UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE

DMEA No. 391

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

Left Side

✓ Certificate of Audit

Report of Review

Termination Notice

Recision Notice

Assignment of Contract

✓ Contract Amendments (latest on top)

✓ Contract with all exhibits and annexes

Owner's Consent to Lien

Subordination Agreement

Leases and assignments of leases.

✓ Application and attachments

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

Right Side

✓ Project summary including any supplementary summaries.

✓ Work completed analysis.

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

✓ Final Field Team Report

✓ Operator's Final Report

✓ Interim Reports

Settlement Sheets

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

Maps in folder number ____

Operator's Monthly Reports in folder number ____

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

AUDIT CERTIFICATE

I have examined the records and transactions of

Paymaster, Incorporated
(an Idaho Corporation)
611 Peyton Building
Spokane, Washington

pertaining to Exploration Project Contract No. Idm-E59 and Amendments Nos. 1, 2, 3, 4, 5, and 6, Docket No. DMA 391X, covering an exploration project for lead-zinc minerals, for the period of July 16, 1951 through August 31, 1952.

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

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

Total cost as billed by contractor		$95,382.87
Less:		
Salvage value of equipment	$1310.00	
Inventories credited to project	2111.18	3,421.18
Net cost claimed		$91,961.69
Exceptions during the audit		2,084.23
Total accepted cost		$89,877.46

The contract calls for a fifty percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Forty four thousand nine hundred thirty eight and 73/100 Dollars

$44,938.73

is valid and proper.

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

May 29, 1953

Robert M. Hull

Robert M. Hull, Auditor

I INTRODUCTION

From May 7 through May 20, 1953, a final audit (covering the period of July 16, 1951 through August 31, 1952) was made of the records and accounts of operations pertaining to Contract No. Idm-E59 and Amendments Nos. 1, 2, 3, 4, 5, and 6, Docket No. DMA 391X, with

Paymaster, Incorporated
(an Idaho Corporation)
611 Peyton Building
Spokane, Washington

covering a project of exploration for lead-zinc minerals.

The accounting records under this contract are located in the Company's office, 611 Peyton Building, Spokane, Washington.

During the course of the audit Mr. Frank N. Marr, President, Mrs. Ruby Denny, Office Manager, Mr. Thomas Howard, U. S. Bureau of Mines Engineer, Mr. A. E. Weissenborn, Executive Officer, DMEA Field Team, Region II, and Mr. Thor Kiilsgaard, Geologist, U. S. Geological Survey, were consulted. Their cooperation and assistance greatly facilitated the audit. Mr. Charles A. Turner, DMEA Auditor, collaborated in this audit.

II GENERAL INFORMATION ON RECORDS

The accounting records maintained were adequate to properly account for the expenditures made for the exploration project. There was a general ledger in which was maintained an account for the DMEA project. The monthly MF-104 submitted to the Certifying Officer had the necessary supporting data attached, which included a certified payroll summary and the original or certified copies of purchase invoices. The other

costs, such as payroll taxes, equipment rental, and depreciation, allowable under the terms of the contract and its amendments, were detailed in the attachments to the MF-104.

The source documents covering the costs of this project are recorded on monthly work sheets which form the basis for the preparation of the monthly MF-104 reports. Therefore, this audit involved in general a check of the source documents against the monthly work sheets and a reconciliation of the work sheets with the paid bank checks. The costs for the project were recorded on an accrual basis.

Paymaster, Inc. is audited by Morris-Lee & Company, 1429 Old National Bank Building, Spokane 1, Washington.

III SCOPE OF AUDIT AND FINDINGS

A complete analysis of all expenditures was made in order to ascertain the accuracy, propriety, and validity of the costs as shown in the "Totals to Date" column of the form MF-104, Operator's Monthly Report and Voucher, covering the period September 1951 through August 1952, submitted as a supplemental.

The extent of the audit and the findings under each of the "Items of Cost" follow:

(1) Independent Contracts

There was an agreement between Nichols & Thompson Core Drilling Co., Inc. and Paymaster, Inc. to do diamond drilling. The management of the Paymaster, Inc. has stated that there was no written contract for this work.

Under the provisions of Amendment No. 3 to the exploration contract, effective July 16, 1951, diamond drilling is provided for as follows: "600' of diamond drilling @ agreed unit cost of $6.00 per ft. in lieu of actual costs. The unit cost includes all costs of this work. The work may be performed by independent contract."

The Operator claimed $4,294.37 for 483 feet of diamond drilling. Nichols & Thompson submitted invoices as follows:

Hole T-1	0' to 144'	@ $4.25 per linear ft.	$ 612.00
Hole T-2	0' to 139'	@ 4.25 " " "	590.00
Hole T-3	0' to 200'	@ 4.25 " " "	850.00
	483'		
Reaming	48'	@ 2.25 " " "	108.00
Mobilization			100.00
		Total	$2260.00

At the agreed unit cost of $6.00 per foot, 483 feet is $2898.00. The difference between the amount allowed and that claimed by the Operator, $1396.37, is disallowed.

	Claimed	Disallowed	Allowed
Subcontract	$2260.75	--	$2260.75
Labor	356.82	245.01	111.81
"	1024.28	703.31	320.97
Supplies	45.90	31.52	14.38
Diesel	153.14	105.15	47.99
Equipment	319.50	219.38	100.12
Lamps	11.63	7.99	3.64
Payroll taxes	41.84	28.73	13.11
Industrial insurance	80.51	55.28	25.23
	$4294.37	$1396.37	$2898.00

(2) Labor and Supervision

All charges under this item were checked against the recordings on the monthly work sheets. In order to verify the labor time, rates

and charges, the labor costs charged to the project were checked back from the work sheets through the semi-monthly payrolls which were supported by the daily time cards kept by the foreman at the mine. Payment of labor was verified by the paid bank checks.

The rates for labor were in accord with the contract and the Union Agreement.

The audit disclosed the costs properly chargeable and allowable under the terms of the contract were:

1951	Labor	Cook's salary	Supervision
July	$1564.87	—	$ 242.50
August	3260.09	—	495.00
September	2583.12	90.00*	495.00
October	3623.95	180.00	495.00
November	3859.62	180.00	495.00
December	3807.19	252.25	495.00
1952			
January	4443.43	229.50	495.00
February	3973.78	180.00	495.00
March	5628.64	412.99	495.00
April	3934.92	261.56	495.00
May	3589.52	180.00*	495.00
June	1849.94	180.00*	495.00
July	2774.33	144.00*	500.00
August	2823.21	—	237.50
	$47,716.61	$2290.30	$6425.00
*Not claimed by Operator on MF-104, September 1951, May, June and July 1952		594.00*	
	$47,716.61	$1696.30	$6425.00
Deleted by Certifying Officer	1,760.48	—	562.50
	$45,956.13	$1696.30	$5862.50
Included in Diamond Drilling costs by the Operator	1,145.80	—	235.30
	$44,810.33	$1696.30	$5627.20

		Labor	Cook's salary	Supervision
Totals brought forward:		$44,810.33	$1,696.30	$5,627.20
Disallowed by audit:				
Cook's salary in excess of $180.00 per month				
1951				
December	$ 72.25			
1952				
January	49.50			
March	232.99			
April	81.56			
	$436.30		436.30	
Allowed by audit		$44,810.33	$1,260.00	$5,627.20

Allowed by audit	
Labor	$44,810.33
Cook's salary	1,260.00
Total labor	$46,070.33
Supervision	5,627.20
Total	$51,697.53

Cook's wages were claimed as labor by the Operator on his MF-104 for a portion of the time, as follows:

	Claimed MF-104	Not Claimed MF-104
1951		
September	--	$90.00
October	$180.00	—
November	180.00	—
December	252.25	—
1952		
January	229.50	
February	180.00	
March	412.99	
April	261.56	
May		180.00
June		180.00
July		144.00
Total cook house labor	$1696.30	$594.00

The September 1951 item of $90.00 was never claimed. The May, June and July 1952 amounts, totalling $504.00, were later reflected in cook house losses claimed by the Operator.

Deletions made by the Certifying Officer for labor were:

August 1951	- Excess of contract rates over rates per day	$ 156.81
September 1951	- Installation of equipment	20.80
March 1952	- Retroactive wages	1582.87
		$1760.48

The deletion of $20.80 for installation of new equipment was found to be a proper deletion. The deletions of $156.81 and $1582.87 were included in later claims by the Operator as they were found to be proper and allowable.

Deletions made by the Certifying Officer for supervision were:

September 1951	- Installation of equipment	$ 225.00
March 1952	- Retroactive pay	337.50
		$ 562.50

The deletion of $225.00 for installation of equipment was a proper deletion. The deletion of $337.50 for retroactive pay was found to be a proper and allowable cost, and it was later reclaimed by the Operator.

Included in labor costs was the sum of $1145.80 and in supervision costs the sum of $235.30 which are diamond drilling costs. These were claimed as such by the Operator and have been deducted from labor and supervision costs.

Disallowance of $436.30 for cook's wages is for the amounts in excess of $180.00 per month permitted by the contract.

At no time did the salary of the superintendent exceed the amount of $500.00 per month allowable under the terms of Amendment No. 3, effective July 16, 1951.

The Operator claimed the sum of $129.43 for technical services. The item covered the expenses of Mr. Robert Gordon, an engineer who visited the exploration project.

Travel from Kellogg, Idaho to Arco, Idaho and return - 1249 miles @ 7¢/mi.	$ 87.43
Hotel - 6 days @ $4.00 per day	24.00
Meals - 6 days @ $3.00 per day	18.00
	$129.43

This item was supported by a receipted invoice and was paid for by check No. 740, dated July 23, 1951, and signed by Mr. Frank Marr, President of Paymaster, Inc. As the result of a discussion with Mr. Tom Howard, Mining Engineer, and Mr. M. E. Volin, DMEA Field Team Member, U. S. Bureau of Mines, Region II, the item is allowed.

(3) Operating Materials and Supplies

The charges claimed in this category were checked against the monthly work sheets, and an analysis was made to determine the propriety of the items charged. The various purchases for the entire period under audit were verified against either the original invoice or a certified copy. The invoices were spot checked for proof of payment against the paid bank checks.

A large portion of the costs ($9,423.97) under this item were classified as "Miscellaneous." An analysis of this sum was made and such redistribution as was necessary recorded.

Several items of cost properly chargeable under this item were erroneously classified under Item 7, Miscellaneous - Repairs to Equipment, and under Item 8, Contingencies (specify) - Equipment Under $50.00.

The costs properly chargeable and allowable under this item were found to consist of the following:

Timber	$ 2,951.05
Explosives	5,499.63
Pipe and fittings	3,652.14
Track	1,933.40
Lubricants (gas, oil, grease)	1,920.96
Drill steel	589.27
Carbide bits	521.37
Small tools	78.35
Workmen's safety clothing	440.47
Fire prevention and first aid supplies	70.90
Electrical supplies	104.51
Oxygen and acetylene	129.32
Misc. chain, cable & sheet metal	203.97
Automotive supplies	378.61
Power	5,239.26
Miscellaneous supplies	55.98
	$23,769.19

There remained on hand at the close of the exploration project the following supplies:

Timber	$ 928.30
Explosives	1055.34
Track	46.69
Carbide bits	80.85
	$2111.18

These remaining supplies were credited to the exploration project and reduced the costs accordingly.

Paymaster, Inc., in a letter to the Field Team, dated May 27, 1953, offered the following for the jointly-owned materials installed at the mine:

17,333 lbs. 20# rail	$ 350.00
1,436 ft. 4" victaulic pipe	900.00
600 ft. 1" pipe	60.00
	$1310.00

In a letter to Paymaster, Inc., dated May 28, 1953, the Field Team accepted the offer, and fifty percent of the amount or $655.00, the Government's share, was deducted from the final settlement of the contract.

(4) Operating Equipment

The charges for operating equipment were checked against the monthly work sheets, invoices, paid bank checks, and rates specified in the contract and Amendment No. 3 effective July 16, 1951.

The proper and allowable costs for Operating Equipment were found to be:

Rented equipment	$ 105.00
Depreciation	5309.50

By the provision of Amendment No. 3, rental of miners' cap lights for six months @ $17.50 per month for all lights, to a total of $105.00, was provided. The Operator had overclaimed the sum of $108.84 for the rental. Of this sum $11.63 was a part of the drilling costs.

1951	
September	$ 26.53*
October	17.50*
November	17.50*
December	17.50*
1952	
January	17.50*
February	16.51
March	16.80
April	16.80
May	16.80
June	16.80
July	16.80
August	16.80
	$213.84
Drilling costs	11.63
	$202.21
Excess lamp rental	97.21
	$105.00

*These items were claimed on the Supplemental MF-104 covering the period of September 1951 through August 1952.

The amount proper and allowable for this item is $105.00.

The charges for depreciation on Operating Equipment Furnished are as follows:

Equipment	Value	Monthly Allowance	Period	Claimed and Allowable
1 Trammer	$3500.00	$58.00	7/16/51-8/31/52	$ 783.00
1 Hand held drill	365.00	6.00	2/1/52-8/31/52	42.00
1 Drifter, autofeed	1000.00	17.00	7/16/51-8/31/52	229.50
1 Rotating stoper drill	750.00	13.00	7/16/51-1/31/52	84.50
1 Compressor - GD	9000.00	150.00	7/16/51-8/31/52	2025.00
1 Pickup truck	1100.00	18.00	7/16/51-8/31/52	243.00
1 GD loader	3000.00	50.00	7/16/51-8/31/52	675.00
16 Mine cars @ $150/ea.*	2400.00	40.00	7/16/51-1/31/52	97.50
7 Mine cars @ 150/ea.	1050.00	17.50	2/1/52-8/31/52	122.50
1 Diesel unit (20 KW)	2500.00	42.00	7/16/51-1/31/52	273.00
1 Diesel unit	8000.00	133.00	2/1/52-8/31/52	931.00
2 Blowers, air driven, $350/ea.	700.00	12.00**	7/16/51-1/31/52	39.00
			2/1/52-8/31/52	84.00
				$5,629.00
				(319.50)***
				$5,309.50

*Only 6 mine cars used.

**Only 1 blower in use.

***The Operator included the sum of $319.50 in the diamond drilling costs. The monthly rental on equipment furnished by the Operator for use on the project is determined on the basis of depreciation over an average life of 60 months.

The Operator did not claim the full amount allowable for the Rotating Stoper Drill of $17.00 per month as provided by Amendment No. 3 but claimed $13.00 per month as set forth in Exhibit "C" of the contract.

(5) Initial Rehabilitation and Repairs

Not applicable to the exploration program.

(6) New Buildings, Improvements, etc.

Not applicable to the exploration program.

(7) Miscellaneous

Repairs to Equipment

The charges to this item were examined and found to consist of the following repair parts, supplies and maintenance.

MF-104

July-August 1951	*Chain		$ 39.31
	Bearings and bushings		28.14
	Truck repair		9.07
	Machine parts		154.75
	*Gas and oil		4.99
	Miscellaneous parts		10.66
	*Tires and tubes		95.33
September 1951	*Tires and tubes		12.45
	Machine parts		141.17
	*Small tools		16.05
	Miscellaneous		21.90
October 1951	Bearings and bushings		11.30
	*Gas and oil		7.05
	Machine parts		4.67
	Electrical supplies		128.46
	*Small tools		12.37
	Magnet wire		24.64
	Repairs to generator		48.00
	Repairs to stoper		55.80
	Miscellaneous		3.46
November 1951	Bearings and bushings		4.65
	Machine parts		
	Coil springs for generator	5.60	
	Tractor parts	20.58	
	Dipper lip	78.75	
	Water tubes	10.20	
	D-89 chucks	37.90	
	D-89B hammer	66.45	
	Bearing stuffing box gland cap	6.38	
	Recondition truck battery	27.50	253.36
	**Explosives		230.50

December 1951	*Tires and tubes		$ 35.10
	Truck repairs		2.50
	Machine parts		
	Head bolt heater	12.65	
	8 knurled nuts for generator	4.10	
	32 carbon brushes for "	18.88	
	2 dipper roller	27.50	
	1 8M gear	16.40	
	1 reverse gear	8.35	
	Gaskets and springs	2.55	
	12 cat filters	27.00	
	6 offset links	10.50	
	Ball bearings	8.25	136.18
	Generator parts		21.11
	Miscellaneous		10.48
January 1952	*Tires and tubes		102.20
	*Gas and oil		8.00
	Machine parts		6.60
February 1952	Machine parts		46.28
	Generator parts		21.55
March 1952	Truck and tractor supplies		59.42
	Tractor repairs		30.24
April 1952	Truck repairs		70.97
	Machine parts		82.06
May 1952	Machine parts		7.25
	*Steel		41.73
June 1952	Tractor repairs		96.30
	Miscellaneous parts		1.62
July 1952	Truck repairs		5.30
	Machine parts		7.99
August 1952	Truck repairs (transmission)		44.22
	*Tire and tube		24.92
	Miscellaneous parts		12.24
			$2,192.34
*These items were transferred to Operating Materials and Supplies - Miscellaneous		$399.50	
**Transferred to Operating Materials and Supplies - Explosives		230.50	630.00
			$1,562.34
			112.04***
			$1,674.38

***An item of $112.04 covering repairs to equipment (diesel unit and compressor) was claimed under "Miscellaneous Supplies" and is transferred to Miscellaneous - Repairs to Equipment.

The total amount allowable under this item is $1,674.38.

Payroll Taxes and Industrial Insurance

All charges for payroll taxes and industrial insurance were checked by computation at the rates shown to be in effect by the company's files. These rates were:

Old Age Benefit tax	1.5%
Unemployment insurance - Idaho	2.7
Unemployment insurance - Federal	.3
Total payroll taxes	4.5%

Industrial insurance	
Aug. 15, 1951 to Dec. 31, 1951	3.85%
Year of 1952	6.00%

Payroll Taxes

Claimed by Operator	$2,173.64
Allowed by audit	
$46,070.33 @ 4.5%	2,073.16
Disallowed by audit	$ 100.48

Industrial Insurance

Claimed by Operator				$2,455.36
Allowed by audit				
1951 Payrolls	$16,815.85	@ 3.85%	647.41	
1952 Payrolls	29,254.48	@ 6.00%	1755.27	
	$46,070.33			2,402.68
Disallowed by audit				$ 52.68

Retroactive pay which has been shown on the schedule of Labor and Supervision in the month in which it applied was paid on the March 1952 payroll, taking the 1952 rate of industrial insurance which is proper and allowable.

The Operator claimed the taxes and liability insurance on the retroactive pay on the supplemental MF-104 covering September 1951 through August 1952.

Dozer Work

The Operator claimed the sum of $552.50 for this item, which was made up of the following:

Plowing the mine road			
December 19, 1951	8	hours	
20	8	"	
21	9	"	
22	6½	"	
23	7	"	
24	8	"	
28	11	"	
	57½	"	@ $7.00 per hour

The above work was done by Alton P. Slaton and was adequately vouchered. Proof of payment was evidenced by check No. 76 for $100.00 and check No. 90 for $302.50.

Plowing snow from mine road			
January 4, 1952	11	hours	
5	7	"	
	18	"	@ $8.33 per hour

This work was done by Chas. Sluder of Richfield, Idaho, and was adequately vouchered. Proof of payment was evidenced by check No. 94 dated January 10, 1952.

The total amount of dozer work was submitted on the Supplemental MF-104 covering the period September 1951 through August 1952. The DMEA Field Team approved the dozing work as necessary to the project, and it is therefore allowed in the amount of $552.50.

Diesel Power

This item consisted of diesel fuel used in the diesel unit, compressor, etc. and is allowable in the amount of $5,239.26. The Operator had erroneously classified this item under "Miscellaneous" and it has been transferred to "Operating Materials and Supplies."

Schedule - Diesel Power

	Total	Gal.	Amount
1951			
7/16/51		454	$ 76.73
to		441	73.52
8/31/51		247	41.74
		454	76.72
		375	63.37
		609	102.92
		353	59.65
		350	59.15
	$553.80	3283	$553.80
September		350	59.15
		750	126.75
		1115	188.43
		375	63.37
		352	59.48
		1245	210.40
	$707.58	4187	$707.58
October		505	85.34
		511	86.36
		360	60.84
	$232.54	1376	$232.54
November		1265	$213.78
		1377	230.80
		1264	213.44
		353	54.71
		509	78.90
	$791.63	4768	$791.63
December	$185.87	1194	$185.07

(Note: The price per gallon fluctuated during the life of the contract.)

	Total	Gal.	Amount
1952			
January		1495	$231.72
		998	154.69
	$386.41	2493	386.41
February	937.30	6047	937.30
March	---	---	---
April	250.17	1614	250.17
May	341.62	2204	341.62
June	383.16	2472	383.16
July	622.32	4015	622.32
Total amount	$5392.40		
Total gallons		33653	
Claimed in diamond drilling	153.14		
Total allowable	$5239.26		

(8) Contingencies

Boarding House

The Operator made a claim for $306.52 for Boarding House costs.

This sum was arrived at as follows:

Period 1952	Supplies Purchased	Salary of cook	Total	Payroll deduction from employee in boarding house	Deficit	Claimed on MF-104
March	$381.08	$412.99	$794.07	$458.33	$335.74	$335.74*
April	180.50	261.56	442.06	353.32	88.74	88.74*
May	130.39	180.00	310.39	235.24	75.15	(75.15
						(7.87**
						67.28
June	140.32	180.00	320.32	222.80	97.52	97.52
July	151.20	144.00	295.20	153.48	141.72	141.72
						$306.52

*These items were deleted in their entirety by the Certifying Officer and not reclaimed. The wages of the cook had been claimed under Labor in March and April 1952.

**An unsupported item for coal in the amount of $7.87 not allowed by Certifying Officer and not reclaimed.

These deletions are concurred in.

As Amendment No. 3 provides for a cook's salary at $180.00, the boarding house deficit has been allowed for the months of May, June, and July 1952 in the amount of $306.52 which is less than if the straight wages of the cook for the same period in the amount of $540.00 had been claimed under labor.

Equipment under $50.00

There was claimed the sum of $254.47 for "Equipment under $50.00" as follows:

MF-104			
July-August 1951	1 Victaulic groover 2"	$37.80	
	12 4" St. Gr. Victaulic Joint	12.48*	
	30 4" Victaulic Couplers complete w/T gaskets	87.60*	
	1 set Hi Speed drills	37.00	
	1 Bench grinder	31.24	
	I-Beam	15.03	$221.15
September 1951	Mine safety appliance (Time Clock)		12.16
October 1951	3 fire extinguishers	20.00	
	Time clock returned	(12.16)	7.84
November 1951	3/8" drive socket set	7.33	
	Two groove pulley	4.80	12.13
March 1952	Boarding house equipment	1.19	1.19
			$254.47

*These items were transferred to "Operating Materials and Supplies - Pipe."

The item of Boarding House equipment for $1.19 is deleted as it is not allowable.

The amount allowable under this heading is $153.20.

"Office Miscellaneous" in the amount of $116.37 was claimed and made up as follows:

MF-104			
1951			
July-August	Application for water permit		$ 5.25
1952			
March	Telephone		25.77*
April	Telephone		31.94*
June	Telephone	$31.60*	
	Office supplies (payroll sheets and time cards)	4.80	36.40
July	Office supplies		9.40
August	Telephone		7.61*
			$116.37

*The items for telephone were allowed after discussion with M. E. Volin, Member, DMEA Field Team, Region II, as they were necessary to the work of the exploration project.

IV CONCLUSIONS AND RECOMMENDATIONS

The audit has disclosed that the costs as charged to the project are in accordance with the contract and amendments thereto.

During the course of the exploration project the Certifying Officer made the following disallowances:

MF-104			
1951			
July-August	Payroll taxes	$ 7.97	error in computing
	Accounting services	156.41	not covered by contract
	Equipment under $50	78.00	not adequately supported
	*Supplies - Other	1710.79	" " "
	*Labor	156.81	error in payroll
	*Engineering services	129.43	not properly identified
	*Equipment rental	9.00	not properly identified
September	Labor	245.80	installation of new equipment unauthorized
	*Explosives, etc.	1185.00	invoices not adequate
	Supplies - Other (Reclaimed $1278.93)	1419.96	" " "
	*Power (Diesel fuel)	213.78	invoice did not show date or by whom purchased

*Items reclaimed

MF-104

1951			
September	Miscellaneous equipment	$ 12.13	not adequately supported
	Postage	16.98	not allowed (overhead)
	Accounting services	122.00	not allowed
	Payroll taxes	20.53	
October	Telephone	2.00	not allowed
	Accounting	229.68	" "

Certifying Officer also disallowed previous amounts totaling $78.78 for which the proper deduction was made. These items were telephone and postage $9.39 and accounting $69.39.

November	Accounting services	310.24	not allowed
	Engineering	20.00	" "
December	Postage	2.75	not allowed (overhead)
1952			
February	Rental of lamps	16.51	not properly supported
	*Equipment furnished by Operator	461.50	" " "
	**Payrolls		
	Labor	3847.88	deleted pending submission
	Supervision	450.00	of adequate information
	**Taxes		to reconcile and compute
	Workmen's compensation	235.60	payroll and taxes
	Payroll taxes	193.40	
March	*Labor	1582.87	
	*Supervision	337.50	deletion of retroactive
	*Workmen's compensation	128.50	salary increases
	*Payroll taxes	104.99	
	Boarding house expense	335.74	disallowed as all funds
	Advertising (for laborers)	13.20	of contract expended as of that date. Items not reclaimed.
April	*Equipment furnished by Operator	461.50	not properly supported
	Boarding house expense	95.79	" " "
	Advertising	3.24	not allowed (overhead)
	Travel	17.25	not authorized
May	Traveling expenses	61.95	not authorized
	Boarding house expenses	7.87	not allowed

*Items reclaimed

**Reclaimed and allowed on a supplemental MF-104 for the same period.

MF-104 1952			
June	***Overclaim on diamond drilling	$1396.37	difference between allowed cost of $6.00 per foot and actual cost
	Bank charges	2.00	not allowed (overhead)
	Transportation	36.75	not authorized
July	Charge for annual audit by Morris-Lee & Co.	175.00	overhead
August	Travel expense	54.25	not authorized

***Reclaimed on Supplemental MF-104 but not allowed.

The various disallowances were reviewed and are concurred in. The items that were reclaimed and allowed were proper costs of the project. The adjustments between the Items of Cost as shown on the Supplemental MF-104 covering September 1951 through August 1952 and the approved amounts are summarized in Schedule "A" attached.

The audit also disclosed that the status of the allowable costs as of the close of the contract on August 31, 1952, was:

Item	Allowable costs	Total costs	Balance
600 ft. diamond drilling @ $6/ft.	$ 3,600.00	(483 ft. @ $6) $2,898.00	$702.00
Rental miners' cap lights 6 mo. @ $17.50/mo.	105.00	105.00	—
Supervision	500.00/mo.	5,627.20	

The costs claimed by the Operator of $95,382.87 were in excess of the contract price of $95,020.16; however, after disallowances, inventory adjustments and salvage, the net cost of the contract amounted to $89,877.46 as indicated on Schedule "A" attached.

May 29, 1953

Robert M. Hull

Robert M. Hull, Auditor

3

Government's Copy

PAYMASTER, INC.
EXPLORATION PROJECT CONTRACT
DOCKET NO. DMEA-391X

AMENDMENT NO. 6

It is agreed between the United States of America and Paymaster, Inc., that Contract No. Idm-E59 (Docket No. DMEA-391X) is amended as follows:

In Amendment No. 3, delete the third paragraph on page 2 and substitute the following paragraph:

"The allowable costs under this amendment in which the Government will participate under the provisions of Article 10 of the Contract, include the unit costs and the actual costs of those requirements listed in the estimated costs below; the costs of legal overtime and wage scale changes authorized by Amendment No. 2, (dated March 21, 1952); and any other costs defined in Article 10 which were incurred prior to the date of Amendment No. 3 (May 20, 1952) and which are approved for payment by the Executive Officer.

Dated Nov. 4, 1952.

THE UNITED STATES OF AMERICA

By C O Mitchenson
Administrator, Defense Minerals
Exploration Administration

PAYMASTER, INC.

By Frank N. Mann

GOVERNMENT'S COPY

PAYMASTER, INC.
EXPLORATION PROJECT CONTRACT
DOCKET NO. DMEA-391X

AMENDMENT NO. 5

The purpose of this amendment is to provide for legal overtime and changes in wage scales.

Exploration Project Contract No. Idm-E-59, Docket No. DMEA-391X, is amended, effective July 16, 1951, as follows:

In Exhibit "G," add a paragraph at the end of the category "2. Labor, Supervision, Consultants," reading as follows:

> These rates do not include overtime, which is an allowable cost. The wage scales listed above may be changed to conform to the wage scales prevalent in the labor area in which the project is located.

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

Dated Nov. 12, 1952.

THE UNITED STATES OF AMERICA

By O. Mitchell
Administrator, Defense Minerals
Exploration Administration

PAYMASTER, INC.

By Frank R. Moore

RECEIVED
JUN 18 1952
U. S. G. S.
SPOKANE, WASH.

AMENDMENT NO. 4

It is agreed this 4th day of June 1952, between the the United States of America, acting through the Department of the Interior, Defense Minerals Administration and Paymaster, Inc., 611 Peyton Bldg., Spokane, Washington, an Idaho corporation.

each acting in consideration of the agreement of the other to the terms hereinafter set forth, that the Exploration Project Contract Idm-E59 of July 16, 1951 between the parties hereto be modified and amended as described in Exhibit "F", attached hereto, which, with any maps or drawings attached thereto, is made a part of this agreement. The effective date of this amendment shall be May 20, 1952.

This amendment is made by authority granted the Executive Office, DMA Field Team, Region II in Order No. 2684 by the Acting Secretary of the Interior.

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

Executed in sextuplicate the day and year first above written.

Paymaster, Inc.
(Operator)

By [signature]

The United States of America

By A. E. Weissenborn
A. E. Weissenborn, Exec. Officer
DMEA Field Team, Region II

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 23 1952

PAYMASTER, INC.

