground locations. Total estimated cost was $20,380.00. 2,000 feet of diamond drilling was allowed in the contract.

Total expenditure claimed by Operator is $11,999.79, of which $8,170.79 has been approved. Probably most of the difference will eventually be approved when proper data is submitted.

Total work completed consisted of bulldozing the trench and 796 feet of drilling. Results have been completely negative and it appears to be to the best interest of the Government that the project be terminated.

W. R. Griswold

WRG/er
CC: Docket
Dir Read File
Chron.

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code

500

June 24, 1959

Memorandum

To: Associate Solicitor, Division of Minerals Resources

From: Chief, Division of Base Metals

Subject: Preparation of Termination Agreement for Docket No. DMEA-4765, Knight Mining Corporation, New York Claims, Summit County, Colorado, Contract No. Idm-E1175, Lead-Zinc-Copper-Molybdenum.

Will you kindly prepare a Termination Agreement along the following lines:

TERMINATION AGREEMENT

It is agreed this _____ day of _____, 1959, between the United States of America, acting through the Department of the Interior, Office of Minerals Exploration, hereinafter called the "Government", and the Knight Mining Corporation, hereinafter called the "Operator", parties to that certain Exploration Project Contract Idm-E1175, Docket No. DMEA-4765, dated March 6, 1958, hereinafter called the "Contract", that:

1. Effective March 6, 1959, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

2. The Government shall contribute only to the actual costs of work performed prior to said effective date.

3. The Operator shall promptly perform all winding-up and settlement actions provided for in the Contract including the rendering of the final report and final account.

4. All rights of the Government respecting certification of discovery or development, percentage royalty and liens to secure the payment thereof, reports (including preservation of the Operator's records) accounts, audits, and the right to recover any overpayment, are hereby preserved.

5. The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of said Contract, except as otherwise provided in this Termination Agreement.

In witness whereof, these parties have executed this agreement as of the day and year first above written.

THE UNITED STATES OF AMERICA

By_____
Acting Director, Office of
Minerals Exploration

THE KNIGHT MINING CORPORATION
By
~~Title~~_____

Title_____

W. R. Griswold

W. R. Griswold

WRGriswold/er
CC: Docket
Dir Read File
Chron.

DMEA Form 7
(12-56)

XXXXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXXXX

T E L E T Y P E

JUN 5 1959

G. C. Selfridge,
Chairman, Operating Committee,
Office of Minerals Exploration

Office of Minerals Exploration

1490108, Salaries and Expenses, Office of Minerals Exploration, Interior, 1959

OFFICIAL FILE COPY

Date	Surname	Code
	Griswold	500
6/5	[illegible]	130
"	Johnson	110
		~~100~~
6/8	C	220
		500

Mr. J.W. Townsend, Executive Officer
OME Field Team, Region III
224 New Customhouse Building
Denver, Colorado

REURTT JUNE 3, DOCKET DMEA-4765, KNIGHT MINING CORPORATION CONTRACT 6/5 Bishop/130 I4m-R1175, WE WILL PREPARE AND FORWARD A TERMINATION AGREEMENT TO YOU. 6/5 Kiilsgaard (130

George C. Selfridge

GEORGE C. SELFRIDGE, CHAIRMAN (2B)
OME OPERATING COMMITTEE

WRGriswold/fw-6/5/59

cc: Docket
Dir.Read. File
Op. Committee
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Chron.

8623

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUN 4 1959

DATE	INITIALS	CODE
6/4		7
6/5		50

S. Selfridge

DN 235 BUR MINES 6-3-59 4-24
24

CHAIRMAN, OPERATING COMMITTEE, OME

RE DOCKET DMEA 4765, CONTRACT IDM-.3//XXXXXX CONTRACT IDM-E1175, KNIGHT MINING CORP., LAST PARAGRAPH OF OUR LETTER TO THE OPERATOR OF 5-20-59. OPERATOR S PROPOSAL FOR ADDITIONAL WORK NOT RECEIVED. CAN WE CONSIDER THE CONTRACT COMPLETED ON ITS EXPIRATION DATE OF MARCH 6,-1959 AND ADVISE OPERATOR ACCORDINGLY, OR WILL IT BE NECESSARY TO TERMINATE THE CONTRACT BY EXECUTION OF A TERMINATION AGREEMENT. PLEESE TELETYPE ADVICE.

J W TOWNSEND

Denver, Colo.

BUREAU OF MINES
MAIL ROOM
WASHINGTON, D.C.

JUN 4 8 16 AM '59

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAY 25 1959

DATE	INITIALS	CODE
5/26	[illegible]	220
5/26	[illegible]	800
[illegible]		500

224 New Customhouse
Denver 2, Colorado

May 20, 1959

CERTIFIED MAIL

Mr. David J. Lorenz, Secretary-Treasurer
Knight Mining Corporation
2432 Grove Street
Denver, Colorado

Re: Docket No. DMEA 4765 (Lead-Zinc-Copper)
Contract No. IDm-K1175
Knight Mining Corporation
(New York claims)
Summit County, Colorado

Dear Mr. Lorenz:

In your letter of March 17, 1959, you requested an amendment to the contract to extend the date on or before which the work shall be completed, from March 6, 1959, to July 6, 1959.

Upon receipt of the above letter, you were advised by telephone that the extent of extension of the completion date would depend upon the amount of additional work approved for performance. You were requested at that time, and on several occasions, subsequently by both myself and Mr. Cooper of this office, to submit your request for approval of the additional drilling you considered warranted.

We were advised by you that Winter weather conditions, and caving in the New York tunnel would prevent prompt submission of the work request, but that it would be in our hands within a months time.

In recent conversation with you, we were further advised that your consulting geologist had been instructed to prepare a recommended program for the additional drilling; however, considerable more time has elapsed and the proposed work program has not materialized.

The contract cannot be maintained in an indefinite status. We believe we have been very lenient in allowing you ample time in which to prepare the proposed drilling program; therefore, if your proposed additional work program is not in our hands by June 2, 1959, we will assume that you do not intend to submit such a program and will consider the contract to be completed in its present status.

Very truly yours,

Original signed by
J. W. TOWNSEND

J. W. Townsend
Executive Officer, OME
Field Team, Region III

JWT:ltm

cc: Chmn. Op. Comm. (2)
Marshman
Belser, OME/DFC
Corres. file, Reg. III
Susp. file, Reg. III
Chron.

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAY 18 1959

DATE	INITIALS	CODE
5/18	a	220
5/18	[illegible]	800
5/19	[illegible]	500

224 New Customhouse
Denver 2, Colorado
May 14, 1959

Mr. David J. Lorenz, Secretary-Treasurer
Knight Mining Corporation
2432 Grove Street
Denver, Colorado

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

Dear Mr. Lorenz:

Form MF-104, Operator's Monthly Report and Voucher, for the period November, 1958 and December, 1958, is being processed for payment. The following deductions have been made:

Bulldozing

You have reported five hours bulldozing at $12.00 per hour; however, the bulldozing invoices indicate that only $8.00 per hour was charged by the subcontractor. Five hours bulldozing at $8.00 per hour is allowed, and the balance of reported bulldozing cost is disallowed.

Supervision

You have failed to submit sufficient documentation to enable the Government to determine the days worked during November, 1958, and the method used by Melbye-Marwin in computing the amount charged. Therefore the reported cost for supervision is disallowed.

Gas and Oil

All of the gas and oil reported for the period, was purchased subsequent to completion of the last approved hole, No. 5; therefore, the reported cost for gas and oil is disallowed, as it is not considered to be an allowable cost of the contract work.

Amount Withheld

As the contract work is recessed, an amount of $250.00 is withheld from reimbursement to you pending resumption of the work. If additional work is not approved by the Government, and performed by you, the amount of $250.00 will continue to be withheld pending resolution of matters prerequisite to closing the account, of which you will be advised at the appropriate time.

You will be further advised of the details of the above deductions by means of an Administrative Audit Difference Statement, which will be forwarded to you by the Finance Office, Region III. Please make the necessary adjustment to reflect the disallowed work units and costs when preparing your next report on voucher and accounting Forms MF-104 and MF-104A.

Very truly yours,

Original signed by
J. W. TOWNSEND

J. W. Townsend
Executive Officer, OME
Field Team, Region III

JDC:ltm

cc: Chmn. Op. Comm. (2)
Harshman
Belser, OME/DFC
Corres. File, Reg. III
Cooper
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
224 New Customhouse
Denver 2, Colorado
May 12, 1959

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAY 14 1959

DATE	INITIALS	CODE
5/14	G	220
5/15	WPH.	500

Memorandum

TO: Chairman, Operating Committee, OME

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. DMEA 4765 (Lead-Zinc-Copper-Molybdenum) Contract No. Idm-E1175, Knight Mining Corporation (New York claims) Summit County, Colorado

Reference is made to your letter of May 8, 1959, wherein you request to be advised as to the present status of the subject project.

We have at hand the Operator's request for an amendment to the contract to extend the completion date from March 6, 1959 to July 6, 1959.

The Operator has completed all present approved work, and at present is preparing a proposal for drilling three holes from underground stations in the New York tunnel. Preparation of plans for the underground drilling involved rehabilitation of the caved portion of the tunnel, which was accomplished at the sole expense of the Operator. The work was at first hampered by adverse weather conditions, and since then by recaving of part of the tunnel.

Action on the Operator's request of the contract extension has been deferred pending resolution of the matter relative to the additional work.

If additional work is recommended, it will also be necessary to provide for a recess of operations from November 13, 1958, the date the last work was performed under the contract, until such time as additional work is to be commensed.

It is expected that the matter will be resolved within the next two weeks.

J. W. Townsend

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
5/6	Griswold	500
5/6	Talbot	800
5/8	[illegible]	130
"	Johnson	110
		~~100~~
		~~110~~
5/11	[illegible]	220
		500

500

MAY 8 1959

Memorandum

To: Executive Officer, OME Field Team, Region III

From: Chairman, Operating Committee, OME

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

The cited contract provides that the project work should have been completed by March 6, 1959. On February 18, 1959, you wrote to the Operator, giving specific instructions as to proper procedure to be followed.

Will you kindly advise us as to the present status of the project, with your recommendations.

/s/ George C. Selfridge

(GCS)

APPROVED:

(sgd.) G. W. Josephson (GWJ)
Member, Bureau of Mines

N. E. Nelson (NEN)
Member, Geological Survey

WRGriswold/er 5/6/59
Copy to: Docket
Dir Read File
Op. Committee
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Chron.

43683

OME
DEPARTMENT OF THE INTERIOR
FEB 24 1959
REGION III
DENVER, COLORADO

February 20, 1959

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAR 2 1959

DATE	INITIALS	CODE
3/2	C	220
3/2	[illegible]	800
3/4	[illegible]	500

Mr. J. W. Townsend,
Executive Officer
U. S. Department of the Interior
Office of Minerals Exploration
224 New Customhouse
Denver, Colo.

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

Dear Mr. Townsend:

I received your letter of February 18, 1959 and would like to advise you that I will be out of town on business for ten days and on my return I will call you and arrange an appointment with you so can advise me how to fill out the billing to date.

We have had all of our current bills and checks stolen when my office was broken into about a month and a half ago and I have been having a tough time getting duplicate bills.

Trusting the above will meet with your approval, I remain,

Yours very truly,

A. J. Lorenz

2-24-59
copies dist. to:
Chm. Op. Comm (2)
Harshman
Belser
Corres file, Reg III
Cooper

OFFICIAL FILE COPY
U. M. E.
RECEIVED FEB 24 1959

DATE	INITIALS	CODE
2/24	C	220
2/24	[illegible]	800
2/25	[illegible]	500

224 New Customhouse
Denver 2, Colorado
February 18, 1959

Mr. David J. Lorenz,
Secretary-Treasurer
Knight Mining Corporation
2432 Grove Street
Denver, Colorado

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

Dear Mr. Lorenz:

The last accounting report received from you covering work performed under the captioned contract, was for the period from July 1958, through October 1958, covering the first four holes approved for drilling under Stage II of the contract.

We understand that you have been performing rehabilitation work in the New York tunnel at your sole expense. However, as reportable units of work have not been reported since October 1958, we assume that operations under the contract have been suspended.

An unauthorized suspension of work under the contract which will involve an extension of the completion date presently established, in order to perform additional work, in effect, places you in default of provisions in the contract.

If it is your intention to perform additional work under the contract you should immediately submit, for consideration by the Government, your request for Government approval for such work as you wish to perform. In addition, you should also submit a request, with full justification, for Government approval for the suspension of work under the contract, and for extension of the contract completion date for such specific additional time as you anticipate will be required to complete the work. The following information is required in conjunction with your request:

1. Date last work was performed under the contract.
2. Date on or before which work under the contract will be resumed.
3. Date on or before which all work under the contract will be completed.

In the event you consider additional work under the contract to be unwarranted, you should immediately submit a request for the Government's approval to terminate the contract in its present status, without requiring performance of the balance of work originally provided for.

Please review the above, and initiate such action as is indicated. Your immediate attention in the matter is requested.

Very truly yours,

Original signed by
J. W. TOWNSEND

J. W. Townsend
Executive Officer, OME
Field Team, Region III

cc: Melbye & Merwin
1117 Washington Avenue
Golden, Colorado

JDC:hmh

cc: Chmn. Op. Comm. (2)
Harshman
Belser, OME/DFC
Corres.file, Reg.III
Cooper
Chron

OFFICIAL FILE COPY
O. M. E.
RECEIVED DEC 15 1958

DATE	INITIALS	CODE
12/15	C	220
12/15	[illegible]	800
12/16	[illegible]	000

224 New Customhouse
Denver 2, Colorado
December 10, 1958

Mr. David J. Lorenz, Secretary-Treasurer
Knight Mining Corporation
2432 Grove Street
Denver, Colorado

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

Dear Mr. Lorenz:

Reference is made to our letter of November 24, 1958, pertaining to the July-October, 1958 voucher, whereby we informed you of suspension of reported costs of reaming and casing for holes 1, 3, and 4, and of cementing and re-drilling in holes 1, 2, 3, and 4, pending receipt of justification and detailed data concerning the work. Justification and detailed data have now been received; therefore, reinstatement is being made as follows:

Reaming and Casing

The reaming and casing in holes 1, 3 and 4 appears to be justified; therefore, the previously suspended cost for 159 feet of reaming and casing is reinstated.

Cementing and Re-drilling

The driller's daily drilling schedules are not in agreement with the drilling invoice originally submitted for the period; therefore, reinstatement is made for cementing and re-drilling on a hole by hole basis, as follows, based on the driller's daily schedules, or the drilling invoice, whichever indicates the lesser footage: --

	Feet Cemented and Re-drilled		
Hole No.	Per Drilling Invoice	Per Daily Schedule	Acceptable Footage
1	160'	221'	160'
2	252'	177'	177'
3	142'	120'	120'
4	205'	223'	205'
Total Acceptable Footage			662'

The previously suspended cost for 662 feet of cementing and re-drilling is reinstated. The reported cost for 759 feet of cementing and re-drilling was suspended in processing the July-October, 1958 voucher; therefore, the reported cost for 97 feet of cementing and re-drilling remains as a disallowance, and adjustment should be made on subsequent vouchers to reflect the deduction of units and costs thereof.

If you have any question regarding the above, please feel free to contact this office.

Very truly yours,

Original signed by H. M. Evans
for J. W. TOWNSEND

J. W. Townsend
Executive Officer, OME
Field Team, Region III

JDC:bh
cc: Chmn. Op. Comm.(2)
Harshman
Belser, OME/DFC
Cooper
Corres. File, Reg.III
Chron.

FINAL DISTRIBUTION
MADE DEC 17 1958
OFFICIAL FILE COPY
O. M. E.
RECEIVED DEC 22 1958

DATE	INITIALS	CODE
12/22	C	220
		500

224 New Customhouse
Denver 2, Colorado

December 10, 1958

Memorandum

To: T. A. Christensen

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. DMEA 4765 (Lead-Zinc-Copper), Contract No. Idm-E1175, Knight Mining Company, New York claims, Summit County, Colorado

Reference is made to our memorandum of November 21, 1958, whereby we forwarded Form MF-104, Operator's Monthly Report and Voucher for the period, July, 1958 through September, 1958, and recommended suspension of the reported costs for reaming and casing in holes 1, 3 and 4, and for cementing and re-drilling in holes 1, 2, 3, and 4, pending receipt of detailed data, and justification for the work. The justification and data have now been received. Enclosed are the original and four copies each of the following items relative to the matter:

1. Justification for cementing and re-drilling, and reaming and casing.

2. Driller's daily drilling schedules showing the footage cemented and re-drilled in each hole.

3. Memorandum dated December 8, 1958 from Carl Belser, Mining Engineer, Bureau of Mines, recommending reinstatement of previously suspended costs.

CEMENTING And RE-DRILLING

The attached detailed data pertaining to cementing and re-drilling is not consistent with the drilling invoice originally submitted with the July-September, 1958 voucher. Reinstatement is to be made on a hole-by-hole basis as follows, based on the drilling invoice, or the driller's daily drilling schedule, whichever indicates the lesser footage.

127 1 25
D/B
12/15/58 DMEA 59-73

Hole No.	Feet Cemented and Re-drilled: Per Drilling Invoice	Per Daily Schedule	Acceptable Footage
1	160'	221'	160'
2	252'	177'	177'
3	142'	120'	120'
4	205'	223'	205'
TOTAL acceptable footage, cementing and re-drilling - - -			662'

REAMING And CASING

The justification submitted by the Operator for reaming and casing in holes 1, 3 and 4 appears to be adequate, therefore reinstatement is to be made as follows:

Hole No.	Acceptable Reaming and Casing
1	69'
3	45'
4	49'
TOTAL	159'

REINSTATE:

1. Reported cost for 662 ft. of cementing and re-drilling at $5.00 per foot - - - - - - $ 1,986.00

2. Reported cost for 159 ft. of reaming and casing at $3.50 per foot - - - - - - - - - - 556.50

TOTAL amount to be reinstated - - - - - - - - - - - - - - $ 2,542.50

Government participation at 50 percent - - - - - - - - - $ 1,271.25

Original signed by
J. W. TOWNSEND

J. W. Townsend

Enclosures
JDC/ff
Chmn. Op. Comm. (2))
Belser, OME/DFC) w/copy items
MF-104 File, Reg. III) 1, 2 and 3
Harshman) c/copy item 3
Cooper)
Chron.

OME
DEPARTMENT OF THE INTERIOR

DEC 8 - 1958
REGION III
DENVER, COLORADO

Dec. 8, 1958

Memorandum

To: Executive Officer, OME Field Team, Region III

From: Carl Belser

Subject: Docket BMRA 4765 (Lead-Zinc-Copper) Contract Idm-R1175, Knight Mining Company (New York claims) Summit County, Colorado -- Reaming and casing, and cementing and redrilling for the months of July, August, September and October 1958

The 104's on the subject property contained core drilling, driving pipe through overburden, bulldozing, core boxes, assays, supervision, gas and oil, and truck depreciation but did not include reaming and casing, and cementing and redrilling because the claims were not substantiated.

Since then the operator has substantiated his claims by drillers logs and statements. The area that was drilled is very broken up. The drillers used Lumnite, a high priced, quick-setting cement -- one of the best for drilling. Drilling has been slow and difficult. I believe that the following costs are now allowable for July, August, September and October 1958 in addition to the amount all ready paid:

Hole No.	Acceptable Cementing and Redrilling	Reaming and Casing
1	160 ft.	69 ft.
2	177 ft.	not allowable
3	120 ft.	45 ft.
4	205 ft.	49 ft.
Total	662 ft.	159 ft.

159 feet reaming and casing at $3.50/ft.	$556.50
662 feet cementing and redrilling at $3.00/ft.	1,986.00
	$2,542.50

Payment of 50 percent of the above amount or $1,271.25 is recommended.

Carl Belser

Carl Belser
Mining Engineer

CB/mw
cc: 6 Idm-R1175 chron

Diamond Core Drilling
Mining
Quarries
Shaft Sinking
Tunnel Driving

Boyles Bros. DRILLING COMPANY

CONTRACTORS · ENGINEERS · GEOLOGISTS
General Offices
1321 South Main Street Phone HUnter 4-4401
SALT LAKE CITY 15, UTAH

OME
DEPARTMENT OF THE INTERIOR
NOV 28 1958
REGION III
DENVER, COLORADO

November 12, 1958

Reply to:
2960 West 7th Ave.
Denver 4, Colorado

OFFICIAL FILE COPY
O. M. E.
RECEIVED DEC 22 1958
DATE | INITIALS | CODE

Mr. J.W. Townsend
Executive Officer, O.M.E.
224 New Custom House
Denver 2, Colorado

Dear Mr. Townsend:

Mr. D.J. Lorenz forwarded your letter of November 3, 1958, to us for an explanation for why there was the amount of cementing, reaming, and casing that we are doing for the Knight Mining Company.

We are enclosing copies of drill logs and explanations for Hole #'s 1, 2, 3, and 4. Please contact us if any further information is needed.

Very truly yours,

H.B. Lane

H.B. Lane
Boyles Bros. Drilling Co.

HBL/rc
Enclosure

EXPLANATIONS FOR CEMENTING, ETC.

Hole #1:

In hole #1 it was necessary to ream the hole where cement and mud would not hold the walls of the hole. Cave would completely close the hole. We tried cleaning the cave from the hole by chopping with a chopping bit, but had no success. The only way to get the hole down to the required depth was by reaming and casing.

Hole #2:

Hole #2 was reamed when the driller was informed that a BX hole was necessary. Our contract with the Knight Mining Company included a price for AX drilling. The hole was started when our man moved the machine on the job.

Hole #3:

Hole #3 was drilled with mud. Where the hole caved, cement was used. When cement would not hold the walls, it was necessary to ream and case.

Overlapping of cement was necessary to keep the hole in a drillable condition. We often cemented several times, and the hole would still cave. We once had to cement 100 ft. of hole to be able to finish it.

Hole #4:

Hole #4 was drilled through extremely bad ground where we encountered bad cave, loss of water, and sand in the hole. We also drilled through two fault zones. A hard quartz cave cut the bit off the core barrel. We used drilling mud to try to hold the walls of the hole. The hole was cemented several times, and when the cement would not hold, we were forced to ream and case.

CEMENT IN HOLE #1

(Copy from drillers reports. Days cement was not drilled are not shown.)

Date	Drilled From	Drilled To	Drilled Cement	Cemented
Aug. 7	0	4	-	2
8	4	7	2	4
9	7	9	3	4
15	9	14	2	-
16	14	18	-	7
18	18	25	7	-
N18	25	27	-	8
19	27	30	8	-
20	30	42	-	-
N20	-	-	-	10
21	42	48	10	-
N21	-	-	-	13
22	48	57	13	-
N22	57	61	-	10
23	61	71	10	-
N23	71	75	-	-
Third23	75	78	-	-
N26	95	100	-	20
27	100	112	20	-
N27	112	125	-	30
28	125	138	20	-
N28	138	147	-	10
29	147	159	10	-
N29	159	176	-	10
30	176	185	10	106
Sept. 2	-	-	106	-
N2	185	200	-	-

CEMENT IN HOLE #2

Date	Drilled From	Drilled To	Drilled Cement	Cemented
Sept.11	45	62	-	8
12	-	-	8	-
14	62	71	-	-
N14	-	-	20	20
15	-	-	20	-
21	-	-	-	29
22	123	132	29	-
N22	-	-	-	30
23	132	150	30	-
N23	150	162	-	30
24	162	175	30	-
N24	175	180	-	30
25	180	190	30	-
N25	190	205	-	30
26	205	209	30	-

CEMENT IN HOLE #3

Sept.13	39	46	-	-
N13	-	-	-	9
15	46	53	9	-
N15	53	63	-	10
N17	-	-	-	24
18	88	94	23	-
N18	94	101	-	20
19	101	105	20	-
N19	105	115	-	40
20	-	-	40	-
22	125	135	-	28
23	135	139	28	-

BOYLES BROS. DRILLING COMPANY

DRILLER'S REPORT

OME
DEPARTMENT OF THE INTERIOR

NOV 23 1958
OFFICIAL FILE COPY
REGION III
DENVER, COLORADO

RECEIVED NOV 22 1958

For Week Ending October 4 195 8

For: Knight - Breckenridge

Drilling at: Breckenridge, Colorado

Hole No. 4 Angle 57 Drill No. 738

Location

Drill Runners

Day Ray Eitreim

Swing Northrop

Night

DATE CODE

ISM 9-57

DATE	SIZE HOLE	FROM	TO	FEET DRILLED	FEET OF CORE RECOVERED	GEOLOGY	FEET & SIZE REAMED	FEET & SIZE CASED	FEET CEMENTED	FEET OF CEMENT DRILLED	RUNNER
29						Moving from Hole #3 to Hole #4					E. N. 1
30	NX	0	13	13	0	Porphory					E.
30	NX	13	35	22	6	Porphory and shale	NC 25	NX 25			N.
1	NX	35	50	15	2	Fault shale					E.
1	NX	50	55	5	0	Fault shale			25		N.
2	NX	55	67	12	3	Fault shale				25	E.
3	NX	67	69	2	1	Fault					E.
4	NX								38		E.

COPY

Comments:

5 sacks drilling mud

3 sacks Lumnite

15 hr. cementing and drilling cement

C.O. Northrop

FOREMAN

BOYLES BROS. DRILLING COMPANY

DRILLER'S REPORT

OME
DEPARTMENT OF THE INTERIOR
OFFICIAL FILE COPY
NOV 28 1958
O. M. F. REGION III
RECEIVED DENVER, COLORADO

For Week Ending October 11 195 8

For: Knight - Breckenridge

Drilling at: Breckenridge, Colo.

Hole No. — Angle 57 Drill No. 738

Location

15M 9-57

Drill Runners

Day Ray Eitreim

Swing W. Casper

Night

DATE	SIZE HOLE	FROM	TO	FEET DRILLED	FEET OF CORE RECOVERED	GEOLOGY	FEET & SIZE REAMED	FEET & SIZE CASED	FEET CEMENTED	FEET OF CEMENT DRILLED	RUNNER
6	NX		69			Drilling cement					E.
6	BX	69	72	3	0	Fault Porphry		BX 69			C.
7	BX	72	72			Cave			5		E
7	BX	72	73	1	0	Bit cut off. Left it in hole				5	C
8	BX	73	73			Fishing for bit					E
8						Fishing for bit	NX2	BX71			C
9	BX	73	74			Could not get the bit out	NX2	BX73			E
~~10~~ 9	BX	74	76	2	0	Quartsite broken	NX1	BX74	2		C
10	BX	76	80	4	1	" "			5	2	E
10	BX	80	87	7	5	" "				5	C
11	BX	87	100	13	4	" "					E
11	BX	100	100						25		C

COPY

Comments:

41 hr. cementing and drilling cement

3 sacks lumnite cement

4 sacks drilling mud

C.O. Northrop

FOREMAN

BOYLES BROS. DRILLING COMPANY

DRILLER'S REPORT

OME
DEPARTMENT OF THE INTERIOR
NOV 28 1958
REGION III
DENVER, COLORADO
OFFICIAL FILE COPY
NOV 22 1958

For Week Ending October 18 1958

For: Knight - Breckenridge

Drilling at: Breckenridge, Colo.

Hole No. 4 Angle 57 Drill No. 738

Location

Drill Runners

Day W.E. Casper & Ray Eitreim

Swing C.O. Northrop

Night

15M 9-57

DATE	SIZE HOLE	FROM	TO	FEET DRILLED	FEET OF CORE RECOVERED	GEOLOGY	FEET & SIZE REAMED	FEET & SIZE CASED	FEET CEMENTED	FEET OF CEMENT DRILLED	RUNNER
13	BX	100	105	5	1	Fault Porphory & Shale				24	E
13	BX	105	115	10	5	" " "			25		C
14	BX	115	130	15	5	" " " Lost water 125'				23	C
14	BX	130	130	Cement for water return & cave					24		N
15	BX	130	138	8	1	" " "				24	C
15	BX	138	150	12	6	" " "			30		N
16	BX	150	162	12	3	" " "	Drill repair			30	C
16	BX	162	173	11	6	" " "			30		N
17	BX	173	188	15	11	" " "				25	C
18	BX	188	195	7	4	" " "			25		N
18	BX	195	200	5	1	" " " Drill repair				25	C
18	BX	200	210	10	9	" " " " "					N
						Trip to Leadville					
20	BX	210	230	20	10	Porphry (From Report for week ending Oct. 25)					C
20	BX								35		C.O.N.
21	BX			Hole finished move to hole # 5						35	E

COPY

Comments:

6 sacks Lumnite cement
1 sack drilling mud
53 hr. cementing & drilling cement
4 hr. drill repair
2 sacks Lumnite cement
16 hr. cementing and drilling cement

C.O. Northrop

FOREMAN

xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx
OFFICE OF MINERALS EXPLORATION
224 New Customhouse
Denver 2, Colorado
November 24, 1958

RECEIVED NOV 28 1958

DATE	INITIALS	CODE
11-28	C	220
11/28		800
12/1		500

Mr. David J. Lorens, Secretary-Treasurer
Knight Mining Corporation
2432 Grove Street
Denver, Colorado

Re: Docket No. DMEA 4768
(Lead-Zinc-Copper)
Knight Mining Corporation
(New York claims)
Summit County, Colorado

Dear Mr. Lorens:

Form MF-104, Operator's Monthly Report and Voucher, for July, August, September and October, 1958, has been received in this office and is being processed for payment. The following deductions have been made:

Disallowance, Reaming and Casing, Hole No. 2

Hole No. 2 was to be reamed and cased at no expense to the Government in order to permit the hole to be completed to BX size as required by the contract. Through error the cost of reaming and casing in Hole No. 2 was reported on the voucher for the above period, therefore the reported cost for reaming and casing in Hole No. 2 is disallowed.

Disallowance, Truck Depreciation

The contract provides for 1½ months depreciation at $30.00 per month. Depreciation for one month was reported on a previous voucher, therefore only one-half month remained unexpended as of June 30, 1958. Depreciation for three months was reported on Form MF-104, therefore the reported cost for 2½ months truck depreciation is disallowed.

Suspension, "Reaming and Casing," and "Cementing and Redrilling"

By certified letter of November 3, 1958, you were requested to submit justification for reaming and casing for Holes

1, 3, and 4, and for cementing and redrilling in Holes 1, 2, 3, and 4. To date the required justification has not been received. The reported cost for reaming and casing in Holes 1, 3, and 4, and for cementing and redrilling in holes 1, 2, 3, and 4, is suspended pending receipt of the required justification.

You will be further advised of the above deductions by means of an Administrative Audit Difference Statement, which will be forwarded to you by the Finance Office, Region III.

Very truly yours,

Original signed by
J. W. TOWNSEND

J. W. Townsend
Executive Officer, OME
Field Team, Region III

JWT:hmh

cc: Chmn. Op. Comm. (2)
Harshman
Belser, OME/DPC
Corres.file, Reg. III
Cooper
Chron

OFFICIAL FILE COPY O. M. E. RECEIVED NOV 18 1958		
DATE	INITIALS	CODE
11/18	H. G.	225
11/18	[illegible]	800
11/18	[illegible]	500

xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx
OFFICE OF MINERALS EXPLORATION
224 New Customhouse
Denver 2, Colorado
November 14, 1958

Mr. David J. Lorenz, Secretary-Treasurer
Knight Mining Company
2432 Grove Street
Denver, Colorado

Re: Docket No. DMEA 4765, Contract M1175
Knight Mining Corporation
(New York Claims)
Summit County, Colorado

Dear Mr. Lorenz:

Receipt is acknowledged of the narrative report and drill log pertaining to the drilling of hole No. 4 requested under item 1 of the letter to you from this office dated November 3, 1958.

Your Accounting Report for the period July, August, September and October 1958 will be placed in line for processing for reimbursement to you under the provisions of the contract. However, costs of reaming and of cementing and drilling out for all four (4) holes will be suspended until we receive acceptable data requested under items 2 and 4 of our letter of November 3, 1958.

Very truly yours,
Original signed by
J. W. TOWNSEND

J. W. Townsend
Executive Officer
OME Field Team, Region III

JWT/ff
cc: Chmn. Op. Comm.(2)
Harshman
Belser, OME/DFC
Corres.
Cooper
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
~~BUREAU OF MINERALS EXPLORATION ADMINISTRATION~~
OFFICE OF MINERALS EXPLORATION
224 New Customhouse
Denver 2, Colorado

OFFICIAL FILE COPY O. M. E. RECEIVED NOV 13 1958		
DATE	INITIALS	CODE
11/13	C	320
" /13	cwpb	500

November 6, 1958

Memorandum

TO: Chairman, Operating Committee, OME

From: Executive Officer, OME 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

Enclosed are three copies of confirmation of verbal work approval for the drilling of one additional hole under the provisions of Stage II of the subject contract.

Also enclosed are two copies of a letter from the subject Operator, dated October 17, 1958, with attached map requesting Government approval for the additional hole, and three copies of a Joint Memorandum dated October 30, 1958, from F. B. Moore, Geologist, Geological Survey, and Carl Belser, Mining Engineer, Bureau of Mines, pertaining to the matter.

Copies of the confirmation of verbal work approval have been distributed to the Operator, the Finance Office, and others concerned in Region III.

J. W. Townsend

J. W. Townsend

Enclosure

OFFICE FILE COPY
O. M. E.
RECEIVED NOV 13 1958

DATE	INITIALS	CODE

xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx

OFFICE OF MINERALS EXPLORATION
224 New Customhouse
Denver 2, Colorado
November 6, 1958

Mr. Stewart S. Merwin
c/o Melbye & Merwin
Geological & Geophysic Consultants
1117 Washington Avenue
Golden, Colorado

Re: Docket No. DMEA 4765 (Lead-Zinc-Copper) Contract No. Idm-1175
Knight Mining Corporation
(New York claims)
Summit County, Colorado

Dear Mr. Merwin:

In reference to your request of October 17, 1958, this constitutes confirmation of verbal approval by the Government given October 17, 1958 for the drilling of one additional hole under the provisions of Stage II of the captioned contract, as follows:

Hole No.	Location	Estimated depth	Inclination
5	150 ft. N50°E from hole No. 2	200 ft.	Vertical

Nothing in the verbal approval or this confirmation thereof shall be construed to increase the estimated total cost of the project, the aggregate amount which the Government may be required to contribute, the fixed unit cost of any item of work, nor any item of allowable cost which is expressly designated "maximum".

Very truly yours,

OME Field Team, Region III

By J. W. Townsend

By E. N. Harshman

JDC:ltm

cc: Chmn. Op. Comm. (3)
Finance Office, Reg. III
Amendment File, Reg. III
Harshman
Belser, OME/DFC
Corres. File, Reg. III
Cooper
Chron.

cc: Mr. David J. Lorenz

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Office of Minerals Exploration
Denver Federal Center
Denver, Colorado

OME
DEPARTMENT OF THE INTERIOR
NOV 3 - 1958
REGION III
DENVER, COLORADO

OFFICIAL FILE COPY
O. M. E.
RECEIVED NOV 13 1958

DATE	INITIALS	CODE

October 30, 1958

Memorandum

To: Executive Officer, OME Field Team, Region III
Through: E. N. Harshman, ENH

From: F. B. Moore
Carl Belser

Subject: Docket DMEA 4765 (Lead-zinc-copper), Contract IDM-E 1175, Knight Mining Corporation (New York claims), Summit County, Colorado

In a letter of October 17, 1958, the operator requests approval for Drill Hole No. 5. The hole is to be drilled 150 feet N 50° E of Drill Hole No. 2 and to an estimated depth of 200 feet.

Drill Hole No. 5 will test the northerly projection of the anticlinal roll tested by Drill Hole No. 2. Structural features in the area and the ore body in the nearby Detroit mine trend in a northerly to northeasterly direction. Drill Hole No. 2 cut a 1-foot shear zone which contained nearly 5 percent copper as well as a 50-foot zone of disseminated sulfides.

It is recommended that approval for Drill Hole No. 5 be granted confirming verbal approval granted the operator on October 17, 1958.

F. B. Moore
F. B. Moore
Geologist

Carl Belser
Carl Belser
Mining Engineer

FBMoore:mp

OME
DEPARTMENT OF THE INTERIOR
OCT 21 1958
REGION III
DENVER, COLORADO

MELBYE & MERWIN

GEOLOGICAL AND GEOPHYSICAL CONSULTANTS

OFFICIAL FILE COPY
O. M. E.
RECEIVED NOV 13 1958

DATE	INITIALS	COPY
Rel. Docket No. 4765		

CHARLES E. MELBYE
STUART S. MERWIN
CHARLES F. ARNOLD

October 17, 1958

Executive Officer
Defense Minerals Exploration Administration
224 New Customhouse
Denver, Colorado

Contract No. IDM-E1175

Dear Sir:

This letter constitutes our formal request for proposed Drill Hole No. 5 on the above contract.

Drill Hole No. 5 is intended to explore the possibility of extending the mineralization encountered in Drill Hole No. 2. An anticlinal roll in a monzonite sill is exposed in the bulldozer cut and DDH 2 is collared on the axis of this roll.

It is proposed that Drill Hole No. 5 test the extension of this roll and that it be collared approximately 150 feet N 50° E of Drill Hole No. 2. It is expected to bottom about 200 feet.

We trust this will furnish you with the information needed to proceed with Drill Hole No. 5.

Sincerely yours,

Stuart S. Merwin

Stuart S. Merwin

SSM:kk

cc: Knight Mining Company

LOCATION OF PROPOSED DIAMOND DRILL HOLE #5

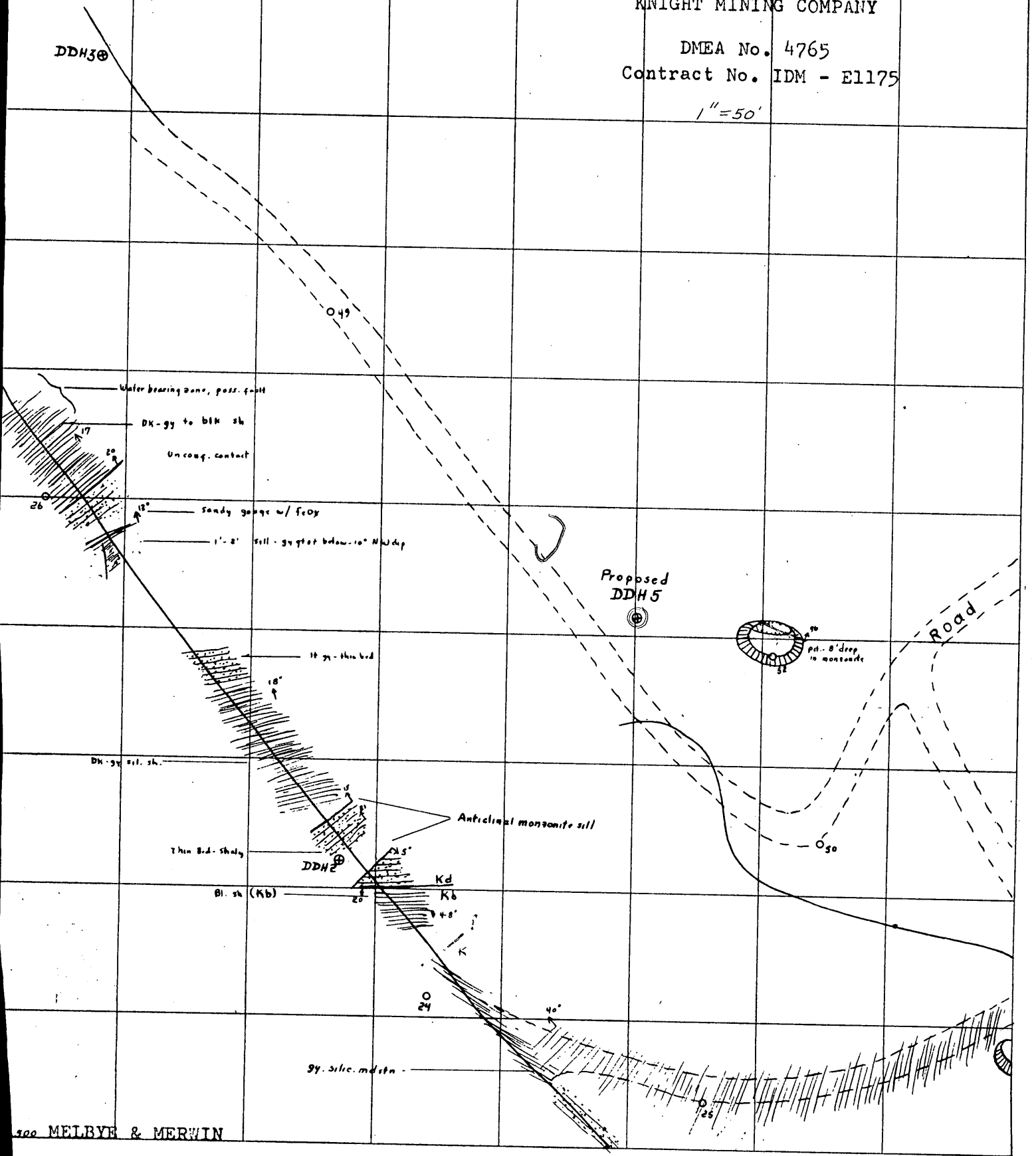
NEW YORK MINE

KNIGHT MINING COMPANY

DMEA No. 4765

Contract No. IDM - E1175

1" = 50'



OFFICIAL FILE COPY
O. M. E.
RECEIVED NOV 13 1958

DATE	INITIALS	CODE

UNITED STATES
DEPARTMENT OF THE INTERIOR
~~DEFENSE MINERALS EXPLORATION ADMINISTRATION~~
OFFICE OF MINERALS EXPLORATION
224 New Customhouse
Denver 2, Colorado

November 3, 1958

OFFICIAL FILE COPY O. M. E. RECEIVED NOV 5 1958		
DATE	INITIALS	CODE
11/5	C	220
11/7	~~Curb.~~	500

Memorandum

TO: Chairman, Operating Committee, OME

From: Executive Officer, OME Field Team, Region III

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

Enclosed are two copies of the letter dated November 3, 1958, from this office to the Operator regarding items of work reported. Also enclosed is a photo copy of the Operator's Accounting Report, and a photo copy of the billing from the independent contractor for the performance of work under Category (1).

This project has been the subject of recent correspondence with your office regarding the allowability of units of work in excess to those established in the contract under Category (1).

Since the Operator referred our letter to him, dated September 17, 1958, to Congressman Byron G. Rogers, to enlist his aid in the Operator's favor, the enclosed material is forwarded so that you are kept abreast of the situation incase Congressman Rogers should make inquiry of your office regarding the matter.

J. W. Townsend

J. W. Townsend

Enclosure

W.C.

224 New Customhouse
Denver 2, Colorado
November 3, 1958

VIA CERTIFIED MAIL

Mr. David J. Lorenz,
Secretary-Treasurer
Knight Mining Company
2432 Grove Street
Denver, Colorado

Re: Docket DMEA 4765 (Lead-Zinc-Copper)
Contract No. 14m-M1175
Knight Mining Corporation (New York Claims) Summit County, Colorado

Dear Mr. Lorenz:

Your accounting report, Forms MF-104 and MF-104A, for the period July, August, September and October, 1958, has been received. However, before the report can be placed in line for processing for reimbursement to you, certain items of cost must be fully justified and supported, which are as follows: -

(1) The narrative description and drill log pertaining to the drilling of hole No. 4 must be supplied.

(2) Since reaming footages claimed exceed the estimated footages in the contract for which funds are specifically provided, a justification as to the necessity for the reaming must be supplied for each of holes Nos. 1, 3 and 4.

(3) Regarding the reaming footage claimed for hole No. 2, the contract is quite specific in that "The diamond drilling shall be BX size or larger." Some time ago when it came to my attention that hole No. 2 was being drilled AX size, the contract provisions were called to the attention of both you and your Mr. Malhys, and you were advised that before the hole could qualify for contribution to the costs thereof by the Government, either (a) the hole would have to be reamed at your sole expense without contribution by the Government so that it could be completed BX size as specified in the contract, or (b) you would have to obtain an amendment to the contract reducing the required size of the hole to AX.

At the time of our telephone conversation regarding the matter, you stated that your contract with the independent contractor called for BX drilling; therefore, the hole would be reamed and completed the required size without cost to the Government.

Review of the documentation attached to your accounting report discloses that you have included a claim for reaming of hole No. 2 from a depth of 8 feet to the bottom of the hole at 271 feet which, under the circumstances, is not considered an allowable cost of the work to which the Government will contribute its share under the provisions of the contract.

(4) Cementing footages claimed for holes Nos. 1, 2, 3 and 4 far exceed the estimated footages in the contract for which funds are specifically provided; therefore, it will be necessary for you to supply a detailed statement from the driller relative to the cementing and drilling, giving the intervals in each hole which were cemented and redrilled.

When the data requested under items 1, 2 and 4 are received, it will then be possible to continue processing your accounting report.

Very truly yours,

Original signed by
J. W. TOWNSEND

J. W. Townsend
Executive Officer, OME
Field Team, Region III

cc: Mr. Charles E. Melbye
1117 Washington Ave.
Golden, Colorado

Chmn. Op. Comm. (2)
Harshman
Belser, OME/DFC
Corres. File
Cooper
Chron.

Form MM-104 (Rev.)
(April 1951)

IN THE SERVICE
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES, DEVELOPMENT DIVISION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of Feb., Mar., Apr., May, June, July, Aug., Sept., Oct., 195 2 Docket No. DMEA 4165 Contract No. [illegible]
Operator's Name Knight Mining Corp. Mineral: Antimony, Tungsten
Address 2432 Grant St. Denver, Colo.
Contract Amount, $ 20,330.00 Government Participation: 50 % Amount, $ [illegible]

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Total Previously Reported	Total To Date	Approved Monthly Total	Approved Total Previously Reported	Approved Total 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'l. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase 946-011	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	50.50	0	50.50			
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify): Core Boxes	55.00	0	55.00			
Drilling, Reaming, Grout	9653.25	0	9653.25			
TOTALS	11999.79	1138.71	13,138.50			

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

Date 10-29-52 *Payee Knight Mining Corp.

By M. D. Lowman Title Sec.-Treas.

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person signing 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 "Mohamed," as the case may be.

NOTE—This is U. S. Code (Crimes), section 1001, making 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:

$

Signature
(Authorized Certifying Officer)

Date Vou. No.
(See other side)

Form DMEA-101
(April 1958)

Docket Number No. 62-2-1198.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of Sept. Oct. 195 8 Docket No. DMEA 4765 Contract No. [illegible]
Operator's Name Knight Mining Corp. Minerals [illegible]
Address [illegible] Grove Denver 11, 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	15	12.00	20	960.00
Raising gas-oil traps		71.04		104.65				305.00
Shaft 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	720.00	60	12.00	60	720.00
Churn BX	Ft	5374.75	797	5374.75	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	10.00	50.00	20	100.00
Total Distributed Costs		11,999.79	2107 14/15	13,138.50				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		11,999.79		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 D. J. Lorenz Title Sec-Treas

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)

OME
DEPARTMENT OF THE INTERIOR
OCT 27 1958
DENVER, COLORADO

321 South Main St. SALT LAKE CITY 15, UTAH Phone HUntar 7-7595

Boyles Bros. Drilling Company

DIAMOND DRILLING - SHAFT SINKING - TUNNELS - GROUTING AND MINING CONTRACTORS

FOR CUSTOMER'S USE ONLY	
RECEIVER NO.	VOUCHER NO.
TERMS APPROVED	RATE APPROVED
CALCULATIONS CHECKED	
FOOTAGE CHECKED	
ADJUSTMENTS	
ACCOUNTING DISTRIBUTIONS	
AUDITED	FINAL APPROVAL

INVOICE DATE: October 22, 1958
ORDER NUMBER:
INVOICE NUMBER:
CONTRACT: Knight Mining Co.
TERMS: 2-60
LOCATION: Brockenridge, Colorado

HOLE NO.	FROM	TO	FOOTAGE	RATE	TOTAL
		PAGE 1			
1-					
Overburden	0	10	10	12.00	120.00
Drilling	10	186	176	6.75	1,188.00
Cementing	10	170	160	3.00	480.00
Reaming	10	75	65	3.50	227.50
			Hole 1 Total		2,015.50
2-					
Overburden	0	8	8	12.00	96.00
Drilling	8	271	263	6.75	1,775.25
Cementing	8	260	252	3.00	756.00
Reaming	8	271	263	3.50	920.50
			Hole 2 Total		3,547.75
3-					
Overburden	0	18	18	12.00	216.00
Drilling	18	170	152	6.75	1,[illegible]
Cementing	18	160	142	3.00	[illegible]
Reaming	18	63	45	3.50	[illegible]
			Hole 3 Total		[illegible]

CONTINUED ON PAGE 2

[illegible] SALT LAKE CITY 15, UTAH [illegible] PHONE [illegible] 7-7393

BOYLES BROS. DRILLING COMPANY

DIAMOND DRILLING • SHAFT SINKING • TUNNELS • GROUTING AND MINING CONTRACTORS

FOR CITY OFFICE USE ONLY	
INSPECTOR'S	[illegible]
TIMES APPROVED	[illegible]
CALCULATIONS CHECKED	
FOOTAGE CHECKED	
ADJUSTMENTS	
ACCOUNTING DISTRIBUTION	
AUDITED	[illegible]

INVOICE DATE: October 22, 1958
ORDER NUMBER:
INVOICE NUMBER:
CONTRACT: Knight Mining Co.
TERMS: 2-60
LOCATION: Breckenridge, Colorado (CONTINUED)

HOLE NO.	FROM	TO	FOOTAGE	RATE	COST
		PAGE 2			
4					
Overburden	0	25	25	12.00	[illegible]
Drilling	25	230	205	6.75	1,383.75
Coring	25	230	205	3.00	615.00
Reaming	25	74	49	3.50	[illegible]
			Hole 4 Total		2,[illegible]
Core Boxes			44	1.25	[illegible]
				[illegible]	[illegible]

UNITED STATES
DEPARTMENT OF THE INTERIOR
~~DEFENSE MINERALS EXPLORATION ADMINISTRATION~~
OFFICE OF MINERALS EXPLORATION
224 New Customhouse
Denver 2, Colorado
October 15, 1958

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 20 1958
DATE | INITIALS | CODE
10/20 | C | 220
10/21 | [illegible] | 500

Memorandum

To: Chairman, Operating Committee, OME

From: Acting Executive Officer, OME 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

Enclosed are three copies of confirmation of verbal work approval by the OME Field Team, Region III, for the drilling of one additional hole under the provisions of Stage II of the subject contract.

Also enclosed are three copies of a joint memorandum, dated October 10, 1958, from F. B. Moore, Geologist, Geological Survey, and Carl Belser, Mining Engineer, Bureau of Mines, pertaining to the matter. Two copies of the Operator's letter of September 30, 1958 were forwarded to you with copies of our memorandum of October 3, 1958 to the field examiners.

Copies of the confirmation of work approval have been distributed to the Operator, the Finance Office, and others concerned in Region III.

E. N. Harshman

E. N. Harshman

Enclosures

[illegible]
OFFICE OF NATURAL RESOURCES
[illegible] New Synagogue
Denver 2, Colorado
October 16, 1978

Mr. Stanley E. Philips
Philips & Morris
Geological and Geophysical Consultants
1117 Washington Avenue
Golden, Colorado

Re: Drilling Ex. Nos. 4765 (Lost-Stay-Dagger)
Complaint Ex. Nos-[illegible]
Bright Mining Corporation
(Bar Tank claims)
Ouray County, Colorado

Dear Mr. Philips:

In reference to your letter of September 25, 1978, this constitutes confirmation of verbal approval by the Government, given September 29, 1978, for the drilling of one additional hole (No. 4) to be drilled under Stage II of the exploration contract. The hole is to be drilled as follows:

Hole No.	Direction	Inclination	Estimated Depth
4	N. 50° W.	- 75°	800 feet.

The location of the hole is shown on the map entitled, "Figure 2.--Map showing location of Proposed Drill Hole No. 4, Bright Mining Corporation, Ouray County, Colorado," which is attached hereto and made a part of this confirmation of verbal approval.

Nothing in the verbal approval or this confirmation thereof shall be construed to increase the estimated total cost of the project, the aggregate amount which the Government may be required to reimburse, the total cost of any item of work, nor any item of allowable cost which is separately designated "maximum."

JDC:rpl
cc: Chron. Sp. Cons. (3)
Finance Office, Reg. III
Accounts File, Reg. III
Northern
Salmer OGR/DOI
Correst. File

Very truly yours,

OGR Field Team, Region III

By [signature]
E. H. Hartman
Acting Executive Officer

cc: Mr. R. G. Iverson
Bright Mining Corporation
4300 Grove Street
Denver 11, Colorado

Compter
Chron.

U. S. DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

DMEA 4765
CONTRACT Idm-E1175

PREPARED FOR
OFFICE OF MINERALS
EXPLORATION

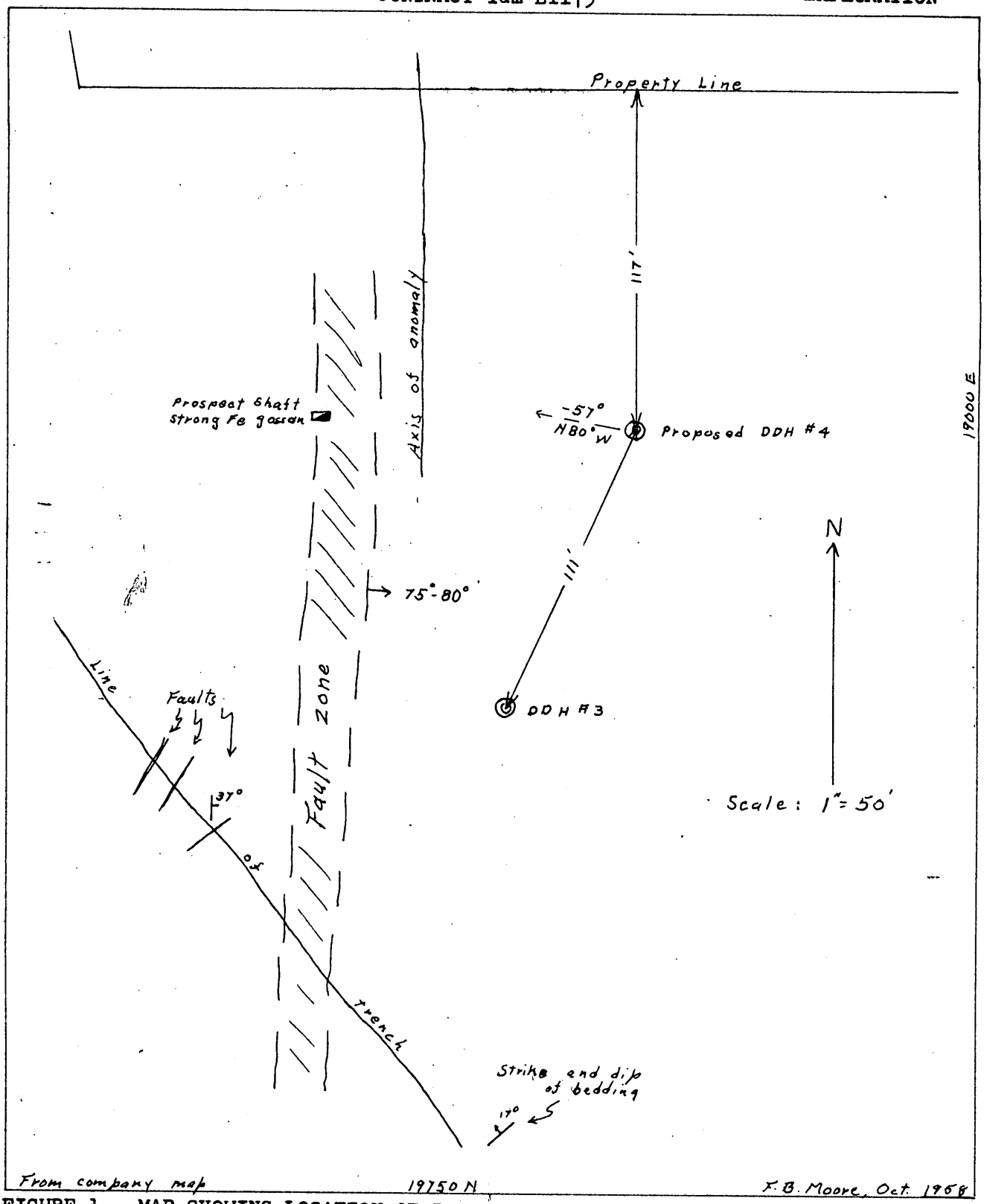


FIGURE 1.--MAP SHOWING LOCATION OF PROPOSED DRILL HOLE NO. 4, KNIGHT MINING CORPORATION, SUMMIT COUNTY, COLORADO

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Office of Minerals Exploration
Denver Federal Center
Denver, Colorado

OME
DEPARTMENT OF THE INTERIOR
OCT 14 1958
REGION III
DENVER, COLORADO

October 10, 1958

Memorandum

To: Executive Officer, OME Field Team, Region III
Through: E. N. Harshman

From: F. B. Moore
Carl Belser

Subject: Docket DMA 4705 (Lead-zinc-copper), Contract Ism-2 1175, Knight Mining Corporation (New York claims), Summit County, Colorado

During a visit to the DMEA Federal Center office on September 29, 1958, C. E. Melhye, consultant for Knight Mining Corporation, was given verbal approval to drill hole No. 4 contingent upon verification of distances to the property boundary and to previously drilled hole No. 3. In a letter with map of September 30, 1958, the operator requests formal approval of hole No. 4.

Hole No. 4 will be drilled 110 feet N 29° E from hole No. 3 and 117 feet from the property line (fig. 1 attached) to an estimated depth of 200 feet at -57° inclination. The hole is planned to test the Dakota-Morrison contact, which was mineralized in hole No. 3, as well as a large northerly trending fault zone. The hole will thus explore for both a bedded and vein type deposit. An electromagnetic survey of the area disclosed an anomaly along the hanging wall of the fault zone.

Because the structure, the stratigraphic interval, the anomaly, and evidence of mineralization along the fault all indicate a favorable place to drill, it is recommended that the operator's request be approved.

F. B. Moore
F. B. Moore, Geologist

Carl Belser
Carl Belser, Mining Engineer

FBMoore:arh

U. S. DEPARTMENT OF THE
INTERIOR
GEOLOGICAL SURVEY

DMEA 4765
CONTRACT Idm-E1175

PREPARED FOR
OFFICE OF MINERALS
EXPLORATION

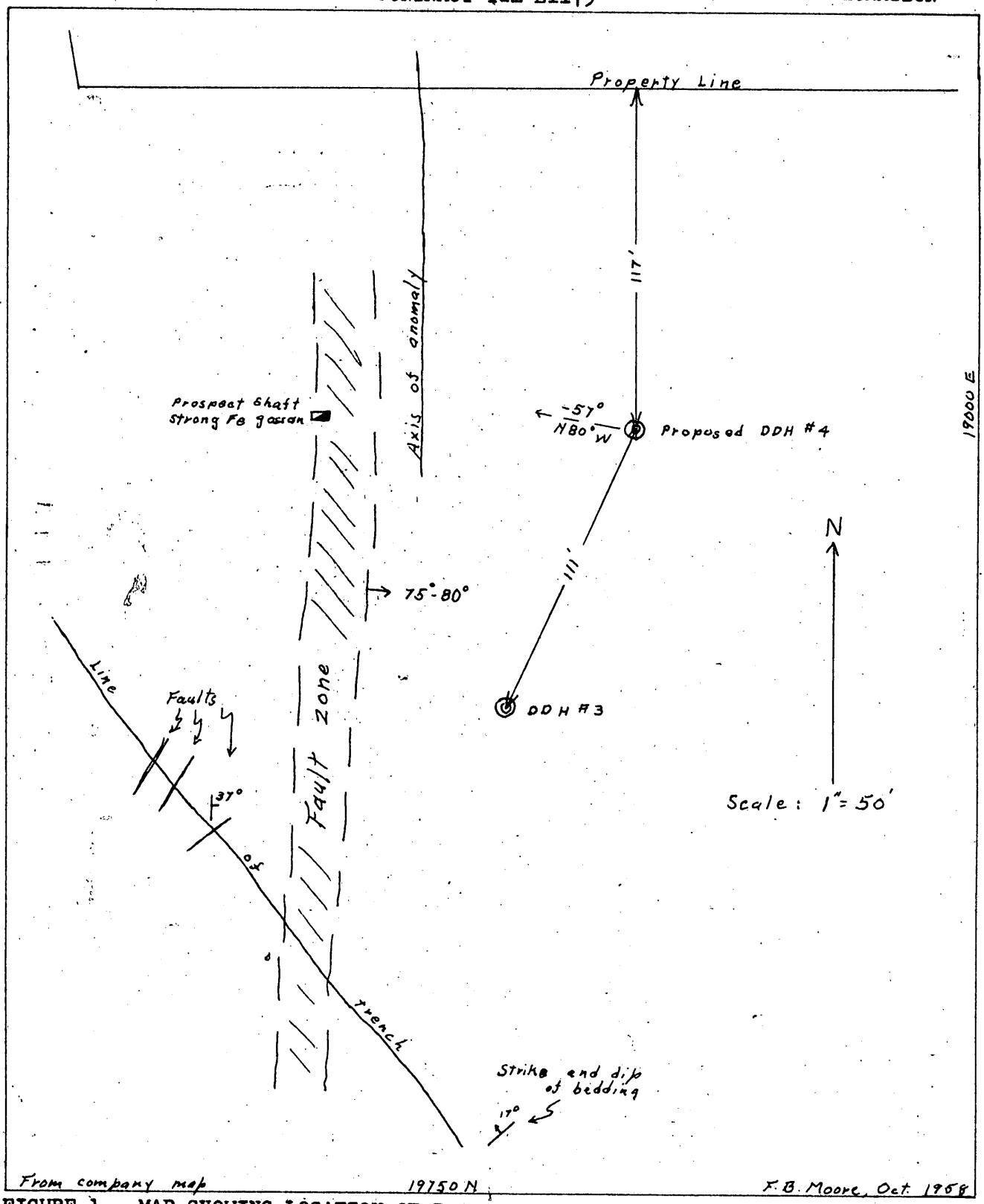


FIGURE 1.--MAP SHOWING LOCATION OF PROPOSED DRILL HOLE NO. 4, KNIGHT MINING CORPORATION, SUMMIT COUNTY, COLORADO

7

OFFICIAL FILE COPY

Date	Surname	Code
10/8	Fisher	800
10/8	Chambers	800
10/9	Klugeschaid	500
10/14	[illegible]	130
		[illegible]
"	Johnson	100
10/15	C	220
		500

OCT 14 1958

Mr. E. N. Harshman
Acting Executive Officer
OME Field Team, Region III
224 New Customhouse
Denver 2, Colorado

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

Dear Mr. Harshman:

The purpose of our letter dated September 30, 1958, was to point out that, under the terms of this contract, the manner in which a subcontractor charged the Operator for cementing and redrilling was not too significant so long as the cost in which the Government was expected to participate was reasonable and did not exceed the maximum rate specified in the contract.

It may be that the drilling contractor has cemented more footage than is actually necessary as implied in your letter dated October 3, 1958. It is the prerogative of your office to require such support as deemed necessary in conjunction with recommending reimbursement to the Operator for work performed. However, it would appear that a statement by the subcontractor as to the footage which was cemented and redrilled and the necessity therefor, as approved by the Operator and Field Team, should be sufficient. The Government will not participate in any cost incurred by the Operator in excess of $3.00 per foot.

Article 6(a) provides that the allowable costs to which the Government will contribute are limited to those that are direct, reasonable, and necessary. Under this provision of the contract disallowances may be made for any excess footage cemented and redrilled.

It may be that more than 200 feet of cementing and redrilling will be found to be reasonable and necessary which would have the effect of reducing the amount available for other costs under

8623

Category (1) Independent Contracts. If this should happen the Operator will be expected to complete the required work and assume the excess costs without Government participation.

Sincerely yours,

George C. Selfridge

ACTING Chairman, Operating Committee (HB)

APPROVED:

Richard H. Moe (HB)

Member, Bureau of Mines

N. E. Nelson (HB)

Member, Geological Survey

CEFisher/ama
October 8, 1958

Copy to: Docket
Director's Reading File
Operating Committee
T. H. Kiilsgaard
Frank D. Lamb
Mr. Chambers
Mr. Donald T. Finch

Cy went to 800

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

224 New Customhouse
Denver 2, Colorado
October 3, 1958

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 6 1958

DATE	INITIALS	CODE
10/6	C	220
10/8	w/pls.	500

Memorandum

To: Chairman, Operating Committee, OME

From: 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

Reference is made to your letter of September 30, 1958, wherein you take exception to part of the requirement as outlined in the letter from this office to the Operator, dated September 17, 1958, pertaining to reporting cementing and redrilling costs.

To begin with, it has been our experience that drilling contractors are prone to cement more footage in a hole than is actually necessary. The engineer on his once a month visit to the project, usually after the work in question has been completed, cannot have a direct knowledge as to whether or not the extent of such work was actually necessary. He is, therefore, placed in the position of needing a maximum of support by statements and billings from the independent contractor in order to certify as to the need for the work and resultant reimbursement to the Operator.

In this particular case, in the drilling of two holes to depths of 200 and 270 feet, respectively, the independent contractor intended to bill the Operator for about 85 hours at $10.50 an hour, for cementing and redrilling time in each hole, or an aggregate charge of about $1795.00 for the two holes.

Since the cementing and redrilling charge was to be made on an hourly basis without reference to footage cemented, this office would have no basis by which to determine the allowability of the charge in excess of funds provided for in the contract for such work, or to ascertain that the allowable maximum unit cost of $3.00 per foot was not exceeded.

It is felt that it is the prerogative of this office to require such support as deemed necessary in conjunction with recommending

reimbursement to the Operator for work performed especially when such charges exceed contract allowances. We concede that, ethically, we cannot demand that the independent contractor bill the Operator in any specific fashion. However, in this case it is imperative that the independent contractor in his billing to the Operator, supply the information as to the footage interval of the hole or holes that was cemented or redrilled.

It is possible that excess costs of component items, such as, in this instance, cementing and redrilling, if allowed, would take funds from the major items of work, thereby disrupting the proposed exploration program so that the property could not be properly explored or anticipated results achieved.

We will appreciate further comments from you in the matter.

By E. N. Harshman
E. N. Harshman

By J. W. Townsend
J. W. Townsend

224 New Customhouse
Denver 2, Colorado
October 3, 1958

1/6 C 220
10/6 EEP 800
10/8 EWRs 500

Memorandum

To: E. N. Harshman - w/enclosures
Carl Belser, OME/EPC - w/enclosures

From: Acting Executive Officer, OME Field Team, Region III

Subject: Docket No. DMEA 4765 (Lead-Zinc-Copper) Contract I&m-K1175, Knight Mining Corporation, (New York claims) Summit County, Colorado

Enclosed is a copy of a letter from the Operator, dated September 30, 1958, with attached map, requesting the Government's approval for the drilling of one additional hole from the surface, under the provisions of Stage II of the contract.

Please review the Operator's request and submit to this office a joint memorandum containing your recommendations in the matter.

Original signed by
E. N. HARSHMAN
E. N. Harshman

JBC:bmh

cc: Chmn. Op. Comm. (2)
Corresp.file, Reg.III } w/copy of Operator's letter of 9/30/58

Cooper
Chron

MELBYE & MERWIN

GEOLOGICAL AND GEOPHYSICAL CONSULTANTS

OME
DEPARTMENT OF THE INTERIOR
OCT 2 - 1958
DENVER COLORADO

September 30, 1958

CHARLES E. MELBYE
STUART S. MERWIN
CHARLES F. ARNOLD

Executive Officer
Defense Minerals Exploration Administration
224 New Customshouse
Denver, Colorado

Re: Docket No. 4765
Contract No. IDM - E1175

Dear Sir:

This letter constitutes our formal request for proposed Drill Hole #4 on the above contract.

Drill Hole #4 is proposed to explore the major north-trending fault zone.(See ac ompanying map.) Drill Hole #3 cut this fault zone from 100'-120', where it was highly mineralized with specular hematite and pyrite, although the assays did not show appreciable metal values except for 1.66 oz. Ag/Ton from the sludge at interval 100'-105'. The angle of 57° is planned to pierce this fault zone at the same mineralized Dakota-Morrison contact. Furthermore, we have completed electromagnetic surveys and have found an anomaly striking parallel to the fault zone in the hanging-wall side.

The angle-hole will explore both vertical mineralization along the fault and bedded deposits near the fault, since the hole should penetrate the entire middle Dakota member on the west side of the fault.

We trust this will furnish you the needed information to grant formal approval of Hole #4.

Very truly yours,

Charles E. Melbye

Charles E. Melbye
Acting for Knight Mining Company

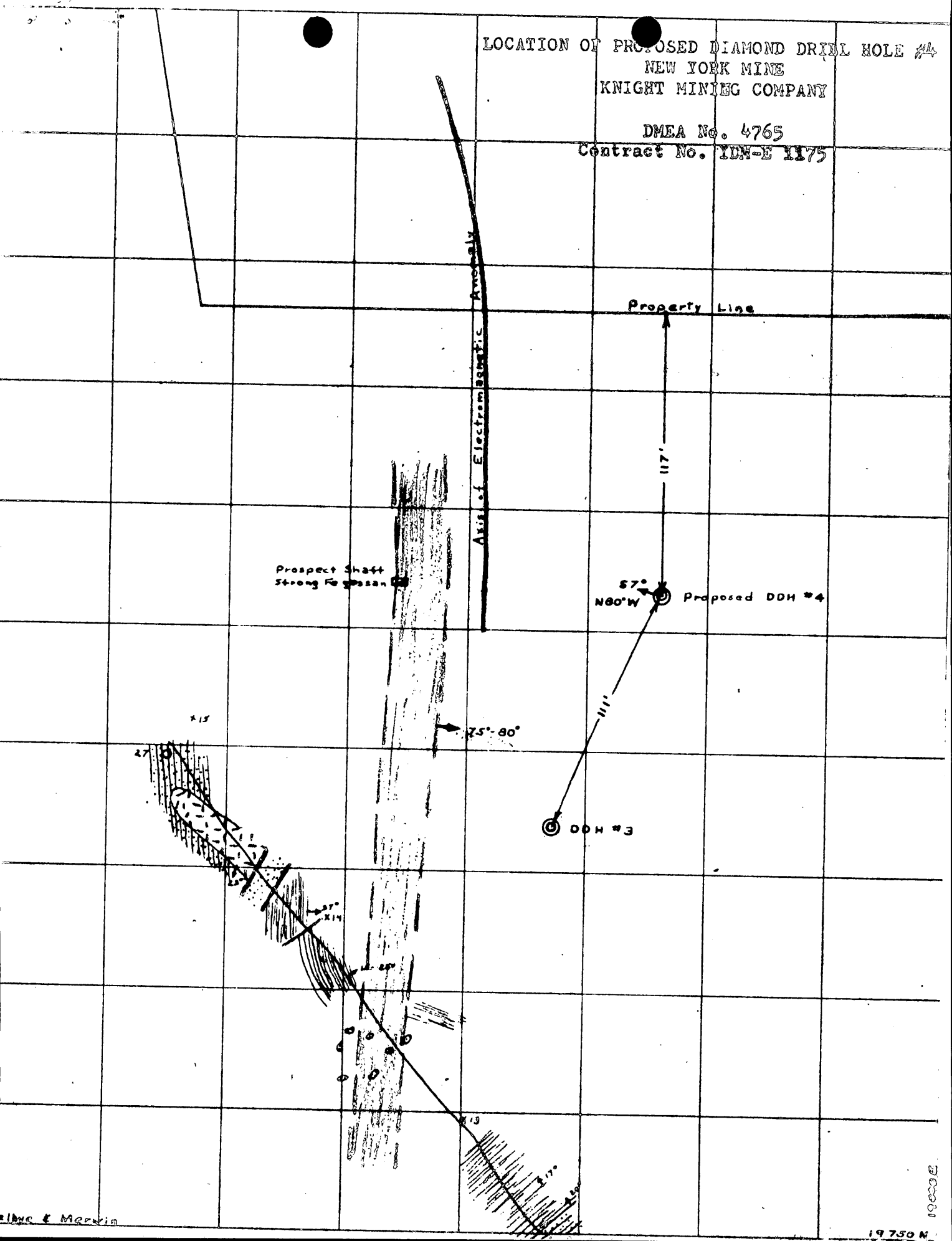
M/kk

1117 WASHINGTON AVE

CRESTVIEW 9-1542

LOCATION OF PROPOSED DIAMOND DRILL HOLE #4
NEW YORK MINE
KNIGHT MINING COMPANY

DMEA No. 4765
Contract No. IDM-E 1175



Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
9/30	Talbot	800
	Brisnell	500
9/30	GCL	130
"	Johnson	110
"	Kirkendall	100
10/1	C	220
		500

SEP 30 1958

Mr. E. N. Harshman
Acting Executive Officer
OME Field Team, Region III
224 New Customhouse
Denver 2, Colorado

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

Dear Mr. Harshman:

In the Acting Executive Officer's September 17, 1958, letter addressed to Charles E. Melbye, in regard to cementing and redrilling costs under the referenced contract, it was stated that "The billing from the subcontractor to support your claim for reimbursement must also be on a footage basis and not on an hourly basis."