Exploration Project Contract No. Idm-E59

Amendment No. 4

Exhibit "F"

The purpose of this amendment is to provide for additional drifting in Stage I of the contract as amended in Amendment No. 3, to allow complete penetration of fault zone "C" (shown on the attached map) before the drifting or crosscutting or drilling of Stage II is commenced. The aggregate total of drifting and cross-cutting for Stages I and II is not changed and shall not exceed 820 feet.

Changes and modifications

1. In Amendment No. 3 of the Contract, Exhibit "G", change the description of the work to be performed in Stage I to read as follows:

"The work in this stage consists of an estimated 600 feet of drifting measured from a point 25 feet east of Station L-12. This footage includes 65 feet of drift to the west of Station L-12. Under these conditions the drift should reach a point 510 feet north of Station L-12. The drift shall be driven N. 41° W. far enough to pass through fault zone "C", shown on the attached map. When firm ground on the north side of fault zone "C" is reached the work of Stage II shall be commenced."

[illegible] to 820'

PAYMASTER, INC.
DOCKET NO. DMEA-391X
CONTRACT NO. Idm-E-59

Amendment No. 3

The purpose of this amendment is to provide for additional work under the project, to increase the estimated total costs of the project, and to increase the aggregate total amount which the Government may become obligated to pay under Article 11 of the contract.

Exploration Project Contract Idm-E-59 (Docket No. DMEA-391X), is amended as follows:

1. In Article 3 of the contract form, delete the period "9 months" and substitute "20 months".

2. Article 11 of the contract is amended as follows:

Delete the amount "$21,500" and substitute "$47,510.08"

Delete the amount "$43,000" and substitute "$95,020.16"

3. The last sentence of Article 3 of the contract form is amended to read as follows:

> The exploration project and the work to be performed are more fully described in Exhibit "A" and Exhibit "G" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract.

4. In addition to the work performed under Exhibit "A", as amended, the work to be performed under Exhibit "G" is as follows:

EXPLORATION PROJECT CONTRACT AMENDMENT
PAYMASTER, INC.
DOCKET NO. DMEA-391X
CONTRACT NO. Idm-E-59

Exhibit "G"

Description of the Work

The work shall be performed in two stages.

Stage I. The work in this stage consists of 520' of drifting, measured from a point 25' east of Station L-12. This footage includes 65' of drift to the west of Station L-12. Under these conditions the drift will reach a point 430' north of Station L-12, if ore is not encountered before reaching that point.

Stage II. If mineralization has not been found within the limits of the work done on Stage I, diamond drilling not exceeding a total of 600' shall be performed to explore for the vein. The location, direction, and extent of the drilling, and the number of the holes drilled, are to be mutually agreeable to the Operator and the Government. If no mineralization is found after drilling, no further work shall be performed under the contract.

If significant mineralization is found within the limits of work done in Stage I, it shall be drifted on to determine the extent of it. If no significant mineralization is found as a result of the work performed under Stage I, but a diamond drill hole cuts significant mineralization, a crosscut shall be driven to it, and if it persists, it shall be investigated by drifting. The aggregate total of all drifting and crosscutting performed under Stage II shall not exceed 300 feet.

The allowable costs of the work performed under this amendment, and in which the Government will participate under Article 10 of the contract, are limited to the unit costs and the actual costs of those requirements listed in the estimated costs below, provided that the Government will not make any payments in excess of the fixed percentage of the total aggregate estimated cost recited in Article 11, as amended.

Exhibits "B" through "E" required under Articles 5, 6, 8 and 9 of the contract form are waived with respect to this amendment.

Estimated Costs of Exhibit "G"

Stages I and II

1. Unit Costs

600' of diamond drilling @ agreed unit cost of $6.00 per ft. in lieu of actual costs. The unit cost includes all costs of this work. The work may be performed by independent contract.

2. Labor, Supervision, Consultants

1 - Master Mechanic	$ 440.00/mo.
1 - Mine Superintendent	500.00/mo.
1 - Dozer Operator	400.00/mo.
1 - Night Compressor Operator	325.00/mo.
1 - Surface Laborer	325.00/mo.

4 - Miners @ $400.00/mo.	$1,600.00/mo.
1 - Engineer-Bookkeeper	412.00/mo.
1 - Cook	180.00/mo.
Total per month	$4,182.00

The cost per foot at rate of 140' advance per month = $30.00.

3. Operating Materials and Supplies

Item	Cost/foot
Explosives	$ 3.65
Timber	2.64
Drill Steel	.70
Bits	1.50
Hose	.18
Small Tools	.15
Miscellaneous Supplies	.10
Track	2.70
Pipe	.87
Fan Pipe	1.00
Power (diesel fuel)	3.80
Repair Parts	.70
Office Supplies - Transport	.70
Maintenance and supplies for dozer	3.91
The cost per foot @ rate of 140' advance per month =	$22.60

4. Operating Equipment

To be rented:

Miners' cap lights, 6 mos. @ $17.50 per mo. for all lights = $105.00

To be furnished by Operator:

	Value	Monthly Allowance
1 - Trammer	$3,500.00	$ 58.00
1 - Hand Held Drill	365.00	6.00
1 - Rotating Stoper Drill	1,000.00	17.00
1 - Compressor	9,000.00	150.00
1 - Pick-up Truck	1,100.00	18.00
1 - G-D Loader	3,000.00	50.00
7 - Mine Cars @ $150.00/ea.	1,050.00	17.50
1 - Diesel Unit	8,000.00	133.00
2 - Blowers @ $350.00/ea.	700.00	12.00
Total per month		$461.50

The cost per foot @ the rate of 140' advance per month = $3.30

5. Contingencies

5 percent $2,477.16

Summary

Stage I

Labor, Supervision, Consultants:		
520' drift @ $30.00/ft.		$15,600.00
Operating Materials and Supplies:		
520' drift @ $22.60/ft.		11,752.00
Operating Equipment:		
Rented	$ 52.50	
Furnished by Operator, 520' drift @ $3.30/ft.	1,716.00	1,768.50
		$29,120.50

Contingencies:		
5 percent		$ 1,456.04
Total, Stage I		$30,576.54
Government participation, Stage I @ 50%		$15,288.27
Stage II		
600' of diamond drilling @ unit cost of $6.00/ft.		$ 3,600.00
300' of drifting:		
Labor, Supervision, Consultants:		
300' @ $30.00/ft.		9,000.00
Operating Materials and Supplies:		
300' @ $22.60/ft.		6,780.00
Operating Equipment:		
Rented	$ 52.50	
Furnished by Operator, 300' @ $3.30/ft.	990.00	1,042.50
		$20,422.50
Contingencies:		
5 percent		1,021.12
Total, Stage II		$21,443.62
Government participation, Stage II @ 50%		$10,721.81
Stage I		$30,576.54
Stage II		21,443.62
Total, Stages I and II		$52,020.16
Government participation, Stages I and II @ 50%		$26,010.08

Dated May 20, 1952.

THE UNITED STATES OF AMERICA

By C O Mitteudorf
Acting Administrator, Defense
Minerals Exploration Administration

PAYMASTER, INC.

By Frank N. Marr

See correspondence in Docket File for justification of additional work & costs.

7/21/52

Government Copy

Dmea 391
Lead, Zinc

AMENDMENT NO. 2

It is agreed this 21st day of March 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration and Paymaster, Inc., 611 Peyton Bldg., Spokane, Wash.

each acting in consideration of the agreement of the other to the terms hereinafter set forth, that the Exploration Project Contract Idm-E59 of July 16 1951 between the parties hereto be modified and amended as described in Exhibit "F", attached hereto, which, with any maps or drawings attached thereto, is made a part of this aggrement. The effective date of this amendment shall be July 16 1951.

This amendment is made by authority granted the Executive Office, DMA Field Team, Region II in Order No. 2653 by the Acting Secretary of the Interior.

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

Executed in sextuplicate the day and year first above written.

PAYMASTER, INC.
(Operator)

By [signature]

The United States of America

By [signature]

A. E. Weissenborn, Exec. Officer
DMEA Field Team, Region II

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 4 1952

PAYMASTER, INC.
Exploration Project Contract Idm-E59

Amendment No. 2

EXHIBIT "F"

Changes and modifications:

Change Exhibit "D" of the contract to read as follows:

Labor and Supervision

Classification	Rate
*Miners	$14.26/8-hr. shift
General laborer	13.86/8-hr. shift
Dozer operator	13.86/8-hr. shift
Compressor man	14.39/8-hr. shift
Chief mechanic	$440.00/month
Superintendent	$500.00/month
Bookkeeper-engineer	412.00/month

These rates are subject to change for legal overtime and changes made in the wage scale to make it conform to the prevailing scale in which the project is located.

*Miners may be paid at contract rates based on advance made and timber installed, such rates to be subject to the approval of the DMEA Field Team, Region II.

Government Copy Wash
DMEA - 391
Lead. Zinc
Idm - E59

AMENDMENT NO. 1

It is agreed this 21st day of March 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration and Paymaster, Inc., 611 Peyton Bldg., Spokane, Wash.

each acting in consideration of the agreement of the other to the terms hereinafter set forth, that the Exploration Project Contract Idm-E59 of July 16 1951 between the parties hereto be modified and amended as described in Exhibit "F", attached hereto, which, with any maps or drawings attached therto, is made a part of this aggrement. The effective date of this amendment shall be October 1 1951.

This amendment is made by authority granted the Executive Office, DMA Field Team, Region II in Order No. 2653 by the Acting Secretary of the Interior.

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

Executed in sextuplicate the day and year first above written.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 7 1952

PAYMASTER, INC.
(Operator)

By [signature]

The United States of America

By [signature]

A. E. Weissenborn, Exec. Officer
DMEA Field Team, Region II

PAYMASTER, INC.
Exploration Project Contract Idm-E59

Amendment No. 1

EXHIBIT "F"

Changes and modifications

1. To Exhibit "A" of the contract add the following sentence:

"The specified amounts of crosscutting and drifting are considered flexible and should conditions make it necessary, crosscutting may be substituted for drifting until the target is reached or the funds are exhausted."

MR-200
(April 1951)

Indexed | Item
No. Card
Card
Reviewed | NC 8/22/51

RECEIVED JUL 30 1951 G.A.O.

Docket No. DMA 391x
Commodity Lead&zinc
Idm-E59

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

EXPLORATION PROJECT CONTRACT[1]

AUG 2 1951

It is agreed this 16th day of July, 1951, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the "Government," and[2]

Paymaster, Inc., 611 Peyton Bldg., Spokane, Wash., an Idaho corporation

hereinafter called the "Operator," as follows:

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

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

26 unpatented mining claims called "Multi-Metals" mining claims, numbered 1 to 26 inclusive, located in sec. 25, T. 2 N., R. 23 E., B.m.

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

(*a*). That he is the sole owner, in possession and entitled to possession, and that the property is subject only to the following claims, liens, or encumbrances as to each of which the subordination agreement of the holder is attached: To the best of the Operator's knowledge there are none outstanding.

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

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

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

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

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

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

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

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

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

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

11. *Participation by the Government.* At the end of the first full calendar month after the Operator has commenced work under the project, and at the end of each succeeding calendar month, the Operator shall submit to the Government a voucher for payment with a detailed statement of work done and allowable costs (as defined in Article 10 of this agreement) incurred, in a form and with supporting data acceptable to the Government. After approving the voucher, the Government shall pay to the Operator fifty percent of the sum of such costs incurred; *Provided,* That the aggregate total of all sums paid by the Government under this agreement shall not exceed $21,500.00, which is fifty percent of the agreed estimated total cost of this project, $43,000.00.

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

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

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

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

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

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

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

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

Executed in ~~triplicate~~ sextuplet the day and year first above written.

Paymaster, Inc.
(Operator)

By Frank N. Maw, Pres.

THE UNITED STATES OF AMERICA

By C O Mittendorf
Director, Production Expansion Division
Defense Minerals Administration

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

Paymaster, Inc., Blaine County, Idaho

Exploration Project Contract

EXHIBIT "A"

Exploration project

1. Crosscut from heading of exploration adit about 500 feet to a penetration of the Paymaster vein structure (see attached map)

2. Drift northwest on Paymaster vein structure about 1,000 feet from point of penetration, the purpose of this drifting being to explore the presumed downward extension of productive ore-shoots mined in upper workings.

The work to be performed and the estimated maximum cost thereof is as follows:

1.	Crosscutting, 500 ft. @ $25.00	$12,500.00
2.	Drifting, 1,000 ft. @ $30.50	30,500.00
	Total	$43,000.00

Paymaster, Inc., Blaine County, Idaho

Exploration Project Contract

EXHIBIT "B"

Fixtures and improvements

Any additional facilities and buildings to be purchased, installed, or erected by the Operator shall not be charged as a cost of the project.

Paymaster, Inc., Blaine County, Idaho

Exploration Project Contract

EXHIBIT "C"

Operating Equipment

	Estimated Replacement Cost	Monthly Rental Allowance
To be rented .....none		
To be purchased .....none		
To be furnished by Operator:		
1 - Trammer (electric).....	$ 3,500.00	$ 58.00
1 - Hand held drill	365.00	6.00
1 - Drifter, autofeed - large	1,000.00	17.00
1 - Rotating stoper	750.00	13.00
1 - G. D. compressor, 365 cfm .... with D13000 Cat. Diesel Drive.	9,000.00	150.00
1 - Ford 1/2 ton pickup truck	1,100.00	18.00
1 - G. D. loader	3,000.00	50.00
16 - Mine cars @ $1.50 per car	2,400.00	40.00
1 - 20 Kw diesel generator set ... complete with charging panel..	2,500.00	42.00
2 - Blowers, air driven, $350 each	700.00	12.00
Monthly rental allowance	$24,315.00	$406.00

The above monthly rental on equipment furnished by the Operator for use on the project is determined on the basis of depreciation over an average life of 60 months.

Paymaster, Inc., Blaine County, Idaho

Exploration Project Contract

EXHIBIT "D"

Labor and supervision

Classification	Rate per 8-hr. shift
Miners	$13.00
Trammers	13.00
Mucker	13.00
Unclassified	13.00

	Maximum salary per month
Mine superintendent	$450.00
Master mechanic.	375.00
Journeyman mechanic.	350.00

The above rates are subject to lawful overtime increases and revision of pay scale under union contracts.

Paymaster, Inc., Blaine County, Idaho

Exploration Project Contract

EXHIBIT "E"

No repairs or rehabilitation are planned on existing facilities, installations and buildings.

Form MF-R3
(April 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

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

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

DO NOT FILL IN THIS BLOCK

Docket No. dma 391X

Date received 6-5-51

Participation

Spokane-Idaho Mining Company
611 Peyton Building
Spokane 8, Washington

Paymaster M Inc.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 5-1951
LANDON F. STROBEL
Executive Secretary

Name and address of applicant

Date May 29th 1951

FILL IN THIS BLOCK

Date of application May 29th 1951

Estimated cost $43,000.00

Mineral or metal Zinc-lead-silver

Percentage of Government participation 50%

Location of mine Arco, Idaho

Date of filing MF-100

DMA Docket Number, if available

INSTRUCTIONS

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

THE APPLICANT

*1. Is applicant an individual, partnership, or corporation?
*2. If a partnership, state names and addresses of partners.
*3. If a corporation, state names and addresses of officers, directors, and five largest stockholders.
*4. Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who will manage the project.
*5. Are you the owner or the lessee of the property?
6. If owner, state what claims, liens, or encumbrances, if any, are against the property.
7. If lessee, attach a copy of the lease and state if it is in good standing.

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

8. Furnish current financial statement, showing assets and liabilities, and a profit and loss statement.
9. How much money is applicant prepared to invest in proposed project? Is it sufficient to pay your part of the cost of the project as detailed in question 23 of this application form, in accordance with the regulations on Government participation (Section 9 of Mineral Order 5)?

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

16—64067-1

THE PROPERTY

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

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

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

*11. State the present and former names of the property, if any.

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

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

*14. Describe any existing useable facilities, equipment, buildings, or structure now on the property that will be devoted to the exploration work.

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

*16. History:

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

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

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

*17. Production:

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

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

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

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

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

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

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

THE EXPLORATION

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

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

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

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

THE REQUIREMENTS AND COSTS

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

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

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

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

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

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

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

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

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

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

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

CERTIFICATION

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

Spokane-Idaho Mining Company
(Name of company)

By [signature]
(Signature of authorized official)

May 29th 1951
(Date)

President
(Title)

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

*Same as footnote on page 1.

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

SPOKANE-IDAHO MINING CO.
611 PEYTON BLDG.
SPOKANE 8, WASH.

THE APPLICANT

1. This application is made by the Spokane-Idaho Mining Company on behalf of a new corporation intended to be called Paymaster Inc, Articles of Incorporation for which have been submitted to the Secretary of State of the State of Idaho.

   Spokane-Idaho Mining Company is incorporated under the laws of the State of Idaho.

2. Not applicable.

3. Officers and directors of Paymaster Inc:

Frank N. Marr	President and Director	611 Peyton Bldg.,	Spokane, Wash.
E. Broyles	Secretary	611 Peyton Bldg.,	Spokane, Wash.
Charles E. Marr, Jr.	Treasurer and Director	Route #5,	Spokane, Wash.

   Officers and directors of Spokane-Idaho Mining Company:

Frank N. Marr	President and Director	611 Peyton Bldg.,	Spokane, Wash.
Sam H. Clinedinst	Vice-Pres. and Director	585 Rosemont Ave.,	Pasadena, Cal.
Charles E. Marr, Jr.	Treasurer and Director	Route #5,	Spokane, Wash.
E. Broyles	Secretary	611 Peyton Bldg.,	Spokane, Wash.

   There are only three stockholders in the Paymaster Inc:

William J. Porter	80,000 shares
Paymaster Mining Company	250,000 shares
Spokane-Idaho Mining Company	670,000 shares

   Five larger shareholders of Spokane-Idaho Mining Company are:

Estate of Charles E. Marr	227,000 shares
Sam H. Clinedinst	142,900 shares
Seattle 1st Nat. Bank, Spokane & Eastern Branch, Guardian Estate of Bruce Blake Graves, a minor	16,500 shares
Ann B. Lovelace	16,500 shares
Arthur C. Karr	8,000 shares

4. Applicant, Paymaster Inc is a new corporation, Articles of Incorporation for which have been submitted to the Secretary of State of Idaho.

   Applicant, Spokane-Idaho Mining Company, was organized under the laws of the State of Idaho, in July 1940. General business is mining and milling. It's manager and staff will have complete charge of the Paymaster Inc project under the direction of J. C. Kieffer, general manager of Spokane-Idaho Mining Company. Business affairs will be conducted by Frank N. Marr, president of both applicant companies.

5. Title to the property and equipment rests in the Paymaster Inc, with the obligation of doing approximately 490 feet of crosscutting, and the equivalent of 1000 feet of exploration work on the structure.

6. Until completion of the formation of Paymaster Inc, and the delivery of stock to the two minority stockholders, a perpetual lien will exist as liability for 25% of any net profit realized from the operation of the property, and the obligation to perform the work requirement listed in Question 5.

7. Not applicable.

8. See attached Exhibits A & B.

9. Applicant, Paymaster Inc, is prepared to secure from its principal stockholder, Spokane-Idaho Mining Company, the reasonable funds necessary to complete development of the property to the point of production, by means of loans advanced by the principal stockholder. Government assistance is being requested in order to avoid putting an undue strain on the finances of the principal stockholder. Currently, a top limit of approximately $100,000.00 is contemplated by the principal stockholder, Spokane-Idaho Mining Company.

THE PROPERTY

10. (a) There are twenty-six (26) unpatented lode mining claims situated in Lava Creek Mining District, Blaine County, State of Idaho, and called "Multi-Metals" Mining Claims numbered 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25 and 26, notices of location of which are on file in the office of the County Recorder of Blaine County, State of Idaho.

(b) See 10(a).

11. Property formerly known as Paymaster Mine, owned by the Paymaster Mining Company, incorporated under the laws of the State of Idaho. No other name is known to applicants.

12. Location of the property is just west of boundary of the Craters of the Moon National Monument. Shipping point, Arco, Idaho, 31 miles northeast of the property via U. S. Highway 20. Paved, oil surface road except for last 5½ miles.

13. Water is available from a creek flowing through the property from higher elevation, in quantities in excess of five second feet; water rights, previously filed for, expired for lack of completion. New application has been filed. Water is estimated to be available at all seasons of the year. Diesel power equipment is on the property, having a total capacity of approximately 450 HP. Diesel oil will be available from the rail head at Arco.

SPOKANE-IDAHO MINING CO
611 PEYTON BLDG.
SPOKANE 8, WASH.

14. All buildings, with the exception of one small cabin, were destroyed by a snowslide during January of 1951. A compressor house is now under construction, and other buildings necessary for further operations will be constructed as needed, following the successful completion of the exploration work herein applied for, or in case of favorable showings, at such earlier time as may seem advisable.

Substantial amounts of equipment are at the property at present, including Rock Drills, 1 Mucking Machine, Bits, Steel, a limited amount of pipe and rail, 2 D17000 Caterpillar engines for connection to generating unit, 1 36" Simons Cone Crusher, 1 Traylor Jaw Crusher, 1 Weightometer, miscellaneous other mining and milling equipment, 1 GMC 1943 ½ 6x6 Truck, and 1 1949 Ford Pickup Truck.

15. In event of satisfactory conclusion of the exploration work, for which assistance is herein applied, ore can be shipped by truck to Arco, Idaho, then by rail to Salt Lake City, or such other point as may be necessary or advisable for smelting or milling. It is contemplated that if sufficient ore is opened the principal stockholder of applicant company, Spokane-Idaho Mining Company, will attempt to arrange for milling at the property.

16. We have no extensive information on the history of this property, other than contained in certain Government publications, until the War-time period starting in 1942. We are informed approximately 20,000 tons of crude ore was shipped to the U. S. Smelting & Refining Company at Salt Lake City, Utah, a portion of which shipment assayed as indicated in Question 18. During this period we understand that a loan was negotiated from the RFC and fully repaid, although repayment was, in large part, from the Premium Price Plan payments available during the War-time period.

During 1948 and 1949, an attempt was made to refinance the property, first, by William J. Porter, of Spokane, Washington, and later, by the Paymaster Mining Company, set up and financed for that purpose during 1949, neither of which was successful in providing a sufficient amount of capital to open the ore at the lower horizon.

Sufficient finances are presently assured to provide the completion of this exploration work by Spokane-Idaho Mining Company. The Government assistance requested by this application would provide an added margin of assurance to bring the property into production within a relatively short period of time.

17. The property is not now in production.

18. (a) The ore occurrence is adjacent to quartzites which occur in an embedded formation of sediments and form the hanging wall of a strong vein structure. The structure has a granite footwall overlain with a layer of altered granite gouge ranging in thickness from 10 to 24 inches. The structure appears to be quite strong and persistent, and generally ranges in overall width from

firm footwall to hanging wall, of from 6 to a probable maximum width of 15 or 16 feet. Due to the strength of the vein structure it is expected to persist in depth well below the horizon now under exploration.

(b) Maps attached hereto.

Assay data. President applicant, Spokane-Idaho Mining Company, before acquiring the Paymaster property, secured such information as was available from a number of sources and regards it as confidential and for use only to indicate values expected.

During investigation of the property by Sunshine Mining Company, they secured average assays of the vein matter as follows:

Silver - 2.05 Oz. per ton
Lead - 2.20 %
Zinc - 9.00 %

U. S. Bureau of Mines' figures, as secured by us, showing average mine width of 4.92 feet:

Silver - 1.96 Oz. per ton
Lead - 2.13 %
Zinc - 8.91 %

An average of 7000 tons for settlement purposes from the U. S. Smelting & Refining Company, at Salt Lake City, this 7000 tons being a portion of the reputed 20,000 tons shipped during the recent War showed:

Silver - 1.92 Oz. per ton
Lead - 2.00 %
Zinc - 6.73 %

The property was investigated by the Bunker Hill & Sullivan Mining & Concentrating Company, but the average assay results were not secured. Both the Sunshine representative and the Bunker Hill representative agree that the structure is quite strong and should produce from 150 to 230 tons per foot of depth, if only the present commercial sulphide ore extends downward.

Our interpretation is that the oxide ore zones should decrease and the sulphide ore zone should increase in depth. So we expect larger tonnages than this.

Poor milling results were secured from previous production. Insofar as we are able to determine, the ore requires very fine milling due to the close association of the sulphides. Our test results at the Spokane-Idaho mill on Pine creek in the Coeur d'Alene area were more successful than other indicated results available to us, and were conducted with a view to operation of the property under the supervision of our present Spokane-Idaho Mining Company staff. As the Constitution ores are among the finest grained

and most closely associated in the Coeur d'Alene area, we anticipate somewhat more success than might otherwise be achieved at the Paymaster property.

(c) No available commercial tonnage is estimated to exist above present drift openings, as such tonnages contain oxides rendering them difficult of treatment.

19. It has been estimated that approximately 20,000 tons of ore were shipped from this property during the recent War-time period and this was made possible by an RFC loan on the property, which we are informed as been repaid, and such subsidies as may have been paid on which we have no detailed information.

The property has been examined by the manager of the Spokane-Idaho Mining Company, Mr. J. C. Kieffer, and investigations conducted as to the results of examinations conducted by other companies, and it is considered that a reasonable profit can be expected from operations under approximately the present price levels for metals, although admittedly, the property might ~~not~~ be sub-commercial in grade on a lower price level.

THE EXPLORATION

20. Exploration will be conducted to confirm the downward extension of the vein structure from two upper tunnels which produced, as above mentioned, approximately 20,000 tons of ore during the last War-time period. Generally speaking, the ores produced ran approximately 7% zinc and 2% lead, with minor values in silver.

21. The present crosscut, as indicated on the attached maps, will be continued for an estimated 500 feet to reach the downward extension of the vein structure, and it is anticipated that 1000 feet of drifting would then be necessary to reach a point under the central portion of the ore zone exposed above. Additional work would of course be necessary to fully explore the possibilities of such structure in the event the original work is successful.

Approximately 200 feet of tunnel progress is expected per month.

Thus, within 9 months, production of ore could be attained from the property, but if it were found advisable to construct a mill production would not be pushed until its completion, which would depend upon availability of such additional items of equipment as would be necessary. For example, no flotation cells are available on the property at this time, and the filter equipment available is inadequate for modern use. Other items would necessarily have to be purchased.

22. See Question 18.

REQUIREMENTS & COSTS

23. The Paymaster property was hit by a snowslide during January of 1951. Only minimum construction is considered for the period under consideration in this application, consisting of essentially a compressor house, limited warehouse facilities and transportation. Costs, detailed in your question and not included in this estimate, can be considered as financed by the Spokane-Idaho Mining Company.

(a) Labor -	1 Mine Superintendent @ $450 per Mo. 9 Mos.		$ 4,050.00
	1 Master Mechanic @ $375 per Mo. 9 Mos.		3,375.00
	1 Journeyman Mechanic @ $350 per Mo. 9 Mos.		3,150.00
	2 Miners @ $320 per Mo $ 640 x 9 Mos.		5,760.00
	2 Muckers @ $300 per Mo $600 x 9 Mos.		5,400.00
			$ 21,735.00
Supplies - 60% of Labor		$ 13,000.00	
Power @ $1.65 per foot		2,525.00	
Indirect Costs, industrial Insurance, repairs, etc. @ $2.00 per foot		3,000.00	
Depreciation or rental of equipment @ $1.75 per foot		2,625.00	21,150.00
			$ 42,885.00

(Above estimates arrived at from examination of Spokane-Idaho Mining Company operating reports, as adjusted to expected operating conditions.)

List of equipment for use in work covered herein:

1 Trammer (to be acquired)
1 Automatic drifter
1 D13000 Caterpillar Diesel and 365 ft. Gardner-Denver Compressor
Drill Steel
Drill Bits
1 Ford Pickup truck
1 G.M.C. Truck and winch
1 Gardner-Denver Mucking Machine
Miscellaneous small tools, machines, light plant, etc.

Estimated value of above equipment, $20,000.00.

24. Compressor house and warehouse shed now under construction. Estimate completion by June 15th 1951, at a cost of $1,500.00.

Machinery reconditioning now under way. Estimate sufficient degree of completion to start underground work June 15th to 20th 1951. $4,000.00 estimated cost.

We estimate three (3) months to reach the downward extension of vein structure, September 15th 1951, 500 feet @ $25 per foot, or $12,500.00

24. (Cont'd).

Progress on the vein structure is to depend on conditions encountered there. The equivalent of 1000 feet of drift should be accomplished within six months, or by March 15th 1952, at cost of $25,000.00.

If this work is successful to the extent that a mill is warranted, an application is contemplated for such additional Government aid as may be available to augment the finances now obtainable through Spokane-Idaho Mining Company. It is hoped that this can be handled in advance of the need for funds, so that milling facilities can be completed by June of 1952.

In the event this project does not warrant a mill, other possibilities such as sink float concentration, raw ore shipping, leasing, etc., would be considered, not overlooking, however, the possibilities of such further exploration as might at that time appear warranted.

It is contemplated to carry out the original portion of this work while this application is pending, and such work is now in progress.

SPOKANE-IDAHO MINING CO
611 PEYTON BLDG.
SPOKANE 8, WASH.

EXHIBIT A
Question 8

PAYMASTER INC.