There is no requirement that an independent contractor's billing against an Operator be on a basis of the same units specified in Exhibit "A" of the exploration project contract. Such billing should be on the basis of the units set forth in the independent contract.

Article 13 (a) of this exploration project contract provides that the allowable unit cost per foot of a drilling item is the average unit cost per foot computed on the basis of the actual costs incurred by the Operator. Accordingly, regardless of the basis of the independent contractor's billing, the actual costs

8623

of the cementing and drilling not in excess of an average unit cost of $3.00 a foot are allowable, provided, of course, that the cementing and redrilling work is necessary and otherwise acceptable under the contract.

Sincerely yours,

George C. Selfridge

ACTING Chairman, Operating Committee (HB)

APPROVED:

Frank J. Cservenyak (HB)

Member, Bureau of Mines

N. E. Nelson (HB)

Member, Geological Survey

EDTalbert/GMcC
Sept. 26, 1958

cc: Docket
Act. Director's Reading File
Operating Committee
T. H. Kiilsgaard
Frank D. Lamb
Mr. Chambers
Mr. Donald T. Finch

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

224 New Customhouse
Denver 2, Colorado
September 25, 1958

OFFICIAL FILE COPY
DMEA
RECEIVED SEP 29 1958

DATE	INITIALS	CODE
9-29	C	220
10-1	[illegible]	500

Memorandum

To: Chairman, Operating Committee, OME

From: Acting Executive Officer, OME 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

Enclosed are three copies of confirmation of verbal work approval, issued by the OME Field Team, Region III, for the drilling of one additional hole under the provisions of Stage II of the subject contract.

Also enclosed are three photo copies of a letter, dated September 5, 1958, from F. B. Moore, Geologist, Geological Survey, to the Operator confirming verbal approval given September 5, 1958, and two copies each of the Operator's letters dated September 10, 1958 and September 11, 1958, with attached map, requesting Government approval for the drill hole.

Copies of the confirmation of work approval have been distributed to the Operator, the Finance Office, and others concerned in Region III.

E. N. Harshman

E. N. Harshman

Enclosures

234 New Customhouse
Denver 2, Colorado
September 25, 1958

Mr. D. J. Lorenz
Knight Mining Corporation
2432 Grove Street
Denver 11, Colorado

Re: Docket No. DMEA 4969 (Lead-Zinc-Copper)
Contract No. Ma-2175
Knight Mining Corporation
(New York claims)
Summit County, Colorado

Dear Mr. Lorenz:

In reference to your request, dated September 11, 1958, this confirms verbal approval by the Government, given September 5, 1958, for the drilling of one additional hole under the provisions of Stage II of Contract No. Ma-2175. The hole is to be drilled from the surface and is to be located approximately 355 feet N. 20° W. from DMEA Stage IV drill hole No. 2.

Nothing in this confirmation of verbal work approval shall be construed to increase the estimated total cost of the project, the aggregate amount which the Government may be required to contribute, the final unit cost of any item of work, nor any item of allowable cost which is expressly designated "maximum."

Very truly yours,

ORE Field Team, Region III

By E. H. Harshman
E. H. Harshman

By J. W. Townsend
J. W. Townsend

cc: Mr. Charles E. McNaye
McNaye & Marvin
1117 Washington Avenue
Golden, Colorado

JDC:prl
cc: Chmn. Op. Comm. (3)
Finance Office, Reg. III
Amendment File, Reg. III
Harshman
Noel ORE/HPC
Corres. file
Cooper
Chron.

OFFICIAL FILE COPY
DMEA
RECEIVED SEP 19 1958

DATE	INITIAL	CODE
9-19	C	220
9/19	[illegible]	800
9/24	[illegible]	500

224 New Customhouse
Denver 2, Colorado
September 17, 1958

Mr. Charles E. Melbye
Melbye & Marvin
Geological and Geophysical Consultants
1117 Washington Avenue
Golden, Colorado

Re: Docket No. DMEA 4765 (Lead-Zinc-Copper)
Contract No. Idm-K1175
Knight Mining Corporation
(New York claims)
Summit County, Colorado

Dear Mr. Melbye:

Reference is made to your letter of September 8, 1958, regarding the need for cementing and redrilling funds in addition to those presently provided for in the contract.

"Cementing and Redrilling" is provided for in the contract on a footage basis and not on an hourly basis. Therefore, it will be necessary that you report the work on a footage basis. The billing from the subcontractor to support your claim for reimbursement must also be on a footage basis and not on an hourly basis.

Not so, see Art 13(a) Jalbert 9/19/58

The unit rate of $5.00 a foot established in the contract for "Cementing and Redrilling" is an allowable maximum, which cannot be exceeded. However, under justifiable circumstances, the presently established units of 200 feet can be increased, provided that there are sufficient funds available within the items of work under Category (1), Subcontracts, to absorb the additional cost of cementing and redrilling, as the total estimated cost for all work under Category (1) of $16,350.00 is also an allowable maximum which cannot be exceeded.

Should you submit a claim for reimbursement of the Government's portion of cementing and redrilling in excess of 200 feet, each instance of such excess claim must be fully justified in your narrative report accompanying Form MF-104, "Operator's Monthly Report and Voucher.

In regard to cementing of drill holes, it has been our experience that drilling contractors are prone to cement greater

footages in a hole than absolutely necessary. Therefore, a strict control must be maintained of the extent of cementing and redrilling.

Very truly yours,

Original signed by
J. W. TOWNSEND

J. W. Townsend

cc: Mr. D. J. Lorenz
Knight Mining Corporation
2348 Grove Street
Denver 11, Colorado

JWT:prl

cc: Chem. Op. Comm. (2)) w/copy of
Marshman) Melhye's
Salsbury DMEA/DFC) letter of
Corres. file) September 8.
Cooper
Chron.

September 11, 1958

DMEA
DEPARTMENT OF THE INTERIOR
SEP 15 1958
REGION III
DENVER, COLORADO

OFFICIAL FILE COPY
DMEA
RECEIVED SEP 29 1958

DATE	INITIALS	CODE

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-Copper)
Contract No. Idm-E1175
Knight Mining Corporation
(New York Claims)
Summit County, Colorado

Gentlemen:

We would appreciate receiving authorization on drill hole #3 as per enclosed drawing.

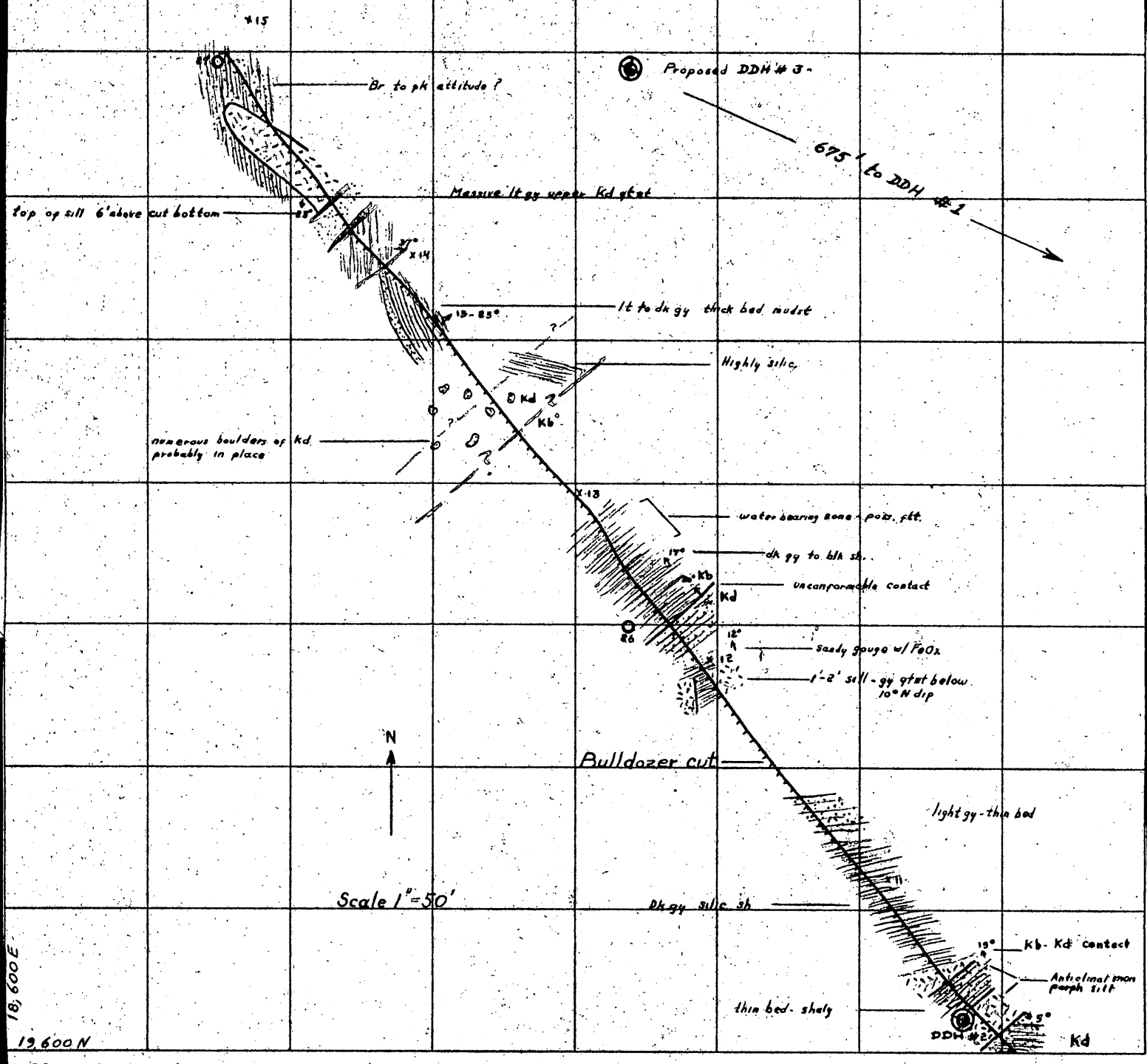
Yours very truly,

KNIGHT MINING CORPORATION

A J Lorenz

LOCATION OF PROPOSED DIAMOND DRILL HOLE # 3
NEW YORK MINE
KNIGHT MINING COMPANY

DMEA No. 4765
Contract No. IDM - E 1175



Holbyo & Norwin

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

Re: Docket No. 4765
Contract No. [illegible]

Dear Sir:

Regarding the provisions for cementing on this contract, I would like to stress the presence of highly fractured ground which is necessitating considerable cementing. For example, on Drill Hole #2, which is now being completed, the driller billed for 55 hours of cementing time. The amount on completed Hole #1 has not yet been billed, but I expect it to be comparable.

Possibly some contract provision could be made that would provide for more payment of cementing time, and we would ask your consideration of same. Thank you.

Sincerely yours,

Charles E. Meltzer

Charles E. Meltzer
Acting Ore
Knight Mining Company

[illegible]

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Bureau Minerals Exploration Administration
Denver Federal Center
Denver, Colorado

September 9, 1958

Mr. D. J. Lemon
Bright Mining Corporation
[illegible] Cross Street
Denver, Colorado

DMEA
DEPARTMENT OF THE INTERIOR
SEP 8 - 1958
REGION III
DENVER, COLORADO

E 1175

Dear Mr. Lemon:

Confirming verbal authorization given September 5, 1958, the DMEA Field Unit, Region III, authorized me to advise you that the Government assumes the work reported by you to the following effect:

The diamond drill hole to be located approximately N 10° W 585 feet from DMEA drill hole No. 2.

Formal confirmation of the verbal approval will be issued by the DMEA Field Unit, Region III, Denver, Colorado, upon receipt of your letter request as outlined above through the office of the Contractor's engineer of the work.

Very truly yours,

F. B. Moore

F. B. Moore

Attorney

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

224 New Customhouse
Denver 2, Colorado

JUN 25 1958

DMEA
RECEIVED 27 58
6/27 C 220
6/30 ~~wpb~~ 500

Memorandum

To: Chairman, Operating Committee, DMEA

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

Subject: Docket No. DMEA 4765 (Lead-Zinc-Copper) Contract Idm-E1175, Knight Mining Corporation, (New York claims) Summit County, Colorado

Enclosed are three copies of confirmation of verbal project work approval issued by the DMEA Field Team, Region III.

Also enclosed are three copies of a memorandum dated June 16, 1958, from F. B. Moore, Geologist, USGS, and E. W. Buel, Mining Engineer, U. S. Bureau of Mines, with attached map, pertaining to the drilling.

Copies of the confirmation of work approval have been distributed to the Operator, the Finance Office, and others concerned in Region III.

J. W. Townsend

Enclosures

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 27 1958

DATE	INITIALS	CODE

224 New Customhouse
Denver 2, Colorado
June 20, 1958

Mr. David J. Lorens,
Secretary-Treasurer
Knight Mining Corporation
2438 Grove Street
Denver, Colorado

Re: Contract No. DMEA [illegible]
(Lead-Zinc-Copper)
Knight Mining Corporation
(New York claims)
Summit County, Colorado
Contract IAm-M1175

Dear Mr. Lorens:

In reference to your request of June 9, 1958, this confirms verbal approval issued by the Government on May 26, 1958, for you to drill two holes under the provisions of Stage II of the contract. The holes will be drilled at the locations shown on the map "Figure 2," CLAIM MAP SHOWING GENERALIZED GEOLOGY, MINE WORKINGS, AND LOCATIONS OF RECOMMENDED STAGE I AND II EXPLORATIONS, NEW YORK CLAIMS, 3, 6 and 9, SUMMIT COUNTY, COLORADO, which is attached hereto and made a part of this confirmation of work approval.

The estimated depth of each hole is 300 feet; however, if any porphyry sill more than 40 feet thick is cut by the first hole drilled, the second hole shall not penetrate more than five (5) feet into this sill without prior Government approval.

Nothing in this confirmation of work approval shall be construed to increase the estimated total cost of the project, the aggregate amount which the Government may be required to contribute, the fixed unit cost of any item of work, nor any item of allowable cost which is expressly designated "maximum."

Very truly yours

DMEA Field Team, Region III

By J. W. Townsend
J. W. Townsend

By E. M. Harshman
E. M. Harshman

JBC:hmh

cc: Chmn. Op. Comm. (3)
Finance Off., Reg. III
Amendment file, Reg. III
Harshman
DMEA/DPC
Copper
Corres. file, Reg. III
Chron

IN REPLY REFER TO:

DMEA

DEPARTMENT OF THE INTERIOR

JUN 18 1958

REGION III

DENVER, COLORADO

UNITED STATES

DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY

Defense Minerals Exploration Administration

Denver Federal Center

Denver, Colorado

OFFICIAL FILE COPY

DMEA

RECEIVED JUN 27 1958

DATE	INITIALS	CODE

June 16, 1958

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: E. N. Harshman

From: F. B. Moore

E. W. Buel

Subject: Docket DMEA 4765 (Lead-zinc-copper), Contract Idm-11175, Knight Mining Corporation (New York claims), Summit County, Colorado

In a letter dated June 9, 1958, the operator requests permission to start drilling under Stage II of the contract. The locations of the first two holes are shown on the attached map.

The Stage I trench was examined on May 26, 1958, by F. B. Moore and C. E. Melby, consultant for the applicant, and the locations of the first two holes were determined by mutual agreement.

Diamond drill hole no. 1 will explore the favorable Dakota quartzite near the projected intersection of two strong, iron-stained faults cut by the trench.

Diamond drill hole no. 2 will explore an anticlinal roll exposed by the trench in the upper Dakota quartzite. Faults near the roll create a geologic situation similar to that in the nearby Detroit mine where a faulted roll produced broken ground favorable for ore deposition.

Both holes should be drilled vertically through the Dakota quartzite and, if significant mineralization is found, through the limy beds in the lower Morrison. The depth of each hole is estimated to be 300 feet. If any porphyry sill more than 40 feet thick is cut in the first hole, the second hole should not be drilled more than 5 feet into this sill without prior Government approval.

Both holes are believed to be well located geologically. It is therefore recommended that the operator's request be approved, thus verifying verbal approval granted on June 11, 1958.

F. B. Moore

F. B. Moore, Geologist

E. W. Buel

E. W. Buel, Mining Engineer

FBMoore:arh

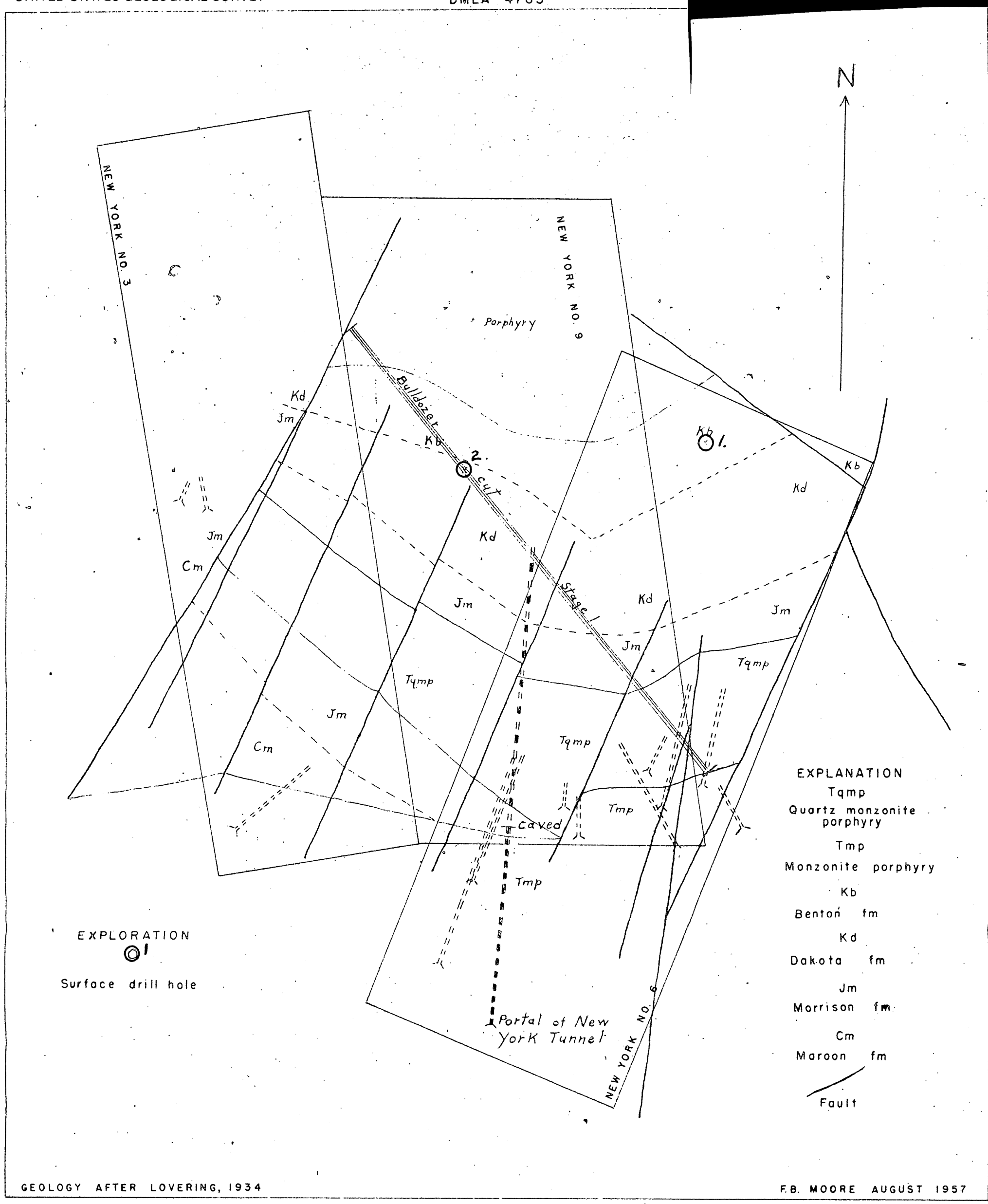


FIGURE 2.- CLAIM MAP SHOWING GENERALIZED GEOLOGY, MINE WORKINGS, AND LOCATIONS OF RECOMMENDED STAGE 1 & 2 EXPLORATION, NEW YORK CLAIMS 3, 6, & 9, SUMMIT COUNTY, COLORADO

0 100 200 300 400 500 600 700 800 FEET
SCALE

DMEA COPY

JUL 12 1958

6/12 C 220
6/12 800
6/13 500

224 New Customhouse
Denver 2, Colorado
June 10, 1958

Memorandum

To: E. H. Hartman - w/enclosure
DMEA/MPC (Winkel) - "

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

Subject: Docket No. DMEA 4765 (Lead-Zinc-Copper), Contract No. DMe-X1175, Knight Mining Corporation (New Rock claims), Summit County, Colorado

Enclosed is a copy of the Operator's letter of June 9, 1958, with map attached, which constitutes its request for the Government's approval for the drilling of two holes under Stage II.

Please submit a joint memorandum report containing your recommendations in the matter.

Original signed by
J. W. TOWNSEND

J. W. Townsend

JWT:pri

cc: Chron.Op.Comm.-2) w/copy of
Contrac. file) Operator's
letter.

Townsend
Chron.

DMEA
DEPARTMENT OF THE INTERIOR
JUN 9 - 1958
REGION III
DENVER, COLORADO

June 9, 1958

DMEA
RECEIVED JUN 12 1958

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

Re: Docket No. DMEA 4765
Contract No. Idm-E1175
Knight Mining Corporation
Summit County Colorado

Gentlemen:

Enclosed please find six copies of the DMEA map showing the first two proposed drill holes under Stage #2 of our contract.

DDH#1 is proposed to explore the possibility of a blanket vein in the Dakota formation, and especially the most favorable upper portion, near the intersection of two major northeast faults. Both of these faults were cut in the bulldozer trench under Stage #1 and are of major intensity with strong gouge and considerable iron oxide and pyrite. Because of the thick soil cover, the exact intersection cannot be located.

DDH#2 is proposed on the basis of an anticlinal roll in the Dakota quartzite and shale which was exposed in the bulldozer cut under Stage #1. There is also considerable faulting and a monzonite porphry sill along this roll. The closest productive mine, the Detroit, produced its best ore from a faulted roll in the shales and shaly quartzites of the upper Dakota formation. The hole is located at the crest of the fold.

We trust this will furnish you the needed information to proceed with Stage #2 and would appreciate an early reply as the drilling company is in a position to start the work at once.

Yours very truly,

KNIGHT MINING CORPORATION

D. J. Lorenz

D. J. Lorenz

DEPARTMENT OF THE INTERIOR
UNITED STATES GEOLOGICAL SURVEY

EXAMINATION REPORT
DMEA 4765

PREPARED FOR
DEFENSE MINERALS
EXPLORATION ADMINISTRATION

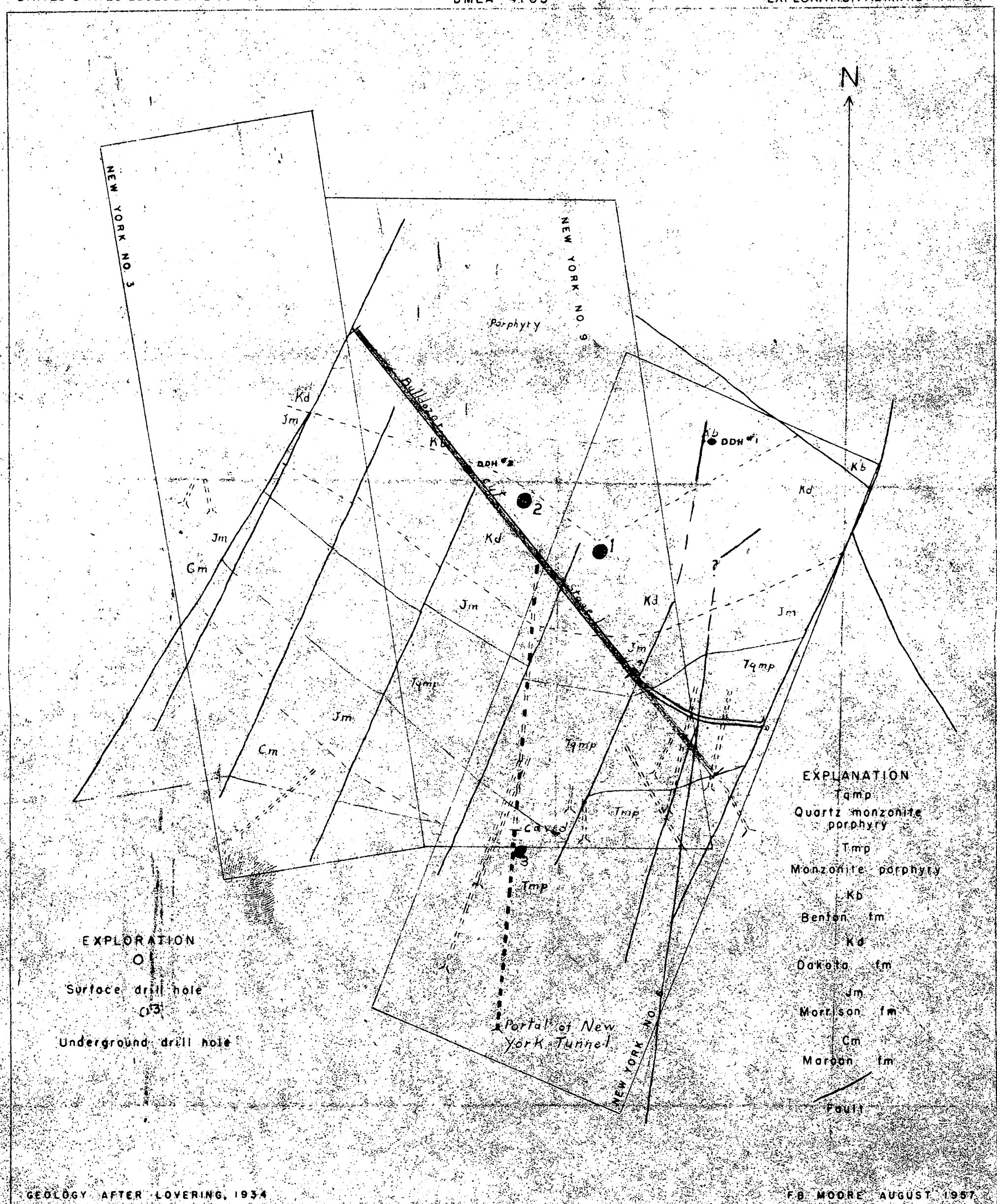


FIGURE 2 – CLAIM MAP SHOWING GENERALIZED GEOLOGY, MINE WORKINGS, AND LOCATIONS OF RECOMMENDED STAGE 1 & 2 EXPLORATION, NEW YORK CLAIMS 3, 6, & 9, SUMMIT COUNTY, COLORADO

RECEIVED JUN 9

DATE 6/9 C 220
6/9 800
6/10 500

204 New Customhouse
Denver 2, Colorado
June 5, 1958

Memorandum

To: E. E. Hardman - w/enclosure
MMRA/WPO (Winkel) - "

From: Alternate Acting Executive Officer, MMRA FUEL Team, Region III

Subject: Docket No. MMRA 4765 (Lead-Zinc-Copper), Contract No. IZm-2117j, Knight Mining Corporation (New York claims), Summit County, Colorado

Enclosed is a copy of the Operator's letter of June 3, 1958, requesting Government approval to proceed with the drilling. In reference to the tentatively approved Stage II drilling, you are referred to the first paragraph on page 2 of Exhibit "A" of the contract.

In conjunction with the matter of rendering a report containing your recommendations, please contact the Operator and have it submit six copies of the request for the drilling, accompanied by a map indicating the specific locations of the holes proposed for drilling. In reference to which you might refer the Operator to the fifth paragraph on page 3 of our letter of April 2, 1958.

Original signed by
J. W. TOWNSEND

J. W. Townsend

JWT:yel

cc: Chm.Op.Comm.-2 } w/copy of
Survs. file } enclosure.
Townsend
Chrm.

June 3, 1958

DMEA
DEPARTMENT OF THE INTERIOR
JUN 4 - 1958
REGION III
DENVER, COLORADO

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

Re: Docket No. DMEA 4765
Contract No. Idm-E1175
Knight Mining Corporation
Summit County Colorado

Gentlemen:

Please be advised that we have completed stage #1 of our contract and would appreciate having your permission to proceed with the drilling. The drilling company is in a position to start on June 9, 1958.

Thanking you for an early reply, we remain,

Yours very truly,

KNIGHT MINING CORPORATION

D. J. Lorenz

D. J. Lorenz

Moore will request Lorenz to submit a copy of report with maps showing proposed locations of drill holes

EMM
6/4/58

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
224 New Customhouse
Denver 2, Colorado
April 22, 1958

OFFICIAL FILE COPY
DMEA
RECEIVED APR 24 1958

DATE	INITIALS	CODE
4/24	H.A.	220
		130
4/25	WPH	500

Memorandum

To: Chairman, Operating Committee, DMEA

From: 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

Approved WPH.

Enclosed are the Government's and Audit copies of Amendment No. 1 to Contract No. Idm-E1175, which has been executed to extend the date on or before which work shall be commenced from April 15, 1958 to May 15, 1958.

Copies of the executed Amendment have been distributed to the Operator, the Finance Office, and others concerned in Region III.

E. N. Harshman

E. N. Harshman

Enclosures

DMEA
21

4/21 226
4/22 LLL
4/22 566

[illegible] New Customhouse
Denver 2, Colorado
April 18, 1958

Mr. R. J. Lorenz
Knight Mining Corporation
[illegible] Grove Street
Denver, Colorado

Re: Docket No. DMEA 4765 (Lead-Zinc-Copper)
Contract No. [illegible]-X1175
Knight Mining Corporation
(New York claims)
Summit County, Colorado

Dear Mr. Lorenz:

Enclosed are the Government's, Audit, Operator's, Finance Office, and Field Team copies of proposed Amendment No. 1 to Contract No. [illegible]-X1175, which has been prepared in reference to your letter of April 17, 1958 to extend the date on or before which the Operator shall commence the work from April 15 to May 15, 1958.

If the Amendment is satisfactory, all copies are to be signed by the Vice President, Knight Mining Corporation, as indicated, the corporate seal affixed, and all copies promptly returned to this office; upon receipt of which and after signature by the Acting Executive Officer, DMEA Field Team, Region III, for the Government, the "Operator's Copy" will be returned to you.

Very truly yours,

Original signed by
E. N. HARSHMAN

E. N. Harshman
Acting Executive Officer
DMEA Field Team, Region III

JWT:pel

cc: Chmn.Op.Comm.-2 } w/copy of
Harshman } Operator's
DMEA/RFC-Winkel } letter of
Corres. file } April 17.
Townsend
Chron.

WS

April 17, 1958

OFFICIAL FILE COPY
DMEA
RECEIVED APR 21 1958
DATE | INITIAL | CODE

DMEA
DEPARTMENT OF THE INTERIOR
APR 18 1958
REGION III
DENVER, COLORADO

Defense Minerals Exploration
224 New Custom House
Denver, Colorado

Re: DMEA # 4765 Contract I DM 2-775
New York Mine

Gentlemen:

We have been having trouble locating a D7 or larger cat to work at our mine but have now located one to start work May 10th to the 15th. We would appreciate if you could ammend our starting date accordingly.

Yours very truly,

KNIGHT MINING CORPORATION

D. J. Lorenz

D. J. Lorenz

OFFICIAL FILE COPY
DMEA
RECEIVED APR 4 1958
DATE | INITIAL | CODE
4/7 | C | 220
4/9 | B | 215
4/9 | [illegible] | 500

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION
224 New Customhouse
Denver 2, Colorado
April 2, 1958

Memorandum

To: Chairman, Operating Committee, DMEA

From: 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

Enclosed are the following, pertaining to the subject contract:

1. The Government's and Audit copies of Contract No. Idm-E1175, which was forwarded by your letter of March 6, 1958 for signature by the operator and insertion of a suitable starting date under Article 3.

2. Three copies of a letter from this office, dated April 2, 1958, whereby we forwarded the Operator's Copy of the Contract, blank report forms and instructions relative to reporting on work performed under the contract, and provided instructions relative to procedure in corresponding with this office in matters concerned with the contract.

3. Two copies of the Operator's letter of April 1, 1958, whereby the executed copies of the contract were returned to this office and the Operator advised it would like to commence work on April 15.

The contract, dated March 6, 1958, provides for exploration work estimated to cost $20,380.00, toward which the Government will contribute 50 percent, or an amount not in excess of $10,190.00.

Copies of the contract have been distributed to the Finance Office and others concerned in Region III.

E. N. Harshman

E. N. Harshman

224 New Customhouse
Denver 2, Colorado

CERTIFIED MAIL

APR 2 - 1958

Knight Mining Corporation
2432 Grove Street
Denver, Colorado

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

Gentlemen:

Enclosed is the "Operator's Copy" of Exploration Project Contract No. Idm-E1175, Docket No. DMEA 4765.

Also enclosed are six copies of Form MF-104, "Operator's Monthly Report and Voucher," and six copies of Form MF-104A, "Operator's Unit Cost and Progress Report." At the end of the first calendar month after work is commenced, and monthly thereafter, you are required to submit the original and four copies of each form to the

Executive Officer
Defense Minerals Exploration Administration
224 New Customhouse
Denver 2, Colorado.

The extra copy is for your records.

Forms MF-104 and MF-104A are to be combined into five sets of one of each form. Each set of the combined forms is to be accompanied by a map or sketch, showing the location and extent of work performed, and a signed narrative report which describes the work performed, conditions encountered, and results of the work. The monthly accounting report will not be processed for reimbursement unless it is accompanied by a signed narrative report and other required or pertinent data. Additional copies of Forms MF-104 and MF-104A will be forwarded to you each month on receipt of your report for the prior month.

For your information, and in reply to many questions that have been asked, after Forms MF-104 and MF-104A are received, an engineer will check progress on the project and review your accounts, after which the report forms will be forwarded to this office for administrative examination and vouchering. If the report is in order, a check will be issued by the Treasury Department for the Government's portion of the approved costs. If you have any difficulty in completing these forms and the reports, please call on this office for assistance.

In the matter of your claim for reimbursement for costs of drilling under Stage II, under the terms of the contract reimbursement to you will be on the basis of a hole or holes completed to the objective, which has, or have been, drilled in compliance with conditions pertaining thereto as outlined in Exhibit "A", under the caption, "Description of the Work," subheading "Stage II." Therefore, your monthly report should include only such holes which are completed to that extent, and the required records made a part of your claim for reimbursement.

The contract is prepared on form MF-200, and as outlined in Exhibit "A" attached to the contract, the estimated allowable costs are broken down into categories which conform to the Categories in Article 6 of the contract form and conform to the numbered items for reporting on Form MF-104. Under the provisions of Article 6, the work outlined in Exhibit "A", under Category (1), is to be performed by an independent contractor. The unit costs established are the maximum unit costs to which the Government will contribute its share during any reporting period, except for the drilling, which is a maximum average unit cost, as explained in the following paragraph. The actual costs of the work completed under Category (1), up to the allowable maximum unit cost, are to be recorded under item (1) on Form MF-104 and must be supported and documented by signed or certified true copies of the billing from the subcontractor, except for drilling, and in that instance the actual costs will be reported, regardless of the maximum unit cost established, which will be handled as explained in the next paragraph. Information relative to documentation of charges for work or service performed under other "Catagories" is given in the next to the last paragraph on the reverse side of Form MF-104. Also, please refer to the instructions on the reverse side of Form MF-104A regarding preparation of that form.

In reference to Article 13 (a) of the contract, pertaining to the average unit cost of the drilling, if excess costs are suspended by reason of exceeding the maximum unit cost of the drilling described under Category (1), the excess costs will be held in suspense and be reinstated by this office, to the extent suspended funds are available, in the event the unit costs for any subsequent month should cause the average unit cost to fall below the maximum average unit cost established in the contract for the drilling.