PRO-FORMA BALANCE SHEET AS OF MAY 15, 1951

A S S E T S

(Tentative)

Current Assets and Expense Advances:		
Cash in bank	$ 6,868.93	
Operation expense advances by Spokane Idaho Mining Co.	19,942.74	
*Total current assets and expense advances		$ 26,811.67
Fixed Assets:		
Mine equipment - estimated value	$ 50,000.00	
Mining property - estimated value	50,000.00	
*Truck (Cash advanced by Spokane Idaho Mining Co.)	1,025.00	
Total fixed assets		$ 101,025.00
Total assets		$ 127,836.67

L I A B I L I T I E S

(Tentative)

*Account payable, Spokane Idaho Mining Co.	$ 27,836.67
Net Worth:	
Capital stock - anticipated authorized capitalization (1,000,000 shares par value 10¢)	$ 100,000.00
Total liabilities and net worth	$ 127,836.67

Note

1. Legal expense to attorney not paid - amount unknown
2. Tentative obligation to Wm. Porter not payable unless and until completion of organization of corporation $ 6,000.00

LGL:FJ

SPOKANE-IDAHO MINING
611 FEY[illegible] BL[illegible].
SPOKANE 8, WASH.

EXHIBIT B
Question 8

Spokane — SPOKANE-IDAHO MINING COMPANY (An Idaho Corporation) — Washington

BALANCE SHEET AS OF DECEMBER 31, 1950

A S S E T S

Current Assets	Cash in Banks	$277,914.20	
	Accounts Receivable	38,346.04	
	Inventory, Concentrates in Bins	12,242.17	
	Inventory, Supplies	45,474.56	$ 373,976.97
Deferred Charges	Prepaid Licenses & Insurance	$ 8,548.75	
	Deferred Mining Expenditures	159,642.04	168,190.79
Property	Mining Claims & Development		76,272.36
Plant & Equipment	Buildings, machinery & Eqp.		151,093.02
Non-Current Assets	Stock of Minas de Guatamo Mining Co		26,905.69
	TOTAL ASSETS		$ 796,438.83

L I A B I L I T I E S

Current Liabilities		$ 23,195.74	
Accrued Expenses		26,076.66	
Income Tax Accrued		100,000.00	$ 149,272.40
Reserves	Reserve for Depletion		498,488.94
Net Worth	Capital Stock, 450,000 Sh. @ 10¢ Par value	$ 45,000.00	
Surplus		103,677.49	
	Net Worth		148,677.49
			$ 796,438.83

Form MF-100
(May 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

HERRES

Form approved.
Budget Bureau No. 42-R1026.

GENERAL TECHNICAL DATA
FOR USE UNDER THE
DEFENSE PRODUCTION ACT OF 1950

NOT TO BE FILLED IN BY APPLICANT

Docket No. DMA 391X

Date received MS-0911

71876

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 18 1951
LANDON F. STROBEL
Executive Secretary

Name and address of applicant

Paymaster, Inc.
c/o Spokane-Idaho Mining Co.
Box 930
Kellogg, Idaho

Date June 9, 1951

INSTRUCTIONS

This form is to be filed with Defense Minerals Administration, Department of the Interior, Washington 25, D. C. It should be accompanied by appropriate application form when a specific type of Government assistance is requested, in the form of (1) loan, (2) purchase contract, (3) Government guarantee of a private loan, (4) priorities or allocation of mining equipment, and maintenance, repair and operating supplies, and (5) other forms of Government assistance that might arise under the Act. Submit four (4) signed copies of the form and accompanying papers. Name and address should be stamped or typed on each sheet of this form and all accompanying papers. *When a question is inapplicable it should be so stated on the form.* Additional sheets may be attached in answering any questions or in supplying additional information. (IF YOU CANNOT ANSWER A QUESTION, SO STATE.) If a question is answered elsewhere indicate where answered. It is not necessary to answer it again.

GENERAL TECHNICAL DATA

Supply the following information on separate sheets, arranged, numbered, and lettered as indicated:

1. Materials produced:
   (*a*) What are the chief mine, mill, or smelter products? Crude Zinc-Lead Ore.
   (*b*) What are the byproducts, if any? None
2. Name(s) and type(s) of mine(s), mill(s), smelter(s), refinery(ies), pit(s), quarry (ies), drilling operation(s). Include old names of property, if any. Show extent of workings, including the following: Name of Mine: Paymaster
   (*a*) Linear feet of shafts. None
   (*b*) Linear feet of drifts and crosscuts. 1400' Approximately of drifting.
   (*c*) Linear feet of tunnels or adits. 1600' Approximately of adits.
   (*d*) Linear feet of other mine openings (explain briefly).
   Indicate whether mine is flooded or not. Describe any pumping problems. Give size or productive capacity. (Not flooded no pumping problem.)
3. For each operation listed above supply the following:
   (*a*) Distance and direction from nearest town and shipping point. Is 31 miles SW of Arco, Idaho.
   (*b*) Mining district. Lava Creek
   (*c*) Township, Section, Range. T2N, R23E, Sections 24 & 25; T2N, R24E, Sections 19 & 30.
   (*d*) County, State. Blaine County, Idaho
4. (*a*) State whether or not property is now in operation, and if in operation, by whom operated.
   (*b*) Are you operating this property as:
   - ☒ Owner.
   - ☐ Lessee.
   - ☐ Contractor.
5. Number of years in production Not available. Property has produced an estimated 20,000 T. of crude ore.
   If not in production or operation, estimated date when production will begin About March, 1952.
6. Experience of operators: See Appended sheet 6. (a & b)
   Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who manage the project.
7. History:
   (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for suspension of operation. See Appended sheet 7(a)
   (*b*) State briefly the known history and production of adjoining and neighboring properties.
   (*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations. The best results of metallurgical tests conducted by the Spokane-Idaho Mining Co., Milling Dept. on clean sulphide ore, are appended under 7(c)

8. Names and addresses of Officers, Directors, or Partners, and in addition thereto, the five largest stockholders if applicant is a corporation.

Name and Address (a)	Official Title (If officer is also director indicate by "D") (b)	Total of Annual Salary, Commissions, Bonuses, Etc., Received From Applicant and Affiliates During Last Fiscal Year (c)	Estimated Net Worth Outside of Interest in Applicant (d)	Number of Shares Held in Applicant Corporation: Common (e)	Number of Shares Held in Applicant Corporation: Preferred (f)	Life Insurance Carried for Benefit of Applicant: Amount (g)	Life Insurance Carried for Benefit of Applicant: Net Cash Surrender Value After Loans (h)
Spokane-Idaho Mining Co. 611 Peyton Bldg., Spokane, Wash.				670,000			
Wm. J. Porter W. 469 Shoshone, Spokane, Wash.				80,000			
Paymaster Mining Co. Arco, Idaho				250,000			
Frank N. Marr 611 Peyton Bldg., Spokane, Wash.	President & D					None	
Charles E. Marr Route #5 Spokane, Wash.	Treasurer & D					None	
E. Broyles 611 Peyton Bldg., Spokane, Wash.	Secretary					None	
J. C. Kieffer Box 930, Kellogg, Idaho	General Manager					None	
	Total		x x x x x	1,000,000		x x x x x	x x x x x

If more lines are needed continue on separate sheet.

9. Capital Stock Issues:

For Corporate Applicants

Item	Authorized (a)	Outstanding (b)	Par Value (c)	Number of Shares Outstanding (d)	Dividend Rate Last Paid* (e)
Common stock	$100,000.00	$100,000.00	$ 0.10	1,000,000	None
Preferred stock	$	$	$	None	

*Indicate period covered.

10. Production: Estimated total production: 20,000 Tons. Estimated assay value: 2 oz. Ag/Ton, 2% Pb 7% Zn.

Item	Kind of Product (a)	1948 Total (b)	1949 Total (c)	1950 Total (d)	Present Average Monthly (e)
1. Quantity of product mined or quarried (Short, long, metric tons; barrels; pounds; etc.)					
2. Quantity of product processed (specify unit of measure and type of process)					
3. Quantity and grade of product sold or shipped (specify units of measure)					

11. Do you contemplate a change in the present average monthly rate of production? If so, state estimated maximum monthly production and basis of change. If development is successful, contemplate mining about 100 tons ore daily.

12. Ore or Mineral Reserves: All available sulphide ore has been exhausted. Some oxide ore of unknown value remains.

(a) Describe the ore or mineral d[illegible] briefly. Accompany the application by an[illegible]ilable report on the geology and ore reserves.

See Appended sheet 12 (a)

16—63792-1

6. (a) & (b)

Property will be operated by the staff of the Spokane-Idaho Mining Co., principal stockholder, and successful operator of the Constitution Mine since 1940. J. C. Kieffer is General Manager of both the Spokane-Idaho Mining Co., and Paymaster, Inc.

7. (a)

Estimated production, 20,000 tons crude ore. Shut down after World War II because of low metal prices.

7. (c)

		Assays		Recoveries	
Product	% Weight	% Pb	% Zn	% Pb	% Zn
Heads	100.0	1.6	8.8	100.0	100.0
Pb Conc.	2.6	51.2	13.4	81.6	3.8
Zn Conc.	17.9	0.8	46.2	8.6	93.9
Tails	79.5	0.2	0.25	9.8	2.3

12. (a)

The ore occures in a vein structure on a contact between quartzite on the hanging wall and granite on the footwall. The dip is 75° to 80°. The structure where opened up is very strong. Widths range from 6 feet to 16 feet, averaging slightly over 6 feet. Average assays are about 2 oz. Ag/ton, 2% Pb, and 7% Zn. Based on past production, about 25,000 tons of ore per 100 feet of depth can be expected. The present development program contemplates extending the lower adit about 500 feet to the vein, and drifting about 1000 feet on the vein. The lower adit will intersect the vein slightly more than 300 feet below the present lowest drift.

17.

All but 1 building were destroyed by a snow slide. We are building a new shop and compressor bldg., and a new dry. Rock drills, compressors, mine cars, pipe, rail and all other supplies and equipment except a locomotive needed to start are at the property and in serviceable condition.

(b) If deposit is other than placer:

(1) Submit assay plans and/or sections showing location and size of proved (measured) and probable (indicated) ore or mineral reserve.

(2) State the tonnage (indicate type of ton) and grade of each class of ore reserve, as above, and show how computed. Tabulated total ore reserve as follows:

TOTAL ORE OR MINERAL RESERVES

Ore or Mineral Reserve	Estimated Tons (a)	Metal or Mineral Content Per Ton (Grade) (b)	Gross Value Per Ton (c)	Recoverable Unit Value Per Ton (d)	Estimated Cost of Production Per Ton (e)
Measured (proved)	None				
Indicated (probable)	See 12 (a)				

(c) If placer:

(1) Give estimated total yardage and average marketable mineral content of each deposit.

(2) Submit map showing location of placer deposit and surrounding area, with all test holes or pits. Submit logs of each hole and test pit with depth and average value of each.

(3) Describe gravel, stating whether fine, medium or coarse; loose, tight, cemented, or frozen, and whether it contains stumps or boulders more than 1 foot in diameter; if so, how large, and in what proportion.

(4) Describe bedrock, giving type (granite, sandstone, shale, etc.) and state whether it is hard or soft, smooth, uneven or rough.

(5) Describe overburden, stating whether loose, tight, or cemented; fine or coarse textured; furnish estimate of average thickness and total amount.

(6) Tabulate the reserves using the form outlined above for ore or mineral reserves.

13. Access Roads:

Give road distances to shipping, supply and residence points, stating kind and condition of roads. $5\frac{1}{2}$ miles of good dirt road to U. S. Highway 20 (paved). 31 miles from mine to Arco, Idaho.

14. Water Supply: Sufficient water for all seasons of the year available from a creek flowing through the property.

State source and quantity of water available for operations and whether sufficient for all seasons of year.

15. Power: About 100 HP will be required fro the development stage. It is available from two diesel power units already on the property. Estimated cost, 2¢ per KW hour.

State amount of power used, rate per hour, and source thereof.

16. Labor: Will use about 7 men.

State number and classes (miners, muckers, millmen, etc.) of men employed during a recent representative payroll period.

17. Equipment and Facilities: See Appended sheet 17.

Describe present equipment on the property, including buildings. (State condition.) List major pieces of equipment now owned or controlled and in serviceable condition available for this operation.

18. Are there any particular conditions or circumstances affecting your operations that are not described above? If so, explain.

CERTIFICATION

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

Paymaster, Inc.
(Name of company)

By J. C. Kieffer
(Signature of authorized official)

June 9, 1951
(Date)

J. C. Kieffer
General Manager
(Title)

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

U. S. GOVERNMENT PRINTING OFFICE 16—63792-1

BUSINESS OFFICE: PEYTON BUILDING
SPOKANE 8, WASHINGTON

MINE: BOX 930
KELLOGG, IDAHO

PAYMASTER, INC.
IN CARE OF
SPOKANE-IDAHO MINING CO.
P. O. BOX 930
KELLOGG, IDAHO

June 12, 1951

Defense Minerals Administration
Department of the Interior
Washington 25, D. C.

Gentlemen:

Please find enclosed four copies of Form MF 100 which have been completed and are being filed for the purpose of obtaining serialization of the Paymaster Mine to obtain priority and allocation in accordance with MO-7.

Yours very truly,

PAYMASTER, INC.

J. C. Kieffer

J. C. Kieffer
General Manager

JCK:er

BUSINESS OFFICE: PEYTON BUILDING
SPOKANE 8, WASHINGTON

MINE: BOX 930
KELLOGG, IDAHO

PAYMASTER, INC.
IN CARE OF
SPOKANE-IDAHO MINING CO.
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Yours very truly,

PAYMASTER, INC.

J. C. Kieffer

J. C. Kieffer
General Manager

JCK:er

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 18 1951
MAIL & MESSENGER
Executive Secretary

Form MF-100
(May 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Form approved.
Budget Bureau No. 42-R1026.

GENERAL TECHNICAL DATA
FOR USE UNDER THE
DEFENSE PRODUCTION ACT OF 1950

NOT TO BE FILLED IN BY APPLICANT

Docket No. DMA 391 K

Date received MS-0911

71876

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 18 1951
LANDON F. STROBEL
Executive Secretary

Paymaster, Inc.
c/o Spokane-Idaho Mining Co.
Box 930
Kellogg, Idaho

Name and address of applicant

Date June 9, 1951

INSTRUCTIONS

This form is to be filed with Defense Minerals Administration, Department of the Interior, Washington 25, D. C. It should be accompanied by appropriate application form when a specific type of Government assistance is requested, in the form of (1) loan, (2) purchase contract, (3) Government guarantee of a private loan, (4) priorities or allocation of mining equipment, and maintenance, repair and operating supplies, and (5) other forms of Government assistance that might arise under the Act. Submit four (4) signed copies of the form and accompanying papers. Name and address should be stamped or typed on each sheet of this form and all accompanying papers. *When a question is inapplicable it should be so stated on the form.* Additional sheets may be attached in answering any questions or in supplying additional information. (IF YOU CANNOT ANSWER A QUESTION, SO STATE.) If a question is answered elsewhere indicate where answered. It is not necessary to answer it again.

GENERAL TECHNICAL DATA

Supply the following information on separate sheets, arranged, numbered, and lettered as indicated:

1. Materials produced:
   (*a*) What are the chief mine, mill, or smelter products? Crude Zinc-Lead Ore.
   (*b*) What are the byproducts, if any? None
2. Name(s) and type(s) of mine(s), mill(s), smelter(s), refinery(ies), pit(s), quarry (ies), drilling operation(s). Include old names of property, if any. Show extent of workings, including the following: Name of Mine: Paymaster
   (*a*) Linear feet of shafts. None
   (*b*) Linear feet of drifts and crosscuts. 1400' Approximately of drifting.
   (*c*) Linear feet of tunnels or adits. 1600' Approximately of adits.
   (*d*) Linear feet of other mine openings (explain briefly).
   Indicate whether mine is flooded or not. Describe any pumping problems. Give size or productive capacity. (Not flooded no pumping problem)
3. For each operation listed above supply the following:
   (*a*) Distance and direction from nearest town and shipping point. Is 31 mi. SW of Arco, Idaho.
   (*b*) Mining district. Lava Creek
   (*c*) Township, Section, Range. T2N, R23E, Sections 24 & 25; T2N, R24E, Sections 19 & 30.
   (*d*) County, State. Blaine County, Idaho
4. (*a*) State whether or not property is now in operation, and if in operation, by whom operated.
   (*b*) Are you operating this property as:
   - ☒ Owner.
   - ☐ Lessee.
   - ☐ Contractor.
5. Number of years in production Not available. Property has produced an estimated 20,000 T. of crude ore.
   If not in production or operation, estimated date when production will begin About March, 1952.
6. Experience of operators: See Appended sheet 6. (a & b)
   Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who manage the project.
7. History:
   (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for suspension of operation. See Appended sheet 7 (a)
   (*b*) State briefly the known history and production of adjoining and neighboring properties.
   (*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations. The best results of metallurgical tests conducted by the Spokane-Idaho Mining Co., Milling Dept. on clean sulphide ore, are appended under 7(c)

16—63792-2

8. Names and addresses of Officers, Directors, or Partners, and in addition thereto, the five largest stockholders if applicant is a corporation.

Name and Address (a)	Official Title (If officer is also director indicate by "D") (b)	Total of Annual Salary, Commissions, Bonuses, Etc., Received from Applicant and Affiliates During Last Fiscal Year (c)	Estimated Net Worth Outside of Interest in Applicant (d)	Number of Shares Held in Applicant Corporation: Common (e)	Number of Shares Held in Applicant Corporation: Preferred (f)	Life Insurance Carried for Benefit of Applicant: Amount (g)	Life Insurance Carried for Benefit of Applicant: Net Cash Surrender Value After Loans (h)
Spokane-Idaho Mng. Co. 611 Peyton Bldg. Spokane,	Wash.			670,000			
Wm.J. Porter W. 469 Shoshone, Spokane,	Wash.			80,000			
Paymaster Mining Co. Arco, Idaho				250,000			
Frank N. Marr 611 Peyton Bldg., Spokane,	President & D Wash.					None	
Charles E. Marr Route #5 Spokane, Washington	Treasurer & D					None	
E. Broyles 611 Peyton Bldg. Spokane,	Secretary Wash.					None	
J. C. Kieffer Box 930, Kellogg, Idaho	General Manager					None	
	Total		x x x x x	1,000,000		x x x x x	x x x x x

If more lines are needed continue on separate sheet.

9. Capital Stock Issues:

For Corporate Applicants

Item	Authorized (a)	Outstanding (b)	Par Value (c)	Number of Shares Outstanding (d)	Dividend Rate Last Paid* (e)
Common stock	$100,000.00	$100,000.00	$ 0.10	1,000,000	None
Preferred stock	$	$	$	None	

*Indicate period covered.

10. Production: Estimated total production: 20,000 tons. Estimated assay value: 2 oz.Ag/Ton, 2% Pb, 7% Zn.

Item	Kind of Product (a)	1948 Total (b)	1949 Total (c)	1950 Total (d)	Present Average Monthly (e)
1. Quantity of product mined or quarried (Short, long, metric tons; barrels; pounds; etc.)					
2. Quantity of product processed (specify unit of measure and type of process)					
3. Quantity and grade of product sold or shipped (specify units of measure)					

11. Do you contemplate a change in the present average monthly rate of production? If so, state estimated maximum monthly production and basis of change. If development is successful, contemplate mining about 100 tons ore daily.

12. Ore or Mineral Reserves: All available sulphide ore has been exhausted. Some oxide ore of unknown value remains.

(a) Describe the ore or mineral d[illegible] briefly. Accompany the application by an[illegible]ilable report on the geology and ore reserves:

See Appended sheet 12 (a)

6. (a) & (b)

Property will be operated by the staff of the Spokane-Idaho Mining Co., principal stockholder, and successful operator of the Constitution Mine since 1940. J. C. Kieffer is General Manager of both the Spokane-Idaho Mining Co., and Paymaster, Inc.

7. (a)

Estimated production, 20,000 tons crude ore. Shut down after World War II because of low metal prices.

7. (c)

		Assays		Recoveries	
Product	% Weight	% Pb	% Zn	% Pb	% Zn
Heads	100.0	1.6	8.8	100.0	100.0
Pb Conc.	2.6	51.2	13.4	81.6	3.8
Zn Conc.	17.9	0.8	46.2	8.6	99.9
Tails	79.5	0.2	0.25	9.8	2.3

12. (a)

The ore occurs in a vein structure on a contact between quartzite on the hanging wall and granite on the footwall. The dip is 75° to 80°. The structure there opened up is very strong. Widths range from 6 feet to 16 feet, averaging slightly over 6 feet. Average assays are about 2 oz. Ag/ton, 2% Pb, and 7% Zn. Based on past production, about 25,000 tons of ore per 100 foot of depth can be expected. The present development program contemplates extending the lower adit about 500 feet to the vein, and drifting about 1000 feet on the vein. The lower adit will intersect the vein slightly more than 300 feet below the present lowest drift.

17.

All but 1 building were destroyed by a snow slide. We are building a new shop and compressor bldg., and a new dry. Rock drills, compressors, mine cars, pipe, rail and all other supplies and equipment except a locomotive needed to start are at the property and in serviceable condition.

(*b*) If deposit is other than placer:

(1) Submit assay plans and/or sections showing location and size of proved (measured) and probable (indicated) ore or mineral reserve.

(2) State the tonnage (indicate type of ton) and grade of each class of ore reserve, as above, and show how computed. Tabulated total ore reserve as follows:

TOTAL ORE OR MINERAL RESERVES

Ore or Mineral Reserve	Estimated Tons (a)	Metal or Mineral Content Per Ton (Grade) (b)	Gross Value Per Ton (c)	Recoverable Unit Value Per Ton (d)	Estimated Cost of Production Per Ton (e)
Measured (proved)	None				
Indicated (probable)	See 12 (a)				

(*c*) If placer:

(1) Give estimated total yardage and average marketable mineral content of each deposit.

(2) Submit map showing location of placer deposit and surrounding area, with all test holes or pits. Submit logs of each hole and test pit with depth and average value of each.

(3) Describe gravel, stating whether fine, medium or coarse; loose, tight, cemented, or frozen, and whether it contains stumps or boulders more than 1 foot in diameter; if so, how large, and in what proportion.

(4) Describe bedrock, giving type (granite, sandstone, shale, etc.) and state whether it is hard or soft, smooth, uneven or rough.

(5) Describe overburden, stating whether loose, tight, or cemented; fine or coarse textured; furnish estimate of average thickness and total amount.

(6) Tabulate the reserves using the form outlined above for ore or mineral reserves.

13. Access Roads:

Give road distances to shipping, supply and residence points, stating kind and condition of roads. 5½ miles of good dirt road to U.S.Highway 20 (paved). 31 miles from mine to Arco, Idaho.

14. Water Supply: Sufficient water for all seasons of the year available from a creek flowing through the property.

State source and quantity of water available for operations and whether sufficient for all seasons of year.

15. Power: About 100 HP will be required for the development stage. It is available from two diesel power units already on the property. Estimated cost, 2¢ per KW hour.

State amount of power used, rate per hour, and source thereof.

16. Labor: Will use about 7 men.

State number and classes (miners, muckers, millmen, etc.) of men employed during a recent representative payroll period.

17. Equipment and Facilities: See Appended sheet 17.

Describe present equipment on the property, including buildings. (State condition.) List major pieces of equipment now owned or controlled and in serviceable condition available for this operation.

18. Are there any particular conditions or circumstances affecting your operations that are not described above? If so, explain.

CERTIFICATION

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

Paymaster, Inc.
(Name of company)

By J. C. Kieffer
(Signature of authorized official)

J. C. Kieffer
General Manager
(Title)

June 9, 1951
(Date)

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.

U. S. GOVERNMENT PRINTING OFFICE 16—63792-1

Form MF-104 (Rev.)
(A[illegible]952)

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

Wash

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

Month of August, 1951 thru September, 1952 Docket No. DMEA 391X Contract No. Idm-E59

Operator's Name Paymaster, Inc. Minerals

Address 611 Peyton Bldg. Spokane 1, Wash.

Contract Amount, $ 95,020.16 Government Participation: 50 % Amount, $ 47,510.08

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	1396.37	2898.00	4294.37	-0-	2898.00	2898.00
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	4599.19	40,055.84	44,655.03	601.49	40055.84	46,070.33
Supervision		5,145.44	5,145.44	481.76	5145.44	5627.20
Technical Services		129.43	129.43		129.43	129.43
(3) Operating Mat'ls. and Supplies:						
Timber		4,274.63	4,274.63	[illegible]	4274.63	3384.37
Explosives		6,324.47	6,324.47	[illegible]	6324.47	5499.63
Pipe				3218.82		3218.82
~~Other~~ Tank		9,423.97	9,423.97	[illegible]	9423.97	1933.40
*~~Retroactive Pay~~ Lubricants	2333.36		2,333.36	1920.96		1920.96
Payroll Tax&Ins. on retro-active pay - Other	233.49		233.49	2572.75		2572.75
(4) Operating Equipment:						
Rental Lamps	96.53	105.68	202.21		105.68	105.00
Purchase						
Depreciation		5,309.50	5,309.50		5309.50	5309.50
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment		2,192.34	2,192.34	[illegible]	2,192.34	1674.38
Sampling and Analysis						
Payroll Taxes	204.95	1,898.71	2,103.66	174.45	1898.71	2073.16
Liability Insurance	153.95	2,137.90	2,291.85	264.78	2137.90	2402.68
Diesel Power		5,239.26	5,239.26		5239.26	5239.26
Dozer Work	552.50		552.50	552.50		552.50
(8) Contingencies (specify):						
Boarding house		306.52	306.52		306.52	306.52
Equipment under $50		254.47	254.47	[illegible]	254.47	153.20
Office, Misc.		116.37	116.37		116.37	116.37
TOTALS	9570.34	85,812.53	95,382.87	5374.93	85,812.53	91,187.46

Less 5374.93

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

Date Nov. 17, 1952 *Payee Paymaster, Inc.

Per Frank N. Marr Title President

Frank N. Marr

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

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

(Instructions on reverse)

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

$ 2032.49

Signature [illegible] (Authorized Certifying Officer)

Date 6/18/53 Vou. No. 794 (See other side)

* See attached worksheet Totals redistributed to conform to audit.

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. 259 in accordance with the terms of the contract.

Signature S/ Stephen [illegible] Title M. Eng. Date 4/1/53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature S/ T. E. Howard Title M. Eng. Date 4/1/53

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(Apr. 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of September 1951 thru August 2, 195

Docket No. DMEA 391X

Contract No. Idm-E 59

Operator's Name Paymaster Inc.

Minerals

Address 611 Peyton Bldg. Spokane, Washington

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	Ft.	8,173.97		87,185.27	1,687.4'	53.98	Ft	Stage I
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core		1,396.37		4,294.37	483'	8189		Stage II 600
Churn								
Auger								
Stripping								
Trenching								
Test Pits				991.80				
Roads and Trails				2,911.43				
Office & Boarding House								
TOTAL DISTRIBUTED COSTS				95,382.87				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS								

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 January 19, 1953 Operator Paymaster Inc

Per Frank N. Maw Title President

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

Standard Form No. 1034a—Revised
Form prescribed by
Comptroller General, U. S.
September 7, 1950
(Gen. Reg. No. 51, Supp. No. 11)

Washington

PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

D. O. Vou. No. .....

Bu. Vou. No. DMA-421

U. S. Interior, Mines
(Department, bureau, or establishment)

Voucher prepared at Albany, Oregon 10/13/52
(Give place and date)

THE UNITED STATES, Dr., Payee's Account No. Idm-E 59

To Paymaster, Inc
(Payee)

611 Peyton Bldg., Spokane 1, Washington
(Address) (City) (State)

PAID BY

(For use of Paying Office)

No. and Date of Order	Date of Delivery or Service	ARTICLES OR SERVICES (Enter description, item number of contract or Federal supply schedule, and other information deemed necessary) Discount Terms net	QUANTITY	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
	August 1952	As per attached certified form MF-104 dated September 16, 1952				2,090	82
PAYMENT: Complete ☐ Partial ☐ Final ☐		Use continuation sheet(s) if necessary					
Shipped from	to	Weight	Government B/L No.		Total	2,090	82

(Payee must NOT use this space)

Differences .....

Account verified; correct for 2,090 82

(Signature or initials) .....

Contract No. Idm-E 59 Date Req. No. Date Invoice Rec'd.

2,090.82

MEMORANDUM

ACCOUNTING CLASSIFICATION (For completion by Administrative Office)

Appropriation, limitation, or project symbol	Appropriation title	Limit'n. or Proj't. Amount	Appropriation Amount
14X4401	Revolving Fund, Defense Production Act, Interior	2,090.82	2,090.82

Allotment symbol	Amount	Obligations liquidated	COST ACCOUNT Symbol	COST ACCOUNT Amount	OBJECTIVE CLASSIFICATION Symbol	OBJECTIVE CLASSIFICATION Amount

Paid by { Check No. ..... dated ....., 19....., for $..... on Treasurer of the United States in favor of payee named above.
Cash, $....., on ....., 19.....

16—22900a-2

OCT 2 - 1952

METHOD OF OR ABSENCE OF ADVERTISING

METHOD OF ADVERTISING

1. Advertising in newspapers Yes ☐ No ☐.
2. (*a*) Advertising by circular letters sent to ..... dealers.
   (*b*) And by notices posted in public places Yes ☐ No ☐.

   (If notices were not posted in addition to advertising by circular letters sent to dealers, explanation of such omission must be made below.)

ABSENCE OF ADVERTISING

3. Without advertising, under an exigency of the service which existed prior to the order and would not admit of the delay incident to advertising.
4. Without advertising in accordance with .....
5. Without advertising, it being impracticable to secure competition because of .....

.....

.....

.....

.....

(Here state in detail the nature of the exigency or circumstances under which the securing of competition was impracticable under 3 and 4)

NOTE.—The above form "Method of or Absence of Advertising" is to be used when purchases are made or services secured under proper authority without written agreement in any form. In case of a written agreement (formal contract, proposal, and acceptance, or less formal agreement) Standard Form No. 1036—Revised should be used for abstracting the method of or absence of advertising and award of contract. (See General Regulations No. 51, as amended.)