In the event you desire to perform the work under Category (1) on company account instead of subcontracting it, as provided in the contract, it will be necessary that you request and obtain an appropriate amendment to the contract before reimbursement can be made to you for the Government's portion of the allowable incurred costs.

Your requests to this office for work approval, changes in the contract, or any other communication pertaining to operations under the contract, must be in writing, of which please supply the original and five copies, each copy complete with maps or other pertinent data. Each request for action by this office must pertain to one matter only. Such requests are not to be incorporated in your narrative report accompanying monthly progress report Forms MF-104 and MF-104A.

The general location of the work to be performed under Stage I is indicated on the map, "Figure 2," attached to the contract. Should conditions encountered necessitate any appreciable change in the location or direction of any of the work, approval of this office for the change must be obtained prior to performance of the work. Otherwise, the work may not be acceptable for reimbursement to you under the terms of the contract.

Your attention is directed to the provision that Stage II work is contingent on results obtained from Stage I, and performance of the work under Stage II is subject to the prior written approval of the Government.

When work under Stage I has been completed, or sufficiently so to permit evaluation of the results of the work, you must request approval from this office for the work you propose to perform under the next stage. Your request for the work approval must be in sextuplicate, each copy complete with a map showing the location and extent of the work completed and the location of the additional work proposed. Also, your request must include an evaluation of the work completed and include assay returns and any other pertinent data which will be of value to the Government in appraising the results of the work.

You should anticipate a suspension of operations between stages of work, to enable the Government geologist and engineer to evaluate results of the work performed and make their recommendations to this office relative to the additional work you propose.

To eliminate as much delay to operations as possible, if that is of serious consideration, you should expedite forwarding of the results of the work completed and your request for the Government's approval of the additional work you propose.

No oral statement of any person shall be construed to modify or change the terms of the contract. Field Representatives of the Government are not authorized to approve any changes in the work program or contract provisions. Such approval can only be given by the Washington Office, DMEA, or by the DMEA Field Team, Region III.

It is a regulation that reimbursement for the cost of work accomplished prior to the date of the contract will not be allowed. It is a requirement and imperative that you notify this office in writing the date work actually commences under the contract.

Very truly yours,

Original signed by
W. H. KING

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

Enclosures

JWT:prl

cc: Chmn. Op. Comm. (3)
Finance Office Reg. III
Amendment file, Reg. III
Harshman
DMEA/DFC (Winkel)
Corres. file
Townsend
Chron.

April 1, 1958

DMEA
DEPARTMENT OF THE INTERIOR
APR 1 - 1958
REGION III
DENVER, COLORADO

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

Re: Docket #DMEA 4765
New York Claims
Summit County, Colorado
Exploration Project Contract #Idm -E1175

Gentlemen:

Enclosed please find the signed contracts on the above project.

We would like to commence work on April 15, 1958.

Thanking you for the work you have done on our behalf, we remain,

Yours very truly,

D. J. Lorenz

D. J. Lorenz

Kinght Mining Corporation
2432 Grove Street
Denver, Colorado

ORIGINAL FILE COPY
DMEA
RECEIVED 17
3/17 C 220
3/17 wrk. ~~500~~

224 New Customhouse
Denver 2, Colorado
March 11, 1958

CERTIFIED MAIL

Knight Mining Corporation
2432 Grove Street
Denver, Colorado

Re: Docket No. DMEA 4765 (Lead-Zinc-Copper)
Knight Mining Corporation
(New York claims)
Summit County, Colorado - Proposed
Exploration Project Contract No. Idm-E1175

Gentlemen:

Enclosed are the Government's, Audit, Finance Office, and Field Team copies of proposed Exploration Project Contract No. Idm-E1175, which has been prepared pursuant to your Application for Government assistance in exploration work under the Defense Minerals Exploration Administration program.

If the Contract is satisfactory, all copies are to be signed by an official of Knight Mining Corporation authorized to sign such an instrument, the signer's title inserted, the corporate seal affixed, and all copies promptly returned to this office.

In the event the Contract is not satisfactory, all copies are to be returned promptly to this office, together with your comments on or objections to the Contract.

Your attention is especially directed to three provisions in the Contract:

1. The Government will not contribute to the costs of any of the work that is provided for in the Contract which is performed prior to the date of the Contract.

2. The Contract requires completion of the exploration work by the date fixed therefor. Approval must be obtained from the Government for any suspension of work which may result in failure to complete the work by the date specified.

3. Royalty is due the Government on all production from the land described in the Contract, beginning on the date of the Contract.

If the Contract is satisfactory, and upon return of all copies properly signed, the "Operator's Copy" of the Contract will be forwarded to you, together with blank report forms and instructions relative to reporting on work performed under the Contract. Also, instructions will be given as to the procedure to be followed in corresponding with this office in matters concerning operations under the Contract.

When the signed copies of the Contract are returned, please advise us the date on or before which work will be commenced, for our insertion in Article 3 of the Contract form.

Very truly yours,

Original signed by
W. H. KING

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

Enclosures

JWT:prl

cc: Chmn. Op. Comm. (2)
Harshman
DMEA/DFC (Winkel)
Docket
Townsend
Chron.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
3/10	[illegible]	500
3/12	[illegible]	120
"	[illegible]	110
"	[illegible]	100
3/11	[illegible]	220
		500

MAR 11 1958

Mr. David J. Lorenz, Sec.-Treas.
Knight Mining Corporation
2432 Grove Street
Denver, Colorado

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

Dear Mr. Lorenz:

With reference to your March 4 inquiry, a proposed contract for your exploration project was mailed to Mr. W. H. King, Executive Officer, DMEA Field Team, Region III, on March 6. You have probably heard from him by now; if not, assuredly he will get in touch with you very shortly.

Sincerely yours,

[illegible]

Administrator

WRGriswold/er 3/10/58
Copy to: Docket
Admr R File
Op. Committee
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Region III (2)
Chron.

8623

March 4, 1958

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 6 1958

DATE		CODE
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Mr. C. O. Mittendorf
Defense Minerals Exploration Adm.
Room 5549
Interior Building
Washington 25, D.C.

Re: Docket No. DMEA-4765
(Lead-Zinc-Copper-Molybdenum)
New York Claims
Summit County, Colorado

Dear Mr. Mittendorf:

At the DMEA office here in Denver I was advised that I could write to you and possibly find out what action has been taken in regard to the aid we have applied for. At our mine at Breckenridge, Colorado we will be having good weather within the next month and we are very anxious to take advantage of the good weather.

We realize that you are very busy and we would appreciate anything you could do to speed up your decision.

Thanking you in advance for an early reply, I remain,

Very truly yours,

D. J. Lorenz

D. J. Lorenz
Knight Mining Corporation
2432 Grove
Denver, Colorado

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
3/3	Griswold	500
3-3	Chambers	800
3/3	Martin	130
"	Johnson	110
"	Littlebox	100
		~~[illegible]~~
3/7	C	200
		500

500

MAR 6 1958

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

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

Dear Mr. King:

As recommended in your memorandum of December 16, 1957, we have prepared a proposed contract for the cited project. The original and four copies, which are enclosed, have been signed by the Administrator for the Government. The proposed contract consists of Form MF-200, Annex 1 (one page), Exhibit "A" (four pages), and one map.

If the contract meets with your approval, please present it to the Applicant for approval and signature and, when completed, distribute all the copies in the usual manner. Otherwise, and if any proposed change should lie beyond your delegated authority, all copies should be returned to us with your recommendations.

Two extra copies of the contract, minus the form, are enclosed for the use of the Field Team.

Sincerely yours,

W. S. Martin

ACTING Chairman, Operating Committee (JHB)

Enclosures
APPROVED:

Frank D. Lamb (JHB)
Member, Bureau of Mines

Thor H. Kiilsgaard (JHB)
Member, Geological Survey

WRGriswold/er 3/3/58
Copy to: Docket
Admr R File
Op. Committee
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Chron.

8623

EXPLORATION PROJECT CONTRACT
KNIGHT MINING CORPORATION
DOCKET NO. DMEA-4765

EXHIBIT "A"

Description of the Work

The purpose of the project is to explore for ores of lead, zinc, and copper by trenching, and by diamond drilling from surface and underground locations. The work is divided into two stages. The Operator shall perform all Stage I work, and as much of the Stage II work as is approved in advance by the Government.

Stage I

A trench, approximately 1200 feet in length, shall be excavated to bedrock at the general location indicated on the attached map, with D-7 or equivalent unit.

Stage II

Prepare access roads and drill sites with D-7 or equivalent sized unit and diamond drill 2,000 feet (plus necessary overburden drilling), from surface and underground locations, in not to exceed eight holes. The diamond drilling shall be BX size or larger.

All significantly mineralized core shall be split and one-half assayed for copper, lead, zinc, gold and silver. In the event that core recovery in any mineralized area should be less than 70 percent, sludge samples shall be taken in such areas and one-half assayed for the same minerals as in the case of split core. One-half of a split core and one-half of a sludge sample shall be made available for the inspection and possible use of the Government.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code

March 3, 1958

Memorandum for the Files

From: Director, Division of Base Metals

Subject: Docket No. DMEA-4765, Knight Mining Corporation, New York Claims, Summit County, Colorado, Lead-Zinc-Copper

None of the geological evidence submitted with the application or in the Field Team report conveys any suggestion as to the possibility of molybdenum being present. In their proposal the Field Team does not even request an assay for molybdenum, and there is no reason at all for considering such a possibility.

W. R. Griswold

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code

500

February 20, 1958

Memorandum

To: Associate Solicitor, Division of Minerals Resources

From: Director, Division of Base Metals

Subject: Preparation of Contract for Docket No. DMEA-4765, Knight Mining Corporation, New York Claims, Summit County, Colorado, Lead-Zinc-Copper-Molybdenum.

Will you kindly prepare a long-form contract along the lines of the attached rough draft.

We are also attaching eight copies of the required map.

W. R. Griswold

Enclosures

WRG/er
Copy to: Docket
Chron.

8623

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

224 New Customhouse
Denver 2, Colorado

February 18, 1958

RECEIVED FEB 21 1958
2/21 C 220
2/21 ~~[illegible]~~ 500

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 4765 (Lead-Zinc-Copper-Molybdenum) Knight Mining Corporation (New York claim) Summit County, Colorado

This has further reference to your letter dated January 8, 1958 on the subject docket.

Enclosed are the original and one copy of the third drilling bid which the applicant has submitted for drilling on the subject property. This bid is from Sprague and Henwood Inc.

W H King

W. H. King
Executive Officer

(2)

WHK
HMC

MANUFACTURERS OF
DIAMOND DRILLS
DRILLING EQUIPMENT
DIAMOND BITS

BRANCH OFFICES
NEW YORK · PITTSBURGH
PHILADELPHIA
GRAND JUNCTION, COLO.

EXECUTIVE OFFICES & PLANT
221 W. OLIVE STREET
SCRANTON, PA.

SPRAGUE & HENWOOD, INC.

SINCE 1883

CONTRACTORS FOR
DIAMOND DRILLING
SHOT DRILLING · SOIL SAMPLING · PRESSURE GROUTING
WATER WELLS & CHURN DRILLING

PLEASE REPLY TO
P. O. BOX 645
GRAND JUNCTION, COLO.
TELEPHONE ~~XXXX~~
CHapel 2-0444

February 11, 1958

DMEA
DEPARTMENT OF THE INTERIOR
FEB 17 1958
REGION III
DENVER, COLORADO

Knight Mining Company
2432 Grove Street
Denver, Colorado

Attn: Mr. Lorenz

Gentlemen:

In accordance with your request we herewith submit our proposal for drilling approximately 2,000 feet near Breckenridge, Colorado. It is our understanding that the drilling program will consist of 4 to 6 surface holes and 2 underground holes, and angle hole drilling is required.

PROPOSAL

Surface Drilling

		AX Size	BX Size	NX Size
Item 1.	Core Drilling			
	From 0 to 400 feet	$8.00/ft.	$8.50/ft.	$9.00/ft.

Item 2. Reaming

From AX size to BX size . . . . . $4.25/ft.
From BX size to NX size . . . . . $4.75/ft.
From NX size to 3½" size . . . . . $5.25/ft.

Item 3. Cementing . . . . . .$12.00/hr.
Plus cost of cement

Item 4. Delay time caused or required by
Knight Mining Company . . . . . .$10.00/hr.

Item 5. Drilling mud materials if used, charged at cost to customer.

THIS PROPOSAL IS SUBJECT TO THE FOLLOWING PROVISIONS:

1. All drill hole locations and access roads to drill sites will be constructed and maintained to accomodate Sprague & Henwood trucks. Any bull-

Knight Mining Company
Attn: Mr. Lorenz

February 11, 1958

dozer work required for the preparation of sites and roads will be furnished by customer at no cost to Sprague & Henwood, Inc.

2. Cores will be delivered at drill hole locations, and storage and preservation of cores will be the responsibility of the customer.

3. All work shall be performed in such a manner as to secure maximum core recovery from each hole drilled and to deliver as complete and accurate core samples as are consistent with good drilling practice.

4. All holes will be located in the field by the customer.

5. All rights of entry to and exit from the property will be obtained by the customer.

6. Customer will assist in moving from drill station to drill station and provide any necessary bulldozer work if required. Also, customer will assist in moving equipment in and out of underground locations.

7. All underground drill hole locations will be accessible and will meet all safety requirements so that there will be no hazard for Sprague & Henwood crew.

8. All underground drill stations will be suitable for the use of 10 foot lengths of drilling equipment.

9. Underground drill holes will be at any angle from horizontal to vertically down but none will be inclined upward at an angle of more than 15° from the horizontal.

10. Any staging or timbering required for underground staging will be supplied by customer at no cost to Sprague & Henwood.

11. Any preparatory work performed by Sprague & Henwood crews to make underground locations suitable for use will be charged to customer at the hourly rate under Item 4.

12. Air and water of sufficient volume and pressure suitable for operation of underground equipment will be provided by customer at the drill hole locations.

13. The above prices are based on a minimum drilling program of 2,000 feet. If a lesser amount is drilled, $0.25 cents per foot will be charged for the difference between actual amount drilled and the minimum drilling program. If the drilling program exceeds the planned minimum, drilling prices listed above will be reduced by $0.25 cents per foot for all drilling over the planned minimum.

14. Payments are to be made monthly based on footage drilled, within 15 days of date of invoice. Should payments not be made within specified period,

Knight Mining Company
Attn: Mr. Lorenz

February 11, 1958

then Sprague & Henwood reserves the right to terminate operations. Credit arrangements satisfactory to Sprague & Henwood must be made prior to start of work.

We thank you for the opportunity of submitting this proposal, and trust you will find it acceptable.

Very truly yours

SPRAGUE & HENWOOD, INC.

Robert R. Carver
Western Manager

RRC: nr

DMEA
RECEIVED FEB 21 1958

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

224 New Customhouse
Denver 2, Colorado

February 11, 1958

OFFICIAL FILE COPY
DMEA
RECEIVED FEB 14 1958

DATE		CODE
2/14		220
2/14	WRS.	500

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 4765 (Lead-Zinc-Copper-Molybdenum)
Knight Mining Corporation (New York Claims)
Summit County, Colorado

This replies to your letter dated January 8, 1958, on the subject docket.

Enclosed are two copies each of bids by Boyles Bros. and Golden Drilling Company for drilling on the subject property. The applicant stated that he is having difficulty obtaining a third bid but hopes to receive it at an early date.

There are many faults in the area and we expect the ground to be broken and fractured; so we have specified BX size or larger for drilling.

WHKing
W. H. King

Encls.

MINERAL EXPLORATION -- TEST BORINGS -- GROUT HOLE DRILLING

GOLDEN DRILLING COMPANY

DIAMOND DRILLING CONTRACTORS
2301 EAST STREET
GOLDEN, COLORADO
PHONE CRestview 9-1371

Jan. 23, 1958

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

Golden Drilling Company's estimate for diamond core drilling the Knight Mining Company's property, located in Summit County, near Brekenridge, Colo:

2000 ft. of angle hole drilling consisting of 4 or 6 surface drilled holes. 2 holes underground.

Wash boreing and driving pipe through sand, gravel and boulders		per. ft.	$ 12.00
Diamond core drilling	BX bit	per. ft.	6.75
Reaming and casing		per.ft.	3.50
Cementing and drilled out		per. ft.	3.00
Stand-by time for convenience of mining company		per. hr.	7.50

OFFICIAL FILE COPY
DMEA
RECEIVED FEB 14 1958

DATE	INITIALS	CODE

W E Matthews
GOLDEN DRILLING COMPANY

Diamond Core Drilling
Mining
Quarries
Shaft Sinking
Tunnel Driving

Boyles Bros. DRILLING COMPANY

CONTRACTORS - ENGINEERS - GEOLOGISTS
General Offices
1321 South Main Street Phone HUnter 4-4401
SALT LAKE CITY 15, UTAH

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

Reply to:
2960 West 7th Avenue
Denver 4, Colorado

OFFICIAL FILE COPY
DMEA
RECEIVED FEB 14 1958

DATE	INITIALS	CODE

January 23, 1958

Knight Mining Company
2432 Grove Street
Denver, Colorado

Attention Mr. Lorenz;

Dear Sir;

The following estimate for Drilling near Breckinridge, Colorado is submitted for your DMEA application.

Surface Drilling;

Overburden, From 0 ft to 50 ft	per ft	$ 8.50
Overburden, From 50 ft to 100 ft	per ft	10.00
Drilling NX size from 0 ft to 200 ft	per ft	8.50
Drilling BX size from 0 ft to 300 ft	per ft	7.50
Reaming for BX Casing	per ft	4.00
Cementing, Plus cost of Cement & Drilling Mud	per Hr.	12.00

Access roads, Drill sites to be prepared and maintained at no cost to Boyles Bros, Drilling Company.

Underground Drilling;

Drilling NX size from 0 ft to 100 ft	per ft	$ 7.50
Drilling BX size from 0 ft to 300 ft	per ft	6.50
Reaming for BX Casing, if required	per ft	3.25
Cementing, Plus cost of Cement & Drilling Mud	per Hr.	10.00

Ample compressed air, water for Drilling, and Drill stations of adequate size to be furnished without cost to Boyles Bros. Drilling Co.

An additional charge of $250.00 will be made for mobilization of men and equipment.

Yours very truly
R F Durfee
R. F. Durfee
District Manager

RFD/s

224 New Customhouse
Denver 2, Colorado

January 13, 1958

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 16 1958

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1/16		220
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Mr. David Lorenz, Sec.-Treas.
Knight Mining Corporation
2432 Grove Street
Denver, Colorado

Re: Docket No. DMEA-4765 (Lead-Xinc-Copper-Molybdenum)
New York Claims
Summit County, Colorado

Dear Mr. Lorenz:

As a part of your application for DMEA aid on the captioned property, will you please obtain bids from three drilling contractors for a total of 2,000 feet of diamond drilling, BX core or larger, in from four to six surface holes and two underground holes.

When we receive four copies of each of the three bids in this office we will continue to process your application.

Very truly yours,

Original signed by
W. H. KING

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

HMC:eh

cc: Ch. Op. Comm. (2)
Harshman)
DMEA/DFC) W/cy of Chairman's letter
Docket)
Chron.

DMEA Form 7
(12-56)

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Date	Surname	Code
1/7	Griswold	500
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"	Johnson	110
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JAN 8 1958

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

Re: Docket No. DMEA-4765 (Lead-Zinc-Copper-Molybdenum)
Knight Mining Corporation
New York Claims
Summit County, Colorado

Dear Mr. King:

This is in reference to the December 16, 1957, memorandum covering the Field Team's recommendation on the cited application. On page 2, under "Independent Contracts" we note a price of $7.00 per foot for diamond drilling "subject to revision upon receipt of competitive bids from the Applicant." Since the total proposed sum of $14,000.00 for drilling is of substantial magnitude, we should have these bids prior to undertaking the preparation of a contract.

We regret this delay but probably little could be done at this time of year, in any event, since most of the work consists of surface trenching and drilling.

We note that you specify BX size or larger for the drilling. We presume you anticipate some difficulty in obtaining a good core recovery.

Sincerely yours,

George C. Selfridge
(esf)
Chairman, Operating Committee

APPROVED:

O. M. Bishop
(esf)
Member, Bureau of Mines

Thor H. Kiilsgaard
(esf)
Member, Geological Survey

WRGriswold/er 1/7/58
Copy to: Docket
Admr R File
Op. Committee
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Chron.

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

January 3, 1958

Re: DMEA 4765; Pb-Zn-Cu-Mo;
Knight Mining Corp.
New York Claims
Summit County, Colo.

Memorandum

To: W. R. Griswold, DMEA

From: O. M. Bishop, USBM

Subject: Review of Region III field team and examiners reports dated December 16, 1957.

I find that the field team recommendation largely follows the recommendation of Frank B. Moore (USGS) as presented in the Joint Report of Examination dated October 9, 1957 and that most of the objections I voiced in my memorandum of November 1, 1957 have been squashed.

I recommend that a contract be prepared allowing the 2-stage trenching-drilling program recommended by the field team on the basis of their analysis of the examiners field work.

O. M. Bishop

O. M. Bishop

cc: Division of Minerals
Mr. Kiilsgaard
Mr. Lamb
Mr. Bishop
F I L E S

ORIGINAL FILE COPY
DMEA
RECEIVED DEC 27 1957
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IN REPLY REFER TO:

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

December 26, 1957

Memorandum

To: W. R. Griswold, Defense Minerals Exploration Administration

From: W. P. Williams, U. S. Geological Survey

Subject: Review of supplemental information from Field Team, DMEA 4765 (lead-zinc-copper-molybdenum), Knight Mining Corporation, New York claims, Summit County, Colorado.

In their original field examination report, the examining team were divided in their opinion of the proposed project. The examining geologist believed the application should be approved; the engineer recommended denial. In a letter, dated Nov. 7, 1957, to the DMEA Field Team, Region III, the Operating Committee asked for more information about the property. Both, the examining team and the Field Team, responded with supplemental memoranda.

All supplemental information received so far appears to support the contention that exploration on the property with DMEA participation is warranted. The following points, among others, indicate that such is true: 1) the presence of a legitimate exploration target is known in the Maroon and Dakota formations, 2) structural control of the ore bodies appears to have been accomplished by prominent northeast-trending fractures, and 3) the presence of modest-sized, but significant, ore deposits in the district is demonstrated by the Detroit mine located about one-half mile north of the applicant's property.

Geologically, the applicant's property seems to have the main necessary requirements for a DMEA project. The proposed work appears to have a good chance for success. I recommend that a DMEA contract be approved to provide for surface trenching, surface diamond drilling, and underground diamond drilling. Some details of such a project are given in the Field Team's supplemental memorandum dated December 16, 1957.

R. E. Nelson
for W. P. Williams

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

224 New Customhouse
Denver 2, Colorado

OFFICIAL FILE COPY DMEA RECEIVED DEC 20 1957		
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December 16, 1957

Memorandum

To: Secretary to the Operating Committee, DMEA

From: DMEA Field Team, Region III

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

Reports and memoranda submitted by the examining geologist and engineer prepared in connection with Docket DMEA 4765 (Lead-Zinc-Copper-Molybdenum) Knight Mining Corporation (New York claims) Summit County, Colorado, have been reviewed.

It appears that a limited exploration program on the Knight Mining Corporation, New York claims, situated in Summit County, Colorado, is justified. The Field Team recommends that the property be explored by trenching, followed by surface and underground diamond core drilling, the underground drilling to be carried out within the accessible portion of the drift. This arrangement will adequately explore the property and will eliminate rehabilitation of the caved section of the drift.

Stage I

The first stage is unchanged from the proposal recommended by the examining geologist and consists of approximately 1200 feet of trenching at the location shown on Figure 2 of the examination report.

Stage II

The second stage consists of core drilling a maximum of eight holes, six from surface locations and two from underground locations now accessible. The tentative locations for one underground and two surface holes are shown on figure 2 in the examination report. The exact positions for these holes may be moved, with Government approval, after the stratigraphy and structure are more precisely determined by the trenching in Stage I. The remaining four surface holes and one underground hole, if warranted, will be approved by the Government at positions based on prior completed work.

The Field Team's estimated cost of the proposed exploration program is as follows:

Stage I
Actual Cost

I. Independent Contracts

A. Approximately 1,200 ft. - bulldozer stripping, rental at $12.00/hr.* -- 60 hrs. D-7 or equivalent.
*Includes all costs $720.00

II. Supervision

A. 1 supervising engineer-geologist at $600.00/mo.- 7½ days 150.00

Total Stage I $870.00

Stage II
Actual Cost

I. Independent Contracts

A. Drill sites, roadways, etc., bulldozer rental at $12.00/hr.* -- 20 hrs. D-7 or equivalent 240.00
*Includes all costs

B. 2 underground drill stations, 5'x5'x20' - $300.00 each, including timber if required. 600.00

C. 2000 ft. - diamond drilling, BX core or larger, 4 to 6 surface holes, 2 underground holes, at $7.00/ft.*average 14,000.00
*Includes casing and cementing (subject to revision upon receipt of competitive bids from the applicant.)

Total Independent Contracts $14,840.00

II. Supervision

A. 1 supervising engineer-geologist at $600/mo. -- 4 mos. $ 2,400.00

III. Miscellaneous

A. 180 cardboard core boxes at $1.25/ea. 225.00

B. 20 sample analyses (Au, Ag, Pb, Zn, and Cu) at $7.00/sample 140.00

Total Miscellaneous $ 365.00

Total estimated actual costs, Stage II $17,605.00

Fixed Unit Cost

I. Incidental Allowance

1 Gardner Denver compressor 290 c.f.m. valued $3,000 x $\frac{1}{60}$ -- $1\frac{1}{2}$ months	$75.00
1 mine car valued $100 x $\frac{1}{60}$ -- $1\frac{1}{2}$ months	2.50
1 G.M.C. 3/4 ton pickup, 500 miles @ 10¢	50.00
Gas and oil at $8/shift -- 38 shifts	304.00
10% contingency for equipment repairs	43.15
Total fixed costs	$474.65
Incidental allowance per foot (rounded to)	$ 0.24
Total Stage II	$ 18,079.65

Summary of Costs

Stage I		$870.00
Stage II		$18,079.65
	Total	$18,949.65

W. H. King

W. H. King

E. N. Harshman

E. N. Harshman

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

224 New Customhouse
Denver 2, Colorado

December 16, 1957

OFFICIAL FILE COPY
DMEA
RECEIVED DEC 18 1957

DATE	INITIALS	CODE
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		130
12/19	WRS	500

Memorandum

To: Secretary to the Operating Committee, DMEA

From: DMEA Field Team, Region III

Subject: Docket No. DMEA 4765 (Lead-Zinc-Copper-Molybdenum) Knight Mining Corporation (New York claims) Summit County, Colorado - Supplemental Report of Examination

Enclosed are the original and two copies of a Supplemental Report of Examination on the subject property.

The Field Team does not concur in the recommendations of either field examiner and a separate memorandum is being submitted with the Field Team's recommendation.

W H King
W. H. King
Executive Officer

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

DMEA
DEPARTMENT OF THE INTERIOR
DEC 10 1957
REGION III
DENVER, COLORADO

REGION III

Building 20
Denver Federal Center
Denver 2, Colorado
December 6, 1957

FILE COPY
DMEA
RECEIVED DEC 18 1957

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Memorandum

To: Executive Officer, DMEA Field Team, Region III
Through: E. N. Harshman

From: F. B. Moore
E. W. Buel

Subject: Docket DMEA-4765 (Lead-Zinc-Copper-Molybdenum) Knight Mining Corporation (New York claims) Summit County, Colorado

The Operating Committee, in a letter of November 7, 1957, asks for supplemental information on the New York claims area. Although data are not available to answer all queries, several points can be answered which apparently were not adequately covered in the examination report.

Evidence that the Dakota and Maroon formations are more favorable than the Morrison is based on data from T. S. Lovering in Professional Paper 176, pages 32, 36, and 59. As the New York workings are believed to be in the Morrison part of the section, the lack of significant ore bodies is to be expected. Although the size of the ore bodies exposed is small, the grade is good in a number of places. The rather broad distribution of mineralized material in the mine workings indicates that solutions followed a multitude of small fractures covering a considerable area in and near the mine. However, as the ground is cut by such a large number of fractures it is not possible to specify a single controlling set. The northeast fractures are the most prominent (Lovering, 1934, Plate II) and therefore are believed most likely to have exerted the master control. Locally in the mine, any of the fractures could have exerted control.

Part of the basis for believing the area to be favorable rests on the Detroit mine, not the Wellington. The Detroit mine contains similar blanket-deposits which occur in the Dakota formation. According to Lovering (oral communication) the Detroit was a fairly good mine. It lies about one-half mile north of the New York adit. Available production figures on the Detroit mine are believed to be somewhat incomplete; they cover 7 years on a property that is over 60 years old.

The examiners agree that there are many unknown quantities in regard to the property. With the considerable amounts of mineralized material showing in unfavorable ground, the geologist believes there should be a good geologic chance that mineable ore bodies exist in the favorable ground nearby.

The examining engineer believes that the estimated costs as given in the examination report are reasonable in view of the conditions stated in the report. Principal reasons for the low cost are: (1) full time supervision not required for such a limited exploration program; (2) operator has his own mining equipment, hence a low-cost monthly depreciation allowance; (3) relatively low wages in the Breckenridge area; (4) good operating conditions and readily accessible; and (5) mine is ready for immediate mining operation, no preliminary work being required.

The examining engineer fails to see how the unit drifting and crosscutting cost of the proposed project in the New York mine is too low. Furthermore, it should be stressed that the New York mine proposed exploration would be carried out under the ideal conditions and could, therefore, result in the estimated cost of $21.40 per foot for drifting and crosscutting.

Various members of DMEA in their transmitted letters have contested the inclusion of consulting geologist services in lieu of full time supervision. It should be pointed out that the hiring of a supervising engineer-geologist would be difficult for this exploration program that could possibly be terminated at the conclusion of Stage I (about 1 week of work). In addition, the superficial amount of work could best be supervised at a much reduced cost, in the opinion of the examining engineer, by a consultant.

As requested by DMEA personnel for inclusion of full time supervision and/or other modifications the following changes are made:

STAGE I

Actual cost

I.	Independent Contracts	
	A. No change	$ 720.00
II.	Technical Services	
	A. Delete: 1 - consulting geologist at $100/day - 3 days	-300.00
III.	Supervision	
	A. Add: 1 - supervising engineer-geologist at $600/mo. - 7 1/2 days	150.00
	Total Stage I Cost	$ 870.00

Stage II

Actual cost

I.	Independent Contracts	
	A. No change	$ 48.00
	B. do.	100.00
	C. do.	5,950.00
		$ 6,098.00
II.	Technical Services	
	A. Delete: 1 - consulting geologist at $100/day, 2 days	$ -200.00
III.	Miscellaneous	
	A. No change	$ 106.25
	B. do.	54.00
		$ 160.25
IV.	Supervision	
	A. Add: 1 - supervising engineer-geologist at $600/mo. - 2 1/4 mo.	$ 1,350.00

Fixed unit cost

I.	Incidental Allowance	
	A. No change	$ 238.34
	Total Stage II Cost	$ 7,646.59

STAGE III

Actual cost

I.	Independent Contracts	
	A. No change	$10,500.00
	B. do.	48.00
	C. do.	200.00
		$10,748.00
II.	Technical Services	
	A. Delete: 1 - consulting geologist, at $100/day - 3 days	-300.00
III.	Miscellaneous	
	A. No change	$ 180.00
	B. do.	90.00
		$ 270.00

IV. Supervision

A. Add: 1 - supervising engineer-geologist at $600/mo. - 5 mos. $ 3,000.00

Fixed unit cost

I. Drifting and Crosscutting

A.	No change	$ 750.00
B.	do.	747.84
C.	do.	106.34
		$ 1,604.18

II. Incidental Allowance

A.	No change	450.00

Total Stage III Cost $15,772.18

Summary of Costs

Stage I	- Change	$ 1,020.00 to $ 870.00)	Total Change:
Stage II	- Change	6,696.59 to 7,646.59)	$21,088.77 to
Stage III	- Change	13,372.18 to 24,772.18)	$24,288.77

Edward W. Buel
Edward W. Buel
Mining Engineer

Frank B. Moore
Frank B. Moore
Geologist

11/18 C 220
11/18 500

224 New Customhouse
Denver 2, Colorado

November 13, 1957

Memorandum

To: DMEA/DFC Att: E. W. Buel) W/enclosures
E. N. Harshman Att: Frank B. Moore) "

From: DMEA Field Team, Region III

Subject: Docket No. DMEA 4765 (Lead-Zinc-Copper-Molybdenum) Knight Mining Corporation (New York Claims) Summit County, Colorado

Enclosed is a copy of a letter from the Chairman of the Operating Committee dated November 7, 1957, and copies of memoranda by W. P. Williams, Geological Survey and O. M. Bishop, Bureau of Mines, dated October 23 and November 1, 1957, respectively.

Please submit a joint supplemental report covering the points which have been noted in Mr. Bishop's memorandum.

E. N. Harshman
Acting Executive Officer

Enclosures

HMC:eh

cc: Sec. Op. Comm. (2)
Docket
Chron.

DMEA Form 7
(12-56)

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NOV 7 1957

Mr. E. N. Harshman
Acting Executive Officer
DMEA Field Team, Region III
224 New Customhouse Bldg.
Denver 2, Colorado

Re: Docket No. DMEA-4765 (Lead-Zinc-Copper-Molybdenum)
Knight Mining Corporation
New York Claims
Summit County, Colorado

Dear Mr. Harshman:

We have your memorandum of October 9 (with enclosures), covering the cited proposal. For your information we are enclosing copies of memoranda by W. P. Williams, Geological Survey and O. M. Bishop, Bureau of Mines, dated October 23 and November 1, 1957, respectively, relating to the project.

At this time we have no strong feelings, one way or the other, as to the advisability of DMEA participation in the proposed work. Therefore, we feel you should submit a supplemental report, as you had suggested. In preparing the supplement kindly cover the points which have been noted by Mr. Bishop in his memorandum.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (246)

Enclosures

APPROVED:

Frank D. Lamb (246)
Member, Bureau of Mines

Thor H. Kiilsgaard (246)
Member, Geological Survey

WRGriswold/er 11/5/57
Copy to: Docket
Admr R File
Op. Committee
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Chron.

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

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November 1, 1957

Re: DMEA 4765; Lead-Zinc-Copper-Molybdenum; $21,088
Knight Mining Corporation
New York Claims
Summit County, Colorado

Memorandum

To: W. R. Griswold, Defense Minerals Exploration Administration

From: O. M. Bishop, Commodity Specialist, Branch of Base Metals

Subject: Review of field examiners report of September 20, 1957 and Field Team recommendation of October 9, 1957

Both Frank B. Moore (USGS) and Edward W. Buel (USBM) make a good case for their different recommendations. In reviewing the evidence leading to their respective recommendations for and against the application I observed that the proposal appears to conform to exploration as defined in DMEA Order 1.

> ***The search for indicated or undeveloped sources of strategic or critical metals or minerals *** whether conducted from the surface or underground, including recognized and sound procedures for obtaining pertinent geological, geophysical, and geochemical information.

Furthermore it appears that the New York Adit and other adits to the east and west have demonstrated the presence of non-economic quantities of lead-zinc-silver replacement mineralization in sedimentary beds. The precise stratigraphic position is not known but is judged to be in the Morrison formation which is said to be a relatively unfavorable formation as compared to certain members of

the overlying Dakota and underlying Maroon formation. Although the examiners do not say so, I presume replacements in one or both of these formations at the Wellington mine must be the basis for the judgment that the Dakota and Maroon are more favorable beds for replacement. No evidence as to structural control that may have localized replacements is presented, but of the numerous fissures present, the northeasterly trending ones are most abundant and are believed by the geologists of the field group to be the most likely to have exerted control.

The applicant asks assistance in drilling 4 diamond drill holes totaling about 1,200 feet and 50 feet of fire-proof snow shed. The geologist member of the examining party recommends a 3-stage program, The first two stages consist of trenching and diamond drilling the surface to locate the position of the favorable beds in the Dakota and Maroon formations. This work in combination with structural mapping would be followed by about 1,500 feet of surface and/or underground drilling to explore the favorable horizons in the immediate vicinity of their intersections with the northeast trending fissures.

The program presented seems reasonable if one takes for granted a number of elements in which the presentation is inadequate. The thesis, "Significant mineralization in less favorable beds suggest the liklihood of worthwhile ore bodies in more favorable beds under favorable structural conditions," is good. However, in reviewing the report I am unable to find evidence that the mineralization in the New York claim is significant in extent and grade, there is no evidence (only a statement) that other formations in the area are more favorable, and lastly there is only an opinion that the northeasterly trending fissures exert structural control.