U. S. GOVERNMENT PRINTING OFFICE : 1950 O—75805

16—22900a-2

Form MF-10[illegible] (Rev.)
(April 195[illegible])

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

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

Month of August, 195[illegible]2 Docket No. DMEA 3[illegible]1 Contract No. [illegible] 59
Operator's Name Paymaster, Inc. Minerals
Address 611 Peyton Bldg., Spokane 1, Wash.
Contract Amount, $ 95,0[illegible].16 Government Participation: ____% Amount, $ 47,5[illegible].08

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling		2,6[illegible].00	2,6[illegible].00		2898.00	2898.00
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	2,8[illegible].21	37,232.63	40,055.84	2,823.21	37,232.63	40,055.84
Supervision	237.50	4,907.94	5,145.44	237.50	4,907.94	5,145.44
Technical Services Engineering		129.43	129.43		129.43	129.43
(3) Operating Mat'ls. and Supplies:						
Timber	2[illegible].92	4,0[illegible].71	4,2[illegible].63	241.92	4,032.71	4,274.63
Explosives		6,32[illegible].47	6,32[illegible].47		6,324.47	6,324.47
Pipe						
Track						
Other	65.09	9,358.88	9,4[illegible].97	65.09	9,358.88	9,423.97
(4) Operating Equipment:						
Rental Lease	16.80	88.88	105.68	16.80	88.88	105.68
Purchase						
Depreciation	461.50	4,848.00	5,309.50	461.50	4,848.00	5,309.50
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	8[illegible].38	2,110.96	2,19[illegible].34	81.38	2,110.96	2,192.34
Sampling and Analysis						
Payroll Taxes	77.11	1,8[illegible].60	1,9[illegible].71	77.11	1871.60	1,898.71
Liability Insurance	169.53	1,9[illegible].37	2,137.90	169.53	1968.37	2,137.90
Diesel Power		5,239.26	5,[illegible].26		5,239.26	5,239.26
(8) Contingencies (specify):						
Boarding House		306.52	306.52		306.52	306.52
Equipment under $50		254.47	254.47		254.47	254.47
Office, Misc.	60.88	108.76	169.62	7.61	108.76	116.37
TOTALS	4,2[illegible].90	81,6[illegible].88	85,8[illegible].78	4184.65	81630.88	85,8[illegible].53

I certify that the above bill is correct and just and that payment therefor has not been received.
Date Sept. 16, 1952 *Payee Paymaster, Inc.
Per Frank N. Marr Title President

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

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

(Instructions on reverse)

OCT 2[illegible], 1952

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
$ 2090.84
Signature [illegible] (Authorized Certifying Officer)
Date 10-10-52 Vou. No. ____
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

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

Signature ..... Title ..... Date .....

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature ..... Title ..... Date .....

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of August 195 2 Docket No. DMEA 391X Contract No. Idm-E 59

Operator's Name Paymaster, Inc. Minerals

Address 611 Peyton Bldg. Spokane 1, Wash.

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
	Ft	3535.84	122'	79,065.55	1687.4'	49.17	Ft	Stage I
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes				2,898.00	483'	6.00		Stage II
Drilling: Core								600'
Churn								
Auger								
Stripping								
Trenching								
Test Pits				991.80				
Roads and Trails								
Office & Bd house		300.06		2,911.43				
Total Distributed Costs		4235.90		85,866.78				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		4235.90		85,866.78				

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

Date Sept 11, 1952 Operator Paymaster, Inc.

Per Frank H. Marr Title President

Remarks:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205676

August 31, 1952

To: Mr. Frank Marr, President
Raymaster, Incorporated
611 Peyton Building
Spokane 8, Washington

From: George McCall, Superintendent
Raymaster, Incorporated
Carey, Idaho

Subject: Monthly Report of Operations at the Raymaster Mine for August, 1952.

MAIN CROSSCUT

August 31, 1952 ..... Station L-15 to face		107.0'
July 31, 1952 ..... Station L-15 to face		- 0.0'
	Advance	107.0'

Hanging wall crosscut:

August 31, 1952 ..... Station L-15 to face		16.0'
July 31, 1952 ..... Station L-15 to face		1.0'
	Advance	15.0'
	Total Advance	122.0'

L-14 to L-15: N65° 112'. L-15 to face Hanging wall Xcut N85° 16'.
L-15 to face drift: N18° 25', thence N10° 21', thence N20° 52'.

The hanging wall crosscut was driven to prospect the quartzite for the most favorable area for drifting. Following this, the drift started along the granite-quartzite contact. The contact was offset to the east and last where the drift encountered a shear zone striking about N80°E at a point 70' in from station L-15. The drift was turned onto a N20°E bearing and was to continue on this bearing until the contact was intercepted once more past the offset. The face is a very hard, dry, blue quartzite, devoid of sulfide mineralization other than a little pyrite. Alteration is evident along slips and calcite stringers.

COMPANY DISTRIBUTION OF LABOR COSTS

Underground supervision	356.[illegible]6
Office or administrative	255.28
Direct Labor (crosscut)	1154.88
Compressor and Generator	549.64
Maintenance and Repair of Underground Equipment	166.55
General Labor	124.32
	3380.59
Employee's Travel Allowance	53.25
TOTAL	3433.84

INVENTORY

For items on hand and total value, see attached sheet.

MISCELLANEOUS

Measured water flow from the tunnel was 1200 cpm during the month. Weather conditions were clear, hot and windy, with the last few days turning cool and cloudy.

Respectfully submitted,

[illegible], [illegible]

George McCall

George McCall, Superintendent

cc: 10 to Spokane
cc: B. Dallinger

PAYMASTER INCORPORATED

INVENTORY

August 31, 1952

Quantity	Description	Value
8200'	Stull timber	$ 1640.00
1244 bd. ft.	Random Lagging, etc.,old	93.30
3024 bd. ft.	Random Lagging, new	241.92
64'	14" Culvert Pipe	153.60
200'	4" victaulic pipe	262.00
300'	1" pipe	63.75
795'	12" ventilating tube	985.80
2667 #	20# steel rail	166.69
4100 #	Blasting Powder	824.10
700	Electric Primers	168.00
1 Roll	Fuse	42.00
9 boxes	Blasting Caps	21.24
½ ton	Coal	7.88
550 gallons	Diesel Fuel	85.25
300 gallons	Stove Oil	48.00
7	Carbide Drill Bits	80.85
2 pair	Rubber Boots (commissary)	15.10
		$4899.48

Standard Form No. 1034a—Revised
Form prescribed by
Comptroller General, U. S.
September 7, 1950
(Gen. Reg. No. 51, Supp. No. 11)

PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

D. O. Vou. No. .....

Bu. Vou. No. DMA-371

U. S. Interior, Mines
(Department, bureau, or establishment)

RECEIVED SEP 12 1952

Voucher prepared at Albany, Oregon 9/8/52
(Give place and date)

PAID BY

(For use of Paying Office)

THE UNITED STATES, Dr., Payee's Account No. Idm-E 59

To Paymaster, Inc.,
(Payee)

611 Peyton Bldg., Spokane 1, Washington
(Address) (City) (State)

No. and Date of Order	Date of Delivery or Service	ARTICLES OR SERVICES (Enter description, item number of contract or Federal supply schedule, and other information deemed necessary)	QUANTITY	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
		Discount Terms net					
	July 1952	As per attached certified form MF-104 dated August 26, 1952				3,115	53
PAYMENT: Complete ☐ Partial ☐ Final ☐		Use continuation sheet(s) if necessary					

Shipped from to Weight Government B/L No. Total 3,115 53

(Payee must NOT use this space)

Differences .....

Account verified; correct for 3,115 53

(Signature or initials) .....

Contract No. Idm-E 59 Date Req. No. Date Invoice Rec'd.

3,115.53

MEMORANDUM

ACCOUNTING CLASSIFICATION (For completion by Administrative Office)

Appropriation, limitation, or project symbol	Appropriation title	Limit'n. or Proj't. Amount	Appropriation Amount
14X4401	Revolving Fund, Defense production Act, Interior	3,115.53	3,115.53

Allotment symbol	Amount	Obligations liquidated	COST ACCOUNT Symbol	COST ACCOUNT Amount	OBJECTIVE CLASSIFICATION Symbol	OBJECTIVE CLASSIFICATION Amount

Paid by { Check No. ..... dated ....., 19....., for $..... } on Treasurer of the United States in favor of payee named above.
{ Cash, $....., on ....., 19.....

16—22900a-2

METHOD OF OR ABSENCE OF ADVERTISING

METHOD OF ADVERTISING

1. Advertising in newspapers Yes ☐ No ☐.
2. (*a*) Advertising by circular letters sent to ..... dealers.
   (*b*) And by notices posted in public places Yes ☐ No ☐.

   (If notices were not posted in addition to advertising by circular letters sent to dealers, explanation of such omission must be made below.)

ABSENCE OF ADVERTISING

3. Without advertising, under an exigency of the service which existed prior to the order and would not admit of the delay incident to advertising.
4. Without advertising in accordance with .....
5. Without advertising, it being impracticable to secure competition because of .....

.....

.....

.....

.....

(Here state in detail the nature of the exigency or circumstances under which the securing of competition was impracticable under 3 and 4)

NOTE.—The above form "Method of or Absence of Advertising" is to be used when purchases are made or services secured under proper authority without written agreement in any form. In case of a written agreement (formal contract, proposal, and acceptance, or less formal agreement) Standard Form No. 1036—Revised should be used for abstracting the method of or absence of advertising and award of contract. (See General Regulations No. 51, as amended.)

U. S. GOVERNMENT PRINTING OFFICE : 1950 O—75805

16—22900a-2

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53
Defense Minerals Administration
RECEIVED
SEP 12 1952

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of July, 1952 Docket No. DMEA 391X Contract No. Idm-859

Operator's Name Paymaster, Inc. Minerals

Address 611 Payton Bldg. Spokane 1, Wash.

Contract Amount, $ 95,020.16 Government Participation: 50 % Amount, $ 47,510.08

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	2774.33	34,746.82	37,521.15			
Supervision	500.00	4,552.20	5,052.20			
Technical Services		129.43	129.43			
(3) Operating Mat'ls. and Supplies:						
Timber		4,032.71	4,032.71			
Explosives	1033.75	5,290.72	6,324.47			
Pipe						
Track						
Other	377.52	8,995.74	9,373.26			
(4) Operating Equipment:						
Rental Lamps	16.80	75.72	92.52			
Purchase						
Depreciation	461.50	4,486.62	4,948.12			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	13.29	2,097.67	2,110.96			
Sampling and Analysis						
Payroll Taxes	85.99	1,748.72	1,834.71			
Liability Insurance	194.44	1,799.16	1,993.60			
Diesel Power	622.32	4,664.93	5,287.25			
Diamond Drilling		2,260.75	2,260.75			
(8) Contingencies (specify):						
Boarding house	141.72	164.80	306.52			
Equipment under $50		254.47	254.47			
Office, Misc.	184.40	99.36	283.76	9.40		108.76
TOTALS	~~6406.06~~ 6231.06	75,399.82	~~81,805.88~~ 81,630.88	6,231.06	75,399.82	81,630.88

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

Date August 26, 1952 Payee Paymaster, Inc.

Per Frank M. Marr Title President

Frank M. Marr

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

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

(Instructions on reverse)

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

$ 3115.53

Signature (Authorized Certifying Officer)

Date 9/8/52 Vou. No. (See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. 59 in accordance with the terms of the contract.

Signature Elmer C. Mazzell Title Mining Engr. Date Aug 27, 1952

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Thomas E. Howard Title Mining Engr. Date 8/27/52

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MS-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 12 1952

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July 1952 Docket No. DMEA 391X Contract No. Idn-E59

Operator's Name Paymaster, Inc. Minerals

Address 611 Peyton Bldg., Spokane 1, Wash.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	Ft	5637.97	121.3'	$75,138.56	121.3'	$52.01	Ft	Stage III 300'
Crosscutting								
Raising					1444.1'	50.23		Stage I Amended 1467.7'
Shafts								
Winzes								
Drilling: Core				2,898.00	483'	6.00		Stage II 600'
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails				991.80				
Office & Bd House		768.09		2,777.52				
TOTAL DISTRIBUTED COSTS		~~6406.06~~		81,805.88				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		~~6406.06~~ 6231.06		~~81,805.88~~ 81,630.88				

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.

REMARKS:

Date August 26, 1952 Operator Paymaster, Inc.

Per Frank N. Marr Title President
Frank N. Marr

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205676

Standard Form No. 1034a—Revised
Form prescribed by
Comptroller General, U. S.
September 7, 1950
(Gen. Reg. No. 51, Supp. No. 11)

PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

D. O. Vou. No. .....

Bu. Vou. No. DMA-354

U. S. Interior, Mines
(Department, bureau, or establishment)

Voucher prepared at Albany, Oregon 8/26/52
(Give place and date)

THE UNITED STATES, Dr., Payee's Account No. Idm-E-59

To Paymaster, Inc.
(Payee)

611 Peyton Bldg., Spokane 1, Wash.
(Address) (City) (State)

PAID BY

(For use of Paying Office)

No. and Date of Order	Date of Delivery or Service	ARTICLES OR SERVICES (Enter description, item number of contract or Federal supply schedule, and other information deemed necessary) Discount Terms	QUANTITY	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
	June 1952	As per attached certified form MF-104 dated July 31,1952.				2,790	37
PAYMENT: Complete ☐ Partial ☐ Final ☐		Use continuation sheet(s) if necessary					

Shipped from to Weight Government B/L No. Total 2,790 37

(Payee must NOT use this space)

Differences .....

Account verified; correct for 2,790 37

(Signature or initials) .....

Contract No. Idm-E-59 Date Req. No. Date Invoice Rec'd.

2,790.37

MEMORANDUM

ACCOUNTING CLASSIFICATION (For completion by Administrative Office)

Appropriation, limitation, or project symbol	Appropriation title	Limit'n. or Proj't. Amount	Appropriation Amount
14X4401	Revolving Fund, Defense Production Act, Interior.	2,790.37	2,790.37

Allotment symbol	Amount	Obligations liquidated	COST ACCOUNT Symbol	COST ACCOUNT Amount	OBJECTIVE CLASSIFICATION Symbol	OBJECTIVE CLASSIFICATION Amount

Paid by { Check No. ..... dated ....., 19....., for $..... } on Treasurer of the United States in favor of payee named above.
{ Cash, $....., on ....., 19.....

16—22900a-2

METHOD OF OR ABSENCE OF ADVERTISING

METHOD OF ADVERTISING

1. Advertising in newspapers Yes ☐ No ☐.
2. (*a*) Advertising by circular letters sent to ..... dealers.
   (*b*) And by notices posted in public places Yes ☐ No ☐.

   (If notices were not posted in addition to advertising by circular letters sent to dealers, explanation of such omission must be made below.).

ABSENCE OF ADVERTISING

3. Without advertising, under an exigency of the service which existed prior to the order and would not admit of the delay incident to advertising.
4. Without advertising in accordance with .....
5. Without advertising, it being impracticable to secure competition because of .....

.....

.....

.....

.....

(Here state in detail the nature of the exigency or circumstances under which the securing of competition was impracticable under 3 and 4)

NOTE.—The above form "Method of or Absence of Advertising" is to be used when purchases are made or services secured under proper authority without written agreement in any form. In case of a written agreement (formal contract, proposal, and acceptance, or less formal agreement) Standard Form No. 1036—Revised should be used for abstracting the method of or absence of advertising and award of contract. (See General Regulations No. 51, as amended.)

U. S. GOVERNMENT PRINTING OFFICE : 1950 O—75805

16—22000a-2

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

OPERATOR'S MONTHLY REPORT AND VOUCHER

SEP 2 1952

Month of June, 1952 Docket No. DMEA 391X Contract No. Idm-E59
Operator's Name Paymaster, Inc. Minerals
Address 611 Peyton Bldg., Spokane 1, Wash.
Contract Amount, 95,020.16 Government Participation 50 % Amount, $47,510.08

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling				2898 00		
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	1849.94	33,609.90	35,459.84			
Supervision	495.00	4,292.50	4,787.50			
Technical Service Engineering		129.43	129.43			
(3) Operating Mat'ls. and Supplies:						
Timber		4,032.71	4,032.71			
Explosives		5,290.72	5,290.72			
Pipe						
Track						
Other	178.36	8,848.88	9,027.26			
(4) Operating Equipment:						
Rental Lamps	16.80	66.91	83.71			
Purchase						
Depreciation	1384.50	3,321.50	4,706.00			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	97.92	1,999.75	2,097.67			
Sampling and Analysis						
Payroll Taxes	60.44	1,717.01	1,777.45			
Liability Insurance	116.30	1,738.14	1,854.44			
Diesel Power	383.16	4,386.92	4,770.08			
Diamond Drilling	2260.75		2,260.75			
(8) Contingencies (specify):						
Boarding house	97.52	67.28	164.80			
Equipment under $50		254.47	254.47			
Travel, Office & Misc.	75.15	62.96	138.11	36.40		
TOTALS	~~7015.86~~ 5580.74	69,819.08	~~76,834.94~~ 75,399.82	5580.74	69,819.08	75,399.82

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

Date July 31, 1952 *Payee Paymaster, Inc.

Frank N. Marr

Per Frank N. Marr Title President

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

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

(Instructions on reverse)

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

$ 2790 32

Signature WRP
(Authorized Certifying Officer)

Date 8/25/52 Vou. No.
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. 59 in accordance with the terms of the contract.

Signature Elmer A. Magill Title Mining Engr Date Aug 18 1950

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Thomas E. Howard Title Mining Engr Date 8/18/52

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205675

Form [illegible]F-101A
(April 1952)

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

SEP 2 [illegible]

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of June 195 2 Docket No. DMEA 391X Contract No. Idm-E59

Operator's Name Paymaster, Inc. Minerals

Address 611 Peyton Bldg., Spokane 1, Wash.

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								Stage I Amended
Crosscutting		2548.82	14'	69,500.59	1444.1	50.23	Ft	1467.7'
Raising								
Shafts								
Winzes								Stage II
Drilling: Core		4294.37	483'	4,294.37	483'	8.89		600'
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails				991.80				
Office & B d house		172.67		2,048.18				
TOTAL DISTRIBUTED COSTS		~~7015.86~~ 5580.74		~~76,834.94~~ 5580.74				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		~~7015.86~~ 5580.74		~~76,834.94~~ 75,399.82				

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

Date July 31, 1952 Operator Paymaster, Inc.

Per Frank N. Marr Title President

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205676

July 8,1952.

To: Mr.Dellinger,General Manager
Paymaster Inc.
P.O.Box 930
Kellogg,Idaho.

From: Ernest W.Lomas,Foreman
Paymaster Inc.
P.O.Box 182
Carey,Idaho.

Subject: Monthly Report of Operations at the Paymaster Mine for June 1952.

MAIN CROSSCUT

Jun.30,1952	Sta.L-13 to face	223.0 ft.
May 31,1952	Sta.L-13 to face	209.0 ft.
	Advance	14.0 ft.

Advance N.43°36'W.14.0'was in moderately solid granite. At this point and for 10.0' back the drift was widened to about 10.0' to accomodate diamond drill set-up,and two holes were drilled as follows:

No.1 Hole was drilled flat N.15°E.a distance of 144.0'.Caving in hole made casing necessary for a distance of 54.0' with a core recovery of approximately 50%. Core and sludge indicate granite for the entire distance of 144.0'. Hole located at Sta.L-13 plus 220.0'.

No.2 Hole was drilled plus 31°,S.70°W.,a distance of 139.0'.First 90.0' is all granite with better than 80% core recovery and with last few feet of core indicating formation change. 90.0' to 102.0' is all quartzite with full core. 102.0' to 118.0'with 6.0'of core shows considerable quartz and strong evidence of a badly broken and mixed vein structure. 118.0' to 120.5'with 1.0' of core shows a little quartz. 120.5' to 132.0' with good core recovery shows all quartzite. 132.0' to 139.0'drillers were compelled to cut to EX diameter due to caving ground. 3.0' of core for the last 7.0' shows all quartzite. This hole located at Sta.L-13 plus 220.0'.

No.3 Hole was drilled plus 45°,S.47°W.a distance of 200.0'.At 119.0' due to bad ground it was necessary to case hole and reduce size to EX for balance of the distance. Core recovery for the most part was very good and granite was encountered for the entire distance. Hole is located at Sta. L-13 plus 50.0'.

Diamond drill program was completed June 30,1952.

GENERAL DISTRIBUTION OF LABOR COSTS

Underground supervision	$ 495.00
Office or administrative	412.50
Boarding House (cook)	180.00
Direct Labor, Main crosscut	754.92
Compressor	592.25
Maintenance and Repair Surface Equipment	27.84
Maintenance and Repair Underground Equipment	32.48
General Labor	29.95
	$ 2524.94
Employee's travel allowance	36.75
Total payroll	$ 2561.69

INVENTORY

For items on hand and total value, see attached sheet.

BOARDING HOUSE STATEMENT

Supplies purchased during June 1952	$ 140.32	
Cook's wages	180.00	
Total cost		$ 320.32

Total payroll deductions for employees staying in boarding house	$ 126.67	
Nichols & Thompson Diamond Drill Co. employees board paid by check	82.50	
Discount allowed	13.83	
Operating loss	97.52	
		$ 320.32

Weather conditions for June have been generally fair with high temperatures tempered by gentle to high winds.

Respectfully submitted,

Ernest W. Lomas

Ernest W. Lomas
Foreman.

PAYMASTER INC.

INVENTORY AS OF JUNE 30,1952.

Quantity	Description	Value
8900'	Stull timber	$ 1780.00
64'	Culvert pipe	153.60
105'	1" pipe	22.32
380'	4" pipe	497.80
810'	12" ventilating pipe	1004.40
2200#	Powder	442.20
3740#	20# steel rail	233.75
6000'	Random lagging etc.	450.00
1 ton	Coal	15.75
1 roll	Fuse	42.00
9 boxes	Blasting caps	21.24
384	Electric primers	92.16
1000 gals.	Diesel oil	155.00
150 gals.	Stove oil	24.00
13	Carbide drill bits	150.15
	Commissary	7.15
	Total	$ 5091.52

Standard Form No. 1034a—Revised
Form prescribed by
Comptroller General, U. S.
September 7, 1950
(Gen. Reg. No. 51, Supp. No. 11)

PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

D. O. Vou. No. .....

Bu. Vou. No. DMA-301

U. S. Interior, Mines
(Department, bureau, or establishment)

Voucher prepared at Albany, Oregon 7/11/52
(Give place and date)

THE UNITED STATES, Dr., Payee's Account No. Idm-E 59

To Paymaster, Inc.,
(Payee)

611 Peyton Bldg., Spokane 1, Washington
(Address) (City) (State)

PAID BY

(For use of Paying Office)

No. and Date of Order	Date of Delivery or Service	ARTICLES OR SERVICES (Enter description, item number of contract or Federal supply schedule, and other information deemed necessary) Discount Terms net	QUANTITY	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
	May 1952	As per attached certified form MF-104 dated June 30, 1952				2,882	17
PAYMENT: Complete ☐ Partial ☐ Final ☐		Use continuation sheet(s) if necessary					
Shipped from	to	Weight	Government B/L No.		Total	2,882	17

(Payee must NOT use this space)

Differences .....

Account verified; correct for 2,882 17

(Signature or initials) .....

Contract No. Idm-E 59 Date Req. No. Date Invoice Rec'd.

2,882.17

MEMORANDUM

ACCOUNTING CLASSIFICATION (For completion by Administrative Office)

Appropriation, limitation, or project symbol	Appropriation title	Limit'n. or Proj't. Amount	Appropriation Amount
14X4401	Revolving Fund, Defense Production Act, Interior	2,882.17	2,882.17

Allotment symbol	Amount	Obligations liquidated	COST ACCOUNT Symbol	COST ACCOUNT Amount	OBJECTIVE CLASSIFICATION Symbol	OBJECTIVE CLASSIFICATION Amount

Paid by { Check No. ..... dated ....., 19....., for $..... } on Treasurer of the United States in favor of payee named above.
{ Cash, $....., on ....., 19.....

16—22900a-2

METHOD OF OR ABSENCE OF ADVERTISING

METHOD OF ADVERTISING

1. Advertising in newspapers Yes ☐ No ☐.
2. (*a*) Advertising by circular letters sent to ..... dealers.
   (*b*) And by notices posted in public places Yes ☐ No ☐.

   (If notices were not posted in addition to advertising by circular letters sent to dealers, explanation of such omission must be made below.).

ABSENCE OF ADVERTISING

3. Without advertising, under an exigency of the service which existed prior to the order and would not admit of the delay incident to advertising.
4. Without advertising in accordance with .....
5. Without advertising, it being impracticable to secure competition because of .....

.....

.....

.....

.....

(Here state in detail the nature of the exigency or circumstances under which the securing of competition was impracticable under 3 and 4)

NOTE.—The above form "Method of or Absence of Advertising" is to be used when purchases are made or services secured under proper authority without written agreement in any form. In case of a written agreement (formal contract, proposal, and acceptance, or less formal agreement) Standard Form No. 1036—Revised should be used for abstracting the method of or absence of advertising and award of contract. (See General Regulations No. 51, as amended.)

U. S. GOVERNMENT PRINTING OFFICE : 1950 O—75805

16—22000a-2

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

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

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

Wash

Month of May, 1952 Docket No. DMEA 391X Contract No. Idm-E59
Operator's Name Paymaster, Inc. Minerals
Address 611 Peyton Bldg., Spokane 1, Wash.
Contract Amount, $ 95,020.16 Government Participation: 50% Amount, $ 47,510.08

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	3,589.52	31,341.69	34,931.21			
Supervision	495.00	4,135.00	4,630.00			
Technical Services Engineering		129.43	129.43			
(3) Operating Mat'ls. and Supplies:						
Timber		4,032.71	4,032.71			
Explosives	402.00	4,888.72	5,290.72			
Pipe						
Track						
Other	297.94	8,550.94	8,848.88			
(4) Operating Equipment:						
Rental Lamps	16.80	50.11	66.91			
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	48.98	1,950.77	1,999.75			
Sampling and Analysis						
Payroll Taxes	164.53	1,622.45	1,786.98			
Liability Insurance	220.68	1,680.98	1,901.66			
Equip. furnished by operator	461.50	3,783.00	4,244.50	-0-		
Diesel power	341.62	4,045.30	4,386.92			
(8) Contingencies (specify):						
Boarding house	75.15	424.48	499.63	67.28		
Equipment under $50		261.52	261.52			
Travel, phone, office, water permit, misc.	61.95	96.65	158.60	-0-	76.16	
TOTALS	6,175.67	66,993.75	73,169.42	5,644.35	64,174.73	69,819.08

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

Date June 30, 1952 *Payee Paymaster, Inc.

Frank N. Marr

Per Frank N. Marr Title President

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

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

(Instructions on reverse)

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

$2,822.17

Signature WR
(Authorized Certifying Officer)

Date 7/11/52 Vou. No.
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. DM-209 in accordance with the terms of the contract.

Signature Thomas E. Howard Title Mining Engr. Date 1-3-52

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Glenn A. Reed Title Mng. Engr. Date 7/3

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of May 1952 Docket No. DMEA 391X Contract No. Idm-E59
Operator's Name Paymaster, Inc. Minerals
Address 611 Peyton Bldg., Spokane 1, Wash.

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								Stage 1 Amended
Crosscutting	Ft	5,688.02	168'	69,767.07	1,430.1'	51.13	ft	1,467.7'
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails				991.80				
Office & Bd house		487.65		2,410.55				
TOTAL DISTRIBUTED COSTS		6,175.67		73,169.42				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc								
TOTAL COSTS								

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

Date June 30, 1952 Operator Paymaster, Inc.
Per Frank N. Marr Title President

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205676

JUL 1 8 1952
DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
LIBRARY

June 5,1952.

To: Mr.J.C.Kieffer,General Manager
Paymaster Inc.
P.O.Box 930
Kellogg,Idaho.

From: Ernest W.Lomas,Foreman
Paymaster Inc.
P.O.Box 182
Carey,Idaho.

Subject: Monthly Report of Operations at the Paymaster Mine for May 1952.

MAIN CROSSCUT

May 31,1952	Sta.L-13 to face	209.0 ft.
Apr.30,1952	Sta.L-13 to face	41.0 ft.
	Advance	168.0 ft.

At Sta.L-13 + 175.0' we entered another major shear zone for approximately 25 feet. More than 10 feet of this was gouge and the balance badly crushed granite,and required heavy timbering. Water flow still heavy with additional flows frequently encountered in the advance. Bearing of crosscut continues N.45°36'W.as shown in last survey notes.Entire advance for this month in granite.

GENERAL DISTRIBUTION OF LABOR COSTS

Underground supervision	$ 495.00
Office or administrative	412.50
Boarding House (cook)	180.00
Direct Labor,Main crosscut	2262.45
Compressor	842.58
Maintenance and Repair Surface Equipment	17.20
Maintenance and Repair Underground Equipment	54.81
	$ 4264.52
Employee's travel allowance	60.00
Total payroll	$ 4324.52

INVENTORY

For items on hand and total value,see attached sheet.

BOARDING HOUSE STATEMENT

Supplies purchased during May 1952.....	$ 122.52	
½ ton coal.....	7.87	
Cook's wages.....	180.00	
Total cost		$ 310.39

Total payroll deductions for employees staying in boarding house.....	$ 222.99	
discount allowed.....	12.25	
Operating loss.....	75.15	
		$ 310.39

Generally, weather conditions have been fair with warm to hot temperatures, occasional rain in the mountains and quite frequent high velocity winds.

Respectfully submitted,

Ernest W. Lomas

Ernest W. Lomas
Foreman.

PAYMASTER INC.

INVENTORY AS OF MAY 31,1952.