I recommend that the field team be asked to supplement its report of September 20, 1957. Not only do we need the evidence for geologic conclusions, but the cost estimates presented appear inadequate. Apart from the reasonable allowance for geologic fees

the costs appear too low. Certainly the project must have continuing supervision at a cost. The drifting-crosscutting costs are in the order of 50 percent of what might normally be expected. Unless additional information is received to demonstrate the soundness of the exploration I recommend denial.

O. M. Bishop

O. M. Bishop

Copy to Division of Minerals
Branch of Base Metals (3)
T.H. Kiilsgaard, Room 5224
F.D. Lamb, Room 3608
F I L E S

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

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October 23, 1957

Memorandum

To: W. R. Griswold, Defense Minerals Exploration Administration

From: W. P. Williams, U. S. Geological Survey

Subject: Review of field examination report, DMEA 4765 (lead, zinc, copper, molybdenum), Knight Mining Corporation, New York claims, Summit County, Colorado

After field examination of the applicant's property, the examining team do not agree in their evaluation of the property and the proposed project. The examining geologist recommends approval of the application; the engineer advises denial.

The examining geologist believes that exploration on the property would have a fair chance for success because of much fracturing in the area and because of the abundance of sulphide minerals in a geologic zone that is not particularly favorable. The geologist believes that the area has good potentialities for an important ore deposit if the most favorable horizons can be found. To do that the examining geologist recommends approval of an exploration project consisting of surface trenching, diamond drilling, and crosscutting. The work is designed to establish the position of the existing adit in the stratigraphic section; and the drilling would seek for ore in the most favorable horizons along the trend of the fissures.

I believe that the modest, staged exploration project proposed by the examining geologist would be appropriate for DMEA participation. If the drilling is astutely planned and directed, the proposed work should have a fair chance for success. I agree with the recommendations for approval of the application.

W. P. Williams

W. P. Williams

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

224 New Customhouse
Denver 2, Colorado

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October 9, 1957

Memorandum

To: Secretary to the Operating Committee, DMEA

From: DMEA Field Team, Region III

Subject: Docket DMEA 4765 (Lead-Zinc-Copper-Molybdenum)
Knight Mining Corporation (New York Claims)
Summit County, Colorado

Enclosed are the original and two copies of the Joint Report of Examination on the subject property by Edward W. Buel, USBM, and Frank B. Moore, USGS.

You will note that while this is a Joint Report of Examination the geologist recommends approval of a program of exploration on the subject docket and the engineer recommends denial.

The geologist bases his recommendation on the fact that near-ore-grade material has been found in the relatively unfavorable Morrison formation along a series of northwesterly trending shears and on the belief that ore will be found in the relative favorable Dakota and Maroon formations along these same shears.

The engineer bases his recommendation for denial on several considerations primarily geologic and the fact that significant amounts of ore have not been produced from Gibson Hill. He believes that the proposed work is prospecting and that work proposed in Stages I and II of the exploration program will not lead to the location of a target area to be drilled in Stage III.

The Field Team after careful review of the enclosed report, discussions with both geologist and engineer, and a review of available data on the area conclude that exploration on the property is within the scope of the DMEA program. Accordingly, they recommend that the application for exploration assistance be approved. This recommendation is made with full realization that

Reviewed by
DMEA OPERATING COMMITTEE
10-18-57
(date)

proposed work impinges on prospecting; that location of the target area may be difficult and the result of exploration on the New York property may not prove rewarding.

The report as submitted is not entirely satisfactory to the Field Team. Costs of some items of work are considered to be unreasonably low. Stage III of the proposed program of exploration includes rehabilitation to establish underground drilling stations. This item of work could be eliminated by drilling from the now accessible underground workings and from the surface. Further, provision for supervision of a geologically complex program is considered inadequate.

In order to expedite action on this application and because of the possibility that you may not wish to concur with the Field Team's recommendation of approval, the report is being forwarded to you without revision. Should you wish to approve a contract for exploration on the New York property please so advise us at an early date and we will prepare a supplement to this report covering the obvious inadequacies.

Enclosed are eight extra copies of Figures 2, 3, and 4 for possible use in the preparation of a contract.

Bids for the proposed drilling have not been received from the Applicant. They will be forwarded when received by us.

E. N. Harshman

E. N. Harshman
Acting Executive Officer

IN REPLY REFER TO:
DMEA
DEPARTMENT OF THE INTERIOR
SEP 23 1957
REGION III
DENVER, COLORADO

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Defense Minerals Exploration Administration
Denver Federal Center
Denver, Colorado

September 20, 1957

TRANSMITTED
OCT 9 1957
RECEIVED OCT 14 1957

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: E. N. Harshman

Subject: DMEA Docket 4765 (Lead-zinc-copper-molybdenum), Knight Mining Corporation, New York claims, Summit County, Colorado

10-19 JB 180 220

Enclosed are the original and seven copies of a report of examination on the subject property by F. B. Moore and ~~E. W. Buel.~~

The ore deposits of the area consist of blanket-type bodies of lead-zinc-copper sulfides, with traces of molybdenite. ~~The deposits~~ occur chiefly in shaly horizons in the Dakota and possibly in the underlying Maroon formations and are believed to be at least partly controlled by northeastward-trending faults.

The examining geologist concludes, and I concur, that there is a good potential for ore in the area and recommends a staged exploration program of trenching and core drilling estimated to cost $21,088.77. Stage I exploration consists solely of trenching, and although designed primarily for stratigraphic and structural information, is directly related to the search for ore, and is necessary because of the uncertainty of the position of the existing mine workings in relation to the favorable horizons and controlling geological structures.

Reviewed by
DMEA OPERATING COMMITTEE
10-18-57

The examining engineer takes exception to the above views and recommends denial of the application, chiefly on the basis of the poor production records of the district, and because of the lack of exploration targets.

From a geological viewpoint, however, the problem is not the existence of a target--its presence is adequately shown in the geologic section of the report--but rather its position in the sedimentary rocks in relation to the existing tunnel.

The examining engineer was requested to review the costs of drifting and crosscutting inasmuch as they appear to be unusually low when compared with other projects of similar type. In view of the highly developed mining activity at Climax and the construction activity at Dillon, both of which centers are within 50 miles of the proposed project, it is possible that labor costs for mining at the project would not be significantly lower than elsewhere.

I do not concur with the examiners' recommendation for a consulting geologist for part time work. I believe a project of this type should have the full time supervision of an engineer-geologist. It is probable that these costs would be comparable.

R U King for
E. H. Harshman
Member, Field Team

RUKing:arh

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DMEA
DEPARTMENT OF THE INTERIOR
SEP 23 1957
REGION III
DENVER, COLORADO

ON-SITE Report.

UNITED STATES
DEPARTMENT OF THE INTERIOR
FRED A. SEATON, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION III

TRANSMITTED
OCT 9 1957

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DMEA 4765

Knight Mining Corporation

New York claims

Summit County, Colorado

Lead-zinc-copper-molybdenum

Joint Engineering and Geologic Report

by

Frank B. Moore, Geologist
Geological Survey

Edward W. Buel, Mining Engineer
Bureau of Mines

September 20, 1957

Reviewed by
DMEA OPERATING COMMITTEE
10-18-57
(date)

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ILLUSTRATIONS

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1.	Location map of New York claims (Knight Mining Corporation), Summit County, Colorado. DMEA 4765	2
2.	Claim map showing generalized geology, mine workings, and locations of recommended Stage I & II exploration, New York claims 3, 6, & 9, Summit County, Colorado	20
3.	Vertical section along the New York tunnel showing Stage II drill holes, New York claims, Summit County, Colorado	20
4.	Geologic map of part of the New York tunnel, Summit County, Colorado	20

DMEA 4765

KNIGHT MINING CORPORATION
NEW YORK CLAIMS
SUMMIT COUNTY, COLORADO

SUMMARY

Knight Mining Corporation, 2432 Grove, Denver, Colorado, requested Defense Minerals Administration assistance to explore for lead, zinc, copper, and molybdenum on the New York (New York mine) claims. The proposed exploration consisted of diamond drilling and surface building construction. Total estimated cost of the applicant's program is about $25,000.

Blanket type lead-zinc deposits occur in the Dakota formation and, to a lesser extent, in the Maroon formation in the area of the claims.

The examining geologist recommends an exploration program consisting chiefly of bulldozing and diamond drilling; the examining engineer recommends denial of the application.

INTRODUCTION

A request for Defense Minerals Exploration Administration assistance was made by Knight Mining Corporation on June 12, 1957. The applicant proposed a diamond drilling program to explore for

lead, zinc, copper, and molybdenum on the New York claims, Summit County, Colorado. Estimated cost of the exploration program is about $25,000.

The New York claims, also called the New York mine, were examined on August 1, 1957, by Frank B. Moore, U. S. Geological Survey, and Edward W. Buel, U. S. Bureau of Mines. The DMEA examining team was accompanied by Mr. Earl W. Knight, Jr.

T. S. Lovering, U. S. Geological Survey, was consulted regarding the general geology and the ore potential of the New York claims area.

LOCATION AND ACCESS

The property is in the NW 1/4 sec. 32, T. 6 S., R. 77 W., sixth principal meridian, Breckenridge (McKay) mining district, Summit County, Colorado (fig. 1). The principal mine workings are near the junction of Gibson and French gulches.

The mine workings are easily accessible from Breckenridge by way of a good graveled road along French Gulch. The distance from town to the mine is about a mile.

GEOGRAPHY

The Breckenridge district lies within the upper drainage region of the Blue River west of the Continental Divide. The topography can

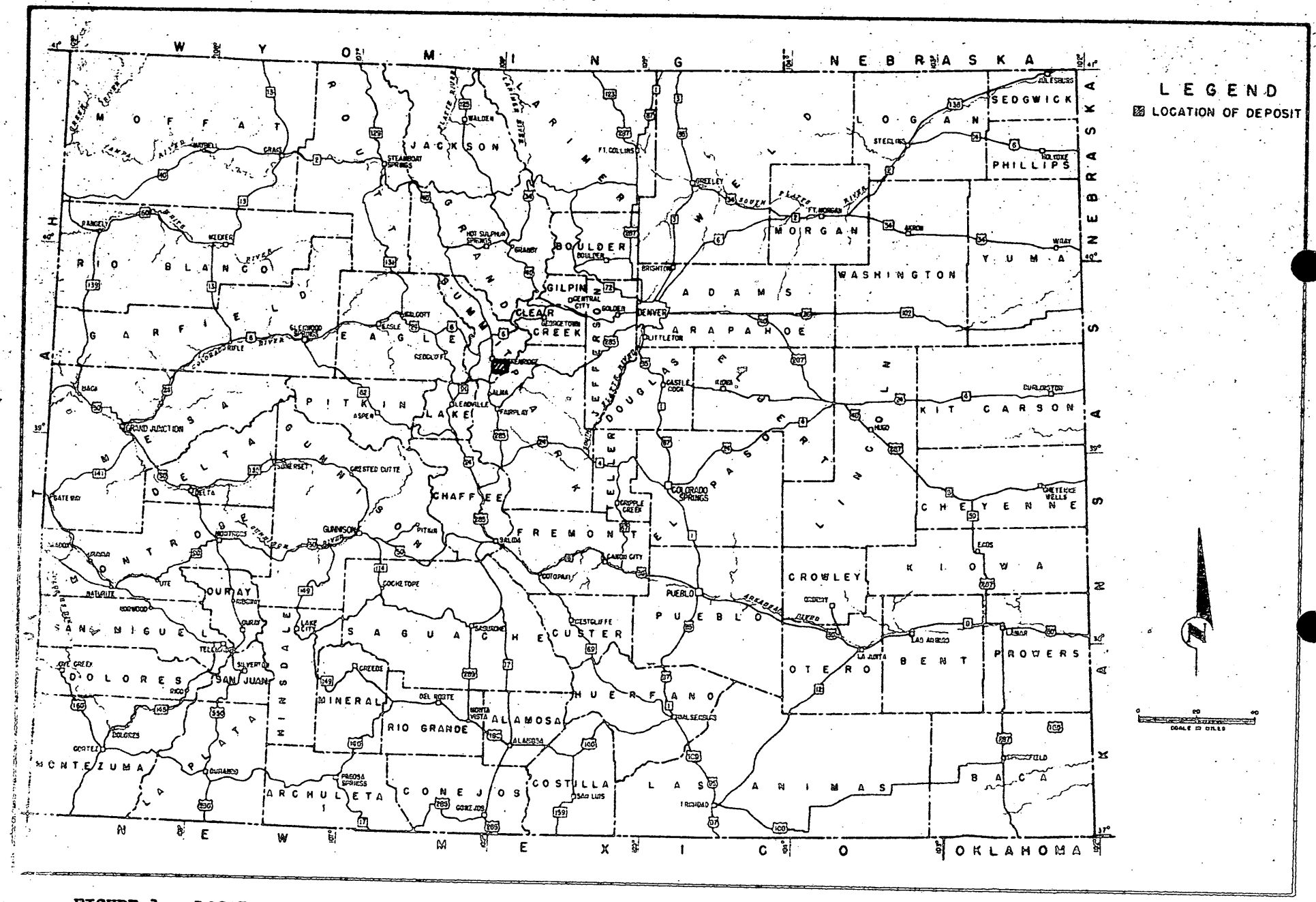

FIGURE 1 - LOCATION MAP OF NEW YORK CLAIMS, (KNIGHT MINING CORPORATION), SUMMIT COUNTY, COLO. DMEA 4765

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best be described as hilly with small mountainous areas. Elevations range from approximately 9,500 feet to about 11,500 feet.

The district contains a number of tributary streams of the Blue River; French Gulch, which passes by the property, contains an appreciable flow throughout the year.

The hillsides are covered by a good growth of timber which is suitable for mining needs.

The climate is typical of the high mountainous regions of Colorado; severe, long winters with deep snows and low temperatures, and cool, short summers with frequent thundershowers.

Small mining supplies can be obtained at Breckenridge.

All power at the mine is supplied from portable internal combustion equipment.

PROPERTY

The property consists of three patented claims which are included as part of the New York mine. The claims are the New York Nos. 3, 6, and 9 (U. S. Survey No. 20285).

The claims are owned by the Knight Mining Corporation, 2432 Grove, Denver, Colorado. The claims were acquired by a quitclaim on November 5, 1956, from Messrs. Earl W. Knight and Norman L. Jones, Arapahoe County, Colorado.

HISTORY AND PRODUCTION

The Breckenridge mining district underwent its first period of activity in 1859 when rich placer ground was discovered in Georgia Gulch on the north side of Farncomb Hill. Before the close of 1862, gold production from Georgia Gulch amounted to over $3,000,000. Lode mining began in 1869 when argentiferous lead ores were mined and shipped to Denver and Golden, Colorado. Lode gold was first discovered in 1879 or 1880 and the northeast side of Farncomb Hill was extensively worked for lode gold over a ten year period following the initial discovery. By the end of 1890, most of the properties on Farncomb Hill were all but deserted by the small operators. From about 1889 to 1898, several mining companies continued to operate in the district. Gold dredging was introduced in the district in 1898, and several large gold dredges successfully operated on the Blue River and its major tributary streams. Production from gold dredging accounted for over $7,000,000. Lode mining showed a downward trend until 1910, when the Wellington mine started active development. This mine operated continuously until 1929, and during the period yielded the bulk of the lead and zinc ore produced in the district. The Wellington is credited with a total production of over $19,000,000. Intermittent lode mining continued up until 1942, and since then the district has been worked only by a few lessors.

It is believed that the New York mine was first worked sometime during the 1890's. The U. S. Bureau of Mines records from 1901 to 1955 show no production from the property, except for 4 tons produced in 1912 and 25 tons produced in 1917. The 25-ton shipment assayed 8.23 percent Pb, 18.16 percent Zn, and 2.2 oz. Ag. According to Knight, a lessor by the name of Owens shipped 3 carloads (100 tons ±) of ore during 1934 and Bear Mining and Milling Co. shipped about 8 tons of ore during 1938. It is believed that these shipments were not profitable.

From 1938 to 1957, when the applicant acquired the property, the mine was inactive. The applicant in 1957 shipped 27.22 tons to the Midvale, Utah, smelter, and 8 tons to the Leadville, Colorado, smelter. The 27.22-ton shipment assayed 0.005 oz. Au, 1.5 oz. Ag, 5.0 percent Pb, and 7.62 percent Zn with a net value of $11.09 per ton. No data is available on the Leadville shipment.

PRESENT STATUS

Exploration and development

The property has been explored by a number of adits as shown on figure 2. The total extent of the workings is not known as most of them are inaccessible.

At the time of the inspection, the New York Tunnel was accessible for more than 400 feet from the portal. This tunnel for the most part stands without timbering and contains adequate air, water, and rail lines up to the caved face.

Difficulty was experienced by the applicant in trying to rehabilitate a caved area between 175 to 210 feet from the portal. Because of this, the applicant drove a by-pass drift. The applicant estimated that about 75 feet of drift and crosscut would be required to by-pass the 2nd caved section.

Mining equipment and other facilities

Surface installation consists of a frame building 15 by 30 feet which houses equipment owned by the applicant. The compressor is not housed.

The principal equipment owned by the applicant is as follows:

1 - GMC 3/4 ton pickup

1 - GD compressor 290 c.f.m. w/Buda gasoline engine

1 - GD 9 mucking machine

2 - mine cars, 1 ton

1 - Thor drill w/airleg

1 - GD model RB 94 stoper
Several hundred feet of air and water hoses

1 - welding outfit
Drill steel, small tools, oilers, and other small miscellaneous equipment

The applicant is adequately equipped to carry on a small mining operation. The estimated exploration costs are considerably lower than many similar exploration projects because of this.

GEOLOGY

The New York claims are on the south side of Gibson Hill which is underlain by sedimentary rocks of the Maroon, Morrison, Dakota, and Benton formations. The sedimentary rocks are cut by Tertiary monzonite and quartz monzonite porphyry in the form of sills and small stocks.

The Maroon formation consists of 600 to 900 feet of conglomerates, grits, and red micaceous shale. The shale is more common in the upper part of the section.

The Morrison formation consists of 200 to 300 feet of sandstone and dark-gray to maroon shale containing local, limy beds. The lithology of the Morrison is extremely varied in detail. The Morrison shales can be distinguished from the Maroon shales by lack of visible mica and from Dakota shales by a reddish tinge.

The Dakota formation on Gibson Hill is about 125 feet thick. The formation is composed of three members, an upper and lower quartzite member separated by a dark-gray to black shale member.

Above the Dakota quartzite is a black fissile shale of the Benton formation. The Benton, which contains limestone beds, is about 350 feet thick.

The sedimentary beds on Gibson Hill dip northerly at moderate angles of 15 to 25°. A series of north-northeast to northeast-trending faults cut and displace the beds. In general, the faults appear to step the beds down on the east side. In the New York tunnel many northerly- to northeasterly-trending faults can be seen; on a sublevel, 20 feet above the adit, three northerly-trending faults displace the ore beds by amounts of 1 to 7 feet with the east side down in each case.

The lead-zinc-silver deposits on Gibson Hill are blanket-type deposits mostly in favorable beds of the Dakota formation and, to a lesser extent, in the Maroon formation. In the New York tunnel lead-zinc sulfides are found in 1-foot thick beds in what is believed to be the Morrison formation. Rocks exposed in the tunnel other than porphyry, include quartzitic sandstone, black shale, and either limestone or limy shale. Galena, sphalerite, pyrite, and chalcopyrite replace sandstone, shale, and probably limestone beds. Small amounts of molybdenite coat fractures and joints at several places. The area explored by the tunnel is intensely fractured. Because of the large number and variation in strike and dip of the fissures, no particular

set could be recognized which might have controlled ore deposition. However, northeasterly-trending fissures are most abundant and are believed to be the most likely set for control of ore deposition. An east-dipping north-trending set probably related to the large faults shown on figure 2 is post mineral.

Two samples were cut across a mineralized bed where explored by old workings above the tunnel level. Locations of samples are shown on figure 4 and results of analysis are given below:

Sample No.	Type	Au (ounces)	Ag (ounces)	Cu (percent)	Pb (percent)	Zn (percent)	Mo (percent)
EB 39	3 ft.	0.02	0.2	0.05	0.1	2.2	0.02
EB 40	1 ft.	0.05	0.7	0.05	6.1	10.0	0.02

APPLICANT'S EXPLORATION PROPOSAL

The applicant gives a meager amount of information for an exploration program. He states in the application that the program is to consist of 4 diamond drill holes each approximately 300 feet in length and 50 feet of fire-proof "tunnel" from the present portal to the dump. Except for estimated costs for the drilling and building of a snowshed, the applicant gives no other exploration program information.

It was learned during the examination that the applicant would like to drill two holes, one up and one down, from each of three

areas in the tunnel; area 1 is near the portal, area 2 near the middle and area 3 near the face. Each hole would be about 300 to 400 feet in length. The directions and inclinations of the holes were not given. In addition to the drilling, the applicant proposes to drive a by-pass drift for about 75 feet. The purpose of this drift is to gain access to the present drift beyond a badly caved area. The applicant also proposes some rehabilitation of the drift beyond the caved area but the amount of rehabilitation was not given.

ORE RESERVES

The New York mine has no calculable ore reserves.

RECOMMENDED EXPLORATION

The following exploration program is recommended by the examining geologist. The examining engineer records a dissenting opinion at the end of the exploration section.

The applicant's program consists of drilling above and below the New York tunnel level to cut possible bedded deposits at unspecified horizons. Such a program is considered prospecting as the relative position of the targets is completely unknown. Because the rocks cut by the tunnel are well mineralized, further exploration of the area is warranted especially if the stratigraphy and thus the

most favorable horizons can be more closely delineated. An alternate exploration program is therefore recommended. Because various parts of the program cannot be properly carried out without certain data being available, the program is divided into three stages, each stage to be dependent on and planned from data gathered in the preceeding stage.

Stage I

Bulldoze a trench or trenches aggregating 1,200 feet in length and trending S. 40° E. as shown on figure 2. Such a trench would cross the line of the tunnel about 1,000 feet from the portal. The trench should be cut to bedrock which is estimated to be less than 10 feet below the surface. The purpose of the trench is for geologic information, i.e., to locate more precisely the formation contacts, to determine the attitude of beds, and to delineate faults in order to better plan locations of subsequent drill holes. The trench shall be mapped geologically and vertical sections drawn.

Stage II

Drill two vertical diamond drill holes from the surface at approximate locations shown on figure 2. The two holes are estimated to aggregate 600 feet in length. Drill one vertical diamond drill

hole downward 250 feet (or 10 feet into monzonite whichever is the lesser) from a point in the adit about 400 feet from the portal.

During both Stage I and Stage II work geologic mapping should be done and maps and sections prepared. This data should be used in preparation of subsequent exploration.

Stage III

Drill 1,500 feet of diamond drill hole at points to be determined from and contingent on results of Stages I and II. At least 50 percent of this drilling may be underground.

As Stage III underground drilling will be beyond the caved area in part, drive 75 feet of crosscut to by-pass the caved area in the tunnel. The purpose of Stage III drilling is to explore the favorable horizons in the Dakota and possibly the Maroon formation where they are cut by the northeasterly-trending fissures. Deposits of lead-zinc sulfides approaching ore in size and grade occur at and near the tunnel level in an unfavorable horizon and appear to be controlled in part by the northeasterly fissures.

COST ESTIMATES

The cost estimates, especially for drifting and crosscutting, are lower than similar exploration projects of this type principally

because of the elimination of supervision, the provision by the operator of most of the mining equipment on a low-cost monthly depreciation allowance, low-cost contract labor in the Breckenridge area, good operating conditions, and the readiness of the mine for immediate mining operations.

The estimated cost of the DMEA proposed exploration program is as follows:

Stage I

Actual Cost

I. Independent Contracts

A. 1,200 ft.--bulldozer stripping, rental at $12/hr.*--60 hrs.	$ 720.00

*Includes all costs

II. Technical Services

A. 1 - consulting geologist at $100/day--3 days	300.00
Total Stage I	$ 1,020.00

III. Supervision

None

Stage II

Actual Cost

I. Independent Contracts

A. 2 - drill sites, bulldozer rental at $12/hr.*--4hrs.	$ 48.00

*Includes all costs

B. 1 - underground drill station--at $100/station	$ 100.00
C. 850 ft.--diamond drilling, BX core or larger, 2 surface holes, 1 underground hole, at $7/ft.*	5,950.00

*Includes casing and cementing (subject to revision upon receipt of competitive bids)

Sub-total	$ 6,098.00

II. Technical Services

A. 1 - consulting geologist at $100/day 2 days	$ 200.00

III. Miscellaneous

A. 85 - cardboard core boxes at $1.25/ea.	$ 106.25
B. 12 - sample analyses (Au, Ag, Pb, Zn, and Cu) at $4.50/ea. Samples ?	54.00
Sub-total	$ 160.25
Total Actual Costs	$ 6,458.25

IV. Supervision

None

Fixed Unit Cost

I. Incidental Allowance 1/

1 - Gardner Denver compressor 290 c.f.m. valued $3,000 x 1/60 - 1 month	$ 50.00
1 - mine car valued at $100 x 1/60 - 1 month	1.67
1 - G. M. C. 3/4 ton pickup valued $300 x 1/60 - 1 month	5.00

1/ Allowable only for underground drilling

Gas, oil, etc. at $8/shift - 20 shifts	$ 160.00
10% contingency for repairs of equipment	21.67
Total cost for 400 ft. of underground drilling	$ 238.34
per ft. $0.60 (rounded to)	
Total fixed unit costs	$ 238.34
Total Stage II	$ 6,696.59

Stage III

Actual Cost

I. Independent Contracts

A. 1,500 ft.--diamond drilling, BX core or larger, at $7/ft.*	$10,500.00

*Includes casing and cementing (subject to revision upon receipt of competitive bids)

B. 2 (estimated) drill sites, bulldozer rental at $12/hr.*--4 hours	48.00

*Includes all costs

C. 2 (estimated) underground drill stations at $100/station	200.00
Sub-total	$10,748.00

II. Technical Services

A. 1 - consulting geologist, at $100/day 3 days	$ 300.00

III. Miscellaneous

A. 150-cardboard core boxes at $1.25/ea.	$ 180.00
B. 20 - sample analyses (Au, Ag, Pb, Zn, and Cu) at $4.50/ea.	90.00

Sub-total	$ 270.00
Total actual costs	$11,318.00

IV. Supervision

None

Fixed Unit Costs

I. Drifting and crosscutting

75 ft.--standard drift sets 5 by 7 in the clear, advance 4 feet per shift, one shift per day, 6 shifts per week, estimated completion time 4 weeks.

A. Labor

Contracted at $10/ft. - 75 ft.	$ 750.00

B. Operating Materials and Supplies

Powder 45% at $10.86/box, 19 boxes	206.34
Caps, electric at $17/box, 4 boxes	68.00
Track 20 lbs. at $1.33/ft. - 75 ft.	99.75
Ties, spikes, fishplates, etc. at $0.45/ft. - 75 ft.	33.75
2" pipe, air, w/couplings at $0.60/ft. - 50 ft.	30.00
1" pipe, water, w/couplings at $0.25/ft. - 50 ft.	12.50
Drill steel and bits, integral at $0.50/ft. - 75 ft.	37.50
Fuel, oil, etc. at $8/shift - 20 shifts	160.00
Small tools - $50.00	50.00
Miscellaneous supplies - $50.00	50.00
Sub-total	$ 747.84

C. Operating Equipment Depreciation

1 - Gardner Denver compressor 290 c.f.m. valued $3,000 x 1/60 - 1 month	$ 50.00
1 - Thor drill w/airleg plus hose, etc. valued $400 x 1/60 - 1 month	6.67
1 - GD - 9 mucking machine valued $2,000 x 1/60 - 1 month	33.33
1 - mine car, valued $100 x 1/60 - 1 month	1.67
1 - GMC - 1950, 3/4 ton pickup valued $300 x 1/60 - 1 month	5.00
10% contingency for repair of equipment	9.67
Sub-total	$ 106.34
Total costs for 75 feet of drifting and crosscutting	$ 1,604.18
Cost per foot $21.40 (rounded to)	

II. Incidental Allowance

See cost estimates as computed under Stage II

750 ft. at $0.60/ft.	$ 450.00
Total cost for 750 feet of underground drilling	$ 450.00
Total fixed unit costs	$ 2,054.18
Total Stage III	$13,372.77

Summary of costs

Stage I	$ 1,020.00	
Stage II	6,696.59	
Stage III	13,372.18	
Total		$21,088.77

Government participation at 50 percent is $10,544.39.

CONCLUSIONS AND RECOMMENDATIONS

The recommendations for exploration that follow are those of the examining geologist.

Lead-zinc-copper sulfides are rather abundant in the highly fractured area penetrated by the New York tunnel. The sulfides form blanket-type replacement deposits in favorable beds of what is believed to be the Morrison formation. The deposits exposed in the tunnel are about 1 foot thick and are not economically mineable. The most favorable beds for replacement deposits in the area are in the Dakota quartzite. The Detroit mine, about one-half mile to the north, reportedly had a considerable production from replacement deposits in the middle of the Dakota formation.

Because of the large amount of fracturing and the relative abundance of sulfides in a part of the section not considered especially favorable, it is believed that the area has a good potential for a significant sulfide deposit if the most favorable horizons can be found. It is therefore recommended that a program of exploration be undertaken to (1) establish the position of the tunnel in the stratigraphic section, and (2) drill for the most

favorable ore horizons along the trend of the northeasterly fissures. The favorable horizons are (1) in the middle of the Dakota quartzite and (2) beds near the top of the Maroon formation.

The examining engineer does not concur with the geologist in a recommendation of the proposed exploration program. The principal objections are (1) that the geologic data obtained by Stages I and II would not likely provide sufficient information to determine potential mineralized target areas, (2) the diamond drilling would be principally prospecting, and (3), mining within the Gibson Hill area has not been too productive, or profitable as indicated from available information.

Available geologic data of the Breckenridge mining district and Gibson Hill show that the blanket deposits occur at the upward termination of minor veins and are not related to strong faults or veins. An examination of the New York tunnel did not reveal the presence of any well-defined minor vein which could be explored.

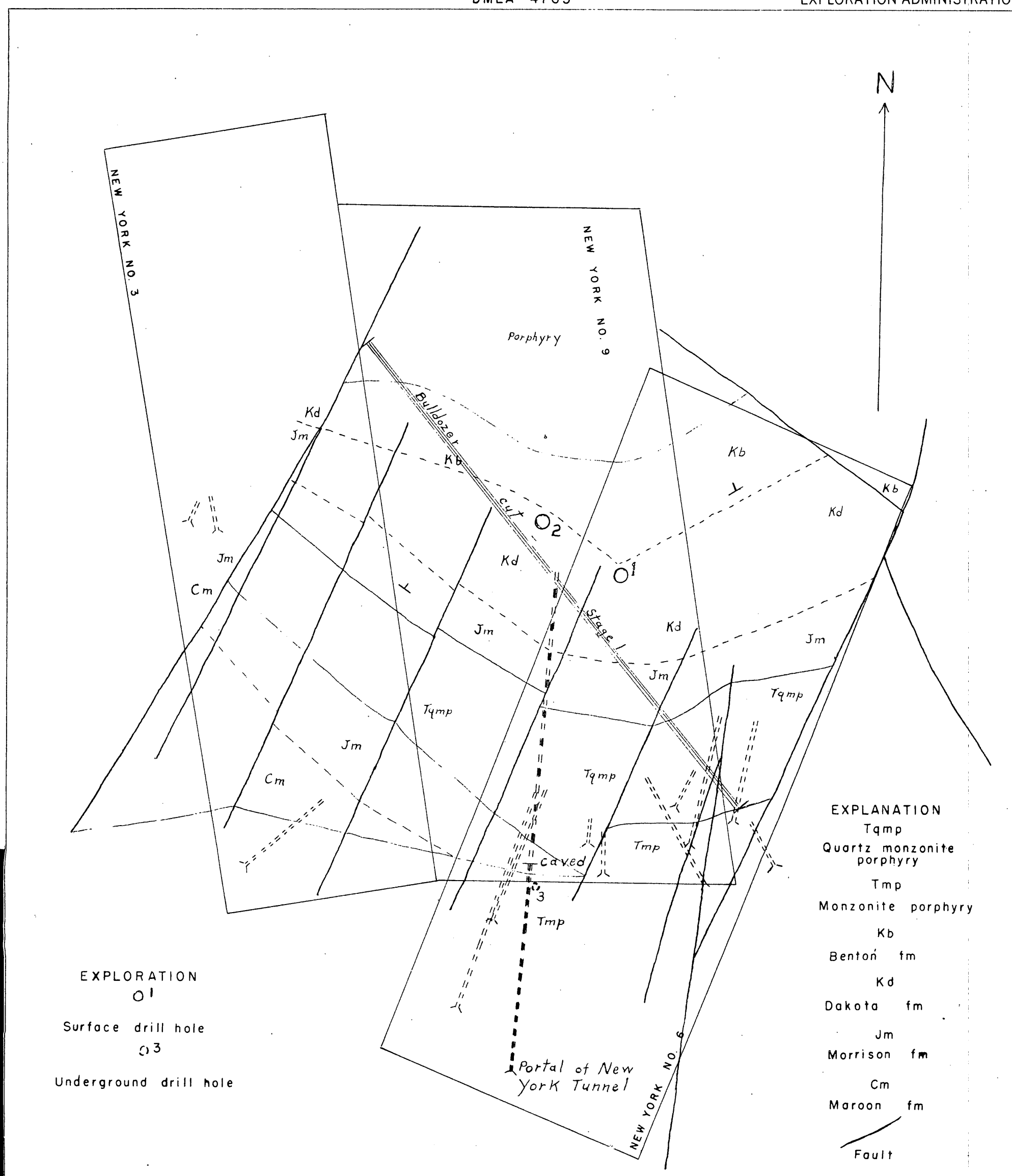
The Detroit mine which lies 1,000 feet east of the summit of Gibson Hill produced several thousand tons of ore from the Dakota quartzite. From the recorded production in relation to the amount of development and/or exploration workings, it is not likely that the mine was profitably operated. The mines on Gibson Hill have not shown any significant production and there is no reason to believe that they ever will.

The sediments on Gibson Hill have been extensively faulted and locally highly deformed causing sharp monoclinal folds with steep dips. Assuming that good rock exposures are obtained from Stage I trenching and good drill log information is obtained from the meager amount of drilling under Stage II, it is inconceivable that the obtained geologic information could effectively be utilized in projecting the Dakota and Maroon formations at depth. Even if these formations could be accurately located, the question of determining target areas is still highly speculative.