Quantity		Description	$ Value
8900'		stull timber	$ 1780.00
64'		culvert pipe	153.60
105'		1" pipe	22.32
400'		4" pipe	524.00
810'		12" ventilating pipe	1004.40
2500#		blasting powder	500.75
4000#		20# steel rail	250.00
6000'		random lagging etc.	450.00
1	ton	coal	15.75
1	roll	fuse	42.00
9	boxes	blasting caps	21.24
467		electric primers	112.08
550	gals.	diesel oil	85.25
200	gals.	stove oil	32.00
16		carbide bits	184.80
		commissary	7.09
		Total	$ 5185.28

MF-104
(August 1951)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No. —59
Idm-E

Name of Operator Paymaster, Inc.
Docket No. DMA 391 X
Total Contract Amount $ 95,020.16
Government Participation: 50 % Amount $ 47,510.08
Distribution of Expenditures for Month of April, 1952

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

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

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

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

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

CERTIFICATION

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

Paymaster, Inc.
(Name of Company)

By Frank N. Moore
(Signature of Authorized Official)

May 29, 1952
(Date)

President
(Title)

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

16—64068-3

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only		
				Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(a) Facilities						
(b) Buildings						
(c) Fixtures						
2. Operating Equipment:						
(a) Purchased[1]						
(b) Rented[2]	16.80	33.31	50.11	16.80		
(c) Furnished by operator	461.50	3321.50	3783.00	—		
3. Rehabilitation and Repairs:						
(a) Facilities						
(b) Buildings						
(c) Installations						

MONTHLY [redacted]MENT—Cont[redacted]

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
4. Labor [3]	3934.92	27,406.77	31,341.69	496.48		
5. Supervision	495.00	3,640.00	4,135.00	495.00		
6. Supplies						
(a) Timber		4,032.71	4,032.71			
(b) Explosives		4,888.72	4,888.72			
(c) Repair Parts	153.03	1,797.74	1,950.77			
(d) Other	34.31	8,516.63	8,550.94			
7. Power Diesel	250.17	3,795.13	4,045.30			
8. Transportation						
9. Insurance						
(a) Fire						
(b) Public Liability						
(c) Workmen's Compensation	241.45	1,439.53	1,680.98			
Payroll Taxes	211.12	1,411.33	1,622.45			
10. Contract Work						
11. Other (specify) Boarding house	88.74	335.74	424.48			
Equipment under $50.00	7.05	254.47	261.52			
Application water permit		5.25	5.25			
Engineering		129.43	129.43			
Phone, Adv. & office exp.	35.18	38.97	74.15	31.94		
Travel	17.25		17.25			
Total	5946.52	61,047.23	66,993.75			
Deletions						
Adjusted totals						
Totals previously reported						
Totals to date				5630.30	58,544.43	64,174.73

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

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

FOR GOVERNMENT USE ONLY

Checked by WRF
Entered by
Approved by Harold D. Peno
Amount approved for payment $ 2815.15
Remarks

16—64068-3

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF April, 1952

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting										(Stage I)
Crosscutting	2911.49		206.33	952.96	4250.78	ft	190'	1072.1'	1262.1'	1367.7'
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails	305.93		26.46	25.73	342.12					
Testing office	424.90		45.72	100.40	571.02					
Other (specify)										
Totals	4539.92		483.52	1078.69	5946.52	ft	190'	1072.1'	1262.1'	1367.7'

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

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

May 7,1952.

To: Mr.J.C.Kieffer,General Manager
Paymaster Inc.
P.O.Box 930
Kellogg,Idaho.

From: Ernest W.Lomas,Foreman
Paymaster Inc.
P.O.Box 182
Carey,Idaho.

Subject: Monthly Report of Operations at the Paymaster Mine for April 1952.

MAIN CROSSCUT

April 30,1952	Sta.L-12 to face	312.0 ft.
March 31,1952	Sta.L-12 to face	122.0 ft.
	Advance	190.0 ft.

With the exception of two points at which major jointing occurred in the granite accompanied by heavy water flows,no timbering was required.The sections requiring timber were for a distance of about 15 feet each.High pressure water flow from drill holes is still being encountered at times. The drift from Sta.L-12,312 feet to face bears N.40 W.This is a correction of 2 degrees from the former reading given you.

GENERAL DISTRIBUTION OF LABOR COSTS

Underground supervision	$ 495.00
Office or administrative	412.50
Boarding House (cook)	261.56
Direct Labor,Main crosscut	2505.17
Compressor	827.41
Maintenance and Repair Surface Equipment	56.70
General Labor	27.21
Road Repairs	105.93
	$ 4691.48
Employee's travel allowance	17.25
Total payroll	$ 4708.73

INVENTORY

For items on hand and total value,see attached sheet.

BOARDING HOUSE STATEMENT

Supplies purchased during April 1952.....$	160.73 160.63	
½ ton coal.....	7.87	
Stove oil for heating.....	12.00	
Cook's wages.....	261.56	
Total cost		$ 442.16
Total payroll deductions for employees staing in boarding house.....$	353.32	
Deficit.....	88.84 88.74	
		$ 442.16

Weather conditions in general for the month have been fair and warm daytimes with dropping temperatures at night. Flood conditions were quite severe for the district generally but at present are much improved.

Respectfully submitted,

Ernest W. Lomas

Ernest W.Lomas
Foreman.

PAYMASTER INC.

INVENTORY AS OF APRIL 30,1952.

Quantity		Description	$ Value
9609'		stull timber	$ 1921.80
64'		culvert pipe	153.60
105'		1" pipe	22.32
580'		4" pipe	759.80
810'		12" ventilating pipe	1004.40
2450#		blasting powder	483.87
6400#		20# steel rail	400.00
7000'		random lagging	525.00
1½	tons	coal	23.63
1	roll	fuse	42.00
9	boxes	blasting caps	21.24
1067		electric primers	256.08
1400	gals.	diesel oil	217.00
150	gals.	stove oil	24.00
20		carbide bits	231.00
		commissary	7.29
		Total	$ 6093.03

July 30, 1952

Defense Minerals Exploration Admin.
c/o Bureau of Mines
1201 W.Division Street
Spokane, Wash.

Gentlemen:

We submit herewith Form MF-104 in accordance with the suggestion by Mr. W. Rulon Lee, Fiscal Officer, as of July 4, 1952. Inasmuch as the amount submitted ($6,483.21) has been previously approved by Mr. Lee as of May 9, 1952, we herewith request payment of the balance of the amount due of $3,011.89. This amount represents $2,150.00, which is the 10% holdback mentioned by Mr. Lee, and a balance due according to the January report in the amount of $861.89 covered by Amendment #3 to the contract #Idm-859. Payment for the latter amount is justified because Amendment #3 to the contract is designed to start work at the actual point at which the previous authorization ~~would have~~ expired. In actual fact, work did not stop at the designated point.

Distribution and supporting papers have been previously furnished the D.M.E.A.

The above mentioned figures have not been covered by other payments received from the D.M.E.A.

Yours very truly,

Frank N. Harr
President

FNH:DO
Enc.

No prior notice

MI-3
(August 1951)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No.
Idm-E 59

Name of Operator Paymaster, Inc.
Docket No. DMA 391 X
Total Contract Amount $ 95,020.16
Government Participation: 50 % Amount, $ 47,510.08
Distribution of Expenditures for Month of March, 1952

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

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

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

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

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

CERTIFICATION

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

Paymaster, Inc. (Name of Company)

By [signature] (Signature of Authorized Official)

May 28, 1952 (Date)

President (Title)

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

16—64068-3

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only		
				Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(a) Facilities						
(b) Buildings						
(c) Fixtures						
2. Operating Equipment:						
(a) Purchased[1]						
(b) Rented[2]	16.80	16.51	33.31	16.80		
	461.50	2860.00	3321.50	461.50		
(c) Furnished by operator						
3. Rehabilitation and Repairs:						
(a) Facilities						
(b) Buildings						
(c) Installations						

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
4. Labor[3]	5883.05	21,523.72	27,406.77	4300.18		
5. Supervision	832.50	2,807.50	3,640.00	495.00		
6. Supplies						
(a) Timber		4,032.71	4,032.71			
(b) Explosives	256.31	4,632.41	4,888.72	256.31		
(c) Repair Parts	89.66	1,708.08	1,797.74	89.66		
(d) Other	413.86	8,102.77	8,516.63	413.86		
7. Power		3,795.13	3,795.13			
8. Transportation						
9. Insurance						
(a) Fire						
(b) Public Liability						
(c) Workmen's Compensation	367.18	1,072.35	1,439.53	238.68		
Payroll Taxes	320.77	1,090.56	1,411.33	215.78		
10. Contract Work						
11. Other (specify) Boarding House	335.74		335.74	—		
Equipment under $50.00	1.19	253.28	254.47	1.19		
Application water permit		5.25	5.25			
Engineering		129.43	129.43			
Phone & Advertising	38.97		38.97	25.77		
Total	9017.53	52,029.70	61,047.23			
Deletions						
Adjusted totals						
Totals previously reported						
Totals to date				6514.73	52,029.70	58,544.43

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

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

FOR GOVERNMENT USE ONLY

Checked by W. R. Lee
Entered by
Approved by Horace T. Reno
Amount approved for payment $ 3257.36
Remarks

16—64068-3

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF March, 1952

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A) (Stage I)
Drifting										
Crosscutting	5809.34		657.26	1333.56	7800.16	ft	107'	965.1'	1072.1'	1387.7'
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails	299.96		33.96	69.17	403.09					
~~Overhead~~ Office	606.25		68.61	139.42	814.28					
Other (specify)										
Totals	6715.55		759.83	1542.15	9017.53	ft	107'	965.1'	1072.1'	1387.7'

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

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

April 5,1952.

To: Mr.J.C.Kieffer,General Manager
Paymaster Inc.
P.O.Box 930
Kellogg,Idaho.

From: Ernest W.Lomas,Foreman
Paymaster Inc.
P.O.Box 182
Carey,Idaho.

Subject: Monthly Report of Operations at the Paymaster Mine for March,1952.

MAIN CROSSCUT

March 31,1952	Sta.L-12 to face	122.0 ft.
Feby.29,1952	Sta.L-12 to face	15.0 ft.
	Advance	107.0 ft.

While the advance for this period has been through granite of varying degrees of hardness,it was deemed advisable to timber the drift for the entire distance. Water flow has been very heavy and at times produced a hydrostatic pressure in the drill holes which made loading difficult. The general course (Brunton reading) for this advance is N.42° W. The

GENERAL DISTRIBUTION OF LABOR COSTS

Underground supervision	$ 495.00
Office or Administrative	412.50
Boarding House (cook)	412.99
Direct Labor,Main crosscut	2115.30
Compressor	951.01
Maintenance and Repair Surface Equipment	27.21
Maintenance and Repair Underground Equipment	8.82
General Labor	72.39
Road Repair (Snow Removal)	299.96
Total Payroll	$ 4795.18

INVENTORY

For items on hand and total value see attached sheet.

BOARDING HOUSE STATEMENT

Supplies purchased during March 1952.....	$ 349.33	
1 ton coal.....	15.75	
Stove oil for heating.....	16.00	
Cook's wages.....	412.99	
Total cost		$ 794.07
Total payroll deductions for employees staying in boarding house.....	$ 458.33	
Deficit.....	335.74	
		$ 794.07

Note: The regular salaried cook having left, it was necessary to employ the services of another at a much higher pay rate. Cooks are difficult to find.

We have had greatly varied weather conditions during the month. Have had two very heavy snow falls and several wind storms of blizzard intensity.

Respectfully submitted,

Ernest W. Lomas

Ernest W. Lomas
Foreman.

PAYMASTER INC.

INVENTORY AS OF MARCH 31,1952.

Quantity	Description	Value
9759'	stull timber	$ 1951.80
64'	culvert pipe	153.60
105'	1" pipe	22.32
701'	4" pipe	984.71
810'	12" ventilating pipe	1004.40
4500#	blasting powder	888.75
11260#	20# steel rail	703.75
10320'	random lagging	774.00
2 tons	coal	31.50
1 roll	fuse	42.00
9 boxes	blasting caps	21.24
1707	electric primers	409.68
2400 gals.	diesel oil	372.00
300 gals.	stove oil	48.00
24	carbide bits	277.20
	commissary	7.29
	Total	$7692.24

Standard Form No. 1034a—Revised
Form prescribed by
Comptroller General, U. S.
September 7, 1950
(Gen. Reg. No. 51, Supp. No. 11)

PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

D. O. Vou. No. .....

Bu. Vou. No. DMA-293

U. S. Interior, Mines
(Department, bureau, or establishment)

Voucher prepared at Albany, Oregon 7/8/52
(Give place and date)

THE UNITED STATES, Dr., Payee's Account No. Idm-E--59

To Paymaster, Inc.,
(Payee)

611 Poyton Bldg., Spokane 1, Washington
(Address) (City) (State)

PAID BY

(For use of Paying Office)

No. and Date of Order	Date of Delivery or Service	ARTICLES OR SERVICES (Enter description, item number of contract or Federal supply schedule, and other information deemed necessary)	QUANTITY	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
		Discount Terms net					
	February 1952(Suppl)	As per attached certified Form MF-104 dated 6/3/52 attached.				2,602	45
	March 1952	As per attached certified Form MF-104 dated 5/28/52 attached.				3,257	36
	April 1952	As per attached certified Form MF-104 dated May 29, 1952				2,815	15
PAYMENT: Complete ☐ Partial ☐ Final ☐		Use continuation sheet(s) if necessary			Total	8,674	96

Shipped from to Weight Government B/L No.

(Payee must NOT use this space)

Differences .....

Account verified; correct for .....

(Signature or initials) .....

8,674 96

Contract No. Idm-E --59 Date Req. No. Date Invoice Rec'd.

8,674.96

MEMORANDUM

ACCOUNTING CLASSIFICATION (For completion by Administrative Office)

Appropriation, limitation, or project symbol	Appropriation title	Limit'n. or Proj't. Amount	Appropriation Amount
14X4401	Revolving Fund, Defense Production Act, Interior	8,674.96	8,674.96

Allotment symbol	Amount	Obligations liquidated	COST ACCOUNT Symbol	COST ACCOUNT Amount	OBJECTIVE CLASSIFICATION Symbol	OBJECTIVE CLASSIFICATION Amount

Paid by { Check No. ..... dated ....., 19....., for $..... } on Treasurer of the United States in favor of payee named above.
{ Cash, $....., on ....., 19.....

16—22900a-2

METHOD OF OR ABSENCE OF ADVERTISING

METHOD OF ADVERTISING

1. Advertising in newspapers Yes ☐ No ☐.
2. (*a*) Advertising by circular letters sent to ..... dealers.
   (*b*) And by notices posted in public places Yes ☐ No ☐.

   (If notices were not posted in addition to advertising by circular letters sent to dealers, explanation of such omission must be made below.).

ABSENCE OF ADVERTISING

3. Without advertising, under an exigency of the service which existed prior to the order and would not admit of the delay incident to advertising.
4. Without advertising in accordance with .....
5. Without advertising, it being impracticable to secure competition because of .....

.....

.....

.....

.....

(Here state in detail the nature of the exigency or circumstances under which the securing of competition was impracticable under 3 and 4)

NOTE.—The above form "Method of or Absence of Advertising" is to be used when purchases are made or services secured under proper authority without written agreement in any form. In case of a written agreement (formal contract, proposal, and acceptance, or less formal agreement) Standard Form No. 1036—Revised should be used for abstracting the method of or absence of advertising and award of contract. (See General Regulations No. 51, as amended.)

U. S. GOVERNMENT PRINTING OFFICE : 1950 O—75805

16—22000a-2

MF-108
(August 1951)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No.
Idm-E --59

Name of Operator Paymaster, Inc.
Docket No. DMA 391 X
Total Contract Amount $ 95,020.16
Government Participation: 50 % Amount, $ 47,510.08
Distribution of Expenditures for Month of February, 1952 (Re-Claimed)

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

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

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

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

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

CERTIFICATION

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

Paymaster, Inc.
(Name of Company)

By [signature]
(Signature of Authorized Official)

June 3, 1952
(Date)

President
(Title)

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

16—64068-3

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Feb. Monthly Total Re-Claimed	Totals Previously Reported	Totals to Date	For Government Use Only		
				Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(a) Facilities						
(b) Buildings						
(c) Fixtures						
2. Operating Equipment:						
(a) Purchased[1]						
(b) Rented[2] Lamps	16.51		16.51			
(c) Furnished by operator	461.50	2398.50	2860.00			
3. Rehabilitation and Repairs:						
(a) Facilities						
(b) Buildings						
(c) Installations						

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
4. Labor[3]	3847.88	17,675.84	21,523.72			
5. Supervision	450.00	2,357.50	2,807.50			
6. Supplies						
(a) Timber		4,032.71	4,032.71			
(b) Explosives		4,632.41	4,632.41			
(c) Repair Parts		1,708.08	1,708.08			
(d) Other		8,102.77	8,102.77			
7. Power Diesel		3,795.13	3,795.13			
8. Transportation						
9. Insurance						
(a) Fire						
(b) Public Liability						
(c) Workmen's Compensation	235.60	836.75	1,072.35			
P.R.Taxes	193.40	897.16	1,090.56			
10. Contract Work						
11. Other (specify)						
Equipment under $50		253.28	253.28			
Application water permit		5.25	5.25			
Engineering		129.43	129.43			
Total	5,204.89	46,824.81	52,029.70			
Deletions						
Adjusted totals						
Totals previously reported						
Totals to date	✓	✓	✓			

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

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

FOR GOVERNMENT USE ONLY

Checked by W. R. Lee
Entered by
Approved by Glenn A. Rudy
Amount approved for payment $26024.5
Remarks

16—64068-3

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF February, 1952 (Re-Claimed)

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A) (Stage I)
Drifting										
Crosscutting	3296.29		2101.02	907.01	6304.32	ft	72.4'	892.7'	965.1'	1387.7'
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails	446.59				446.59					
~~Transpo~~ts Office & Cook	555.00				555.00					
Other (specify)										
Totals	4297.88		2101.02	907.01	7305.91*	ft	72.4'	892.7'	965.1'	1387.7'

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

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

* See original February report.

MF-124
(August 1951)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No.
Idm-E - 59

Name of Operator Paymaster, Inc.
Docket No. DMA 391 X
Total Contract Amount $ 95,020.16
Government Participation: 50 % Amount, $ 47,510.08
Distribution of Expenditures for Month of February, 1952

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

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

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

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

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

Defense Minerals Administration
JUN 20 1952

CERTIFICATION

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

Paymaster, Inc.
(Name of Company)

By [signature]
(Signature of Authorized Official)

May 22, 1952
(Date)

President
(Title)

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

16—64068-3

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only		
				Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(a) Facilities						
(b) Buildings						
(c) Fixtures						
2. Operating Equipment:						
(a) Purchased[1]						
(b) Rented[2] Lamps	16.51		16.51	0		
(c) Furnished by operator	461.50	2398.50	2860.00	0		
3. Rehabilitation and Repairs:						
(a) Facilities						
(b) Buildings						
(c) Installations						

16—64068-3

MONTH[redacted] SUMMARY COST STATEMENT—C[redacted]ued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
4. Labor[3]	3847.88	17,675.84	21,523.72	0		
5. Supervision	450.00	2,357.50	2,807.50	0		
6. Supplies						
(a) Timber	304.35	3,728.36	4,032.71			
(b) Explosives	234.50	4,397.91	4,632.41			
(c) Repair Parts	67.83	1,640.25	1,708.08			
(d) Other	557.04	7,545.73	8,102.77			
7. Power Diesel	937.30	2,857.83	3,795.13			
8. Transportation						
9. Insurance						
(a) Fire						
(b) Public Liability						
(c) Workmen's Compensation	235.60	836.75	1,072.35	0		
P R Taxes	193.40	897.16	1,090.56	0		
10. Contract Work						
11. Other (specify)						
Equip under $50.00		253.28	253.28			
Application water permit		5.25	5.25			
Engineering		129.43	129.43			
Total	7,305.91	44,723.79	52,029.70			
Deletions						
Adjusted totals						
Totals previously reported						
Totals to date				2101.02	44,723.79	46,824.81

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

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

FOR GOVERNMENT USE ONLY

Checked by W R Lee
Entered by
Approved by Frank T. Reno
Amount approved for payment $1057.51
Remarks

16—64068-3

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF February, 1952

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Crosscutting	3851.29		2101.02	907.01	6859.32	ft	60.4	892.7	953.1	
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails	446.59				446.59					
Test pits										
Other (specify)										
Totals	4297.88		2101.02	907.01	7305.91	ft	60.4	892.7	953.1	

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

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

March 5, 1952.

To: Mr. J.C. Kieffer, General Manager
Paymaster, Inc.
P. O. Box 930
Kellogg, Idaho

From: Ernest W. Lomas, Foreman
Paymaster, Inc.
P. O.Box 182
Carey, Idaho

Subject: Monthly report of Operations at the Paymaster Mine for February, 1952.

MAIN CROSSCUT

February 21, 1952 .....Sta.L-11 to face.....149.0 Ft.
January 31, 1952.....Sta.L-11 to face.....88.6 Ft.
Advance 60.4 Ft.

NOTE: On February 21, 1952, face caved and a new crosscut was started at Sta.L-12 which is approximately 81 feet S.80° W. from Sta. L-11. The new crosscut from Sta.L-12 bears approximately N.42° W. and has been driven to a point 15 feet distant as of February 29, 1952.
THUS:
February 29, 1952.....Sta.L-12 to face..... 15.0 Ft.
February 23, 1952.....Sta.L-12 to side of drift..... 3.0 Ft.
Advance 12.0 Ft.

Total advance for month of February, 1952, 60.4' plus 12.0' = 72.4 feet.

Crosscut for this period has been all in granite which in the case of the fault encountered on February 21, was very badly crushed. The flow of water at this point was the greatest so far in the development program.

GENERAL DISTRIBUTION OF LABOR COSTS

Supervision	$ 450.00
Office or Administrative	375.00
Boarding House (cook)	180.00
Direct Labor, Main crosscut	1,848.13
Compressor	695.89
Maintenance and Repair Surface Equipment	50.25
Maintenance and Repair Underground Equipment	25.00
General Labor	227.02
Road Repair (Snow Removal)	446.59
Total Payroll	$ 4,297.88

PAYMASTER INC.

INVENTORY AS OF FEBRUARY 29,1952.

Quantity	Description	Value
10384'	stull timber	$ 2076.80
64'	culvert pipe	153.60
105'	1" pipe	22.32
821'	4" pipe	1128.71
810'	12" ventilating pipe	1004.40
5700#	blasting powder	1125.75
12060#	20# steel rail	753.75
12320'	random lagging and lumber	924.00
3 tons	coal	47.25
1 roll	fuse	42.00
9 boxes	blasting caps	21.24
1150	electric primers	267.61
5600 gals.	diesel oil	868.00
500 gals.	stove oil	80.00
24	carbide drill bits	277.20
	commissary	22.44
	Total	$ 8815.07

Standard Form No. 1034a—Revised
Form prescribed by
Comptroller General, U. S.
September 7, 1950
(Gen. Reg. No. 51, Supp. No. 11)

PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL

D. O. Vou. No. .....

Bu. Vou. No. DMA-344

U. S. DI, Interior, Mines,
(Department, bureau, or establishment)

Voucher prepared at Albany, Oregon 8/18/52
(Give place and date)

THE UNITED STATES, Dr., Payee's Account No. Idn-E-59

To Paymaster, Inc.,
(Payee)

611 Peyton Bldg., Spokane 1, Washington
(Address) (City) (State)

PAID BY

(For use of Paying Office)

No. and Date of Order	Date of Delivery or Service	ARTICLES OR SERVICES (Enter description, item number of contract or Federal supply schedule, and other information deemed necessary) Discount Terms	QUANTITY	UNIT PRICE Cost	UNIT PRICE Per	AMOUNT Dollars	AMOUNT Cts.
	January 1952	Supplemental invoice dtd 7/30/52, form MF-104, attached				3,011.88	
PAYMENT: Complete ☐ Partial ☐ Final ☐		Use continuation sheet(s) if necessary					
Shipped from	to	Weight	Government B/L No.		Total	3,011.88	

(Payee must NOT use this space)

Differences .....

Account verified; correct for 3,011.88

(Signature or initials) .....

Contract No. Idn-E-59 Date Req. No. Date

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 25 1952

3,011.88

MEMORANDUM

ACCOUNTING CLASSIFICATION (For completion by Administrative Office)

Appropriation, limitation, or project symbol	Appropriation title	Limit'n. or Proj't. Amount	Appropriation Amount
14X4401	Revolving Fund, Defense Production Act, Interior	3,011.88	3,011.88

Allotment symbol	Amount	Obligations liquidated	COST ACCOUNT Symbol	COST ACCOUNT Amount	OBJECTIVE CLASSIFICATION Symbol	OBJECTIVE CLASSIFICATION Amount

Paid by { Check No. ..... dated ....., 19....., for $..... } on Treasurer of the United States in favor of payee named above.
{ Cash, $....., on ....., 19.....

16—22900a-2

METHOD OF OR ABSENCE OF ADVERTISING

METHOD OF ADVERTISING

1. Advertising in newspapers Yes ☐ No ☐.
2. (*a*) Advertising by circular letters sent to ..... dealers.
   (*b*) And by notices posted in public places Yes ☐ No ☐.

   (If notices were not posted in addition to advertising by circular letters sent to dealers, explanation of such omission must be made below.).

ABSENCE OF ADVERTISING

3. Without advertising, under an exigency of the service which existed prior to the order and would not admit of the delay incident to advertising.
4. Without advertising in accordance with .....
5. Without advertising, it being impracticable to secure competition because of .....

.....

.....

.....

.....

(Here state in detail the nature of the exigency or circumstances under which the securing of competition was impracticable under 3 and 4)

NOTE.—The above form "Method of or Absence of Advertising" is to be used when purchases are made or services secured under proper authority without written agreement in any form. In case of a written agreement (formal contract, proposal, and acceptance, or less formal agreement) Standard Form No. 1036—Revised should be used for abstracting the method of or absence of advertising and award of contract. (See General Regulations No. 51, as amended.)

U. S. GOVERNMENT PRINTING OFFICE : 1950 O—75805

16—22000a-2

Form MF-164 (Rev.)
(April 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1086.3.
Approval expires 6-30-53.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 25 1952

OPERATOR'S MONTHLY REPORT AND VOUCHER
Supplementary

Month of January, 1952 Docket No. DMEA 391X Contract No. Idm-E59
Operator's Name Paymaster, Inc. Minerals
Address 611 Peyton Bldg., Spokane 1, Wash.
Contract Amount, $ 21,500 Government Participation: 50 % Amount, $ 43,000

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	2767.49	14,908.35	17,675.84			
Supervision	450.00	1,907.50	2,357.50			
Technical Services Engineering		129.43	129.43			
(3) Operating Mat'ls. and Supplies:						
Timber	583.88	3,144.48	3,728.36			
Explosives	1185.00	3,212.91	4,397.91			
Pipe						
Track						
Other	286.80	7,258.93	7,545.73			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation	369.00	2,029.50	2,398.50			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	116.80	1,523.45	1,640.25			
Sampling and Analysis						
Payroll Taxes	144.79	752.37	897.16			
Liability Insurance	193.04	643.71	836.75			
Diesel Power	386.41	2,471.42	2,857.83	Due $ 3,011.88		
(8) Contingencies (specify):						
Equipment under $50		253.28	253.28			
Application water permit		5.25	5.25	$ 229.72		
				Paid on DMA Voucher 215 Dated 5/9/52		
TOTALS	6483.21	38,240.58	44,723.79			

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

Date July 30, 1952 *Payee Paymaster, Inc.

Per Frank N. Marr Title President

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

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

(Instructions on reverse)

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

$ 3,011.88

Signature
(Authorized Certifying Officer)

Date Vou. No.
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. 59 in accordance with the terms of the contract.

Signature Thomas E Howard Title Mining Engr Date 8/15/52

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Glenn R Reed Title Mng. Engr. Date 8/15

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205675

July 30, 1952

Defense Minerals Exploration Admin.
c/o Bureau of Mines
1201 N.Division Street
Spokane, Wash.

Gentlemen:

We submit herewith Form MF-104 in accordance with the suggestion by Mr. W. Rulon Lee, Fiscal Officer, as of July 4, 1952. Inasmuch as the amount submitted ($6,483.21) has been previously approved by Mr. Lee as of May 9, 1952, we herewith request payment of the balance of the amount due of $3,011.89. This amount represents $2,150.00, which is the 10% holdback mentioned by Mr. Lee, and a balance due according to the January report in the amount of $861.89 covered by Amendment #3 to the contract #Idm-E59. Payment for the latter amount is justified because Amendment #3 to the contract is designed to start work at the actual point at which the previous authorization ~~would have~~ expired. In actual fact, work did not stop at the designated point.

Distribution and supporting papers have been previously furnished the D.M.E.A.

The above mentioned figures have not been covered by other payments received from the D.M.E.A.

Yours very truly,

Frank N. Harr

Frank N. Harr
President

FNH:DO
Enc.