DEPARTMENT OF THE INTERIOR
UNITED STATES GEOLOGICAL SURVEY

EXAMINATION REPORT
DMEA 4765

PREPARED FOR
DEFENSE MINERALS
EXPLORATION ADMINISTRATIO



GEOLOGY AFTER LOVERING, 1934

F.B. MOORE AUGUST 1957

FIGURE 2.- CLAIM MAP SHOWING GENERALIZED GEOLOGY, MINE WORKINGS, AND LOCATIONS OF RECOMMENDED STAGE 1 & 2 EXPLORATION, NEW YORK CLAIMS 3, 6, & 9, SUMMIT COUNTY, COLORADO

0 100 200 300 400 500 600 700 800 FEET
SCALE

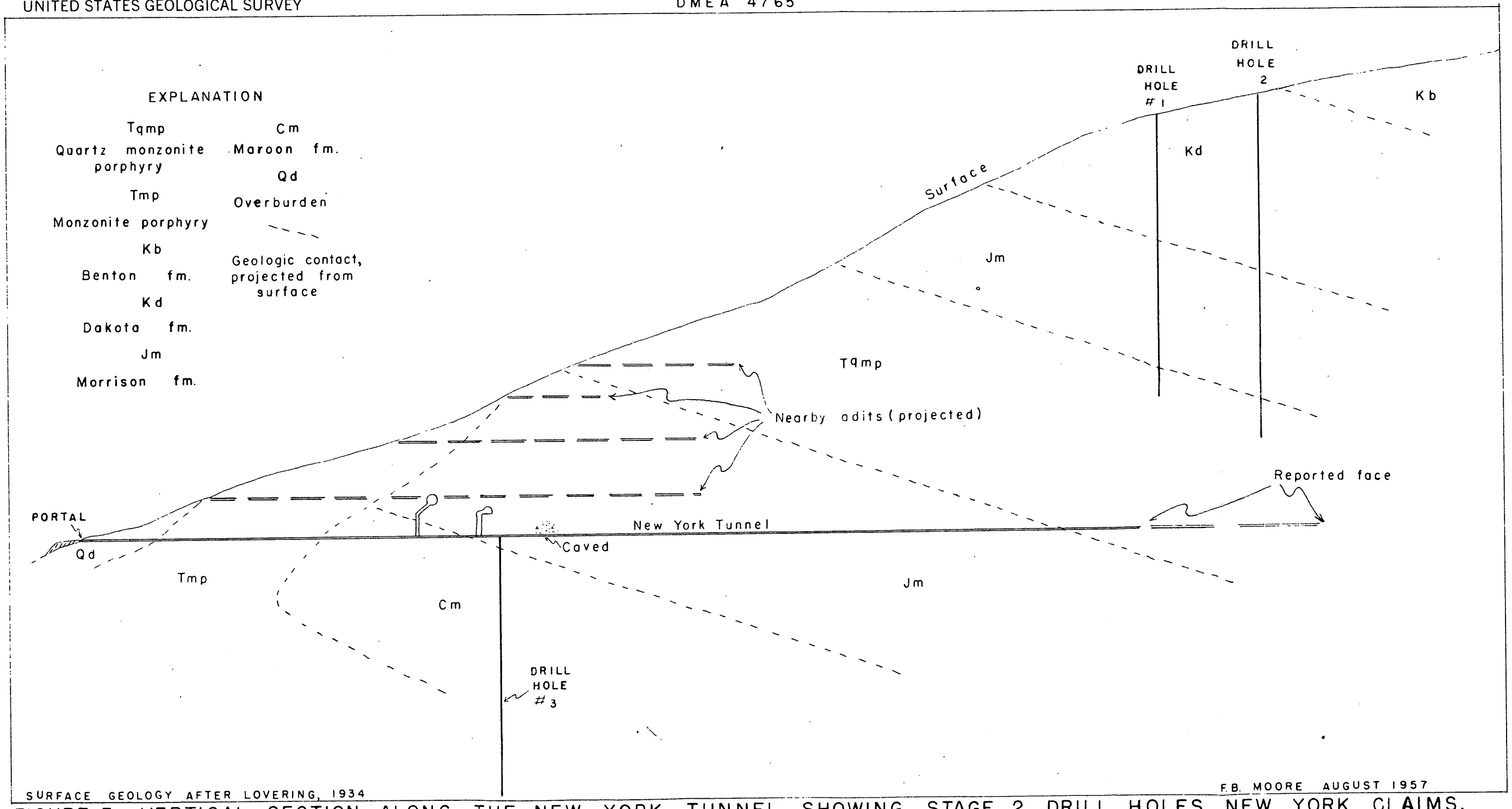


FIGURE 3.- VERTICAL SECTION ALONG THE NEW YORK TUNNEL SHOWING STAGE 2 DRILL HOLES, NEW YORK CLAIMS, SUMMIT COUNTY, COLORADO

OFFICIAL FILE COPY
D M E A
RECEIVED OCT 14 1957

DATE	INITIALS	CODE

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RECEIVED OCT 14 1957

DATE	INITIALS	CODE

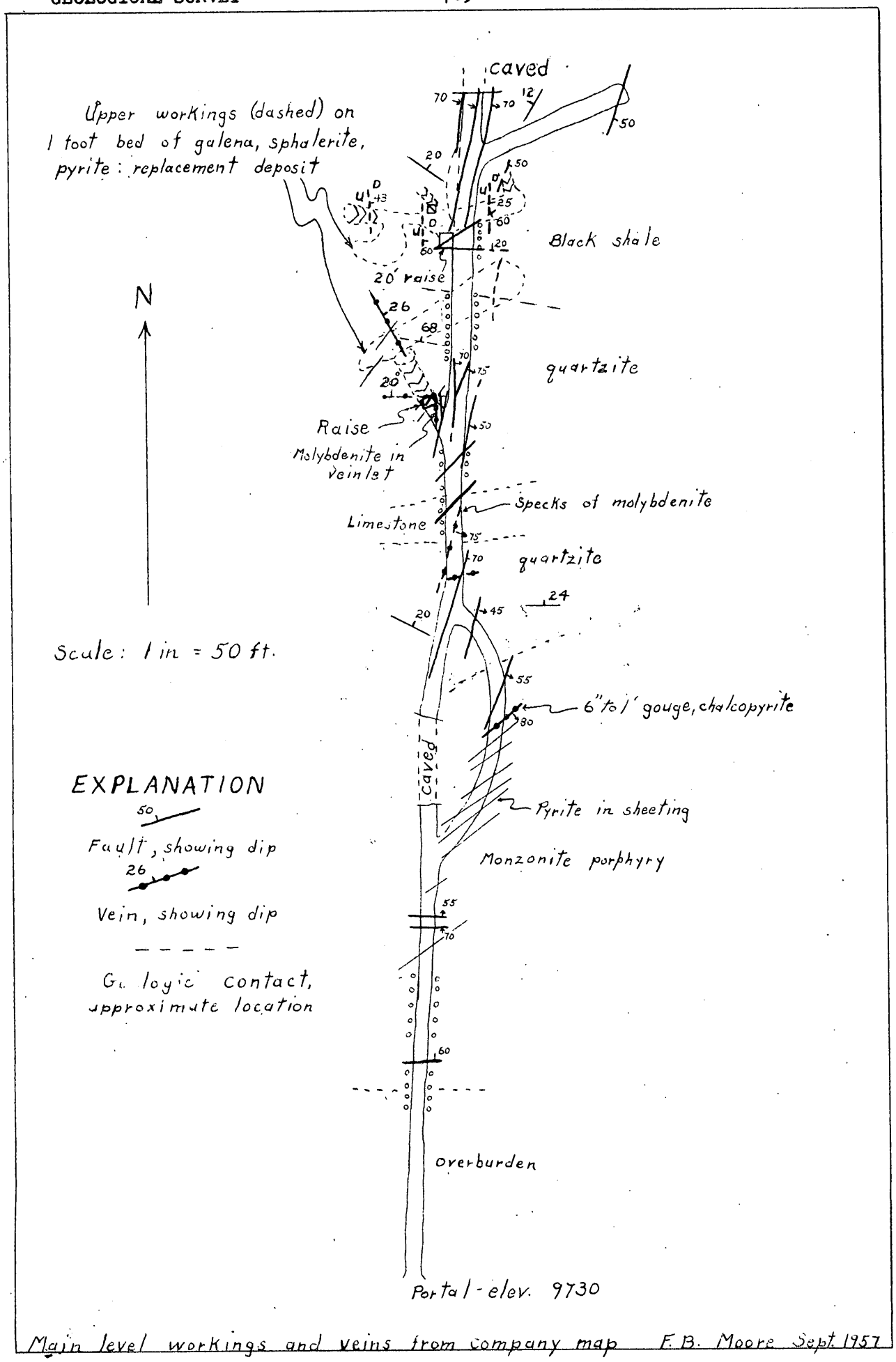


FIGURE 4. GEOLOGIC MAP OF PART OF THE NEW YORK TUNNEL, SUMMIT COUNTY, COLORADO

ORIGINAL FILE COPY
DMEA
RECEIVED JUL 18 1957

DATE	INITIALS	CODE
7/18	C	220
7/18	WRS	500

224 New Customhouse
Denver 2, Colorado

July 16, 1957

Memorandum

To: R. N. Harshman } W/enclosures, Items 1-3 Below
DMEA/DFC } W/enclosures, Items 1-3 Below

From: DMEA Field Team, Region III

Subject: Docket DMEA 4765 (Lead-Zinc-Copper-Molybdenum)
Knight Mining Corporation (New York Claims)
Summit County, Colorado

Enclosed is the following material relating to the subject docket:

1. Copy of application for Government assistance in exploration work under the DMEA program.

2. Letter of transmittal of the foregoing to this office, dated July 11, 1957, from the Chairman, Operating Committee, DMEA.

3. Routing Control Sheet.

A field examination of the property and a joint report of findings and recommendations pertaining to the Applicant's work proposal are requested.

As noted in the letter from the Chairman of the Operating Committee, dated July 11, 1957, copy of which is attached, the data submitted by the Applicant is meager indeed.

If the field examiners view the project proposal favorably, the Applicant should be instructed to submit to this office a bid for the drilling recommended from each of three independent drilling contractors, and that the Government does not participate in any cost insurred before the approval of a contract.

If the field examiners recommend Government participation in the proposed exploration program, please submit eleven extra copies of each map used in the joint report which show the land to be subordinated and the location and extent of recommended work, relative to property boundaries.

Eleven extra copies of each map used in the joint report which show the land to be subordinated and the location and extent of recommended work, relative to property boundaries, should be submitted if Government participation is recommended.

The Bureau of Mines' copy of the application should not be returned to this office, but is to be kept for the Examining Engineer's file. The Routing Control Sheet, however, is to be completed, detached from the application, and forwarded to the Executive Officer with the Joint Examination Report. The Survey's copy of the application is to be returned to Mr. Harshman's office.

Original signed by
W. H. KING

W. H. King
Executive Officer

Enclosures

JMC:ek

cc: Sec. Op. Comm. (2)
Docket
Chron.

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

OFFICIAL FILE COPY
D MINERALS REFER TO:
RECEIVED JUL 15 1957

DATE	INITIALS	CODE
7-15	C	220
7-15	[illegible]	500

July 12, 1957
Re: DMEA 4765
Knight Mining Corporation
New York claims
Summit County, Colorado
$25,000.00 - Lead-zinc-copper-molybdenum

Memorandum

To: W. R. Griswold, Defense Minerals Exploration Administration

From: N. E. Nelson, U. S. Geological Survey

Subject: Review of application

The applicant requests assistance in doing 1200 feet of core drilling and an unstated footage of other work in an old mine.

No particulars are given concerning the vein or veins except that in 1912 and 1917, 29 tons of lead-zinc-gold-silver ore was shipped. A map shows no less than 13 tunnels in the New York No. 3 and New York No. 6 claims. The stated production is not proportionate.

Referral of the application to the Field Team is recommended.

N. E. Nelson

N. E. Nelson

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
7/9	[illegible]	100
7/10	[illegible]	20
"	[illegible]	100
7/11	P.K.	25
		500

JUL 11 1957 500

Mr. W. M. King, Executive Officer
DMEA Field Team, Region III
224 New Customhouse Bldg.
Denver 2, Colorado

Re: Docket No. DMEA-4765 (Lead-Zinc-Copper-Molybdenum)
Knight Mining Corporation
New York Claims
Summit County, Colorado

Dear Mr. King:

With reference to your memorandum of June 14, submitting the cited application, and our letter of June 20 to the Applicant, we are enclosing two copies of additional material which has been submitted. Such material consists of the letter (two pages), an estimate as to surveying and mapping costs (one page) and two maps. The Applicant also submitted a "Financial Report" and "Comments" which have not been reproduced, since they seem to have little bearing upon the application.

You will note that the submitted data still leaves much to be desired, but it is probably about all that can be expected; hence, we are now referring the application to your office for consideration, a field examination of the property if warranted, and recommendations.

We have not requested memoranda from the Commodity members since, in view of the meager data available, it would serve no good purpose.

Sincerely yours,

George C. Selfridge (HB)
Chairman, Operating Committee

Copy to: Docket WRGriswold/er 7/9/57
Admr R File
Op. Committee
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Chron.

Enclosures
APPROVED:

Thor H. Kiilsgaard (HB)
Member, Geological Survey

(s) O. M. Bishop (HB)
Member, Bureau of Mines

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
7/9	[illegible]	500
7/10	[illegible]	130
"	[illegible]	100
		225
		571.

7/10 Kiilsgaard 130
7/10 Bishop 130

JUL 11 1957

Mr. David Lorenz, Sec.-Treas.
Knight Mining Corporation
2432 Grove Street
Denver, Colorado

Re: Docket No. DMEA-4765 (Lead-Zinc-Copper-Molybdenum)
Knight Mining Corporation
New York Claims
Summit County, Colorado

Dear Mr. Lorenz:

With reference to your June 25 letter, with enclosures, covering the cited project, your application for Government assistance is now being referred to:

Mr. W. M. King
Executive Officer
DMEA Field Team, Region III
224 New Customhouse Bldg.
Denver 2, Colorado

If additional information concerning your application is needed, the Field Team will get in touch with you at an early date.

As you had requested, we are returning the two map copies which you submitted.

Sincerely yours,

C. O. Mittendorf (lw)

Administrator

WRGriswold/er 7/9/57
Copy to: Docket
Admr R File
Op. Committee
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Region III (2)
Chron.

Enclosures

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code

500

July 9, 1957

Memorandum

To: T. H. Kiilsgaard, U. S. Geological Survey

From: W. R. Griswold, Director, Division of Base Metals

Subject: Additional data on Docket No. DMEA-4765 (Lead-Zinc-Copper-Molybdenum), Knight Mining Corporation, New York Claims, Summit County, Colorado.

Referring to the cited application, we are attaching a copy of additional material received from the Applicant. This is for your file, we are not requesting comments at this time, since the data are still inadequate. However, we are now making a field referral, since it is unlikely that direct correspondence with the Applicant would produce much more.

W. R. Griswold

W. R. Griswold

Attachment

WRG/er
Copy to: Docket
Chron.

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code

500

July 9, 1957

Memorandum

To: O. M. Bishop, Branch of Base Metals
U. S. Bureau of Mines

From: W. R. Griswold, Director
Division of Base Metals Division, DMEA

Subject: Additional data on Docket No. DMEA-4765 (Lead-Zinc-Copper-Molybdenum), Knight Mining Corporation, New York Claims, Summit County, Colorado.

Referring to the cited application, we are attaching a copy of additional material received from the Applicant. This is for your file, we are not requesting comments at this time since the data are still inadequate. However, we are now making a field referral, since it is unlikely that direct correspondence with the Applicant would produce much more.

W. R. Griswold

W. R. Griswold

Attachment

WRG/er

Copy to: Docket
Chron.

8623

June 25, 1957

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 28 1957

DATE	INITIALS	CODE
6/27	C	220
6/27	WPCH	500

Mr. W. R. Griswold, Director
U.S. Department of the Interior
Defense Minerals Exploration Adm.
Washington 25, D. C.

Re: Docket #DMEA-4765 (Lead-Zinc-Copper-Molybsenum)
Knight Mining Corporation
New York Claims
Summit County, Colorado

Dear Mr. Griswold:

Replying to your letter of June 20, 1957 please be advised as follows:

1 a New York #3, New York #6 and New York #9 lodes, McKay Mining district, Summit County, Government Survey #20285 made by James D. Galloway August 15, 1925, copy enclsoed.
b New York
c Owner
d None

2 a See Government survey 20285
c. 1912 - 5 oz. gold, 7 ox silver per ton, 4 tons shipped
1917- 25 tons shipped lead 4113 lbs. zinc 9080 lbs. silver 55 ozs.
d. Unknown- Verbal reports state that Bear Mine & Mill Co. stated that they could ship 100 tons per day.
e. See Geoligist map
f. Because of past production and other owners were unable to ship because of low prices.
g. Only have this 1 copy of each and would appreciate return of same.

3 a. Mr. E. Knight, contact at post office, Breckenridge, reach property by going 1½ mile east of court house. You can drive to mine door.
b. Employees live at Breckenridge 1½ miles from mine.

4 a. See attached maps
b. We have built road.
c. We have been working for the past year and with help we could complete within one year.

5 a. Mr. Knight President had been mining app. 20 years, Mr. Jones vice president has mined app. 10 years, Mr. Lorenz sec-trea has been in business managment for 12 years.

6 a. Core drilling, 4 drill holes app. 300 foot each @ a cost of 6 to 8 dollars per foot or a total cost of 7 to 10 thousand.

b. See enclosed sheet for geological services, miners 2.35 per hr., trammers 2.00 per hour

c. See financial statement for cost to reopen app. 400 feet of tunnel and make three raises since the time of January 31, 1957 to date we have spent $8,000.00 for 200 ft of tunnel and one raise.

d. See financial statement

e. No repairs needed.

f. We need approximate 50 feet of fire proof tunnel from portal of tunnel to dump for winter time cost of app. 300.00

g. Accounting work being done free until mine produces. Workman's comp. cost app. 50.00 per month, other taxes run app. 4% of wages.

7 a. We will sell additional stock to cover our portion.

b. What ever you believe would be fair for the use of our equipment would be ~~xxxxxxx~~ satisfactory with us.

Trusting the above will answer the questions you need, we remain,

Yours very truly,

KNIGHT MINING CORP.

A. J. Lorenz

RESIDENT MANAGERS:

CHARLES E. MELBYE

STUART S. MERWIN

COLORADO EXPLORATION COMPANY

REPRESENTING:
LUNDBERG EXPLORATIONS LTD.
AIRBORNE GEOPHYSICAL SURVEYS
ABRAMS AERIAL SURVEY CORP.
AERIAL PHOTOGRAPHY, PHOTOGRAMMETRY

COLORADO EXPLORATION COMPANY

GEOLOGICAL AND GEOPHYSICAL CONSULTANTS AND CONTRACTORS

ORIGINAL FILE COPY
DMEA
RECEIVED JUN 28 1957
DATE | INITIALS | CODE

January 3, 1957

Mr. Dave Lorenz
Knight Mining Company
2432 Grove
Denver, Colorado

Dear Dave:

I received Mr. Galloway's report concerning the New York Mine and I note that he estimates approximately 1500 feet of workings on two levels. It is difficult, if not impossible, to estimate the surveying or mapping time which we will have to do. I feel that 3 days of each will be necessary but, again, this is only an estimate. We will keep the time to a minimum. I will have a surveyor on the property Saturday, January 12th. and will come up myself on Monday, the 14th. to start the mapping. The following are our charges and estimates. I am assuming you will provide meals and lodging for the two people involved (myself and surveyor) while in Breckenridge.

Services:			
Surveying	3 days	@ $ 60.00/day	$180.00
Geological Mapping	3 days	@ 100.00/day	300.00
Report Preparation	6 hours	@ 12.50/hr.	75.00
Drafting	20 hours	@ 3.50/hr.	70.00
Mileage	300 miles	@ .12/mi.	36.00

Naturally, we will provide all necessary equipment for the work but you will assign a rod man for the surveyor.

Your signature on the copy of this letter will constitute an agreement between us and it is expressly understood that the number of days and time may vary, depending upon the amount of work to be done. We will, however, seek your permission before executing more work than is estimated above. You have my assurance we will attempt to complete the work as fast as possible.

Sincerely,

ACCEPTED:

DAVE LORENZ
KNIGHT MINING COMPANY

STUART S. MERWIN

M/b

1117 WASHINGTON AVE.
GOLDEN, COLORADO

CRESTVIEW 9-3357
P.O. BOX 509

KNIGHT MINING COMPANY
BRECKENRIDGE, COLORADO

Comments

Since there has been no income for the period ended January 31, 1957 there is no income and expense statement. However, the surplus deficit figure in the financial report represents the expenses to the above date. We are offering a cash statement which shows the money paid in to the corporation and the disposition of the money.

None of the stockholders have received any renumeration with the exception of Earl Knight, Jr. This stockholder has put in his full time working, the same as all other hired workers at the mine and on the same wage scale. His renumeration is fully justified.

All money received and disbursed has been fully accounted for as shown by the cash statement. All of the expenses were necessary to get the mine into production.

The equipment rental account will eventually be transferred almost 100% to the equipment asset account as the equipment was rented on a purchase basis. As of March 1, 1957, all of the equipment rental with the exception of the compressor has been fully paid for and belongs to the Knight Mining Company. This equipment is a mine car and stoper.

The 'supplies' account consists of purchases of pipe fittings and pipe, steel, bolts, spikes, splice bars and plates, small tools, bits, oilers and drill steel, acetylene, welding rod, lamps, chain, drill oil and compressor oil and rubber suits.

The non-depreciable assets charged to land consist of incorporation costs, abstract and title fees and the construction of a road.

The equipment consists of a truck, rock drills, mine car, receiver tank, compass and brunton, mine rails, pipe, splice bars, etc. used in the construction of track.

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 27 1957

DATE	INITIALS	CODE

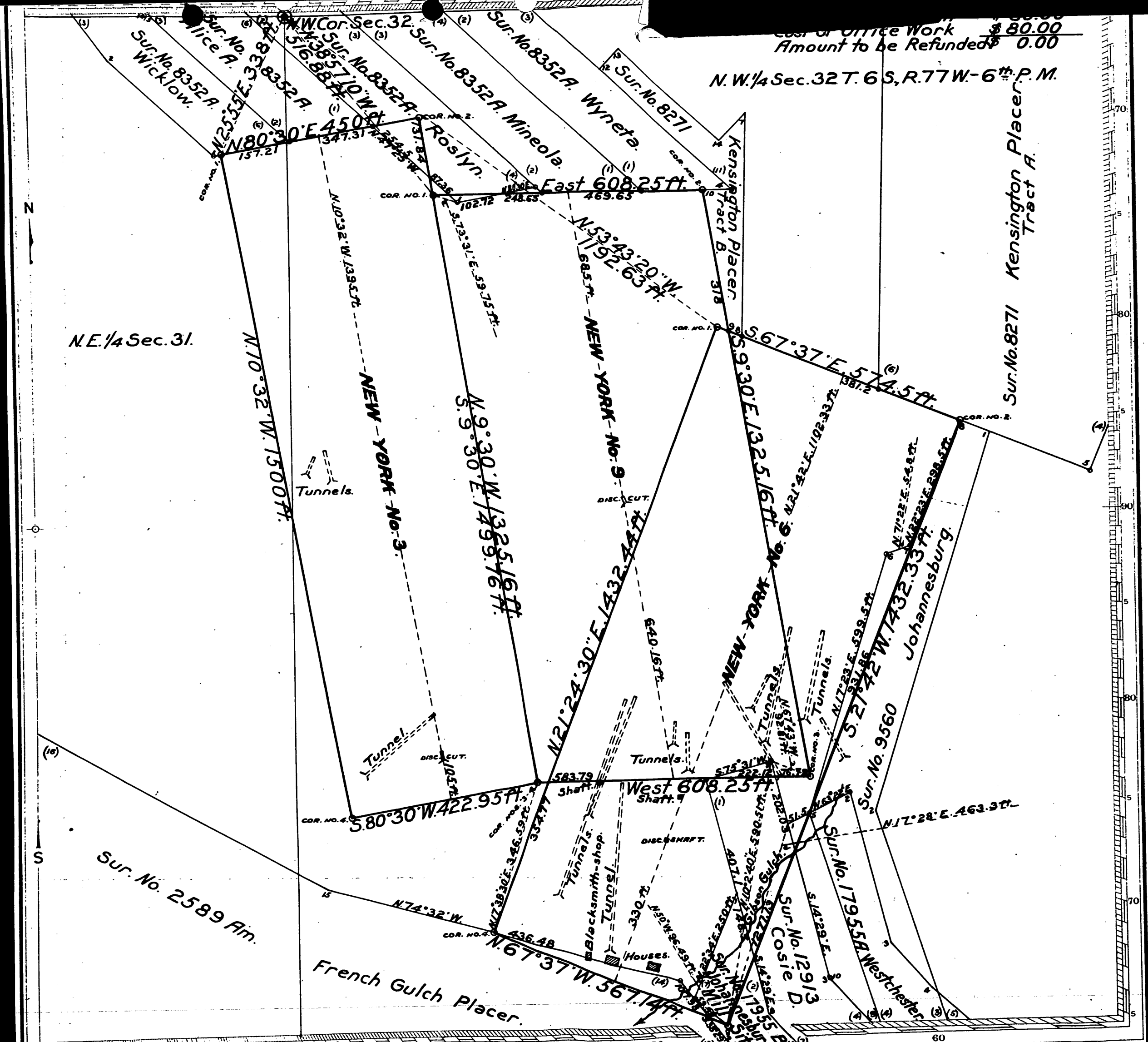
KNIGHT MINING COMPANY
BRECKENRIDGE, COLORADO

FINANCIAL REPORT AS OF JANUARY 31, 1957

ASSETS			
Current Assets			
Cash in banks		$ 131.14	
Payroll advances		24.60	
Total Current Assets			$ 155.74
Fixed Assets			
Land		30,698.45	
Equipment		1,349.59	
Building		240.82	
Total Fixed Assets			32,288.86
TOTAL ASSETS			$ 32,444.60
LIABILITIES AND NET WORTH			
Current Liabilities			
Withholding Taxes Payable		$ 103.85	
To working fund for cash payment		14.50	
Total Current Liabilities			$ 118.35
Net Worth			
Capital Stock Authorized	$ 65,000.00		
Less: Capital Stock issued	16,305.36		
Capital Stock Outstanding		$ 48,694.64	
Earned Surplus (Deficit)		(16,368.39)	
Net Worth January 31, 1957			32,326.25
TOTAL LIABILITIES & NET WORTH			$ 32,444.60

CASH STATEMENT FOR PERIOD ENDED JANUARY 31, 1957

Money invested for which stock was issued		$ 18,694.64
Cash Paid Out		
Non-Depreciable assets charged to land	$ 698.45	
Equipment	1,349.59	
Building	240.82	
Payroll Advance	24.60	
Expenses:		
Assaying	39.50	
Bank Charges	6.42	
Development	4.50	
Dynamite, Fuses, etc.	346.43	
Equipment Rental	2,831.93	
Freight	28.76	
Gasoline and Oil	557.80	
State Compensation Insurance	400.00	
General Insurance	230.35	
Miscellaneous Expense	37.48	
Office Supplies	23.19	
Repairs	258.05	
FICA Tax Expense	179.67	
Shoring Material	1,357.50	
Supplies	1,032.04	
Taxes and Licenses	26.11	
Telephone and Telegraph	53.53	
Wages	8,936.26	
Fuel	18.87	
Total	18,681.85	
Less: Current Liabilities(included as expense)	118.35	
Total Paid Outs		18,563.50
BALANCE CASH IN BANKS		$ 131.14



Mineral Survey No. 20285

Lot No.

Denver Land District.

PLAT

OF THE CLAIM OF

WILLIAM H. LUCAS,

KNOWN AS THE

NEW YORK No.3, NEW YORK No.6 AND NEW YORK No.9 LODES,

IN McKAY MINING DISTRICT,
SUMMIT COUNTY, COLORADO.
Containing an Area of _____ Acres.
Scale of 200 Feet to the inch.
Variation 14°40' East.
SURVEYED August 15- 1925, BY

James D. Galloway, U.S. Mineral Surveyor;

The Original Field Notes of the Survey of the Mining Claim of William H. Lucas, known as the New York No.3, New York No.6 and New York No.9 Lodes,

from which this plat has been made under my direction, have been examined and approved, and are on file in this Office; and I hereby certify that they furnish such an accurate description of said Mining Claim as will, if incorporated into a patent, serve fully to identify the premises, and that such reference is made therein to natural objects or permanent monuments as will perpetuate and fix the locus thereof.

I further certify that Five Hundred Dollars worth of labor has been expended or improvements made upon, said Mining Claim or for the benefit of each of the locations embraced in by claimant _____ or his _____ grantors and that said improvements consist of two cuts, three shafts and thirteen tunnels, value $36005.00

that the location of said improvements is correctly shown upon this plat, and that no portion of said labor or improvements or interest in has been included in the estimate of expenditures upon any other claim.

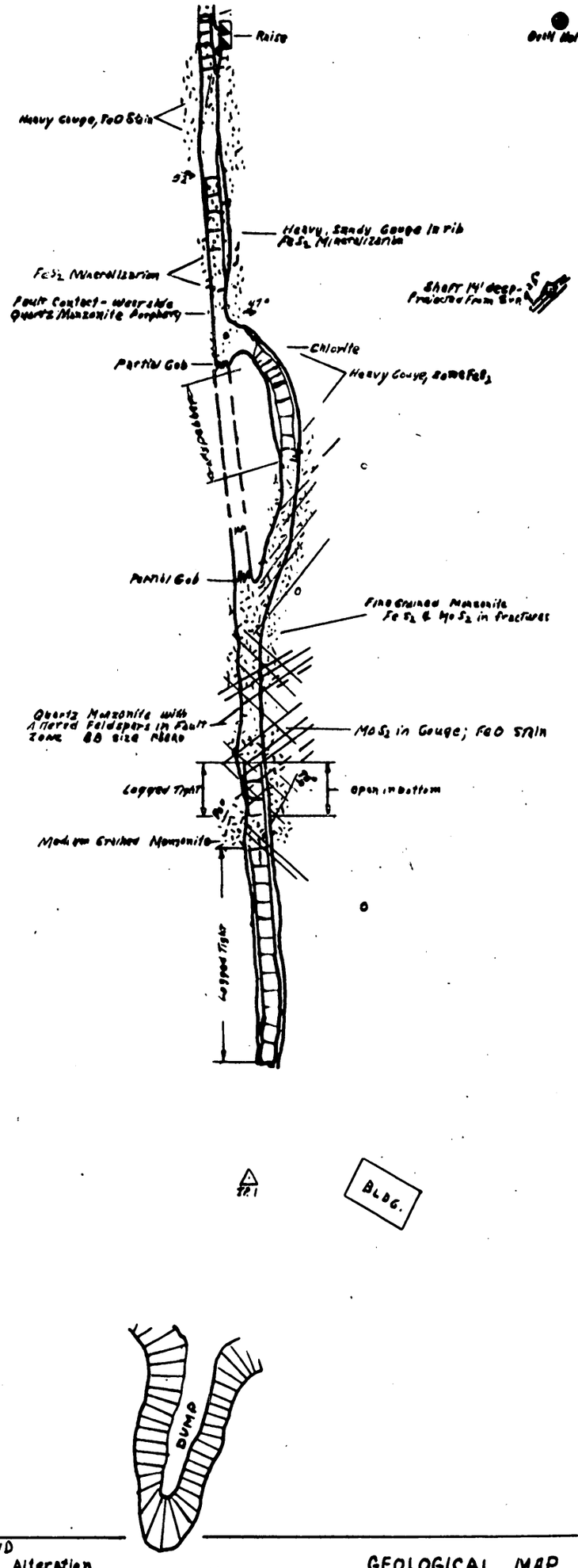
And I further certify that this is a correct plat of said Mining Claim made in conformity with said original field notes of the survey thereof, and the same is hereby approved.

Office of U.S. Supervisor of Surveys,

Denver, Colorado, October 12-1925.

Russell H. Allen

Administrative Cadastral Engineer.



LEGEND

Fault

Alteration

Jointing

Chlorite

Quartz Monzonite

Mineralization

N

GEOLOGICAL MAP
of the
NEW YORK MINE

BRECKENRIDGE, COLORADO
Scale 1" = 50' Jan, 1957

COLORADO EXPLORATION CO

DMEA-4765

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
6/19	[illegible]	110
19		~~[illegible]~~
6/20	JWG	2[illegible]
		5[illegible]

JUN 20 1957

Mr. David Lorenz, Sec.-Treas.
Knight Mining Corporation
2432 Grove Street
Denver, Colorado

Re: Docket No. DMEA-4765 (Lead-Zinc-Copper-Molybdenum)
Knight Mining Corporation
New York Claims
Summit County, Colorado

Dear Mr. Lorenz:

We have your letter of June 12 with which you submitted an application for Government assistance in an Exploration project.

With reference to your request that we do all possible to speed up consideration of your application, we must point out that you have given us nothing upon which to take any action. If you will read the reverse side of the application (copy enclosed) you will find specific instructions regarding the information required. Upon receipt of such information, you may be sure that we shall try to avoid any unnecessary delays.

Sincerely yours,

W. R. Griswold, Director
Division of Base Metals

Enclosure
WRGriswold/er 6/19/57
Copy to: Docket
Admr R File
Op. Committee
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Region III (2)
Chron.

8623

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

June 19, 1957

Re: DMEA 4765; Pb-Zn-Cu-Mo;
$25,000
Knight Mining Corp.
New York Claims
Summit County, Colo.

Memorandum

To: W. R. Griswold, DMEA

From: O. M. Bishop, USBM

Subject: Application dated 6/12/57 received 6/18/57.

The Knight Mining Corporation requests assistance in exploration of 3 patented claims (New York No. 3, 6 and 9) in the Breckenridge area.

Inasmuch as the applicant failed to give required information on the property and the work proposed the application should be returned for completion.

O. M. Bishop.

O. M. Bishop

cc: Division of Minerals
Mr. Kiilsgaard
Mr. Lamb
Files

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 19 1957

DATE	INITIALS	CODE
6/19	C	220
6/19	LCY	500

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

June 17, 1957

Mr. Earl Knight, President,
Knight Mining Corporation,
2432 Grove,
Denver, Colorado.

Subject: DMEA 4765

Dear Mr. Knight:

Your application for exploration assistance, dated June 12, 1957, submitted to our office at Denver, Colorado, has been assigned Docket Number DMEA 4765 and referred to the Base Metals Division in the Washington office. Kindly identify all future correspondence relating to your application by this Docket Number.

Sincerely yours,

Allen S. Dakan, Director
Operations Control and
Statistics Division

Copy to: Region III

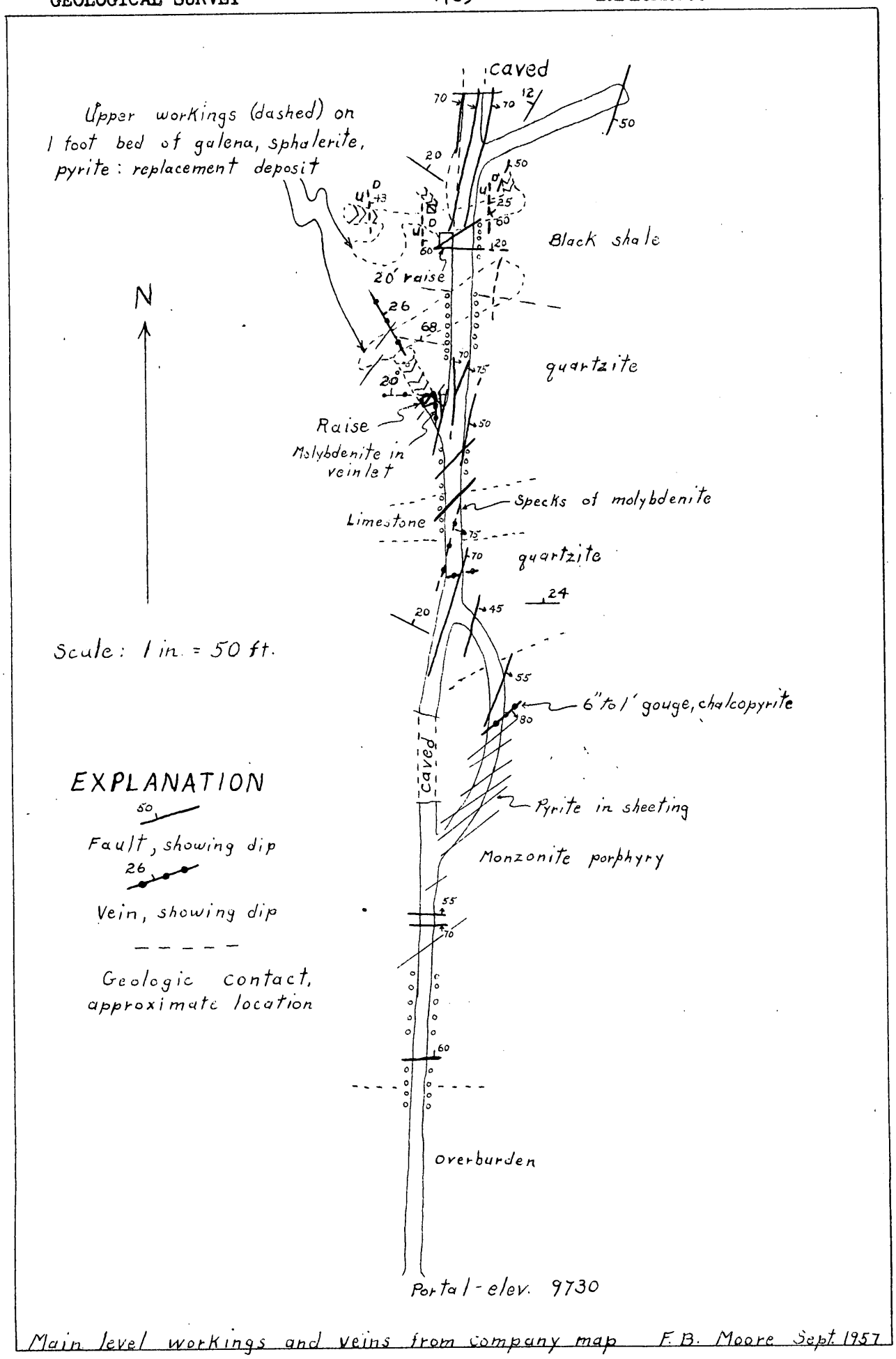


FIGURE 4. GEOLOGIC MAP OF PART OF THE NEW YORK TUNNEL, SUMMIT COUNTY, COLORADO

EXTRA COPY
D M E A
RECEIVED OCT 1 1 1957

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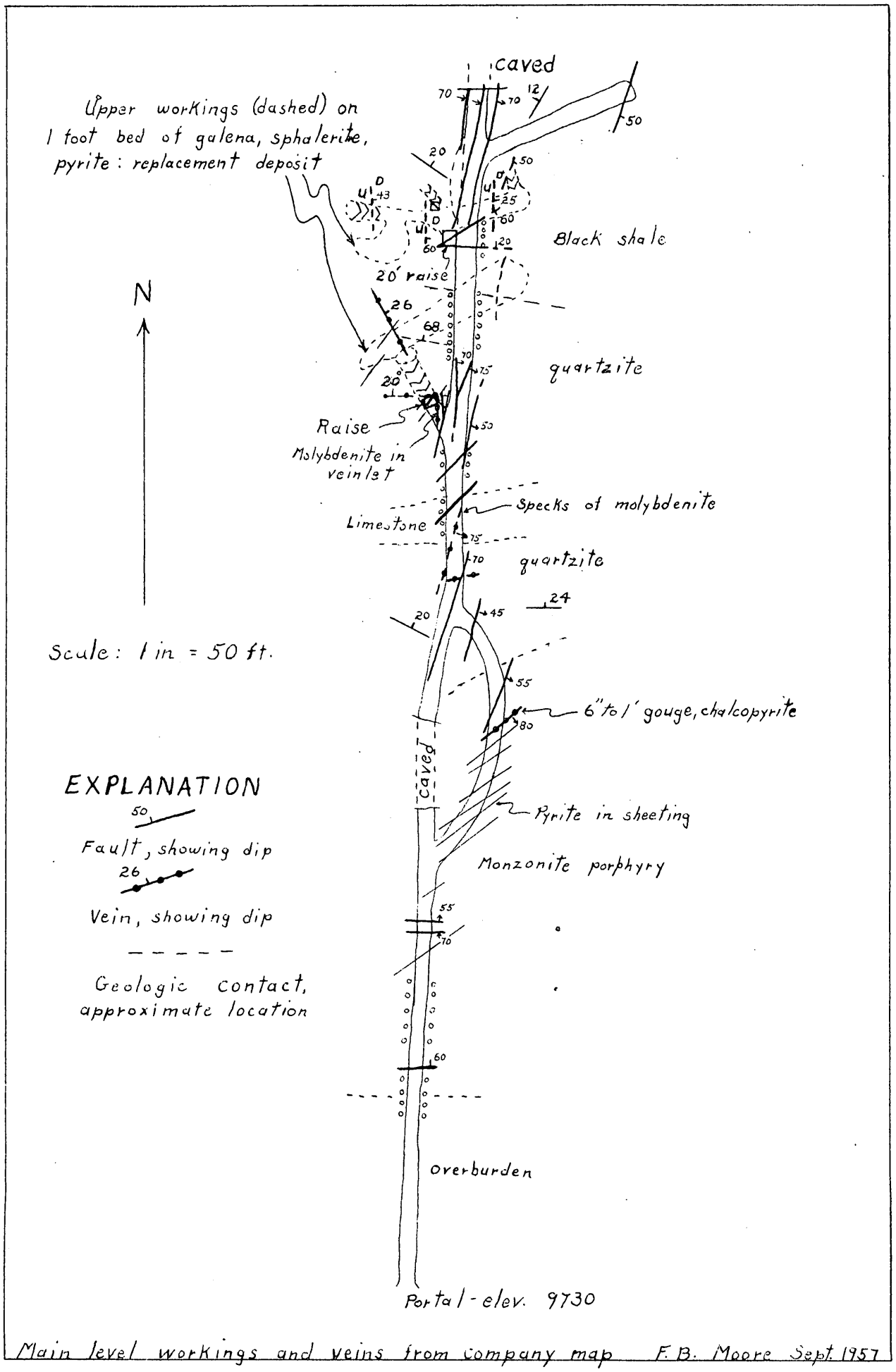

FIGURE 4. GEOLOGIC MAP OF PART OF THE NEW YORK TUNNEL, SUMMIT COUNTY, COLORADO

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DATE	[illegible]	CODE

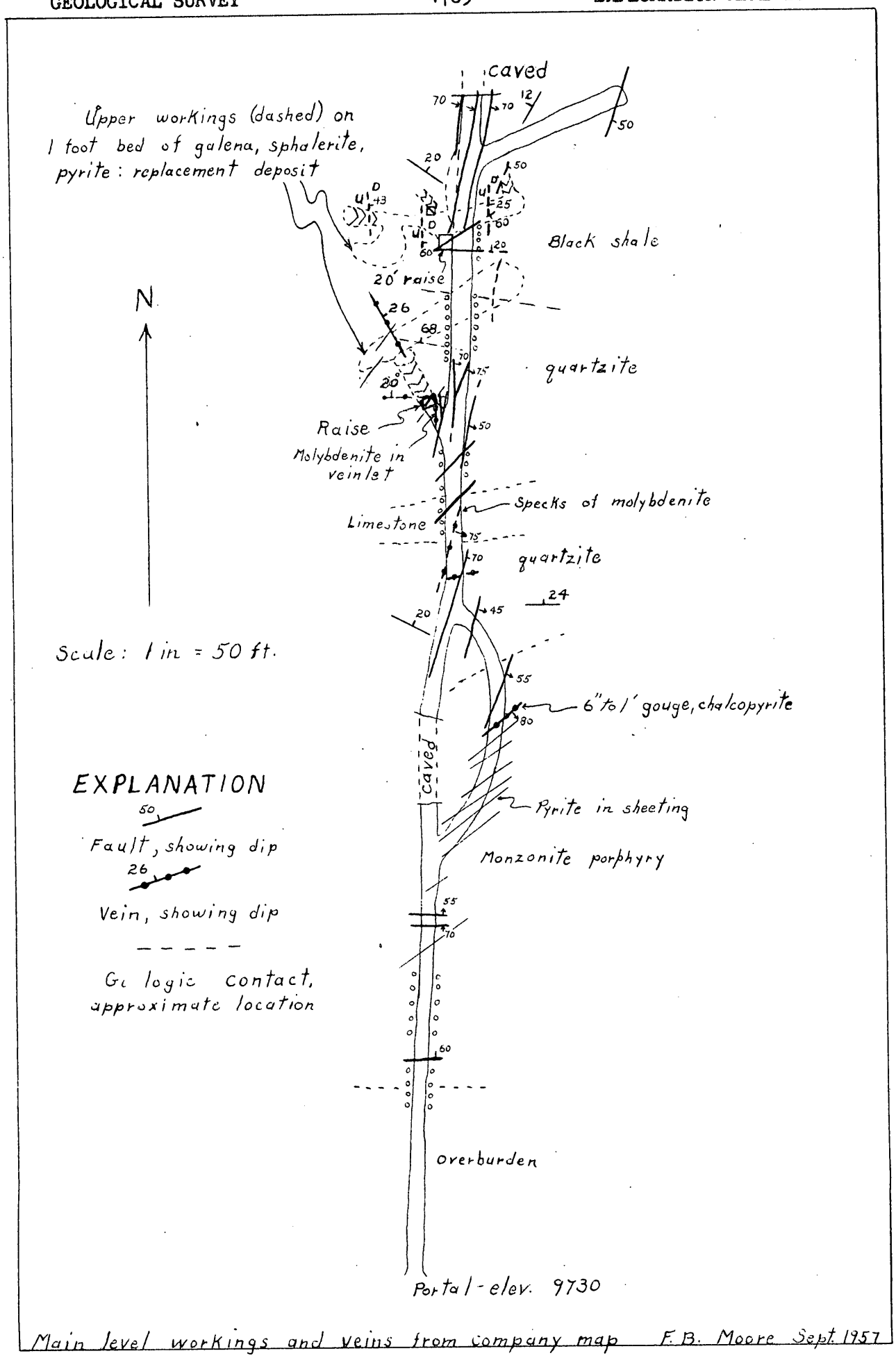

FIGURE 4. GEOLOGIC MAP OF PART OF THE NEW YORK TUNNEL, SUMMIT COUNTY, COLORADO

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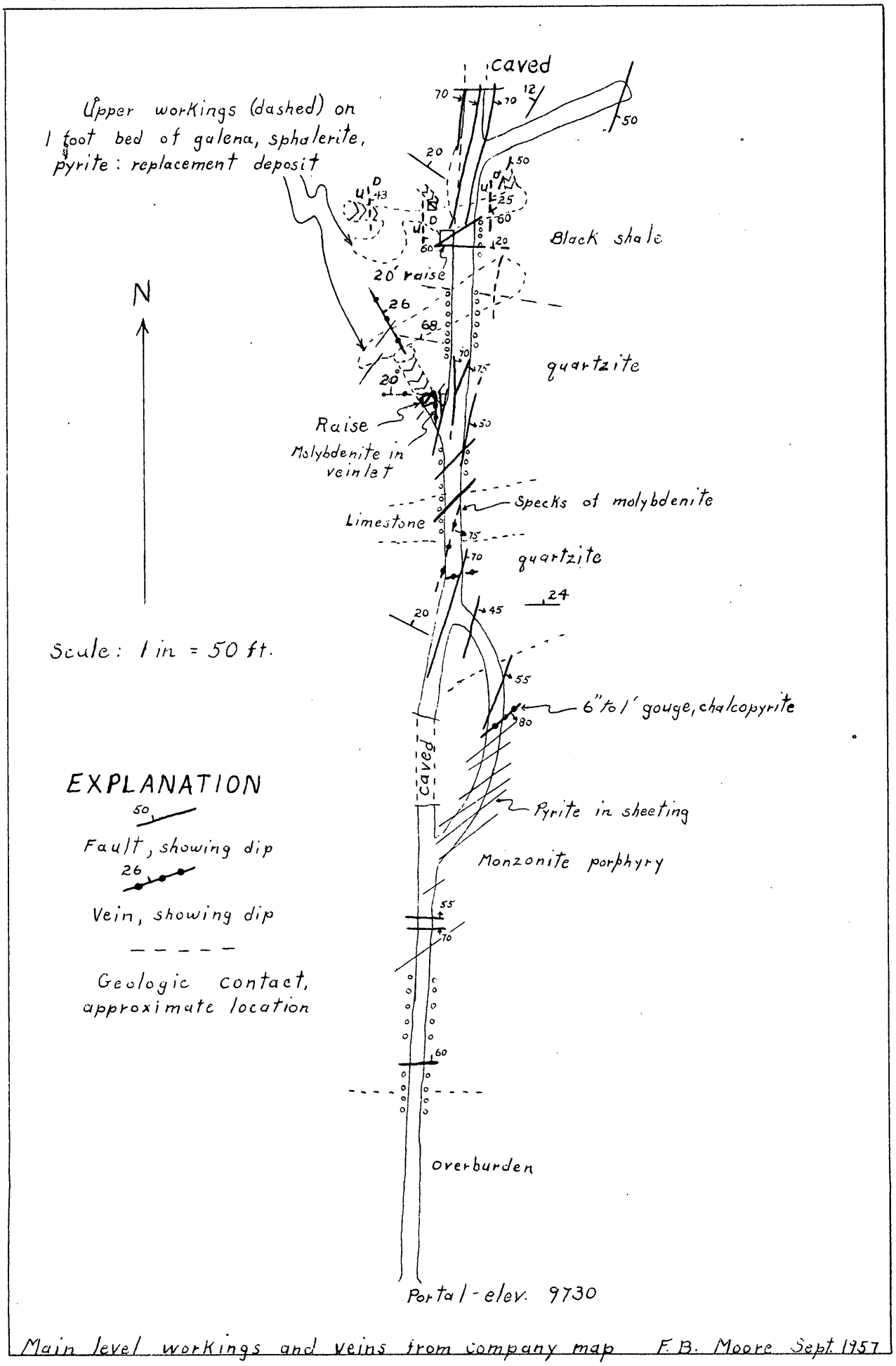

Main level workings and veins from company map F.B. Moore Sept. 1957

FIGURE 4. GEOLOGIC MAP OF PART OF THE NEW YORK TUNNEL, SUMMIT COUNTY, COLORADO

EXTRA COPY
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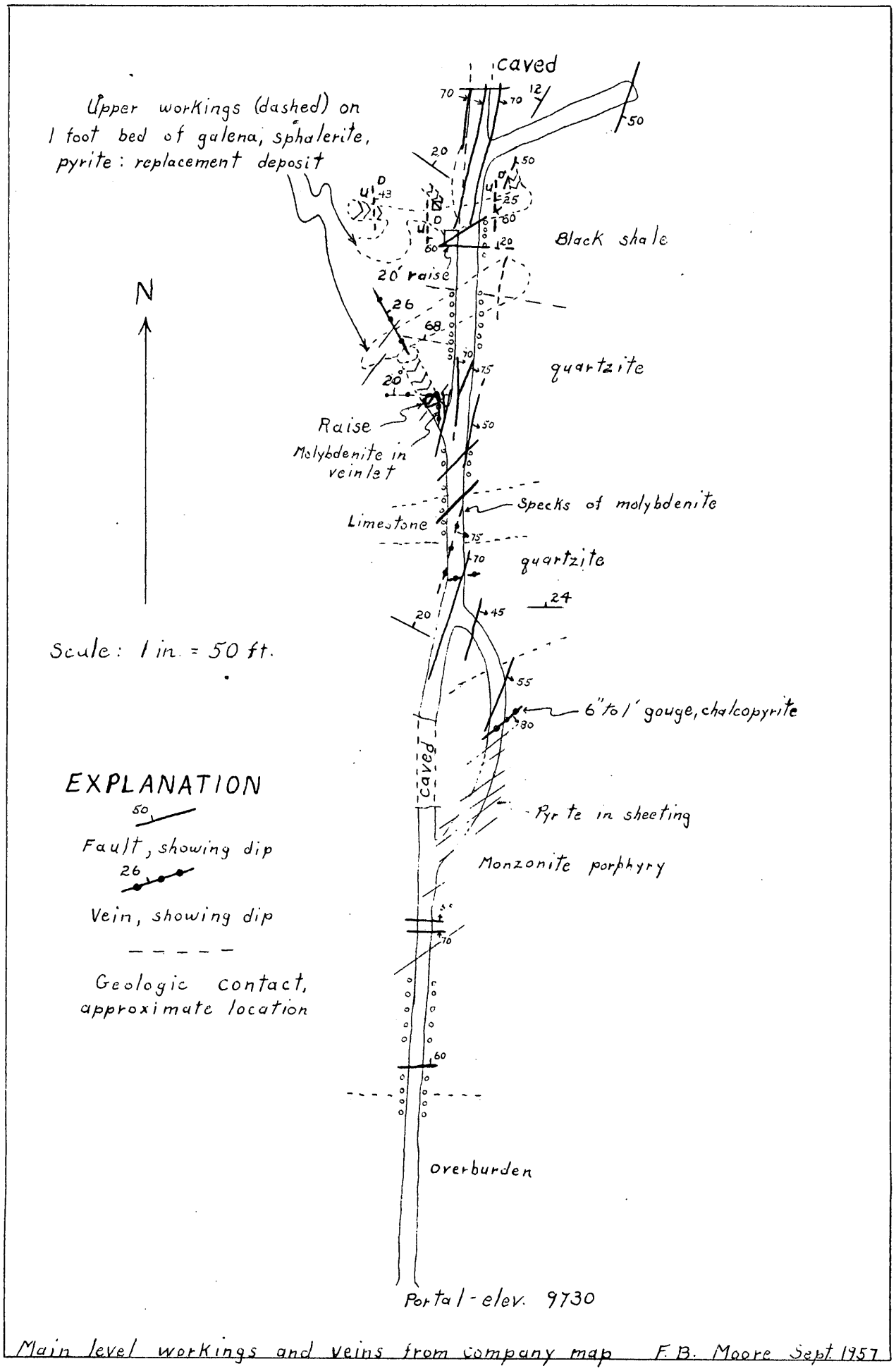
RECEIVED OCT 14 1957

DATE	[illegible]	CODE



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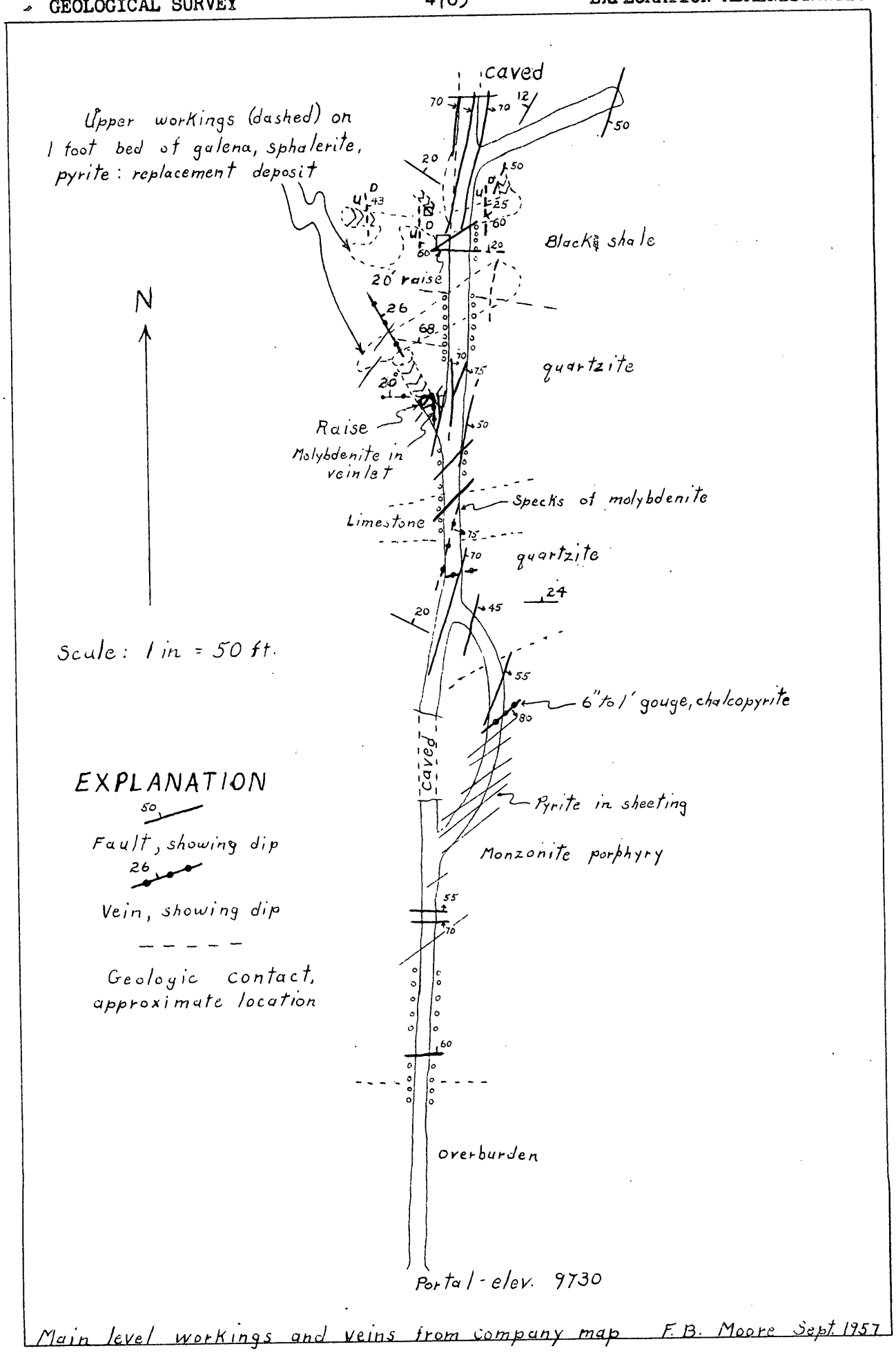

FIGURE 4. GEOLOGIC MAP OF PART OF THE NEW YORK TUNNEL, SUMMIT COUNTY, COLORADO

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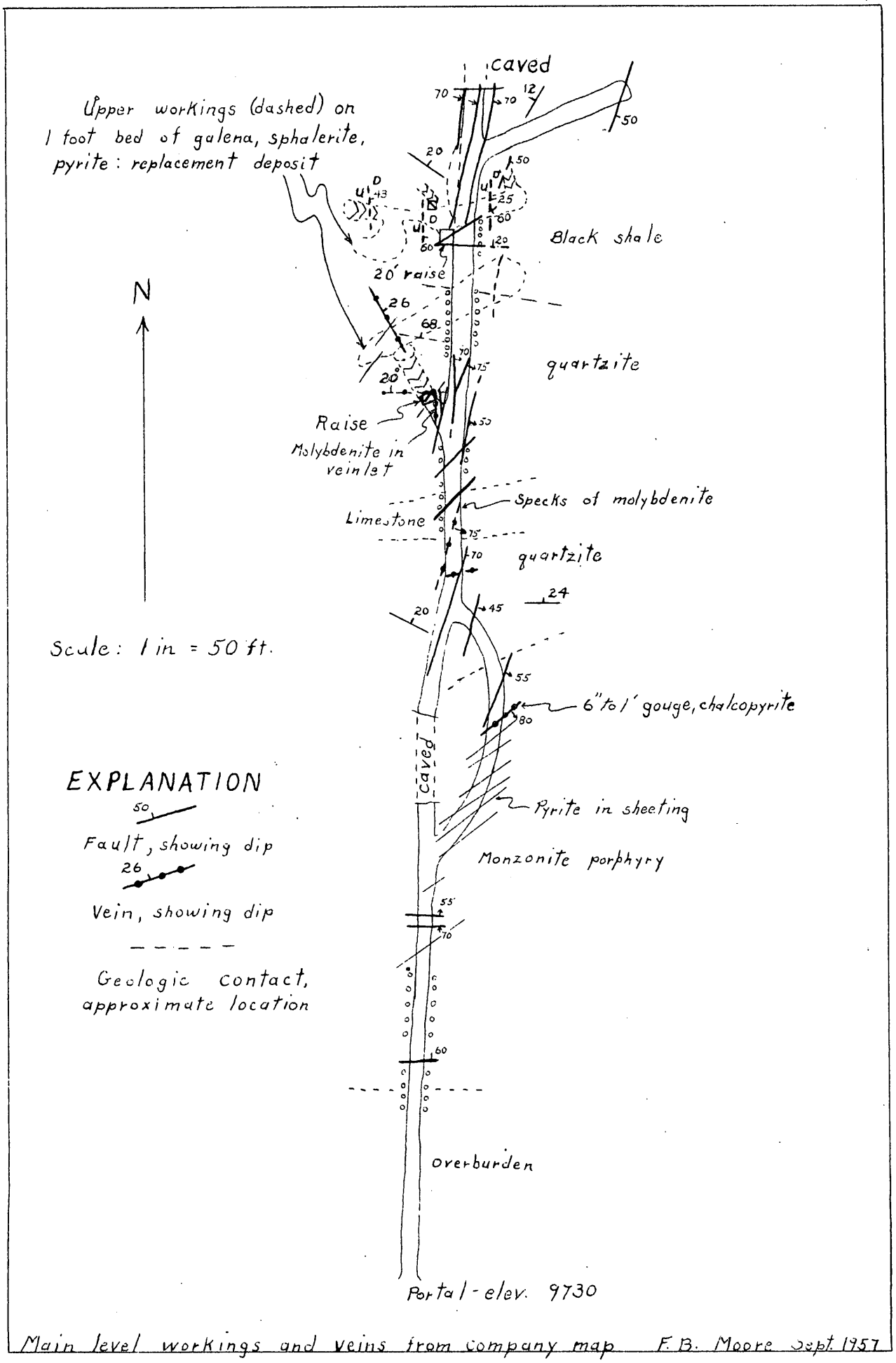

FIGURE 4. GEOLOGIC MAP OF PART OF THE NEW YORK TUNNEL, SUMMIT COUNTY, COLORADO

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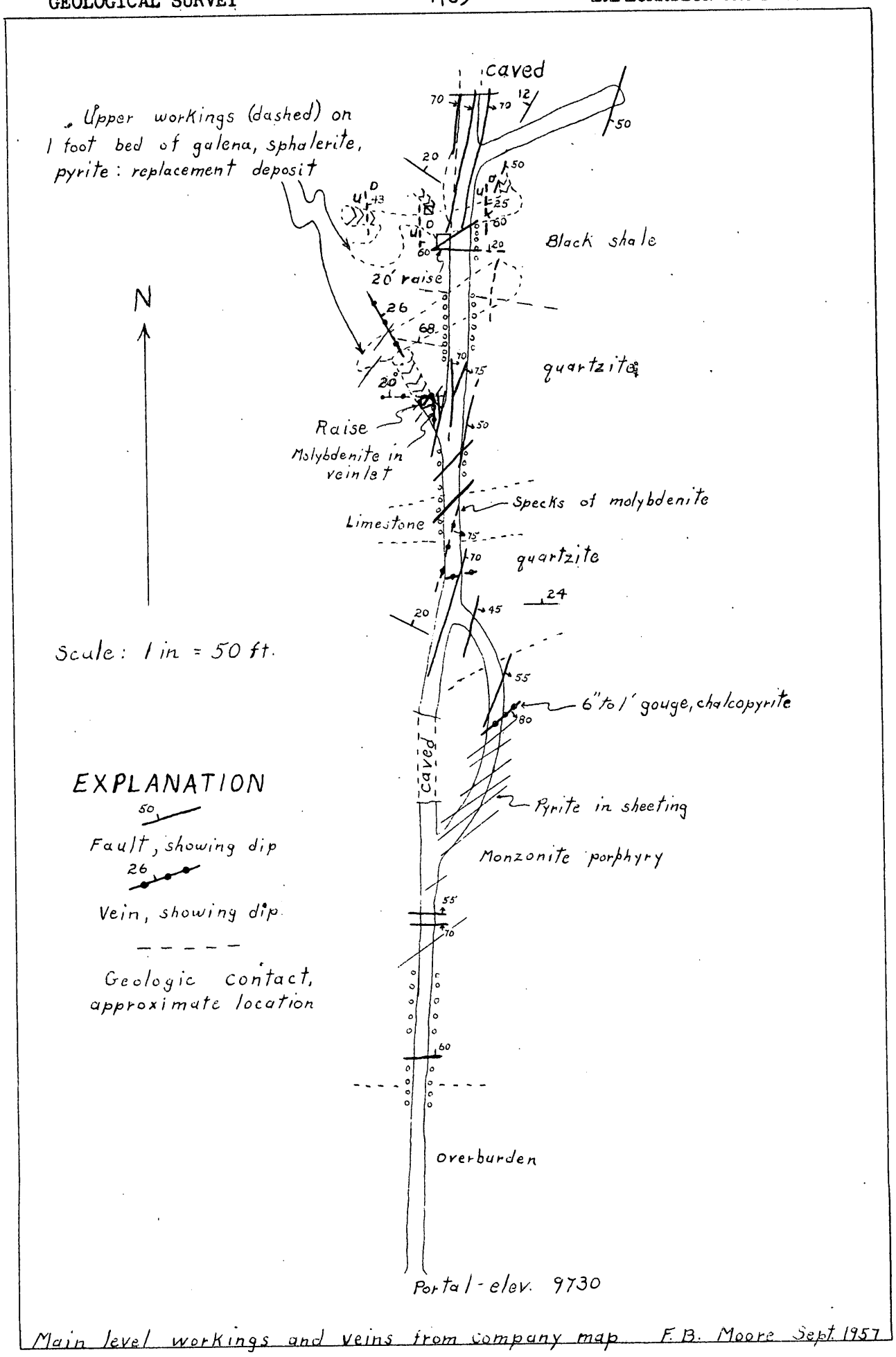

FIGURE 4. GEOLOGIC MAP OF PART OF THE NEW YORK TUNNEL, SUMMIT COUNTY, COLORADO

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RECEIVED OCT 14 1987
DATE | CODE

DEPARTMENT OF THE INTERIOR
UNITED STATES GEOLOGICAL SURVEY

EXAMINATION REPORT
DMEA 4765

PREPARED FOR
DEFENSE MINERALS
EXPLORATION ADMINISTRATION

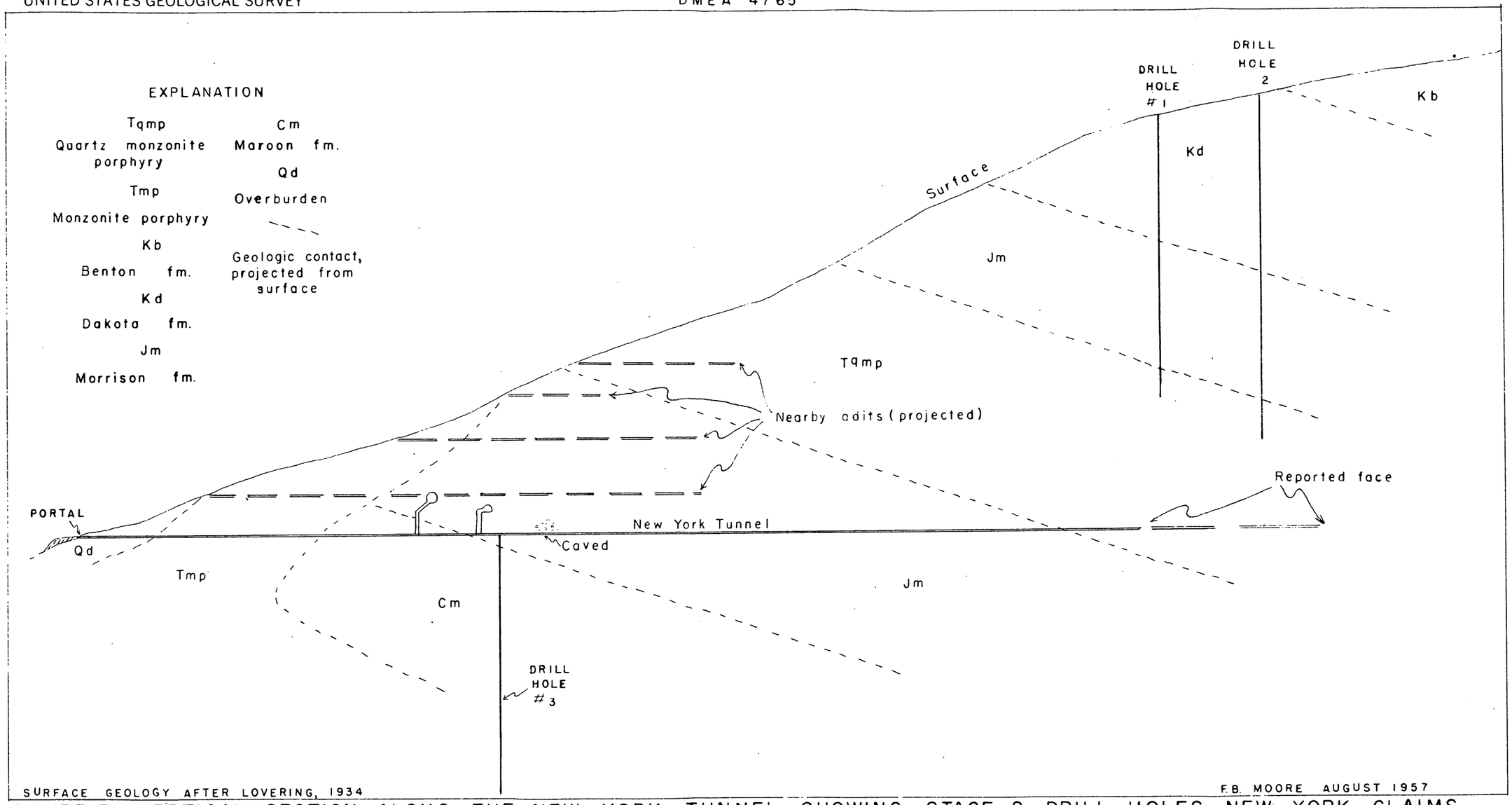

FIGURE 3.- VERTICAL SECTION ALONG THE NEW YORK TUNNEL SHOWING STAGE 2 DRILL HOLES, NEW YORK CLAIMS, SUMMIT COUNTY, COLORADO

100 0 100 200 300
SCALE

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RECEIVED OCT 14 1957

DATE	INITIALS	CODE

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UNITED STATES GEOLOGICAL SURVEY

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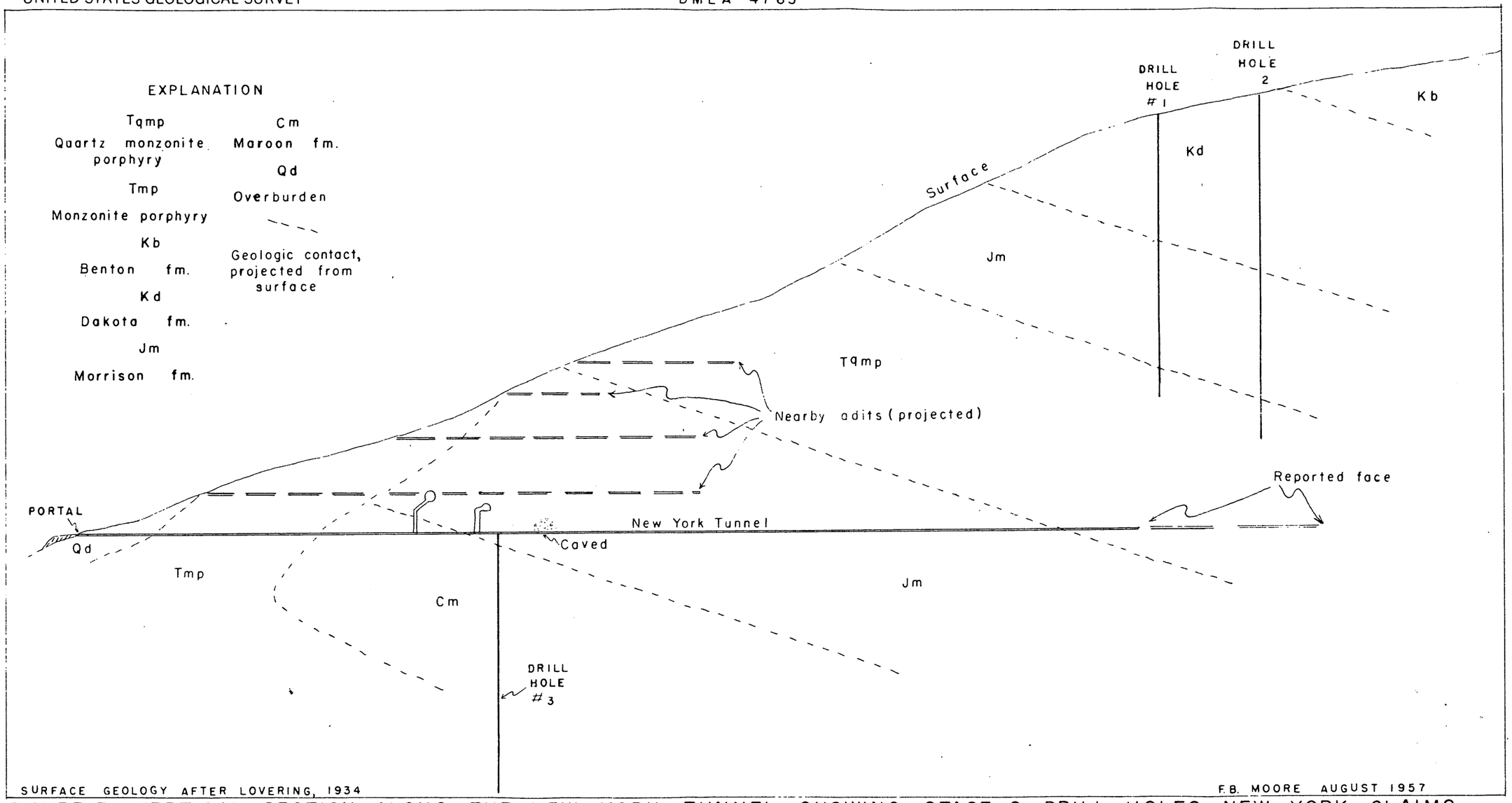

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UNITED STATES GEOLOGICAL SURVEY