MF-104
(August 1951)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No. Idm-E 59

Name of Operator Raymaster, Inc.
Docket No. DMA 391
Total Contract Amount $ 45,000.00
Government Participation: 50 % Amount, $ 22,500.00
Distribution of Expenditures for Month of January, 1952

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

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

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

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

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 13 1952

CERTIFICATION

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

Raymaster, Inc.
(Name of Company)

By [signature]
(Signature of Authorized Official)

March 19, 1952
(Date)

President
(Title)

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

16—64068-3

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only		
				Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(*a*) Facilities						
(*b*) Buildings						
(*c*) Fixtures						
2. Operating Equipment:						
(*a*) Purchased[1]						
(*b*) Rented[2]						
(*c*) Furnished by operator	269.00	[illegible]	[illegible]			
3. Rehabilitation and Repairs:						
(*a*) Facilities						
(*b*) Buildings						
(*c*) Installations						

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
4. Labor[3]	767.49	11,[illegible].35	12,[illegible].84			
5. Supervision	150.00	1,[illegible].50	2,[illegible].50			
6. Supplies						
(a) Timber	[illegible].28	3,144.48	3,720.36			
(b) Explosives	[illegible].10	3,[illegible].91	4,[illegible]			
(c) Repair Parts	[illegible].10	1,[illegible].15	1,[illegible].25			
(d) Other	286.80	7,244.43	7,531.23		7258.93	
7. Power Diesel	[illegible].41	2,471.42	2,[illegible].83			
8. Transportation						
9. Insurance						
(a) Fire						
(b) Public Liability						
(c) Workmen's Compensation	193.04	643.71	836.75			
Payroll taxes	144.79	752.37	897.16			
10. Contract Work						
11. Other (specify)						
Equipment under [illegible]		283.28	283.28			
Depreciation over [illegible]		5.85	5.85			
Telephone		11.39	11.39	0	0	0
Petty office supplies		6[illegible].56	6[illegible].56	0	0	0
Drafting		129.43	129.43	0	129.43	129.43
Total	6[illegible].21	38,884.63	45,347.24			
Deletions						
Adjusted totals						
Totals previously reported						
Totals to date				6483.21	38240.58	44,723.79

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

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

FOR GOVERNMENT USE ONLY

Checked by W R Lee

Entered by

Approved by Thomas E Howard

Amount approved for payment $2229.72

Remarks

10% of Govt participation withheld

16—64068-3

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF January, 1952

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
~~Drifting~~	3217.49		2172.48	1099.24	6489.21	Ft.	172.6	720.1	892.7	500 - 1000
Crosscutting										
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	3217.49		2172.48	1099.24	6489.21	Ft.	172.6	720.1	892.7	500 - 1000

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

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

February 8,1952.

To: Mr. J.O.Kieffer,General Manager
Paymaster Inc.
P.O.Box 930
Kellogg,Idaho.

From: Ernest W.Lomas,Foreman
Paymaster Inc.
P.O.Box 182
Carey,Idaho.

Subject: Monthly Report of Operations at the Paymaster Mine for January,1952.

DRIFT CROSSCUT

January 15,1952.....Sta.1-10 to face..... 170.6 ft.
December 31,1951.....Sta.1-10 to face..... 86.0 ft.
Advance 84.6 ft.

NOTE: On Jan.15,1952, face caved and a new crosscut was started at Sta.1-11 which is approximately 145.25 feet S.47°W.of Sta.1-10. The new crosscut from Sta.1-11 bears approximately S.60° W.and has been driven to a point 88.6 feet distant as of Jan.31,1952.

THUS:

January 31,1952.....Sta.1-11 to face.....88.6 ft.
January 15,1952.....Sta.1-11 to side of drift..... 4.0 ft.
Advance 84.6 ft.

Total advance for month of January 1952, 82.6' plus 84.0' = 172.6 ft.

Despite heavy water flow, ground was quite hard until the 15th. of Jan. at which time a strong slip or fault was encountered running almost parallel to crosscut and ground became impossible to hold thus necessitating a back up of about 30 feet and start of another crosscut. This crosscut is in moderately solid ground although showing heavy water flow and some evidence of becoming softer in face as of Jan.31.

GENERAL DISTRIBUTION OF LABOR COSTS

General Supervision.....$	450.00
Office or Administrative.....	375.00
Boarding House (cook and relief cook).....	249.50
Direct Labor,Main crosscut.....	2388.20
Compressor.....	108.32
Maintainance and Repair Surface Equipment.....	57.52
Maintainance and Repair Underground Equipment.....	42.36
General Labor.....	170.90
Road Repair (Snow Removal).....	325.33
Total Payroll $	4644.53

INVENTORY

For items on hand and total value see attached sheet.

BOARDING HOUSE STATEMENT

Supplies purchased during January 1952....	$ 406.49	
1 ton coal.....	15.75	
Stove oil for heating.....	20.00	
Regular cook salary.....	156.00	
Substitute cook.....	73.50	
Total cost		$ 671.74
Total payroll deductions for employees staying in boarding house.....	$ 503.33	
Deficit.....	168.41	
		$ 671.74

Snowfall for the month of January was extremely heavy and apparently all snowfall records have been broken for the month for this district. This together with high velocity winds made travel to and from the mine very difficult and for the most part impossible except for the use of snowshoes.

Respectfully submitted,

Ernest W. Lomas

Ernest W. Lomas
Foreman.

PAYMASTER INC.

INVENTORY AS OF JANUARY 31,1952.

Quantity	Description	Value
10884'	stull timber	$ 2176.80
80'	culvert pipe	192.00
105'	1" pipe	22.32
821'	4" pipe	1128.71
810'	12" ventilating pipe	1004.40
6500#	blasting powder	1283.75
12660#	20# steel rail	791.25
14420'	random lagging and lumber	1073.16
4 tons	coal	63.00
1 roll	fuse	42.00
9 boxes	blasting caps	21.24
467	electric primers	109.19
2200 gals.	diesel oil	340.99
913 gals.	stove oil	136.93
	Commissary	30.15
	Total	$8415.89

MF-104
(August 19[illegible])

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No.
Idm-E 59

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

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

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

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

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

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 1[illegible] 1952

CERTIFICATION

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

[illegible]
(Name of Company)

By [illegible]
(Signature of Authorized Official)

[illegible]
(Date)

[illegible]
(Title)

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

16—64068-3

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only		
				Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(a) Facilities						
(b) Buildings						
(c) Fixtures						
2. Operating Equipment:						
(a) Purchased[1]						
(b) Rented[2]						
(c) Furnished by operator	369.00	2660.50	3029.50			
3. Rehabilitation and Repairs:						
(a) Facilities						
(b) Buildings						
(c) Installations						

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
4. Labor [3]	[illegible]	[illegible]	[illegible]			
5. Supervision	[illegible]	[illegible]	[illegible]			
6. Supplies						
(a) Timber	[illegible]	[illegible]	[illegible]			
(b) Explosives		[illegible]	[illegible]			
(c) Repair Parts	[illegible]	[illegible]	[illegible]			
(d) Other	[illegible]	6,292.05	7,244.43			
7. Power	[illegible]	[illegible]	[illegible]			
8. Transportation						
9. Insurance						
(a) Fire						
(b) Public Liability						
(c) Workmen's Compensation	[illegible]	[illegible]	[illegible]			
[illegible]	[illegible]	[illegible]	[illegible]			
10. Contract Work						
11. Other (specify)						
[illegible]		[illegible]	[illegible]			
[illegible]		[illegible]	[illegible]			
[illegible]		[illegible]	[illegible]			
[illegible]	[illegible]	[illegible]	[illegible]			
[illegible]		[illegible]	[illegible]			
Total	[illegible]	32,987.11	32,884.03			
Deletions						
Adjusted totals						
Totals previously reported						
Totals to date				5894.17	32,346.41	38,240.58

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

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

FOR GOVERNMENT USE ONLY

Checked by W R Lee
Entered by
Approved by Thomas E Howard
Amount approved for payment $ 2947.68
Remarks
Postage - 2.75 - deleted

16—64068-3

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF [illegible]

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting										
Crosscutting	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	000-1000
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	000-1000

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

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

January 10, 1952

To: Mr. J.C. Kieffer, General Manager
Paymaster, Inc.
P.O. Box 930 - Kellogg, Idaho

From: Ernest W. Lomas, Foreman
Paymaster, Inc.
P.O. Box 182 - Carey, Idaho

Subject: Monthly Report of Operations at the Paymaster Mine for December, 1951

MAIN CROSSCUT

December 31, 1951 . . .	.Sta.L-10 to face	86.0 ft.
November 30, 1951 . . .	.Sta.L-10 to side of drift	3.0 ft.
	Total advance for month	83.0 ft.

Note: Sta. 10-L is a point set 145.25 ft. approximately N 88° W. of Sta. L-9 and from which point a drift is being run S. 47°W. The face of this drift being 86.0 ft. from Sta. L-10, on Dec. 31, 1951.

This advance was through ground that for a distance of 52 feet, required careful timbering. Water flow for the entire months advance has been very heavy. The granite is now much harder and timbering has been discontinued. Very heavy iron is now seen throughout the granite mass and there is also some malachite stain.

There was no new construction or improvements during the month.

GENERAL DISTRIBUTION LABOR COSTS

General Supervision	$450.00
Office or Administrative	375.00
Boarding House (cook and relief cook salary)	252.25
Direct Labor, main crosscut	1990.94
Compressor	774.57
Maintenance and Repair Surface Equipment	39.46
Maintenance and Repair Underground Equipment	59.88
General Labor	135.48
Road Repair, Snow removal	153.46
Total	4231.04
Travel allowance	30.75
	$ 4261.79

INVENTORY

For items on hand and total value see attached sheet.

BOARDING HOUSE STATEMENT

Supplies purchased during December, 1951 . . .	$307.46	
1 ton coal	15.75	
Stove oil for heater	30.00	
Regular cook salary (22 days)	132.00	
Substitute cook	120.25	
Total cost		$605.46
Total payroll deductions for employees staying in boarding house	415.79	
Deficit	189.67	
		$605.46

NOTE: Employment of substitute cook during regular cooks Xmas vacation boosted cook house labor costs.

December was a month of unusual weather. Lots of snow and at other times rather heavy winds causing badly drifted roads, making access to the mine, difficult to impossible.

Underground progress was slow due to the necessity of careful timbering through the first 50 feet of advance this month.

Respectfully submitted,

/s/ Ernest W. Lomas
Foreman

PAYMASTER, INC.

INVENTORY AS OF DECEMBER 31, 1951

Quantity	Description	Value
11134'	Stull Timber	$ 2226.80
80'	Culvert Pipe	192.00
270'	1" Pipe	57.38
986'	4" Pipe	1205.26
810'	12" Ventilating Pipe	1004.40
1800#	Blasting Powder	355.50
14860#	20# steel rail	928.75
3577'	Random lagging and lumber	259.93
5 tons	Coal	78.75
1 roll	Fuse	42.00
9 boxes	Blasting Caps	21.24
1046	Electric Primers	242.65
2550 gals.	Diesel Oil	395.25
766 gals.	Stove Oil	114.66
	Commissary (Credit balance .30)	
	Total	$7124.57

MF-104
(August 1951)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No.
Idm-E 59

Name of Operator Paymaster, Inc.
Docket No. DMA 391X
Total Contract Amount $43,000.00
Government Participation: 50 % Amount, $21,500.00
Distribution of Expenditures for Month of November, 1952

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

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

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

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

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 19 1952

CERTIFICATION

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

Paymster, Inc.
(Name of Company)

By [signature]
(Signature of Authorized Official)

March 17, 1952
(Date)

President
(Title)

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

16—64068-3

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only		
				Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(*a*) Facilities						
(*b*) Buildings						
(*c*) Fixtures						
2. Operating Equipment:						
(*a*) Purchased[1]						
(*b*) Rented[2]						
(*c*) Furnished by operator	369.00	1,291.50	1,660.50			
3. Rehabilitation and Repairs:						
(*a*) Facilities						
(*b*) Buildings						
(*c*) Installations						

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
4. Labor[3]	2619.19	9428.85	12,048.04			
5. Supervision	450.00	1007.50	1,457.50			
6. Supplies						
(a) Timber		2564.15	2,564.15			
(b) Explosives	1185.00	2027.91	3,212.91			
(c) Repair Parts	488.51	829.57	1,318.08			
(d) Other	2139.78	4152.27	6,292.05			
7. Power Diesel	791.63	1493.92	2,285.55			
8. Transportation						
9. Insurance						
(a) Fire						
(b) Public Liability						
(c) Workmen's Compensation	118.16	398.10	516.26			
Payroll Taxes	138.11	465.30	603.41			
10. Contract Work						
11. Other (specify)						
Equipment under $50.00	12.13	241.15	253.28			
Application - water permit		5.25	5.25			
Telephone & Postage		11.39	11.39			
Acctg. & Office Expense	310.24	299.07	609.31			
Engineering - 20%	X 20.00	129.43	149.43			
Total	~~8621.75~~ 8621.75	24,345.36	~~32,987.11~~ 32967.11			
Deletions						
Adjusted totals						
Totals previously reported						
Totals to date				8311.51	24,034.90	32,346.41

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

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

FOR GOVERNMENT USE ONLY

Checked by W R Lee

Entered by

Approved by Thomas E Howard

Amount approved for payment $4155.76

Remarks

16—64068-3

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF [illegible]

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting				-20 00	8621.75					
Crosscutting	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
				1738.27	8621.75					
Totals	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

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

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

December 10, 1951

TO: Mr. J. C. Kieffer, Gen. Mgr.
Paymaster, Inc.
P.O. Box 930 - Kellogg, Idaho

FROM: Ernest W. Lomas, Foreman
Paymaster, Inc.
P.O. Box 182 - Carey, Idaho

Sugject: Monthly Report of Operations at the Paymaster Mine for Nov. 1951.

MAIN CROSSCUT

Nov. 30,1951 . . . Sta. L-9 to face . . . . . .206.0 ft.
Oct. 31,1951 . . . Sta. L-9 to face . . . . 77.4 ft.

This advance was made on a course of N.87° 51' W. At a point about 155 ft. west of Sta. L-9, it was found necessary to begin timbering. This need became greater with each foot of advance as the granite became softer. At 206.0 ft. westerly of Sta. L-9, major faulting of a badly disintegrated granite was encountered. A very strong water course was opened at this point of weakness and the heavy flow of water shows no abatement in over two weeks. This water course in addition to virtually drying up the water flow to the pump sump at Sta. L-5, is carrying great quantities of finely crushed granite which occasions additional work in keeping drainage ditch open. Ground conditions prevent further advance in this face. It is hoped that the water pressure being relieved at this point, will enable us to successfully pass through this broken area with a crosscut driven S 47° W and started approximately 148 ft. westerly from Sta. L-9.

No new construction or improvements for this month.

GENERAL DISTRIBUTION LABOR COSTS

General Supervision	$450.00
Office or Administrative	375.00
Boarding House (cook salary)	180.00
Direct Labor, main crosscut.	2,330.98
Compressor	700.70
Maintenance and Repair Surface Equipment . . .	148.50
Maintenance and Repaid Underground Equipment .	67.19
General Labor	26.94
Road Repair, Snow removal	31.91
Total	4,211.22
Travel Allowance	63.00
Grand Total	$4,274.22

See attached sheet for inventory as of Nov. 30, 1951

BOARDING HOUSE STATEMENT

Supplies purchased during November, 1951	$321.45	
1 ton coal	15.75	
Stove oil for heating stove	30.00	
Salary of cook	180.00	
TOTAL COST		$547.20
Total payroll deductions for employees	248.18	
staying in boarding house		
Discount allowance on supplies	11.55	
Deficit	251.47	
		$547.20

NOTE: The above boarding house statement shows a rather large operation loss which to a great extent is due to stocking up gradually in preparation for the time when it will be impossible to get in supplies.

With the exception of the last week in November, weather conditions have been generally clear and cool. The last week was quite snowy and windy with temperatures between 20 and 30 above zero.

Progress underground is of necessity slow at present, as the extremely soft and heavy ground we are approaching must be kept timbered right up to the face and daily advances must be short.

Respectfully submitted,

/s/ Ernest W. Lomas
Foreman

PAYMASTER, INC.

INVENTORY AS OF NOVEMBER 30th, 1951

Quantity	Description	Value
10368'	Stull Timber	2,073.60
80'	Culvert Pipe	192.00
350'	1" Pipe	74.38
440'	4" Pipe	470.80
810'	12" Ventilating Pipe	1,004.20
2750 lbs.	Powder	543.13
15,860 "	20# Rail	991.25
2,782 "	Lumber	200.30
6 tons	Coal	94.50
1 roll	Fuse	42.00
9 boxes	Blasting caps	21.24
1442	Electric Primers	333.93
4100 gals.	Stove Oil	128.00
	Commissary	7.35
	TOTAL	$ 6,812.38

MF-104
(August 1951)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No. Idm-E 59

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

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

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

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

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

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

DEPARTMENT OF THE INTERIOR
MAY 12 1952

CERTIFICATION

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

[illegible] (Name of Company)

By [illegible] (Signature of Authorized Official)

[illegible] (Date)

[illegible] (Title)

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

16—64068-3

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only		
				Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(*a*) Facilities						
(*b*) Buildings						
(*c*) Fixtures						
2. Operating Equipment:						
(*a*) Purchased[1]						
(*b*) Rented[2]						
(*c*) Furnished by operator	378.00	913.50	1,291.50			
3. Rehabilitation and Repairs:						
(*a*) Facilities						
(*b*) Buildings						
(*c*) Installations						

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
4. Labor[3]	2,635.74	6,793.11	9,428.85			
5. Supervision	107.50	900.00	1,007.50			
6. Supplies						
(a) Timber	288.21	2,275.94	2,564.15			
(b) Explosives	245.70	1,782.21	2,027.91			
(c) Repair Parts	295.75	533.82	829.57			
(d) Other	1,611.13	2,541.14	4,152.27			
7. Power Diesel	232.54	1,261.38	1,493.92			
8. Transportation						
9. Insurance						
(a) Fire						
(b) Public Liability						
(c) Workmen's Compensation	105.62	292.48	398.10			
Payroll taxes	123.45	341.85	465.30			
10. Contract Work						
11. Other (specify)						
Equipment under $50	7.84	233.31	241.15			
Application water permit		5.25	5.25			
Telephone & Postage	2.00	9.39	11.39			
Acct'g & Office Supl	229.68	69.39	299.07			
Engineering	129.43	–	129.43			
Total	6,392.59	17,952.77	24,345.36			
Deletions						
Adjusted totals						
Totals previously reported						
Totals to date				6082.13	17,952.77	24,034.90

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

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

FOR GOVERNMENT USE ONLY

Checked by W R Lee
Entered by
Approved by Thomas E Howard
Amount approved for payment $3041.06
Remarks

10—64068-3

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF October, 1951

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting										
Crosscutting										
Raising	2,743.24		2,440.79	1,208.56	6,392.59	Ft.	145.5	363	508.5	500
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	2,743.24		2,440.79	1,208.56	6,392.59	Ft.	145.5	363	508.5	500

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

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

PAYMASTER, INC.
P.O. Box 182
Carey, Idaho

November 3, 1951

To: Mr. J.C. Kieffer, Gen. Mgr.
Paymaster, Inc.
Box 930 - Kellogg, Idaho

From: Ernest W. Lomas, Foreman
Paymaster, Inc.
Box 182, Carey, Idaho

Subject: Monthly report of Operations at the Paymaster Mine for Oct.,1951.

MAIN CROSSCUT

Oct. 31,1951	Sta. L-8 to face (also same Sta.L-9 plus 77.4')	289 ft.
Sept.30,1951	Sta. L-8 to face	143.5 "
	Total advance for month	145.5 ft.

Advance was on a general course of No.87° 51'W through an altered granite formation of varying hardness. No mineralization was encountered and no timbering was necessary. It was necessary to cut a switching station during the month which slowed up the advance.

NEW CONSTRUCTION & IMPROVEMENTS

A new shed was built to house the newly constructed bench saw. Improvements were made in the office now in one end of the boarding house.

GENERAL DISTRIBUTION LABOR COSTS

General Supervision	$450.00
Office or administrative costs	375.00
Boarding House labor cost (cook)	180.00
Direct labor, main crosscut	2,185.50
Compressor	684.64
New Equipment Installation	138.92
New construction and improvements	117.05
Maintenance and repair buildings	6.73
Maintenance and repair surface equipment	64.99
Maintenance and repair underground equipment	44.20
General Labor	91.80
Road Repairs	111.78
Salvage of Snow Slide Equipment	18.74
Total	$4,469.35
Employees Travel Allowance	82.25
TOTAL LABOR COSTS	$4,551.60

INVENTORY

For items on hand and total value see attached sheet.

BOARDING HOUSE STATEMENT

Supplies purchased during Oct., 1951	$ 156.11	
1 ton Coal	15.75	
Stove oil for heating	33.24	
Salary of cook	180.00	
Total cost		$385.10
Total payroll deductions for Employees in boarding house	328.31	
Deficit	56.79	
		$385.10

In general weather conditions have not been too bad, we have had several days of snow and have had temperatures down to 12 above zero. Snow made road conditions rather difficult for a couple of days as it was impossible to drive right to the mine dump without chains. We are experiencing the usual difficulty in obtaining qualified miners but are gradually acquiring a competent crew.

Respectfully submitted,

/s/ Ernest W. Lomas
Foreman

PAYMASTER, INC.

INVENTORY AS OF - NOVEMBER, 1951

Quantity	Description	Value
10368'	Stull Timber	$2,073.60
80'	Culvert Pipe	192.00
350'	1" Pipe	74.38
440'	4" Pipe	470.80
810'	12" Ventilating Pipe	1,004.20
2750 lbs.	Powder	543.13
15,860 "	20# Rail	991.25
2,782 "	Lumber	200.30
6 tons	Coal	94.50
1 roll	Fuse	42.00
9 boxes	Blasting Caps	21.24
1442	Electric Primers	333.93
4100 gals.	Fuel Oil	635.50
800 gals.	Stove Oil	128.00
	Commissary	7.35
	TOTAL	$6,812.38

MF-104
(August [illegible])

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No.
Idm-E 59

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 2 [illegible] 1952

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

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

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

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

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

CERTIFICATION

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

[illegible] (Name of Company)

By [illegible] (Signature of Authorized Official)

[illegible] 1952 (Date)

[illegible] (Title)

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

16—64068-3

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only		
				Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(a) Facilities						
(b) Buildings						
(c) Fixtures						
2. Operating Equipment:						
(a) Purchased[1]						
(b) Rented[2]						
(c) Furnished by operator	300.00	900.50	900.50			
3. Rehabilitation and Repairs:						
(a) Facilities						
(b) Buildings						
(c) Installations						

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
4. Labor[3]	[illegible]	[illegible]	[illegible]			
5. Supervision −225.00	[illegible]	[illegible]	~~[illegible]~~ 900.00			
6. Supplies						
(a) Timber	[illegible]	[illegible]	[illegible]			
(b) Explosives	[illegible]	[illegible]	[illegible]			
(c) Repair Parts	[illegible]	[illegible]	[illegible]			
(d) Other −1320.00	[illegible]	[illegible]	[illegible]			
7. Power	[illegible]	[illegible]	[illegible]			
8. Transportation						
9. Insurance						
(a) Fire						
(b) Public Liability						
(c) Workmen's Compensation	100.70 ~~[illegible]~~	[illegible]	93.28 ~~[illegible]~~			
[illegible]	~~[illegible]~~	~~[illegible]~~	~~[illegible]~~			
10. Contract Work	117.10		342.99			
11. Other (specify)						
[illegible]	[illegible]	[illegible]	[illegible]			
[illegible]		[illegible]	[illegible]			
[illegible]	[illegible]	[illegible]	[illegible]			
[illegible]	[illegible]	[illegible]	[illegible]			
[illegible]	[illegible]	[illegible]	[illegible]			
Total	[illegible]	[illegible]	[illegible]			
Deletions	862.49		21630.79			
Adjusted totals						
Totals previously reported	862.49		21630.79			
Totals to date	[illegible]	[illegible]	[illegible]			

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

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

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by Thomas E. Howard
Amount approved for payment
Remarks

16—64068-3

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF September, 1951

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting	225.00		1320.00	18.79	8624.92					
Crosscutting	2825.12		5673.21	1690.38	~~10,188.71~~	Ft.	127	236	236	500
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
	2600.12		4353.21	1671.59	8624.92					
Totals	2825.12		5673.21	1690.38	~~10,188.71~~	Ft.	127	236	363	500

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

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

PAYMASTER, INC.
P.O. Box 182
CAREY, IDAHO

To: J.C.Kieffer, Gen. Mgr.
Paymaster, Inc.
Box 930
Kellogg, Idaho

From: Ernest W. Lomas, Foreman
Paymaster, Inc.
Box 182
Carey, Idaho

Subject: Monthly Report of Operations at the Paymaster Mine for September, 1951

MAIN CROSSCUT

Total Advance for the month of September, 1951 127.0 ft.

Advance was on a general course of N.83°W. through an altered granite formation with several water courses being intersected at intervals. Formation generally softer in immediate vicinity of each water course. No mineralization was encountered nor did any of the ground require timbering.

NEW CONSTRUCTION & IMPROVEMENTS

During the month of September the following buildings were completed or built: Coal Shed, wood shed, warehouse, office, oil rack and improvements in boarding house.

GENERAL DISTRIBUTION LABOR COSTS

Supervision main crosscut	$225.00
Supervision new construction and improvements	$225.00
Office or administrative costs	62.50
Boarding house (cook)	90.00
Direct Labor, main crosscut	2665.53
Direct Labor, new construction and improvements	405.54
Slide damaged equipment recovery	138.60
	$3812.17

NOTE: The above general distribution is not warranted to be absolutely accurate but is as nearly so as available records for the first period permit. Mr. Gaumer has forwarded much of the information to the Spokane office of which no duplicate record was kept locally.

INVENTORY

For items and cost price, see attached sheet.

MISCELLANEOUS

In general, weather conditions have been very good. The road to the property is too dry and hard for any grading to be effective at present. Commissioners may do some work when road conditions are more favorable. We are gradually getting necessary winter supplies on the ground. Obtaining qualified miners is really becoming a major headache. As of Sept. 30 there were five men who called the boarding house home. This number varies somewhat but will become more constant as weather conditions get bad.

Respectfully submitted

/s/ Ernest W. Lomas
Foreman

PAYMASTER, INC.

INVENTORY AS OF SEPT. 30th, 1951

ITEM		VALUE
10,692'	Stull Timber	$2,138.00
112'	Culvert Pipe	268.80
575'	1" Pipe	122.19
665'	4" Pipe	711.55
900'	12" Ventilating pipe	1, 116.00
6,000 lbs.	Powder	1, 185.00
19,860 lbs.	20# rail	1, 241.25
2,000'lbs.	Lumber	144.00
5,000 gals.	Fuel and stove oil	850.00
8 tons	Coal	126.00
1 roll	Fuse	42.00
9 boxes	Blasting Caps	21.24
150	Electric Primers	36.00
	TOTAL	$8,002.43

MF-95
(August 1951)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No.
Idm-E 59

Name of Operator [illegible], Inc.
Docket No. DMA [illegible]
Total Contract Amount $[illegible]
Government Participation: [illegible]% Amount, $[illegible]
Distribution of Expenditures for Month of [illegible], 1952

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

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

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

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

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

DEFENSE MINERALS ADMINISTRATION WASHINGTON, D.C.
FEB 25 6 47 PM '52

CERTIFICATION

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

[illegible], Inc.
(Name of Company)

By [illegible]
(Signature of Authorized Official)

January 12, 1952
(Date)

[illegible]
(Title)

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

16—64068-3

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only		
				Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(a) Facilities						
(b) Buildings						
(c) Fixtures						
2. Operating Equipment:						
(a) Purchased[1]						
(b) Rented[2]						
(c) Furnished by operator	553.50	-0-	553.50			
3. Rehabilitation and Repairs:						
(a) Facilities						
(b) Buildings						
(c) Installations						

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
	4538.99					
4. Labor[3]	~~4595.60~~	-0-	4595.60			
5. Supervision	675.00	-0-	675.00			
6. Supplies						
(a) Timber	1381.54	-0-	1381.54			
(b) Explosives	1621.54	-0-	1621.54			
(c) Repair Parts	342.25	-0-	342.25			
(d) Other	2430.32	-0-	2430.32			
7. Power Diesel	553.80	-0-	553.80			
8. Transportation						
9. Insurance						
(a) Fire						
(b) Public Liability	193.18		193.18			
(c) Workmen's Compensation	~~196.85~~	-0-	196.85			
P.R. Taxes	230.08	-0-	230.08	225.78		
10. Contract Work						
11. Other (specify)						
Equipment under $50.00	78.63 299.15	-0-	299.15			
Application water permit	5.25	-0-	5.25			
Phone	9.39	-0-	9.39			
Accounting & Office Sup.	224.95	-0-	224.95			
Engineering	129.43	-0-	129.43			
Total	13248.65	-0-	13248.65			
Deletions	13008.81					
Adjusted totals						
Totals previously reported						
Totals to date	13,248.65	-0-	13,248.65			

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

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

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by Thomas E Howard
Amount approved for payment
Remarks

$5500.12

16—64068-3

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF July 16 to Aug. 31, 1951

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting	5113 79		6329 45	1009.13	13005.87					
Crosscutting	~~5,270.60~~	553 50	~~5,775.65~~	~~2,202.10~~	~~13,248.65~~	ft.	236	-0-	236	500
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	5113 79 ~~5,270.60~~	553 50	6329 45 ~~5,775.65~~	1009.13 ~~2,202.10~~	~~13,248.65~~	ft.	236	-0-	236	500

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

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

PAYMASTER, INC.
Box 182
Carey, Idaho

January 24th, 1952

Subject: Progress of Paymaster exploration work from July 16th to July 31st, 1951, inclusive.

Total advance made in main crosscut to 7/31/51	66.5 feet
Less advance made prior to 7/16/51	22.0 feet
Net advance made 7/16/51 to 7/31/51 incl.	44.5 feet

Respectfully submitted,

PAYMASTER, INC.

J. C. Kieffer

J.C. Kieffer
General Manager

JCK:es

September 7, 1951

Mr. Frank M. Marr, President
Spokane-Idaho Mining Co.
611 Peyton Bldg.
Spokane, 8, Washington

Dear Frank:

The Paymaster inventory as of Sept. 1 as as follows:

Stull Timber	7260	In. Ft.	$1452.00
Mine Rail	10	Ton	1434.00
Fan Pipe	900	Ft.	1116.00
Powder	2500	Lbs.	512.50
Culvert Pipe	112	Ft.	268.80
4 in. pipe	200	Ft.	224.00
1 in. pipe	700	Ft.	148.75
Lumber, lagging, ties	3000	M.	216.00
		Total	$5,372.05

Total advance for August was 191.5 feet. During most of the month the ground was quite hard, but at the end of the month, Lomas reports that the ground had softened up some, and they are cutting small, soft stringers, some of which show a little mineralization.