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DMEA 4765

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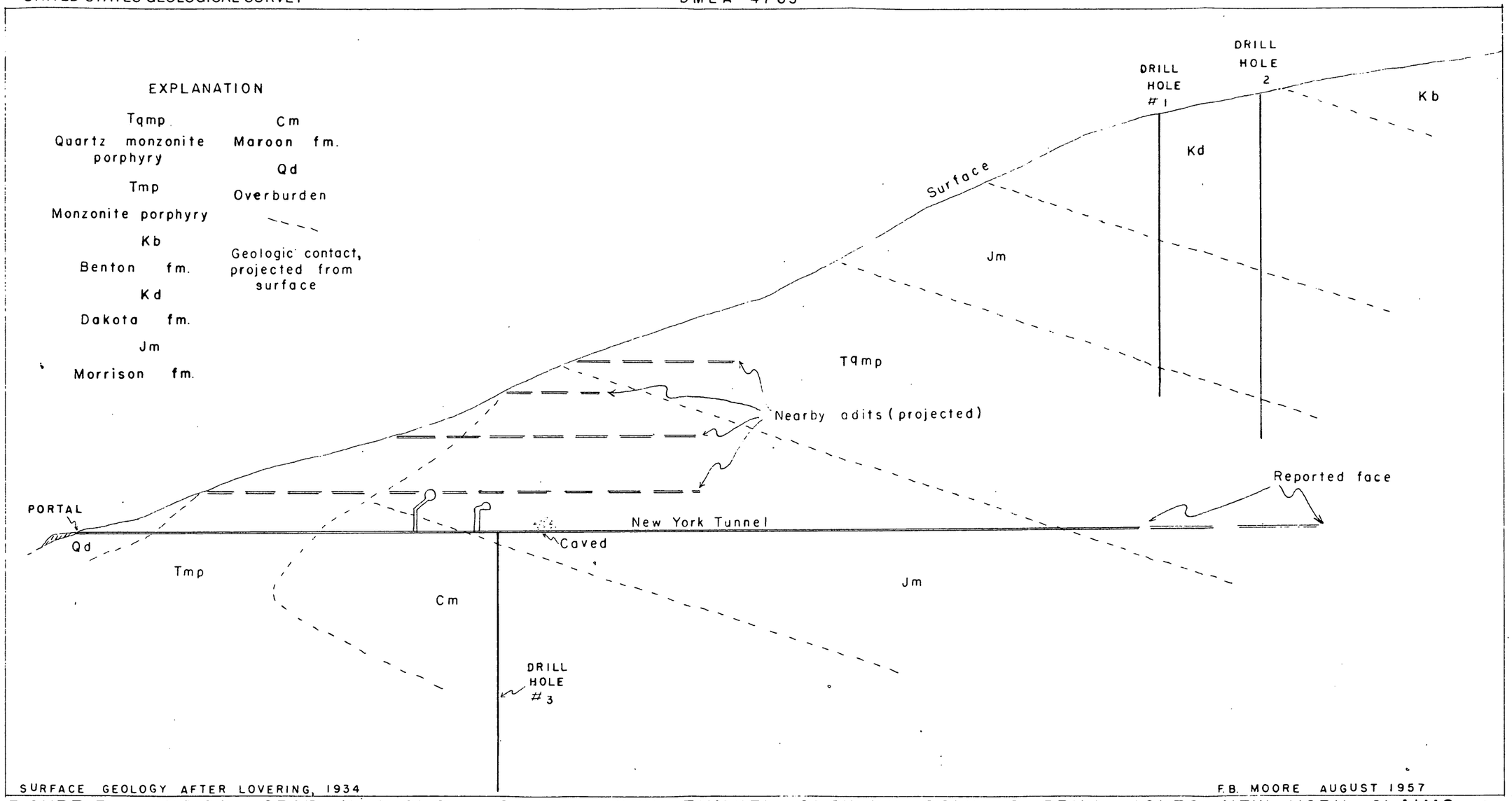
DEFENSE MINERALS
EXPLORATION ADMINISTRATION



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UNITED STATES GEOLOGICAL SURVEY

EXAMINATION REPORT
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DEFENSE MINERALS
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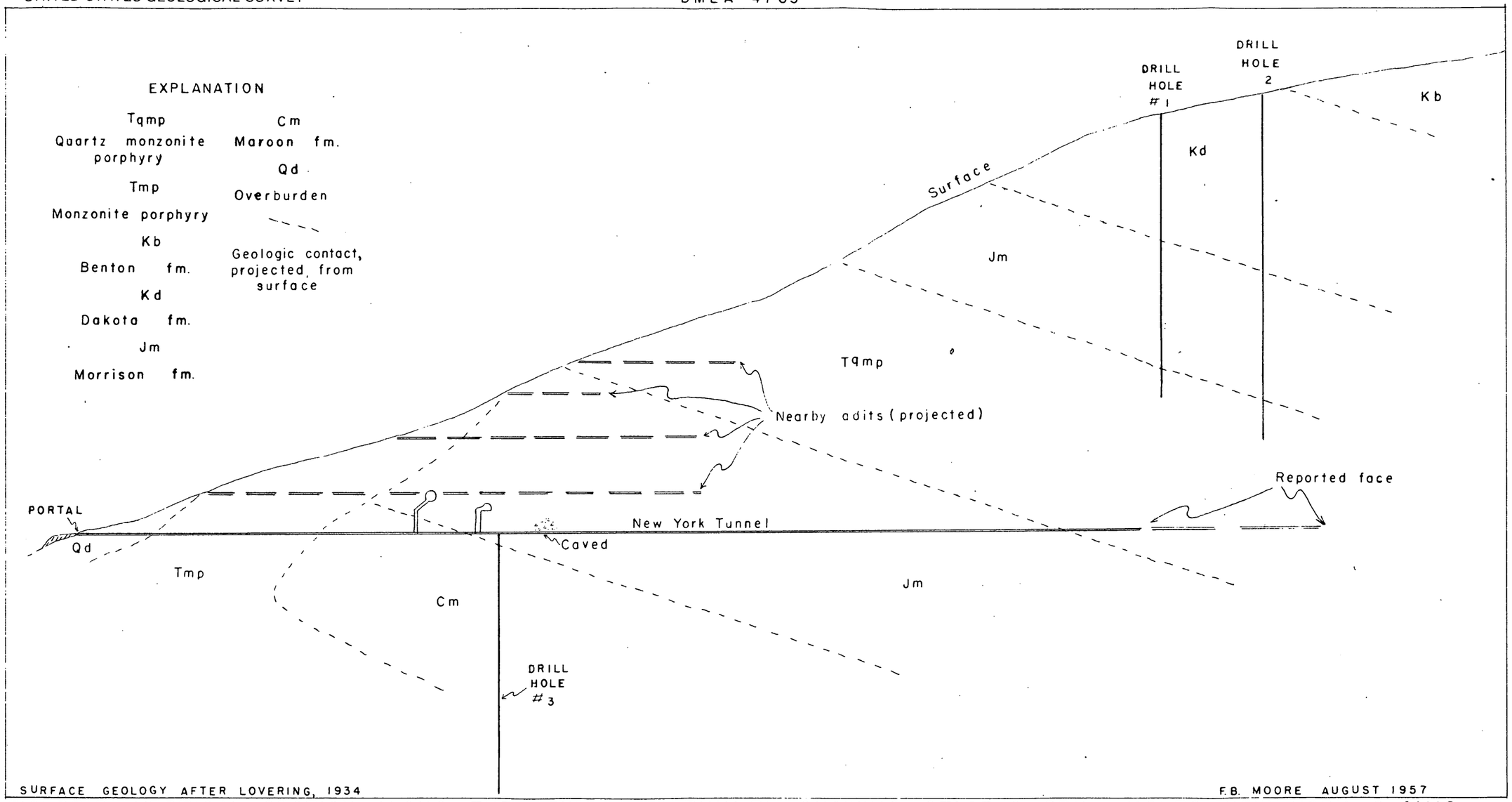

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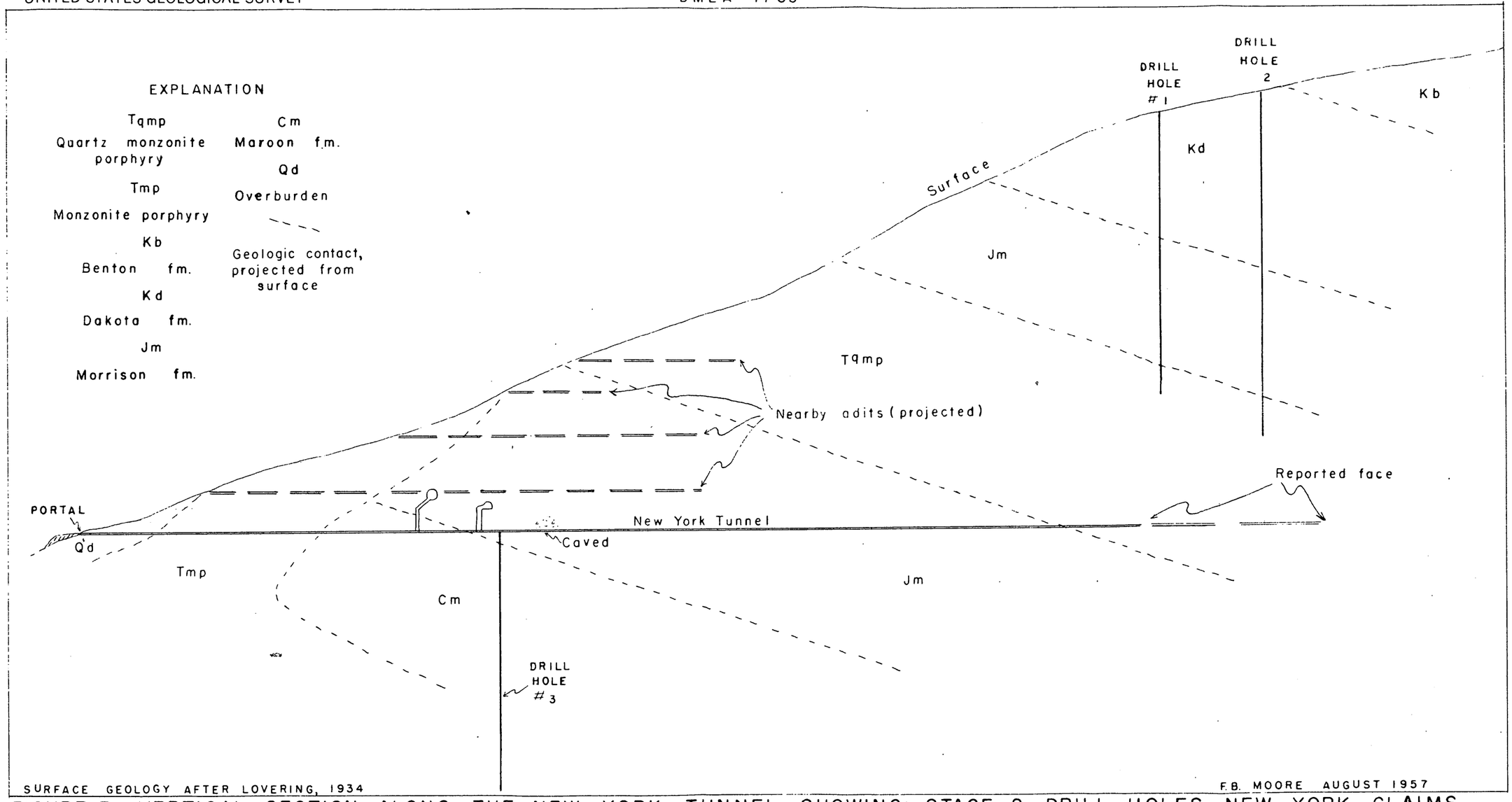

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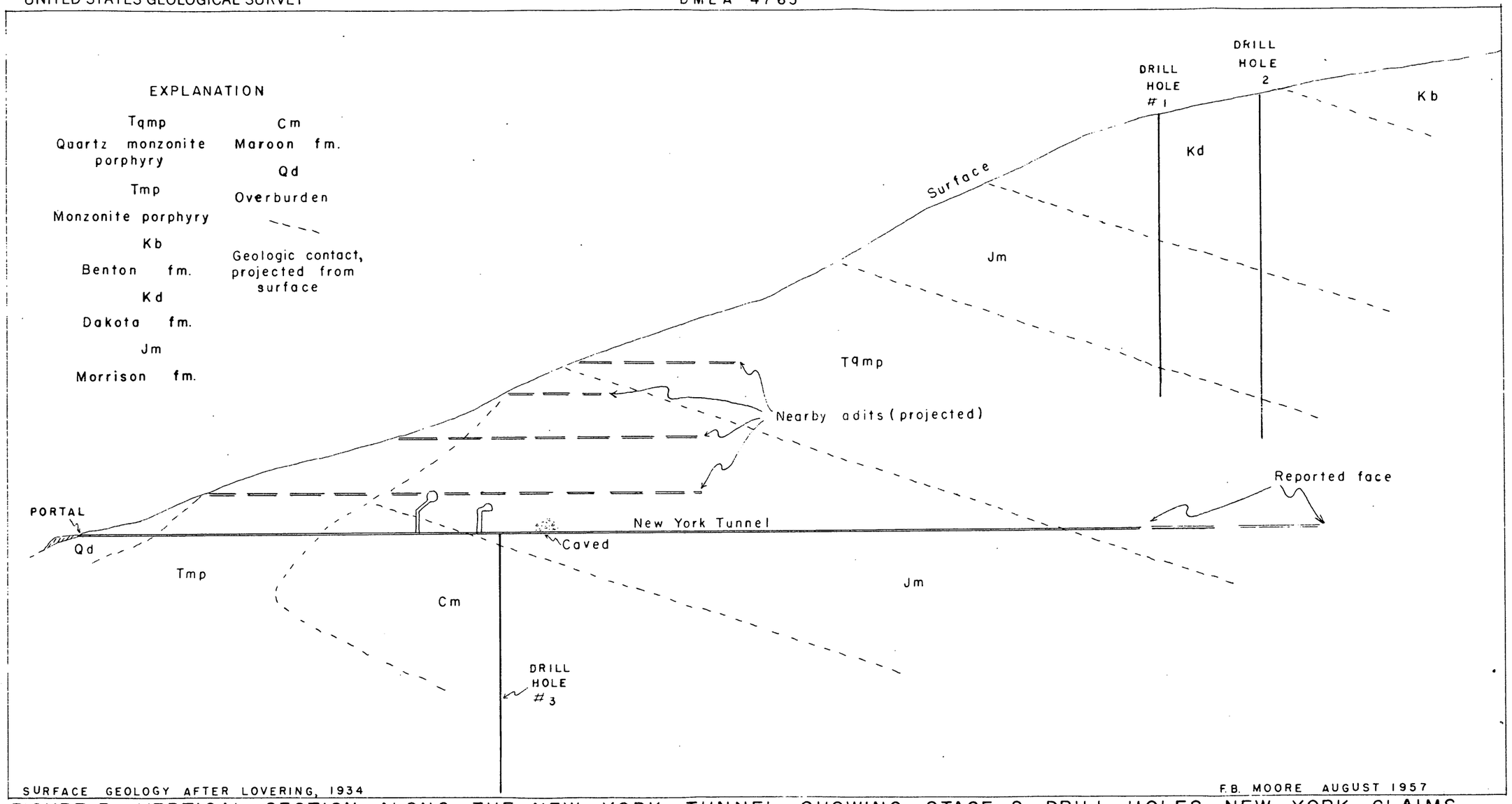

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UNITED STATES GEOLOGICAL SURVEY

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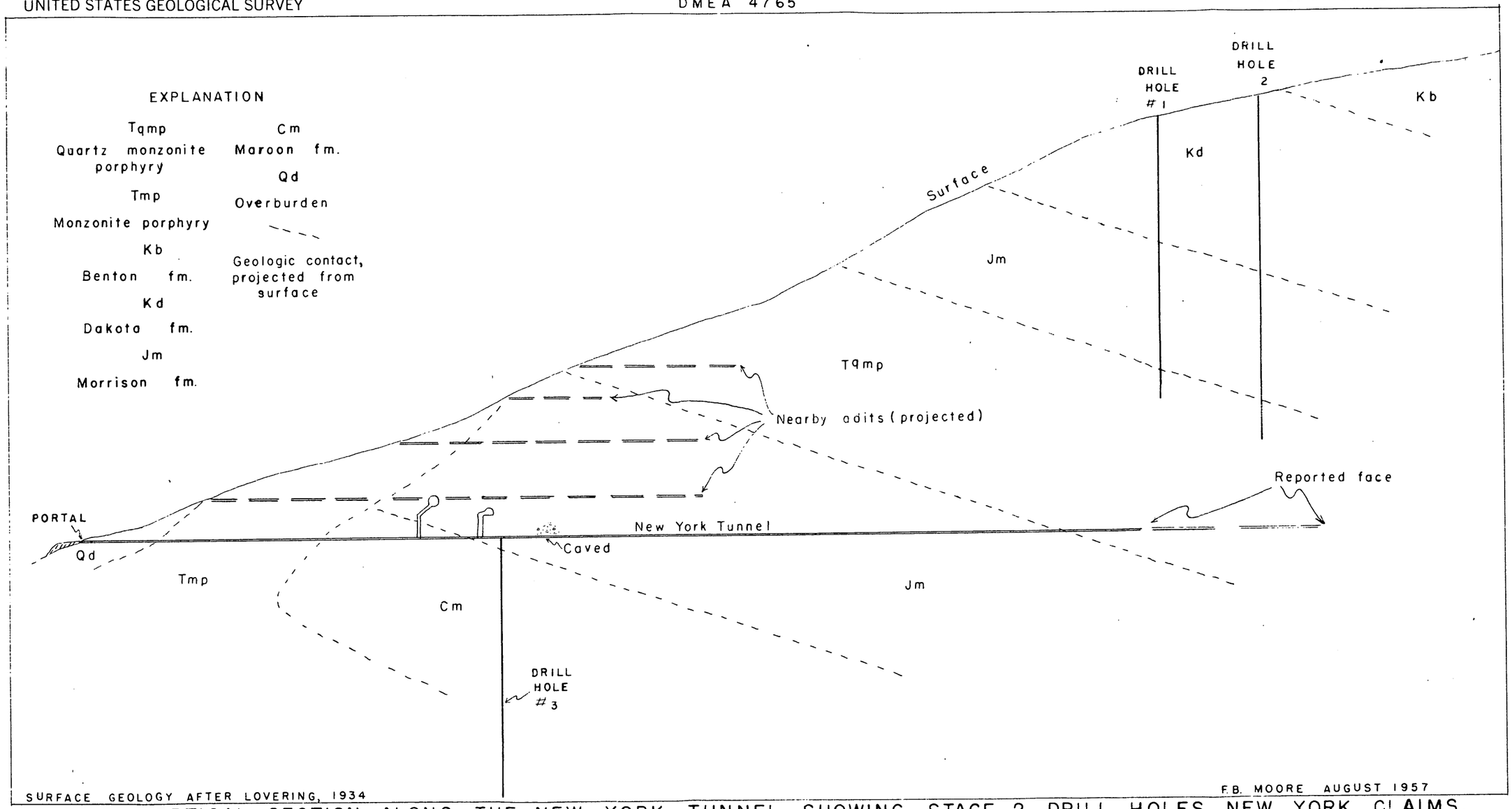

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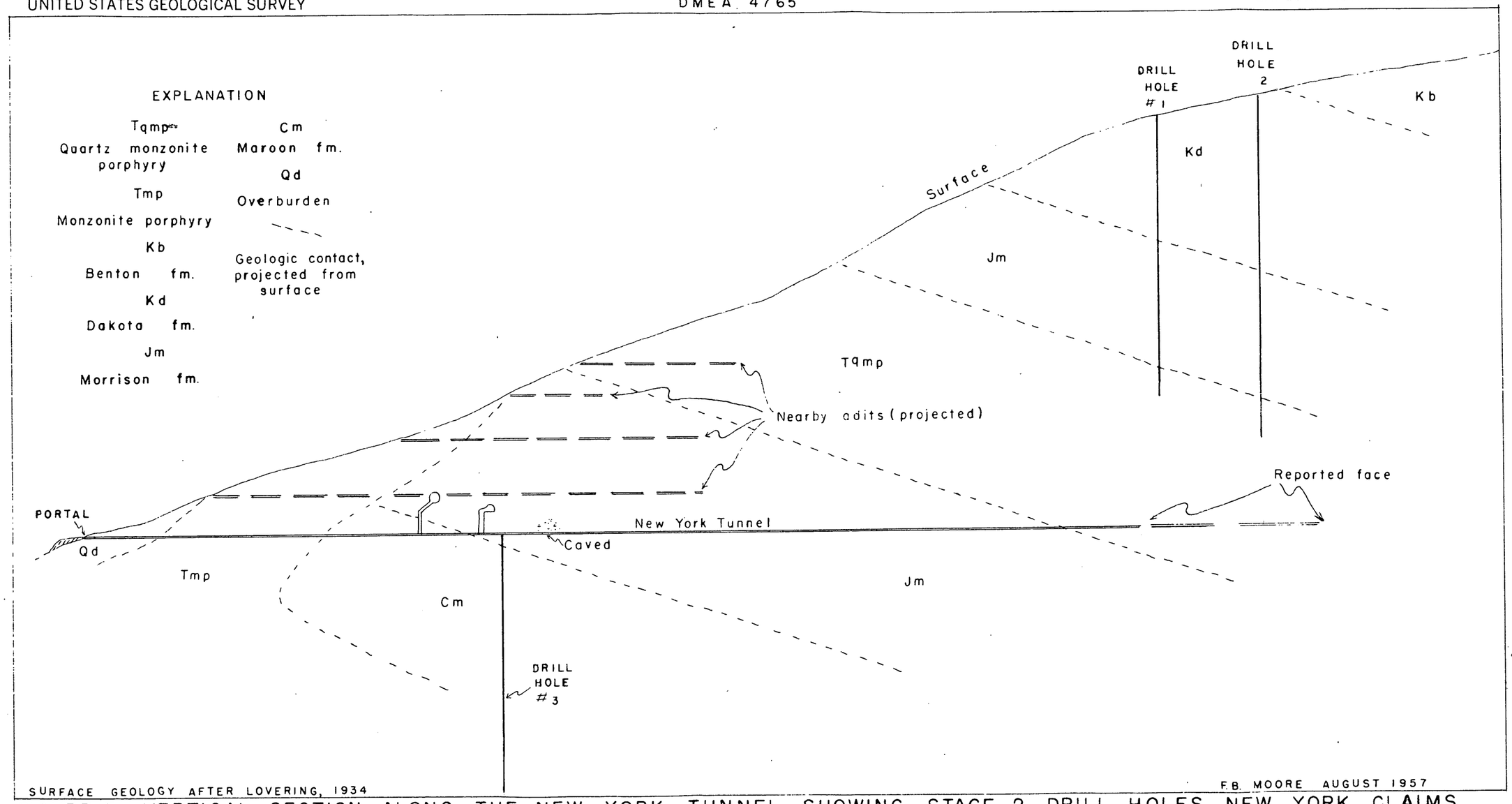

FIGURE 3.- VERTICAL SECTION ALONG THE NEW YORK TUNNEL SHOWING STAGE 2 DRILL HOLES, NEW YORK CLAIMS, SUMMIT COUNTY, COLORADO

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Use other side first

U. S. Government Messenger Envelope

Standard Form No. 65 (Rev. 1/46)

1. Use blocks consecutively, one at a time.
2. Void previous block.
3. Write clearly.

NAME OR TITLE OF PERSON, DEPARTMENT, ADDRESS, AND ROOM		NAME OR TITLE OF PERSON, DEPARTMENT, ADDRESS, AND ROOM	
W. R. Turner	RUN / STOP		RUN / STOP
	RUN / STOP		RUN / STOP
PMEA-4698 Map Settlement Sheet and Engineers Report.	RUN / STOP		RUN / STOP
PMEA-4765 Maps - X copies	RUN / STOP		RUN / STOP
	RUN / STOP		RUN / STOP
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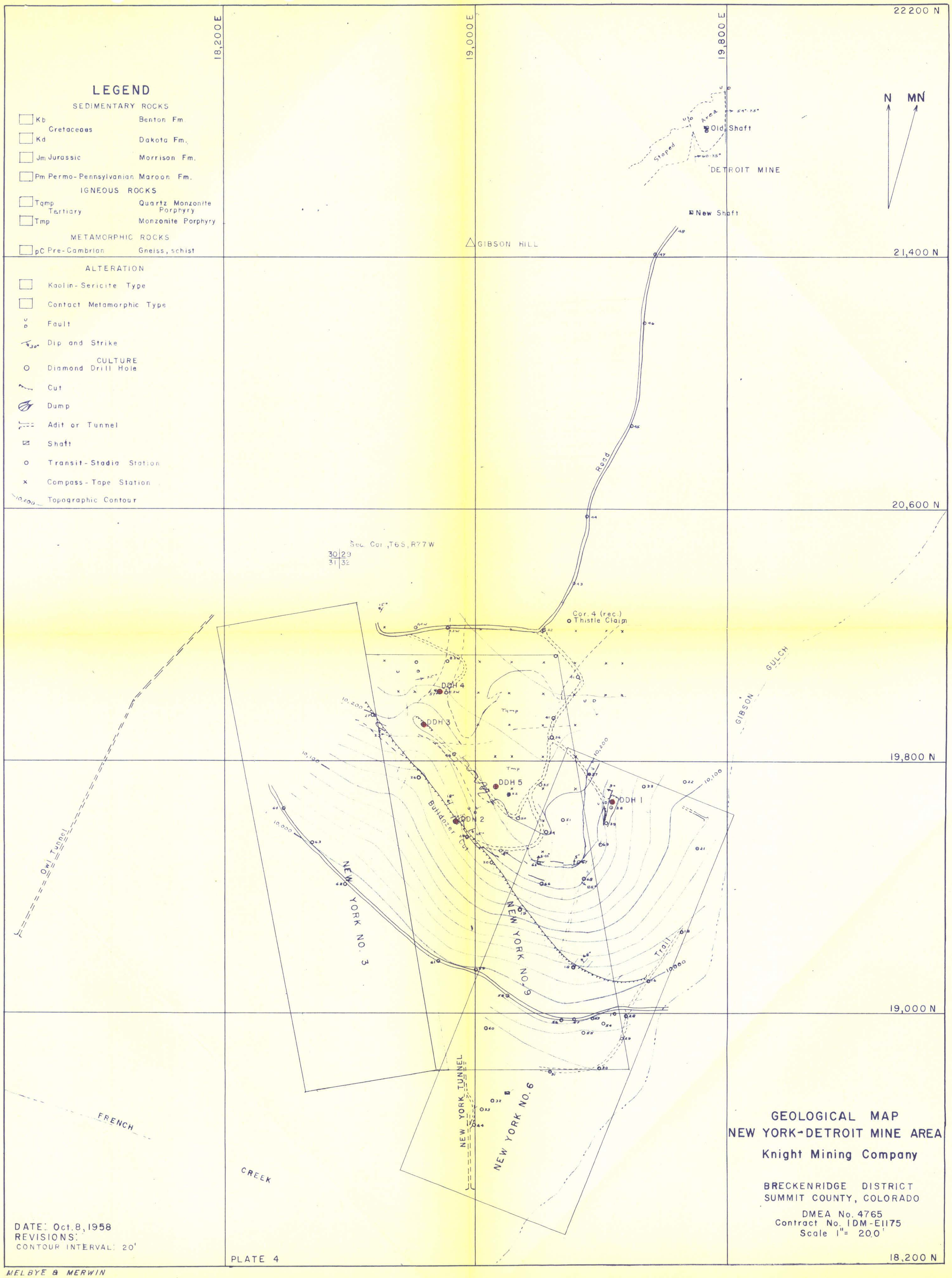
Send surplus envelopes to supply room for reissue.

Use other side

Use RUN and STOP only when messenger service between Government buildings in Washington is required. Your mail room has RUN and STOP information.

10



DATE: Oct. 8, 1958
REVISIONS:
CONTOUR INTERVAL: 20'

PLATE 4

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'

MELBYE & MERWIN

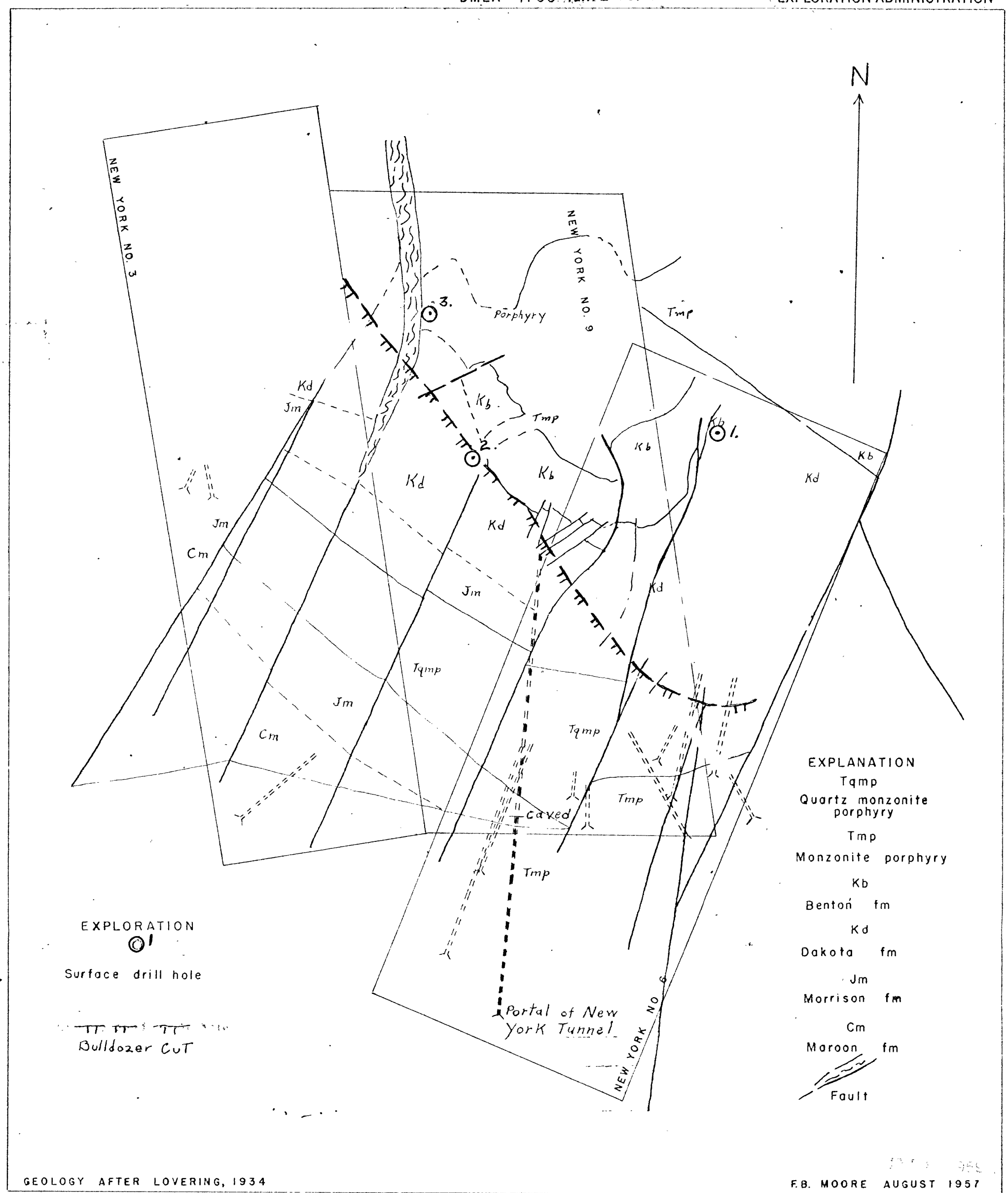


FIGURE 2.- CLAIM MAP SHOWING GENERALIZED GEOLOGY, MINE WORKINGS, AND LOCATIONS OF COMPLETED STAGE 1 & 2 EXPLORATION, NEW YORK CLAIMS 3, 6, & 9, SUMMIT COUNTY, COLORADO

0 100 200 300 400 500 600 700 800 FEET
SCALE

DEPARTMENT OF THE INTERIOR
UNITED STATES GEOLOGICAL SURVEY

EXAMINATION REPORT
DMEA 4765

PREPARED FOR
DEFENSE MINERALS
EXPLORATION ADMINISTRATION

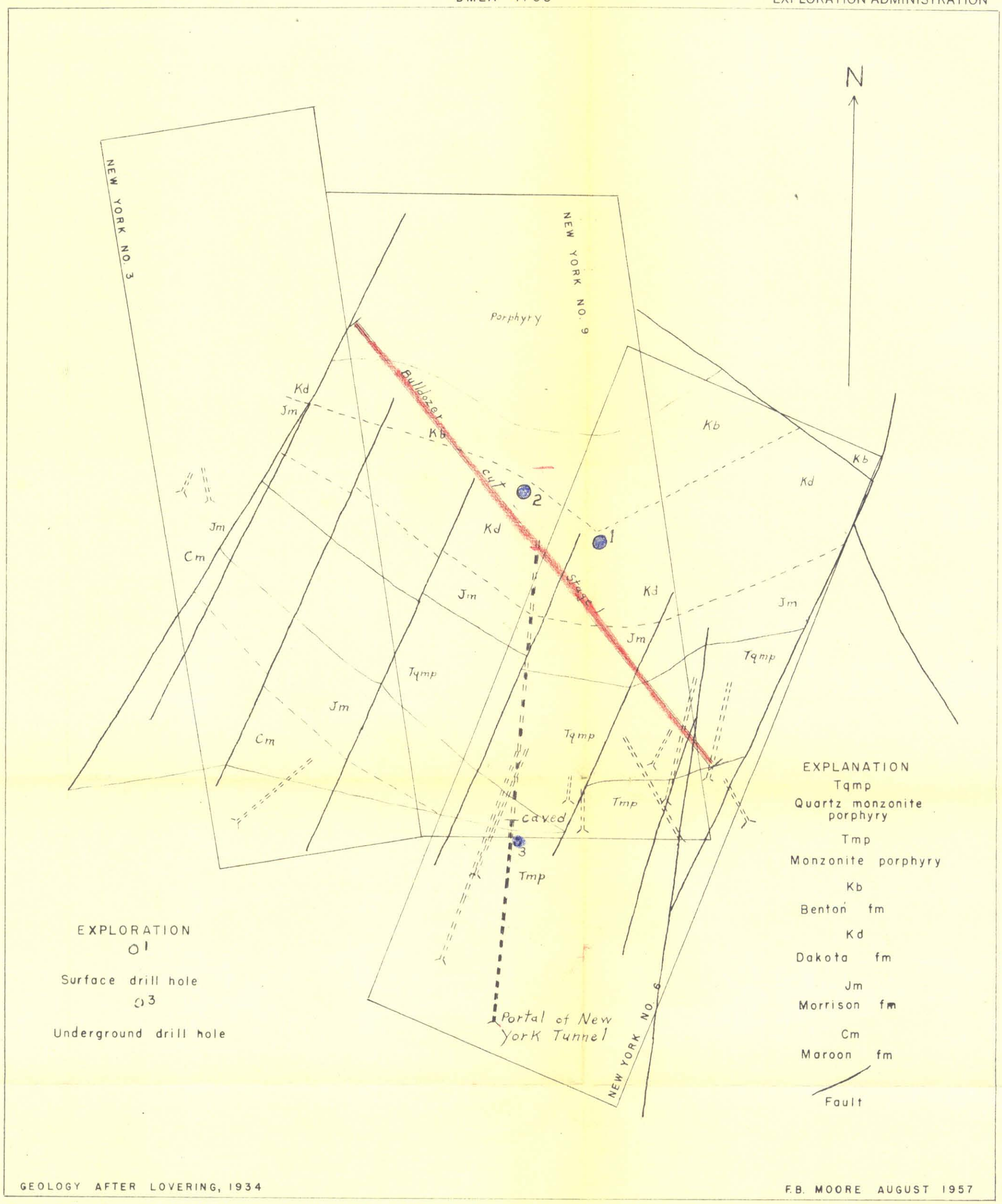


FIGURE 2.- CLAIM MAP SHOWING GENERALIZED GEOLOGY, MINE WORKINGS, AND LOCATIONS OF RECOMMENDED STAGE 1 & 2 EXPLORATION, NEW YORK CLAIMS 3, 6, & 9, SUMMIT COUNTY, COLORADO

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SCALE