Lomas has not been feeling well. The doctor has diagnosed his trouble as parasites in the large intestine. Ernie says he doesn't know which is the worst, the parasites or the cure. He expects the treatments to end in about a week.

At the end of the month his boarding house was about ready to go. By now he is no doubt using it.

Sincerely,

SPOKANE IDAHO MINING CO.

/s/ J. C. Kieffer
General Manager

JCK:er
Enc. Paymaster Map for Aug.

GENERAL DISTRIBUTION LABOR COSTS

Supervision main crosscut	$225.00	
Supervision new construction and improvements	225.00	
Office or administrative costs	62.50	
Boarding house (cook)	90.00	
Direct labor, main crosscut	2865.53	
Direct labor, new construction and improvements	405.54	
Slide damaged equipment recovery	138.60	
		$3,812.17

NOTE: The above general distribution is not warranted to be absolutely accurate, but is as nearly so as available records for the first period permit. Mr. Gaumer has forwarded much of the information to the Spokane Office of which no duplicate record was kept locally.

PAYMASTER, INC.

Inventory as of Sept. 30,1951

10,692'	stull timber	$2,130.40	
112'	culvert pipe	268.80	
575'	1" pipe	122.19	
665'	4" pipe	711.55	
900'	12" ventilating pipe	1,116.00	
6,000 lbs.	powder	1,185.00	
19,860 lbs.	20# rail	1,241.25	
2,000'	lumber	144.00	
5,000 gals.	fuel and stove oil	850.00	
8 tons	coal	126.00	
1 roll	fuse	42.00	
9 boxes	blasting caps	21.24	
150	electric primers	36.00	
			$8,002.43

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION 500
WASHINGTON 25, D. C.

PROJECT SUMMARY REPORT

By: W. P. Klugescheid April 17, 1956

1. Docket No. DMA-391X (Lead-Zinc)
Contract No. Idm-E59
Property: Paymaster Mine
Blaine County, Idaho

Operator: Paymaster, Inc.
611 Peyton Bldg.
Spokane, Washington

Operator's Property Rights: Owner of 26 unpatented mining claims.

2. Contract dated July 16, 1951. To complete - nine months.

Work Authorized

Crosscutting, 500 feet @ $25.00/ft.	$12,500.00
Drifting, 1,000 feet @ $30.50/ft.	30,500.00
Estimated total cost of project	$43,000.00
Government's participation @ 50%	$21,500.00

Amendments

No. 1 Dated March 21, 1952.

Provided more flexible use of funds between drifting and crosscutting. No increase in total cost of the project.

No. 2 Dated March 21, 1952.

Changed pay rates of labor and supervision. No increase in total cost of the project.

No. 3 Dated May 20, 1952.

Completion period changed to 20 months.
Additional work to be done under Exhibit "G" below.

EXHIBIT "G"

STAGE I

Drifting, 520 feet @ $58.80/ft.	$30,576.54

STAGE II

If mineralization has not been found by Stage I, diamond drilling not to exceed 600 feet shall be performed to explore for the vein.

Diamond drilling at agreed unit cost of $6.00/ft.	3,600.00

If diamond drilling shows no mineralization no further work is to be done but if drilling reveals mineralization a crosscut is to be driven to it and if it is promising some drifting is to be done.

Drifting, 300 feet @ $59.48/ft.	17,843.62
Total estimated cost of Stage I and II.	$52,020.16
Total of Exhibit "A"	43,000.00
Total cost of the project	$95,020.16
Government's participation, 50%	$47,510.08

No. 4 Dated June 4, 1952.

Some change in wording of Amendment No. 3. No increase in total cost of the project.

No. 5 Dated November 12, 1952.

Added a paragraph concerning overtime pay.

Now 6 Dated November 4, 1952.

Deleted a paragraph in Amendment No. 3 and substituted another one describing the Government's participation in certain described costs. No increase in total cost of the project.

The contract was completed in August 1952.

Work Completed

Drifting and crosscutting, 1,687.4 ft. @$51.55/ft.	$86,979.46
Diamond drilling, 483 feet @ $6.00/ft.	2,898.00
Total cost of the project	$89,877.46
Government's participation, 50%	$44,938.73

3. Audit - Audit Certificate issued May 29, 1953.

Total cost as billed by Contractor		$95,382.87
Less:		
Salvage value of equipment	$1,310.00	
Inventories credited to project	2,111.18	3,421.18
Net cost claimed		$91,961.69
Exceptions		2,084.23
Total accepted cost		$89,877.46
Government's participation, 50%		$44,938.73

4. Certification of Discovery-none issued.

5. Comments

The Paymaster vein is a strong fissure striking N. 40°-50° W. and dipping 65°-75° SW. In the vicinity of the upper workings the vein may be traced on the outcrop for more than 1,700 feet. Throughout this distance it closely follows the contact of Mississippian sediments and granite, the granite occupying the eastern or footwall side of the vein. At the contact the granite is highly altered and decomposed. This is particularly noticeable in the Middle Adit where the granite is intensely altered to a distance of almost 50 feetaway from the contact, with the feldspars being almost completely altered to a whitish clay, and only the quartz remaining unaffected.

The Paymaster vein itself is a pre-mineral fault that follows the granite-quartzite contact, although in places the vein is entirely in the granite and elsewhere in the quartzite. Cutting the vein and the contact almost at right angles are a series of northwest dipping normal faults, some with considerable displacement.

Principal sulphide minerals in the vein are pyrite, sphalerite, galena, and chalcopyrite. Sphalerite, the dominant mineral, is present both in large masses and isolated grains. Accompanied by galena, considerable pyrite, pyrrhotite and quartz, it is reported to have formed massive seams and lenses in the upper levels. These lenses or ore shoots

ranged from 3 to 15 feet in thickness, but with average stope thickness of 6.5 feet. They are believed to plunge steeply to the southeast. The maximum strike length of ore shoots above the Middle Adit was 140 feet, but the average was about 40 feet. The ore shoots are partly the result of fissure filling and partly of wall rock replacement. The footwall in all cases is marked by a strong gouge zone, but much of the shoots form as replacement of the hanging wall quartzite.

Project administration and management by Paymaster, Inc., officials was poor. The actual supervision of the project work was entrusted to a nontechnical shift boss who made an earnest effort to do the work correctly but who was forced to abide by orders, issued by telephone from Spokane and Wallace, from officials unacquainted with conditions at the mine. Although project work began July 16, 1951, it was only after repeated requests that the first progress report was obtained from the Operator in January 1952.

The Paymaster vein must be considered as a very enticing exploration target, requiring but a few additional feet of adit to determine whether it contains minable ore.

No certification was recommended by the field team. Although the project failed to achieve its objective, the target area is probably within 100 feet of the present face and further Government participation in exploration is recommended. The possibility of making a worth-while discovery is excellent.

W P Klugescheid

W. P. Klugescheid

WPK/er 4/19/56

Copy to: Docket
Base Metals
Chron.

☒ Audited — WORK [redacted]LYSIS SHEET — DMEA PROJECT — [redacted] ☒ Actual Cost

☐ Certified — Analysis as of 12/2/54 — * ☒ Agreed Unit Costs

Incl. Voucher for Aug. 1952

Nam[redacted] Paymaster Mines Inc. — Docket No. DMEA-391

State Idaho. — Commodity Lead - Zinc — Idm-E No. 59

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting	2,320'	$91,420.16	1,687.4'	$90,400.64	$86,979.46
Raising					
Shafts					
Winzes					
Drilling (Specify) Diamond *	600'	3,600.00	483'	2,898.00	2,898.00
Surface Excavation					
Underground Excavation					
Roads and Trails					
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.					
Other (Specify)					
Totals		$95,020.16		$93,298.64	$89,877.46

Recovered

Timber	$ 928.30
Explosives	1,055.34
Track	396.69
Pipe	960.00
carbide lits	80.85
	$3,421.18

Prepared by W. P. Klugescheid.

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

RECEIVED
APR 20 1956

April 20, 1956

Re: DMA 391X, Idm-E59
Paymaster, Inc.
Paymaster Mine
Blaine Co., Idaho
Approved - $95,020.16
Expended - $89,877.46 - Lead-Zinc

Memorandum

To: W. R. Griswold, Defense Minerals Exploration Administration

From: N. E. Nelson, U. S. Geological Survey

Subject: Review of Final Field Team Report.

The applicant requested assistance in exploring the downward extension of the Paymaster vein at an elevation 357 feet below the Middle Adit level by an aggregate of 1,500 feet of crosscutting and drifting.

The work done consists of 1,687.4 feet of exploratory adit. Fifty feet of drifting on the quartzite-granite contact and 120 feet of abandoned adit are included in the total footage. Three diamond drill holes, totaling 483 feet, were drilled from underground stations.

The estimated cost of the work, first approved, was $43,000.00. The work was more costly than estimated, two amendments permitting continuing and increasing the work were made, and the total cost became $89,877.46. The amount of the Government participation was $44,938.73.

Even so the Operator failed to reach the target area by an estimated 100 feet. No ore was found and no addition to the ore reserves can be ascribed to the work done. Therefore the examiners and the Field Team recommend that no certification be made.

The examiners estimate the ore reserves as,

Classification	Tonnage	Zinc %	Lead %	Silver oz.
Inferred	52,000	6.7	1.7	1.6
Speculative	126,000	-	-	-

and conclude, "The Paymaster vein must be considered a very enticing exploration target, requiring but a few additional feet of adit to determine whether it contains minable ore."

I agree with the conclusion and concur with the recommendation that no certification should be made.

N. E. Nelson

N. E. Nelson

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D. C.~~
So. 157 Howard Street
Spokane 4, Washington

March 27, 1956

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMA-391X (Lead-Zinc)
Paymaster, Inc.
Paymaster Mine
Blaine County, Idaho
Contract No. Idm-E59

Dear Mr. Selfridge:

Enclosed are four copies of a Field Team final report written by Stephen W. Zoldok, Mining Engineer, Bureau of Mines, and Thor H. Kiilsgaard, Geologist, Geological Survey, on the Paymaster mine.

The authors state that the project was unsuccessful and that no discovery should be certified.

By Field Team, Region I, NW District

A. E. Weissenborn
A. E. Weissenborn, Exec. Officer
U. S. Geological Survey

Wing G. Agnew
Wing G. Agnew, Member
U. S. Bureau of Mines

Enclosures
cc: USBM(2)
USGS(SRO)
Kiilsgaard

Reviewed by
DMEA OPERATING COMMITTEE
4-2-56
(date)

Field Team Final

RECEIVED
MAR 30 1956

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FIELD TEAM, REGION I
Northwest District

FINAL REPORT

Contract Idm-E59

by

Stephen W. Zoldok
Mining Engineer
U. S. Bureau of Mines

Thor H. Kiilsgaard
Geologist
U. S. Geological Survey

PAYMASTER, INC.
611 Peyton Building
Spokane 1, Washington

Docket No.:	DMA-391X
Commodity:	Lead-Zinc
Effective date:	July 16, 1951
Termination date:	August 31, 1952

Reviewed by
DMEA OPERATING COMMITTEE
4-2-56
(date)

PAYMASTER MINE
Lava Creek Mining District
Blaine County, Idaho

Spokane, Washington

March 1956

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ILLUSTRATIONS

Figure 1. Claim Map, Paymaster Mine, Blaine County, Idaho

Figure 2. Surface Map of Granite-Quartzite Contact (May 1952), Paymaster Mine, Blaine County, Idaho

Figure 3. Geologic Map & Sections (August 1952), Paymaster Mine, Blaine County, Idaho

FINAL REPORT

PAYMASTER, INC.
Paymaster Mine
Lava Creek Mining District
Blaine County, Idaho

Contract Idm-E59

* * * *

INTRODUCTION

This report describes a project conducted jointly by the Paymaster, Inc., and the Defense Minerals Exploration Administration to explore a lead-zinc deposit on the Multi-Metals group of mining claims in Blaine County, Idaho.

Summary

The purpose of the project was to explore the downward extension of the Paymaster vein at an elevation 357 feet below the Middle Adit level by an aggregate of 1,500 feet of crosscutting and drifting.

A total of 1,687.4 feet of exploratory adit was driven which includes about 50 feet of drifting on the quartzite-granite contact and 120 feet of abandoned adit in three headings. Three diamond drill holes totaling 483 feet were drilled from underground stations. Adverse weather conditions, inexperienced miners and poor supervision slowed progress, thus increasing the cost of the project. No discovery was made as the adit failed to reach its objective.

A total of $89,877.46 was spent on the project of which the Government's share of the cost was $44,938.73.

Recommendations

The project was unsuccessful, and no discovery should be certified. Although the project failed to achieve its objective, the target area is within about 100 feet of the present face and further Government participation in exploration is recommended. The possibility of making a worth-while discovery is excellent.

LOCATION AND ACCESSIBILITY

The "Multi-Metals" group of lode mining claims are in secs. 24 and 25, T. 2 N., R. 23 E., and secs. 19 and 30, T. 2 N., R. 24 E., Boise Meridian, Lava Creek Mining District, Blaine County, Idaho. The claims are on a tributary to Big Cottonwood Creek, 22 miles southwest of Arco, Idaho, via paved U. S. Highway 20, thence 6 miles northwest via a good dirt road except for the last half a mile which is quite steep. Arco, Idaho, the nearest railhead, is on the Mackay branch line of the Union Pacific Railroad.

PROPERTY

The Paymaster property consists of 26 unpatented lode mining claims (Multi-Metals Nos. 1 to 26, incl.) held by virtue of annual assessment work (fig. 1). The claims are staked along or contiguous to the Paymaster vein, which is explored by adits on three different levels.

History and Past Production

The Paymaster mine is believed to have been discovered between 1890 and 1900. Little is known of early mining activity on the property, but by 1928 most of the Upper and Middle Adits had been driven. As ore discovered in these adits was primarily zinc sulfide, it was of little interest to the early operators. There are no production records from the mine during this early period.

Shortly before World War II the property came under the control of G. G. Gressman of Arco, Idaho 1/. He obtained financial assistance from the Tintic Prince Mining Company of Salt Lake City and by August 1942 had constructed a road to the portal of the Middle Adit, equipped the property for mining, and mined some ore from the Middle Adit. Beginning late in 1943, the property came under control of Hoyt Ray of Idaho Falls, Idaho, the operation being subsidiary to the Era Mining and Development Company operation on the nearby Horn-silver mine 2/. At that time the mine was in continuous production, with ore being mined between the Middle Adit level and the vein outcrop. In 1945 the contract between Hoyt Ray and G. G. Gressman, the owner,

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1/ Tabor, J. W., War Minerals Report, U. S. Bureau of Mines, 1943.

2/ Tabor, J. W., Supplemental Report on Paymaster Mine, U. S. Bureau of Mines, 1946.

was terminated. The mine was next acquired by Smith Bros. of Salt Lake City in April 1946, with Gressman being retained as manager. The Smith Bros. operation was short-lived, however, and ceased in 1947 because of depletion of ore reserves and the suspension of wartime premium prices.

In 1948 William J. Porter of Spokane, Washington, made an unsuccessful attempt to finance a mining program at the property, and in 1949 the Paymaster Mining Company, Inc., was organized with Gressman designated as president and general manager. The Lower Adit was started during this period and by the close of 1950 had been advanced about 1,000 feet when the company ran out of funds.

A snowslide during the winter of 1950-51 wiped out the surface plant on the Lower Adit dump, demolishing the mining machinery and also some milling equipment stored there in preparation for mill construction.

The Spokane-Idaho Mining Company acquired the mine in 1951. This company incorporated Paymaster, Inc., to take over the assets and liabilities of the former owners and to supply capital for development. The percentage ownership of Paymaster, Inc., was William J. Porter, 8 percent; Paymaster Mining Company, 25 percent; and Spokane-Idaho Mining Company, 67 percent. Spokane-Idaho Mining Company applied for a DMEA exploration contract in June 1951 in the name of Paymaster, Inc., with the understanding that funds for the exploration work and supervision of operations would be furnished by Spokane-Idaho Mining Company.

From 1941 to 1947, the Paymaster mine produced 13,388 tons of ore containing 1,807,616 pounds of zinc, 469,815 pounds of lead, 32,298 pounds of copper, and 21,886 ounces of silver 3/. The ore was shipped crude to U. S. Smelting & Refining Company, Midvale, Utah, for treatment. All production was from stopes above the Middle Adit with but little, if any, exploration or development work done during this period. By 1947 all developed ore had been mined.

Federal assistance extended to Paymaster operations during World War II included access road construction and winter road maintenance, pricing adjustments under provisions of the Premium Price Plan, and a Metals Reserve operation advance of $10,000.00 4/. The $10,000.00 advance loan was reported by Mr. Gressman to have been repaid from production.

3/ Production figures from Economics and Statistics Service, U. S. Bureau of Mines, Albany, Oregon.

4/ Reed, G. C., Summary Report of Minerals Examination, U. S. Bureau of Mines, 1950.

Mine Workings

Prior to the start of the DMEA exploration project, Paymaster mine workings consisted of the Upper Adit, Middle Adit, and about 1,100 feet of the Lower Adit (see maps in pocket). Raises and stopes were driven from the Middle and Upper Adits. In the fall of 1947 a winze was started from the Middle Adit to explore the downward continuation of the Paymaster vein. The winze was down 36 feet and reportedly on 8½ feet of ore when equipment failure and the inability to handle the strong flow of water forced abandonment of sinking operations.

The Lower Adit was designed to intersect the Paymaster vein about 350 feet below and about 1,000 feet southeast of the Middle Adit. It had been advanced to station L5 + 30.5 feet when the DMEA contract became effective (fig. 3). Under the exploration project the Lower Adit was extended 1,687.4 feet to a total length of 2,716 feet. (This figure includes 120 feet of adit in three abandoned headings done under the DMEA contract and 70 feet of adit in two abandoned headings done by the Operator.)

No attempt was made to examine the Upper Adit while DMEA work was in progress as it appeared to be inaccessible. At that time the Middle Adit was caving badly between the portal and the vein and had dammed water in the adit to a depth of about 4 feet. The drift was caved at a point a short distance northeast of the winze. The adit has since probably become inaccessible at or near the portal. In the Lower Adit the ground stands without support except at water-bearing shear zones where heavy timbering is needed. When project work stopped, some of the faults near the portal had drained and become stabilized, but fractured areas near the face were still making a strong flow of water and squeezing the adit badly. In the "B" and "C" shear zones, the adit may have since caved.

There is no natural ventilation between the Middle and Lower Adits, although while the project was active compressed air from the 4-inch air line seemed adequate for miners working the exploration heading.

The mine is drained both through the Middle and Lower Adits. In 1947 water flow from the Middle Adit was estimated at upwards of 600 g.p.m., and in 1952 there was at least that much, and probably more, coming from the Lower Adit. If the lower level is continued on to the northwest, it should eventually drain all of the overlying workings.

In August 1952 the mine surface plant consisted of two adjoining frame buildings located southwest of the Lower Adit portal, the buildings some distance from the portal so as to obtain increased protection from snowslides. The building nearest the adit housed the air compressors, motor generator unit, and the mine dry. The other building contained a mess hall, office, and cook's quarters on the ground floor and sleeping quarters for the crew on the second floor. In addition, there was a small cabin along the road from the Lower to the Middle Adit that could be used as living quarters.

GEOLOGY

Regional Setting

The Paymaster vein is a strong fissure striking N. 40°-50° W. and dipping 65°-75° SW. In the vicinity of the upper workings the vein may be traced on the outcrop for more than 1,700 feet. Throughout this distance it closely follows the contact of Mississippian sediments and granite, the granite occupying the eastern or footwall side of the vein.

The sedimentary rocks immediately southwest of the upper workings are quartzites, striking northwest and dipping southwest, more or less conformable with the vein. Up the stratigraphic section to the southwest these rocks grade into sandstones and gray, sandy limestones. In this area the hill side is covered with boulder and pebble-conglomerate float, the source of which is evidently outcrops nearer the top of the hill, but which were not examined. The conglomerate is composed chiefly of quartzite and sandstone fragments and is very probably equivalent to the conglomerate marking the base of the Pennsylvanian Wood River formation which is found west of the Paymaster mine. South of the upper workings, near coordinate N. 4870, the sedimentary rocks are sandy gray limestones, striking northeast and dipping northwest. These limestones probably correlate with those overlying the quartzite southwest of the upper workings.

East of the contact the rock is a pinkish, porphyritic granite, the pinkish color derived from the preponderance of large orthoclase phenocrysts. The granite weathers readily into rounded knobs and masses which are liberally scattered over the outcrop. At the contact the granite is highly altered and decomposed. This is particularly noticeable in the Middle Adit where the granite is intensely altered to a distance of almost 50 feet away from the contact, with the feldspars being almost completely altered to a whitish clay, and only the quartz remaining unaffected.

North of the mine, the granite is reported by Anderson 5/ to have intruded volcanic rocks of Miocene age, metamorphosing these rocks to some distances away from the contact. This observation would date the age of the granite as post-Miocene. On the other hand, in 1953, a specimen of granite was taken from the Lower Adit by David Gottfried, Geological Survey, who made an age analysis of it using the Larsen zircon-dating method. Gottfried calculated the rock to be 70,000,000 years old, which would place it as very late Cretaceous or early Eocene in age. In either event the granite is definitely younger than granite of the Idaho batholith. The fact that ore is present in the granite at the Paymaster proves the mineralization to be post-granite in age, and very probably post-Miocene or comparable

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5/ Anderson, A. L., Geology and Ore Deposits of the Lava Creek District, Idaho: Idaho Bureau of Mines and Geology, Pamphlet 32, 1929.

in age to precious metal Epithermal deposits prevalent in that part of Idaho which are considerably younger than the base metal mineralization commonly associated with the Idaho batholith.

Structure

The sedimentary rocks in the vicinity of the mine form the southwest limb of a major northwest-trending anticline. The anticline is well-defined north of the mine, but to the southeast the anticlinal axis, which would pass about 1½ miles northeast of the mine, is obscured by volcanics. The Paymaster vein itself is a pre-mineral fault that follows the granite-quartzite contact, although in places the vein is entirely in granite and elsewhere in the quartzite. Cutting the vein and the contact almost at right angles are a series of northwest-dipping normal faults, some with considerable displacement.

The largest of these normal faults is the Gulch fault, the surface trace of which is south of the Paymaster workings (fig. 2). Northwest of the Gulch fault, the "A" shear zone displaces the contact a horizontal distance of 70 feet. Underground, the fault was encountered in the Lower Adit at station L2 + 25 feet. At this point the zone proved difficult to drive through and the adit was therefore turned to run parallel with the zone, finally being again turned to cross it beyond station L5 (fig. 3). Where crossed, the zone is about 80 feet wide, containing several basic dikes with both dike rock and granite being badly sheared and altered.

Northwest of the "A" shear zone the "B" shear zone outcrops as a series of normal faults that have displaced the contact to the east. The main break in the zone is difficult to establish at the outcrop, but in the Lower Adit it is well-defined at station L12 + 30 feet where it occurs as a strong zone of shearing almost 40 feet wide. Like the "A" shear zone it contains highly sheared and altered granite and basic dike rock.

Between the "B" and "C" shear zones the granite-quartzite contact is indefinite. In this area the surface is indented by a small draw or basin and covered with a heavy mantle of talus. Originally the contact was placed farther to the northeast, at a line marking the highest occurrence of granite float; however, more recent surface examinations by the Operator and drill results from the No. 3 diamond drill hole suggests the contact should be farther uphill nearer the line shown on figure 2. While the contact between the two zones is indefinite, the contact in the hanging wall of the "C" zone, at coordinate N. 6000, may be accurately fixed. Like the "A" and "B" zones, the "C" is a zone of intense shearing and strong water flow as was evident where it was crossed by the Lower Adit at station L13 + 180 feet.

After mapping the contact in May 1952, it was believed the "C" zone would be the last major fault encountered by the Lower Adit in its continued advance to the northwest. Beyond the "C" zone, however, the adit, in following the contact, encountered the "D" fault, believed to be another normal fault which offset the hanging wall block of quartzite to the east for an unknown but probably short distance. This fault may be the hanging wall strand of the "C" zone, or a split from that zone.

The northeast-trending normal faults that offset the contact are post-mineral in age.

Ore Deposits

The Paymaster vein is a strong fault fissure with a well-developed gouge zone along the footwall. Where intersected in the Middle Adit, this gouge zone is about 1-foot thick with a much thicker zone of highly decomposed granite in the footwall. The gouge is reported to thicken at the footwall of ore bodies reaching thicknesses of as much as 2½ feet. Although the vein is traceable along the outcrop for more than 1,700 feet near the upper workings, the more mineralized section has a total strike length of 570 feet. About 1,500 feet to the southeast, in the footwall of the "A" shear zone, there is a mineralized outcrop that could be the Paymaster vein. More than half a mile southeast of the Gulch fault there are other mineralized outcrops at the contact that also appear to be along the southeastward continuation of the Paymaster vein.

Principal sulfide minerals in the vein are pyrite, sphalerite, galena, and chalcopyrite accompanied by quartz, calcite, pyrrhotite, and arsenopyrite. Sphalerite, the dominant mineral, is present both in large masses and isolated grains. Accompanied by galena, considerable pyrite, pyrrhotite and quartz, it is reported to have formed massive seams and lenses in the upper levels. These lenses or ore shoots ranged from 3 to 15 feet in thickness, but with average stope thicknesses of 6½ feet. They are believed to plunge steeply to the southeast. The maximum strike length of ore shoots above the Middle Adit was 140 feet, but the average was about 40 feet. The ore shoots are partly the results of fissure filling and partly of wall rock replacement. The footwall in all cases is marked by a strong gouge zone, but much of the shoots form as replacement of the hanging wall quartzite.

The Lower Adit crosscut two parallel veins 470 feet from the portal, but these were so narrow and low in grade that they did not warrant exploration. The only other evidence of mineralization found on the lower level was some copper-stained joint planes at station L10 + 80 feet. These joints occupied the approximate position of the Paymaster vein projected to the lower level. The adit objective--the granite-quartzite contact--was intersected at station L15. There

was some gouge at the contact and the quartzite was iron-stained, but there were no ore minerals. The contact was followed to the northwest but was found to be offset to the east by the "D" fault. The face of the adit is in quartzite.

Whether the quartzite-granite contact represents the Paymaster vein on the lower level is unknown. It was examined only very briefly at the point of intersection by the writer and never beyond. At the point of intersection, the contact is comparable to the Paymaster vein where crosscut on the middle level, except that it contains less gouge, is less mineralized and does not show as much wall rock alteration. An adequate comparison with the upper levels will not be possible until the vein is again found northwest of the "D" fault and is opened up by drifting. The vein should be within a few feet of the adit face.

Ore Reserves

There are no measured ore reserves at the Paymaster mine. All known ore above the Middle Adit has been mined.

On the basis of information available on the Paymaster mine in 1950, Reed 6/ estimated the reserves between the Middle and Lower Adits at:

Classification	Tonnage	Zinc, percent	Lead, percent	Silver, ounces
Inferred	52,000	6.7	1.7	1.6
Speculative	126,000	---	---	---

It was this target that was to be explored by the DMEA project. As exploration work failed to reach the vein, the target remains untested.

The grade and tonnage assigned the target area by Reed is probably as correct as may be calculated for it, although it is interesting to consider other assay and tonnage information.

If, for example, the total pounds of metal produced from the mine are calculated against the known tonnage mined, the grade of ore mined would have been 1.64 ounces silver, 1.28 percent lead, and 4.92 percent zinc. This is hardly a fair calculation as it does not take into consideration the dilution of ore by wall rock during mining or metal losses during milling and smelting. It does, however, give a means of determining the possible percentage of metal that may be expected to be recovered from the target area, assuming the grade of ore remains the same. At the January 1956 market price, such ore would be worth $17.73 per ton.

6/ Op. cit.

Another method of calculating ore reserves for the target area is to consider the samples taken on the upper and middle levels shown on figure 3. On the upper level 14 samples taken from the vein had a weighted assay value of 2.54 ounces silver, 3.35 percent lead, and 9.32 percent zinc. Fourteen samples taken from the vein on the middle level had a weighted assay value of 0.69 ounce silver, 1.22 percent lead, and 8.53 percent zinc. These figures indicate the grade of ore is decreasing with depth, although this could be a local condition and should not be accepted as conclusive. If all 28 samples are weighted, the result is an average ore width of 5.2 feet, assaying 1.81 ounces silver, 2.50 percent lead, and 9.00 percent zinc. Taking the strike length of ore mined on the middle level (450 feet), the average thickness of ore as determined from sample data (5.2 feet), and the inclined distance between the middle and lower levels, it is possible to compute an inferred reserve of 76,000 tons, using a tonnage factor of 12 cubic feet per ton. This inferred ore block would have a gross value of $2,335,000.00 at January 1956 market quotations. Allowing for mill losses and even assuming there was only one-half the computed tonnage in the target area there could still be enough ore present for a profitable operation, the royalties from which would more than repay the Government for its share of the exploration costs. The potentialities of this inferred ore block become very attractive when it is realized that a maximum of 500 feet of continued drifting and/or crosscutting from the face of the Lower Adit will adequately explore its downward extension.

THE PROJECT

The original exploration program proposed extending the Lower Adit about 500 feet westerly to crosscut the Paymaster vein structure, which would then be drifted on 1,000 feet northwesterly to explore the downward projection of the ore shoot mined above the Middle Adit level. Actual costs of the exploration were almost double the estimated costs with the result that only 720.1 feet of the proposed 1,500 feet of exploration was completed with the allotted funds. In order to continue the exploration it was necessary to amend the contract (Amendment No. 3) increasing the total contract amount from $43,000.00 to $95,020.16 and the amount of the Government's participation from $21,500.00 to $47,510.08. The amended contract provided that work be set up in two stages: Stage I to consist of 520 feet of drifting and Stage II to consist of 600 feet of diamond drilling and 300 feet of drifting and crosscutting. The additional drifting and crosscutting provided for in Stage II was contingent upon finding significant mineralization in earlier work completed under Stages I and II. There were five other amendments to the contract clarifying certain provisions therein in order to increase flexibility of the operation.

Considerable preparatory work including camp construction, mine plant installation, and adit repair was done by the Operator before project work began. On July 16, 1951 (effective date of project work) the face of the Lower Adit was at station L5 + 30.5 feet in the "A" shear zone. Prior to this date the Paymaster Mining Company had lost the Lower Adit heading at station L2 + 25 feet because of caving ground. They had subsequently turned the heading to the southwest to crosscut the shear zone which they believed had a north-south strike. Paymaster, Inc., had picked up the heading a few feet west of station L5, but subsequently lost it when they entered the wet and heavily sheared ground farther to the west. Recognizing the true strike of the "A" zone, they then backed up to station L5 and turned the heading to the northwest to crosscut the zone at right angles.

Beyond station L7 the adit was continued in a westerly direction when it should have been turned to the southwest to reach the vein with a minimum footage.

At station L10 + 60 feet the adit intersected the "B" shear zone. Here the ground was very heavy and the flow of water so strong that for several days after the intersection a flow of water several inches deep covered the adit sill. The Operator had trouble holding the timber at the face, particularly on the left side of the adit. Rather than spile through the zone he backed up to station L10 and turned to the southwest, believing he could crosscut the fault in that direction.

At station L11 + 30 feet the heading was lost for a reason never discernible to DMEA field examiners, although the Operator claimed the ground was too heavy and blocky to hold with timber. The heading, however, was backed up and turned westerly to continue until it was lost in the "B" zone at station L12 + 68 feet. At this point the Operator recognized the true strike of the "B" zone and consequently backed up to turn northwest and intersect the zone at right angles.

The Operator was quizzed several times by field examiners as to why he backed up when faults were intersected and started new headings. His answer was that he had had wide experience in driving through water-bearing shear zones in granite and had found it cheaper to start new headings rather than spile through the zones. Furthermore, he stated that as all work in the faults was done during the winter when it was difficult to get extra material and men on the property, he believed it was faster and a safer gamble to drive new headings than to spile through the faults where first found. Field examiners, however, were of the opinion that if proper technical supervision had been retained at the mine, the major fault zones would have been recognized at the point of entry. This would have been particularly

true had a long hole been carried ahead of the face in areas where rock alteration and the water flow made faults appear likely. By such observation the strike of the faults could have been determined, the headings could have been turned into the faults with timber being held close to the face and the faults penetrated without having to back up thereby losing time and valuable footage.

By January 20, 1952, Paymaster, Inc., had exhausted all project funds allotted in the accrued cost contract, the adit face being at station L12 minus 25 feet. Shortly thereafter they requested an amendment for an additional 2,400 feet of crosscut and/or drift, this amount of footage needed to reach the end point of drifting planned in the original contract and also to allow an added 700 feet of drifting on the vein to adequately explore the downward continuation of ore bodies mined above the Middle Adit. The Field Team strongly recommended approval of this requested amendment in memoranda to the Operating Committee dated March 27, 1952. However, DMEA did not concur with Field Team recommendations and consequently prepared Amendment No. 3 which allowed a total of 820 feet of drifting and crosscutting and 600 feet of diamond drilling. As written, Amendment No. 3 was unsatisfactory both to the Field Team and the Operator, but it was finally signed by the Operator who reasoned it was better than nothing, particularly since the amendment was not received until May 20, although it was retroactive to the point where contract funds had become exhausted on January 20, 1952. Once Amendment No. 3 became effective, it was agreed by the Operator and the Field Team to cease crosscutting southwest for the vein and to continue the adit heading in a northwest direction until it intersected the granite-quartzite contact, believed by the Operator to be curving southwest from points slightly south of the Middle Adit (see map attached to Field Team memoranda of March 27, 1952). If the quartzite was not found after the adit had been driven 430 feet northwest of station L12, it was proposed to cease adit work and diamond drill for the contact.

On May 22, 1952, the project was visited by DMEA examiners who found the adit heading at station L12 + 460 feet, the advance being impeded by the "C" shear zone. Following the underground inspection, the surface granite-quartzite contact was mapped by plane table, and it was found that the contact did not curve as had been postulated by the Operator but was instead offset by a series of faults. From the surface exposure it was apparent that the "C" zone should be the last major fault found by the northwest-trending adit. The Operator consequently was advised to continue the adit through the "C" zone until firm granite was found, even though this extension exceeded the 430-foot limit in Amendment No. 3 and then set up a diamond drill station to drill for the vein. The Operator complied with these suggestions, advancing the face to station L12 + 490 feet. A proposal was then submitted by the Operator to drill two holes into the face, fanning the holes out to the northwest at an acute angle

to each other. This proposal was not acceptable to the Field Team who informed the Operator that the Government would not participate in the costs of such holes. Instead, two holes, one at a bearing of N. 45° E. and the other at S. 60° W., were proposed to the Operator. This suggestion was partially accepted by the Operator and holes 1 and 2 were drilled as plotted on figure 3. Hole 1 was extended N. 15° E. 144 feet, remaining in granite for its entire length but cutting a shear zone from 120-135 feet. Hole 2 was drilled at an inclination of +31° on a S. 70° W. bearing to a depth of 139 feet. The hole was in granite from 0-102 feet and in quartzite from 102-139 feet. No ore was found at the granite-quartzite contact.

Hole 3 was located by the Operator. It was drilled at station L13 + 50 feet at an inclination of +45° on a S. 47° W. bearing to a depth of 200 feet. The hole was in granite for its entire length.

When the three holes were completed, the Field Team and the Operator agreed to enter into the second part of Stage II of Amendment No. 3 by advancing the adit westerly to the contact and then drifting to the northwest. The contact was subsequently crosscut at station L15 and then followed 50 feet where it was lost on the "D" fault. No ore minerals were found by this work. The adit was extended for another 55 feet and stopped in quartzite when contract funds were exhausted.

Prior to stopping adit work, the Field Team Executive Officer telephoned DMEA in Washington, strongly urging that additional footage be granted the Operator to adequately explore the vein. It was pointed out that the adit face was on the threshold of a discovery, being almost directly down dip from ore mined above the Middle Adit and that a few more feet of crosscutting should again intersect the vein. Unfortunately, this request was emphatically denied. The Field Team then tried to encourage the Operator to continue the adit on its own account but was told that the company's financial condition would not permit further exploration work. The project was therefore abandoned after large sums of money had been spent in advancing the adit to within a few feet of the target.

Project work was continuous from July 16, 1951, until August 1952 when project work stopped.

Exploitation Possibilities

All known minable ore has been extracted from above the Middle Adit level. Some ore probably could be obtained from the short winze below the middle level, but such mining would be impractical and too expensive to be profitable. The only logical way of exploiting the mine is to continue the Lower Adit the few feet needed

to intersect the vein and then to drift northwest on the vein for at least 400 feet. If no ore is found by this work, then at least 200 feet of raise should be driven off the Lower Adit before the mine is abandoned. On the other hand if the vein on the lower level is anything like the vein on the middle level, it should present a profitable operation to the Operator enterprising enough to complete the remaining few feet of needed exploration work. Economic factors will, of course, determine whether such an ore body could be worked at a profit, but all things considered, the mine must be considered as an attractive proposition to a would-be operator.

Summary of Factual Data

Work

Under the exploration project a total of 1,687.4 feet of crosscutting and drifting had been done at a cost of $51.55 per foot and 483 feet of diamond drilling from underground stations at a unit cost of $6.00 per foot.

The original contract was in the amount of $43,000.00 with Government participation at $21,500.00. Amendment No. 3 raised the total contract amount to $95,020.16 and the Government's participation to $47,510.08. A total of $89,877.46 was spent on the project of which the Government's share of the cost was $44,938.73.

Important factors contributing to the high cost of the exploration were inexperienced miners, bad ground, severe winter conditions, poor supervision, and the high cost of supporting facilities that had to be charged to a single exploration heading.

No production resulted from the exploration project.

Equipment and Operating Materials

No equipment was purchased for use on the project. Major items of equipment were furnished by the Operator on which a monthly use cost was charged. Operating materials which were charged as a cost to the project and were considered worth salvaging are listed below:

Quantity	Description	Cost
17,333 lbs.	20# mine rail	$1,242.78
1,436 feet	4" comp. air line	1,751.92
600 feet	1" pipe	126.00
		$3,119.70

The Operator offered $350.00 for the mine rail, $900.00 for the 4-inch compressed air line, and $60.00 for the 1-inch water line. The Operator's offer of $1,310.00 for these items was believed to be greater than could be obtained through salvage and resale; therefore, the Field Team accepted the Operator's offer for these items.

The excess of closing inventory of unused supplies purchased for the project and contributed to by the Government is listed below:

Timber	$ 928.30
Explosives	1,055.34
Rail	46.69
Carbide bits	80.85
	$2,111.18

The Operator offered the full original cost of $2,111.18 for these items, and this was accepted by the Field Team.

Discussion of Conclusions

The Operator completed 1,687.4 feet of adit which failed to reach the target area by less than 100 feet. Had the Operator made a surface geological map of the area before exploration started, the target area could have been pinpointed and reached by a straight crosscut approximately 1,300 feet in length.

Project administration and management by Paymaster, Inc., officials was poor. The actual supervision of project work was left to a nontechnical shift boss who made an earnest effort to do a good job but who was forced to abide by orders issued by telephone from Spokane and Wallace from officials unacquainted with conditions at the mine. The management was also difficult for the Field Team to deal with. Although project work was started July 16, 1951, it was only after repeated requests that the Operator turned in his first progress report in January 1952.

The project was carried forward under severe winter weather conditions. Supplies often had to be hauled 6 miles by bulldozer as it was sometimes impossible to keep the road open to trucks. Fighting the snow slowed down the advance of the adit and increased costs.

The Operator hired local, inexperienced miners who were not familiar with difficult tunneling conditions and who were unable

to cope with the heavy ground found in the major shear zones. The adit heading was abandoned three times and each time necessitated the backing off and starting of a new heading with lost time and wasted effort. Had the Operator carried long holes ahead of the face to drain the water before penetrating the fault zones and also carried close timber support, it is believed that no headings would have been lost. The examining engineers suggested this procedure to the Operator, but the suggestion was not followed when crossing fault zones.

The Paymaster vein must be considered as a very enticing exploration target, requiring but a few additional feet of adit to determine whether it contains minable ore.

Enclosures
Distribution:
DMEA(4)
USBM(5)
USGS(SRO)
Docket
Kilsgaard

FEB 8 1955

Mr. Frank H. Marr, President
Haymaster, Inc.
411 Peyton Building
Spokane 1, Washington

Re: Docket No. [illegible]-391 (Lead-Zinc)
Haymaster, Inc.
Haymaster Mine
Blaine County, Idaho
Contract No. Ida-759

Dear Mr. Marr:

Reference is made to the cited exploration project contract between you and the Government.

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

We regret that the exploration work performed did not result in a certification of discovery or development. Your participation in the exploration program, however, is sincerely appreciated.

Sincerely yours,

C. O. Mittendorf

Administrator

WRGriswold
WTJohnson/bjl (2/7/55)

Copy to: Docket
Admr. F. File
Gen. Committee
Base Metals
Mr. Bishop
Mr. Killsgaard
Mr. Jay Chambers
Reg. I (N.W.Dist.) (2)
Chron.

File Copy
Surname
Griswold
Talbert

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

Mr. Frank N. Marr, President
Paymaster, Inc.
611 Peyton Building
Spokane 1, Washington

Re: Docket No. DMA-391 (Lead-Zinc)
Contract Idm-859

Dear Mr. Marr:

We are pleased to advise you that your performance of exploration work under the subject contract has been satisfactory to the Government, and the account relating thereto has been closed. The final audited and settled account shows:

Total allowable costs incurred	$89,877.46
Total Government contribution at 50 percent	$44,938.73

Your attention is called to the provision of the contract which requires you to keep and preserve your records and accounts of this transaction for a period of three years for possible future reference.

We sincerely regret that the work performed did not result in a certification of discovery or development under the provisions of the exploration contract. In the absence of such certification, the Government retains no claim or lien against the property or any production therefrom.

The Government is grateful for your participation in the exploration program of the Defense Minerals Exploration Administration.

WRGriswold/er 1/31/55
Copy to: Docket
Region I (2) N.W. Distr.
Admr R File
Op. Committee
Base Metals
Mr. Jay Chambers
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Chron.

Sincerely yours,

Administrator

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 14 1953

August 7, 1953

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-391 (Zinc-Lead)
Paymaster, Inc.
Blaine County, Idaho
Contract No. Idm-E59

Dear Mr. Selfridge:

In reply to your letter of August 3, 1953, we will forward to you the final report on the Paymaster contract as soon as it is possible for us to do so. However, as I stated in my previous letter, we have been so shorthanded and have such a heavy work load that we may not be able to finish the final report until fall.

We note with interest your query that "if it is correct that the further expenditure of a comparatively modest sum might reasonably be expected to discover an ore body which could be certified (as a discovery), would it not be to the best interests of the Government to so provide in the form of an amended contract." At the time the contract was amended to permit additional work, the proposal submitted by the Operator and recommended by the Field Team would have allowed sufficient work to thoroughly explore the target area. This was reduced in Washington to a bare minimum sufficient merely to reach the area of the expected oreshoot without making any allowance for its possible rake. The Field Team protested this strenuously in telephone conversations and in a personal conference with Mr. Corbett of the Lead-Zinc branch in Washington; we were finally forced to accept the amended and reduced contract extension with the very definite understanding that this was all that would be allowed.

At the time the work specified in the amended contract was completed, the Operator was unable to carry out additional work without DMEA assistance, and he recessed the project indefinitely. The turndown for additional footage had been so emphatic and pointed that the Field Team did not feel that any object would be served in asking for additional footage although they agreed with the Operator, as was obvious

500

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

Samuel
Selfridge
Johnson
Mitchell

AUG 3 1953

Mr. A. E. Weissenborn
Executive Officer
DMEA Field Team, Region II
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA-391 (Zinc-Lead)
Paymaster, Inc.
Blaine County, Idaho
Contract No. Idm-E59

Dear Mr. Weissenborn:

We have your letter of July 11, referring to the above project.

We cannot send out the closing letter on this contract, advising that no certification will be made, etc., until we have the Field Team's final report. Therefore, will you kindly forward this report to us as soon as is convenient.

Quoting from the Operator's final report, we note:

> "The downward extensions of the above mentioned ore shoots were not explored because the total amount of work allowed under the amended contract left the face of the adit some 200 feet short of the downward projection of the nearest known ore shoot.
>
> ". . . the adit should be continued on its present trend until the quartzite-granite contract is again intercepted."

If it is correct that the further expenditure of a comparatively modest sum might reasonably be expected to discover an ore body which could be certified, would it not be to the best interests of the Government to so provide in the form of an amended contract. This would appear logical, inasmuch as some ninety thousand dollars has already been expended on this project.

Sincerely yours,
George C. Selfridge
Chairman, Operating Committee

MBA 8-3-53

WRGriswold/bjl (7/29/53)
Copy to: Docket
Admr. R. File
Op. Committee
Base Metals
Mr. Bishop
Mr. Kinkel
Chron.

APPROVED:

E. H. Hedges
Member, Bureau of Mines

A. R. Kinkel, Jr.
Member, Geological Survey

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

July 11, 1953

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-391 (zinc-lead)
Paymaster, Inc.
Blaine County, Idaho
Contract Idm-E59 (completed)

Dear Mr. Selfridge:

In reviewing our files of the completed Paymaster contract, I note that no statement as to certification of discovery or development has been made. We have received the Operator's final report, a final audit has been made, an audit certificate has been issued, the audit report given to the Operator, and final payment on the contract has been made. However, a final Field Team report has not yet been completed, although we are aware that it is due but have not been able to find time to prepare it. We hope to get this done within the next month.

We are in agreement with the Operator's statement in his report that no discovery has been made; probably the Operating Committee is holding up sending of official word to the Operator that no discovery was made pending receipt of the Field Team's report. Because of the unavoidable delay in making this report, perhaps it would be possible to advise the Operator that no discovery will be certified.

Sincerely yours,

A. E. Weissenborn

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

cc: USBM (2)

FILE COPY
SURNAME:
DMEA ~~395~~
391 Chambers

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

Contract Admin. & Audit Division
Defense Minerals Exploration Admin.
14X3923.970 Working Fund,
DMEA

June 18, 1953

Mr. A. B. Weissenborn
Executive Officer
DMEA Field Team, Region II
South 157 Howard Street
Spokane 4, Washington

Reurtel 6-17-53, Contract Idm-E99, Paymaster. Audit Report is acceptable, see our letter June 16.

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

6-18-53

cc: Docket
Admr. Reading File
Mr. Chambers

OEM

54 WA SP /I-GS/

SPOKANE WASH 6-17-53 1012

C O MITTENDORF ADMIN

DEFENSE MINERALS EXPLORATION ADMIN DEPT OF INTERIOR

WA

PLEASE ADVISE IF AUDIT REPORT ON PAYMASTER CONTRACT IDM-E59 SUBMITTED JUNE 5TH IS ACCEPTABLE. WISH TO RELEASE FUNDS AS SOON AS POSSIBLE.

A E WEISSENBORN EXEC OFFICE DMEA FLD TEAM REG II

IDM-E59 5TH

AC 1013

RECEIVED
JUN 17 1953
DEPARTMENT OF THE INTERIOR
Defense Minerals Administration

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

Spokane, Washington
May 28, 1953

Mr. Frank N. Marr, President
Paymaster, Inc.
611 Peyton Building
Spokane 1, Washington

Subject: Docket No. DMRA 391
Contract Idm-859
Paymaster, Inc.
Purchase of jointly-owned pipe and rail

Dear Mr. Marr:

This is to inform you that your offer for jointly-owned pipe and rail purchased under the subject contract and now installed in the Paymaster mine, as shown in your letter of May 27, 1953 and indicated below, is acceptable to the Government.

17,333 lbs.	20# rail	$ 350.00
1,436 ft.	4" victaulic pipe	900.00
600 ft.	1" pipe	60.00
		$1310.00

One-half of this amount will be deducted from the amount due you in final settlement of the contract.

By Field Team, Region II

A. E. Weissenborn, Exec. Officer
U. S. Geological Survey
157 South Howard Street

F. E. Volin, Member
U. S. Bureau of Mines
1201 E. Division Street

cc: DMRA, Wash. (3)
USGS (2)
Certifying Officer
R. H. Hull

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

Spokane, Washington
May 28, 1953

Mr. Frank H. Harr, President
Paymaster, Inc.
611 Peyton Building
Spokane 1, Washington

Subject: Docket No. DMEA 391
Contract Idm-259
Paymaster, Inc.
Materials unused at completion of exploration project

Dear Mr. Harr:

This will acknowledge receipt of your letter of May 27, 1953, enclosing certified copies of beginning and ending inventories of supplies and materials purchased for use on the subject project.

The difference in values, $2111.18, shall be credited to the project and an appropriate deduction made from the amount due you under the contract.

By Field Team, Region II

A. L. Weissenborn, Exec. Officer
U. S. Geological Survey
157 South Howard Street

R. E. Volin, Member
U. S. Bureau of Mines
1201 N. Division Street

cc: DMEA, Wash. (3)
USGS (2)
R. M. Hull
Certifying Officer

Business Office:
611 Payton Building
Spokane 1, Washington

C
O
P
Y

Mi[illegible]: P. O. Box 182
Carey, Idaho

Paymaster, Inc.

May 27, 1953

Defense Minerals Exploration Administration
1201 North Division St.,
Spokane 2, Washington

Attention: Field Team Region 2

Gentlemen:

To facilitate conclusion of the Contract between the Defense Minerals Exploration Administration and Paymaster, Inc. No. Idm-e 59, Docket DMEA-391X, we make the following offer, on the basis of the salvage value, of the following materials presently installed in the Paymaster Mine covered by the above contract:

17,333 lbs. 20# rail	$ 350.00
1,436 ft. 4" victaulic pipe ..	900.00
600 ft. 1" pipe	60.00
Total	$1,310.00

It will be understood, of course, that this offer is made for the full value of the items involved and that Paymaster, Inc. will be credited with its proportionate share of the above figure.

Very truly yours,

PAYMASTER, INC.

(sgd.) Frank N. Marr, President

FNM:ed

D.M.E.A.

14X3923.970 Working Fund,

D.M.E.A.

MAY 8, 1953

Mr. Robert M. Hull
DMEA Auditor
1201 North Division Street
Spokane, Washington

Reurtel May 7. Amendment No. 6 is effective as of July 15, 1951, and makes Amendment No. 3 effective as of July 15, 1951. This contract should be handled as one unit of operation. Note diamond drilling is agreed unit cost.

Jay L. Chambers, Chief
Contract Administration
and Audit Division

JLChambers/ama
May 8, 1953

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 8 1953

RECEIVED
MAY 8 6 47 AM '53
GENERAL SERVICES ADMIN
PUBLIC BLDGS. SERVICE
BMD--COMMUNICATIONS

5$8HUV

372 WA SP /I-BOM/

SPOKANE WASH 5-7-53 340P

JAY L. CHAMBERS, CHIEF CONTRACT, ADMIN AND AUDIT DIV, DMEA
DEPT OF INTERIOR, WA

THE EXECUTIVE OFFICER OF THE FIELD TEAM REGION II HAS REQUESTED AN IMMEDIATE AUDIT OF CONTRACT NUMBER IDM-E59 DOCKET NUMBER DMA391X, PAYMASTER MINES INCORPORATED, DUE TO THE FACT THAT THE OPERATOR HAS BUSINESS REASONS FOR DESIRING AN IMMEDIATE SETTLEMENT OF THE CONTRACT. WE WOULD APPRECIATE CLARIFICATIONAND YOUR INTERPRETATION OF THE FOLLOWING POINTS-

1. IT IS OUR UNDERSTANDING THAT AMENDMENT NUMBER 3, SIGNED MAY 20, 1952, IS EFFECTIVE AS OF JANUARY 15 1952, AS THE OPERATOR WAS AT A POINT 25 FEET EAST OF STATION "L" 12 ON THAT DATE.

2. DOES AMENDMENT NUMBER 6 DATED NOVEMBER 4 1952 HAVE THE EFFECT OF MAKING AMENDMENT NUMBER 3 EFFECTIVE AS OF THE DATE OF THE ORIGINAL CONTRACT, JULY 16 1951.

3. SHOULD THE AUDIT REPORT BE DIVIDED INTO /A/ THE WORK AND COST FROM JULY 16, 1951, TO JAN. 14, 1952, /B/ STAGE ONE OF THE AMENDED CONTRACT AND /C/ STAGE TWO OF THE AMENDED CONTRACT, PROVIDING IT IS POSSIBLE TO MAKE THESE DETERMINATIONS FROM THE AVAILABLE SOURCE DOCUMENTS, OR IS IT YOUR INTERPRETATION THAT THIS SHOULD BE HANDLED AS ONE CONTRACT AND NOT BE DIVIDED INTO STAGES.

WE WOULD APPRECIATE ANY FURTHER COMMENTS OR SUGGESTIONS YOU MAY HAVE ON THIS CONTRACT. PLEASE REPLY BY TELETYPE.

ROBERT M. HULL

C. A. TURNER

II IDM-E59 DMA391X 1. 3 20 1952 15 1952 25 "L" 12 2. 6 4 1952 3 16 1951 3. 16 1951 14 1952

EC 348P

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
~~WASHINGTON 25, D. C.~~
So. 157 Howard Street
Spokane 4, Washington

January 21, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration

Dmea 391

Mr. Frank H. Marr
Paymaster, Inc.
611 Peyton Building
Spokane 1, Washington

Dear Frank:

This will acknowledge receipt of four copies of the final report on the Paymaster, Inc. property together with final copies of Form MF104-A. These are being sent today to the Finance Officer so that the final settlement on the contract can be made.

We are making extra copies of your final report. As it is not possible to easily duplicate the maps, we would appreciate it greatly if you could send us two extra copies of the map.

Sincerely yours

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

cc: DMEA (2)
USBM (2)
Kiilsgaard

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
~~XXWASHINGTONX25XDXCX~~
So. 157 Howard Street
Spokane 4, Washington

January 21, 1953

Mr. R. J. Hindman, Finance Officer
Bureau of Mines
1201 North Division
Spokane, Washington

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
JAN 23 1953

Dmea 391

Dear Mr. Hindman:

Enclosed are four copies of Form 104-A submitted by Paymaster, Inc. for Contract Idm-159. I understand that you already have the corresponding 104 forms for this same period.

This is also to advise you that the Paymaster, Inc. has submitted an acceptable final report on the project. Final auditing and settlement of the contract, therefore, can now proceed.

Sincerely yours

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Enclosure 1 (in quad.)
cc: DMEA (2)
USBM (2)
Cont. Adm. & Aud. Div., D. C.
Hull

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D. C.~~
So. 157 Howard Street
Spokane 4, Washington

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
JAN 23 1953

January 21, 1953

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Dept. of Interior
Washington 25, D. C.

Dmea 391

Re: Docket No. DMEA-391 (Zinc-lead)
Paymaster, Inc.
Blaine Co., Idaho
Contract Idm-E59

Dear Mr. Selfridge:

Enclosed are three copies of a final report from the Paymaster, Inc. describing the work done under Contract Idm-E59. The Field Team regards this as an acceptable report although there are a few points of which we are in some disagreement. These points will be brought out in the Field Team's final report on the property which will be prepared as soon as possible.

Sincerely yours

A. E. Weissenborn

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Enclosure 1 (in trip)
cc: USBM (2)
Kiilsgaard

cae 1/26

BUSINESS OFFICE: PEYTON BUILDING
SPOKANE 8, WASHINGTON

MINE: BOX 930
KELLOGG, IDAHO

SPOKANE-IDAHO MINING CO.

P. O. Box 930
KELLOGG, IDAHO

January 10, 1953

To: Mr. A. E. Weissenborn, Executive Officer
DMEA Field Team, Region II
c/o U. S. Geological Survey
South 157 Howard
Spokane, Washington

From: R. G. Gordon, Engineer
Spokane-Idaho Mining Co.
Box 930
Kellogg, Idaho

Subject: Final Summary Report of Operations at the Paymaster Mine under Exploration Contract No. Idm-E-59 Docket No. DMEA-391-X

Introduction

The original objective of the Paymaster Exploration Project was to extend the lower adit to intercept the vein structure and to drift on the structure to explore the presumed downward extensions of known ore shoots.

Under the contract the adit was extended a total of 1687.4 feet and 483 feet of diamond drilling was done. The total allowable cost under the contract was $95,020.16.

The net result of this work was to intercept and drift on a faulted segment of the vein structure for a distance of 50 feet. No commercial ore was discovered. The downward extensions of the above mentioned ore shoots were not explored because the total amount of work allowed under the amended contract left the face of the adit some 200 feet short of the downward projection of the nearest known ore shoot. Furthermore the total cost of the work far exceeded the total allowed under the amended contract.

OPERATING FINAL REPORT

Surveys

The initial survey required to orient the drive was made by R. G. Gordon from July 10th to July 14th, 1951. The survey consisted of the establishment of permanent surface control stations and the running of a 6500 foot transit-tape traverse from the face of the middle tunnel to the face of the lower tunnel. The surface portion of the traverse was along the road connecting the two adits. Orientation of the survey was by lunar observations.

Subsequent survey work required to keep the maps up to date from month to month was done by the staff at the mine. Transit control was maintained by Mr. Stanley Fairweather until May 14, 1952. From then until the project was stopped on August 31st, 1952, the survey was carried by Brunton compass by Mr. Fairweather and later by Mr. George McCall. The only survey stations shown on the map that are not transit stations are L-14 and L-15.

Geology

Prior to the beginning of work under the contract, geological investigations of the Paymaster by the Spokane-Idaho Mining Company were limited to discussion with geologists who had visited the property. It was learned that the ore occurs as stringers and lenses in the quartzite hanging wall of a strong shear that marks the boundry between quartzite and granite. The main vein is a strong structure and it was considered a reasonably safe assumption that ore shoots of comparable size and grade to those already mined would persist to the horizon of the new adit.

No geological mapping was done by the Spokane-Idaho Mining Company under the contract. Geology shown on the attached map was mapped by the U. S. Geological Survey. Three major shear zones encountered in the adit have been correlated by the U.S.G.S. with similar zones mapped on the surface. Displacement of the granite-sediment contact by the faulting is shown on the map. Most of this information was not available until the exploration project was far advanced. The structural geology will be further discussed in connection with the diamond drilling and related work.

Work Accomplished

Considerable work (mostly preparatory) was done at the Paymaster prior to the effective date of the original DMA contract. Included in this was the construction of a building to house the compressors and the motor generator unit in one end and a shop and mine dry in the other. Also a small diversion dam was built in the creek and a pipe line installed to the mine to provide water for mining and domestic purposes. Some repair work was done in the adit and track was installed on the mine dump.

Extending the Adit

Work in the adit commenced about July 10th and the face was advanced 22 feet before July 16th, the effective date of the original DMA contract. The face at this time was located 30.5' beyond survey station L-5 and was just about in the middle of the first of the three major shear zones encountered in the adit. Progress during the last half of July was slow because of the bad ground through shear zone A (see map). At the end of the month the total advance on the contract was 44.5'.

During the months of August, September and October the face was advanced a total of 464' through fairly good ground. No timbering was required through this section of the adit although several zones of high water flow were encountered.

About the middle of November when the face had been advanced to a point about 155' west of station L-9, it was found necessary to begin timbering. The face was advanced 50' through badly sheared granite but at a point located 60 feet west of station L-10 the faulting was so severe and the water flow so heavy that it was necessary to abandon the face.

Believing that the penetration into the fault zone would release the water pressure sufficiently to allow passage through the broken area at another point, a new heading was started at station L-10. Since it was felt that the granite-sediment contact would be more quickly encountered by going to the left then by going to the right, the new heading was driven to the left on a bearing of S 47° W.

Ground conditions on the new bearing continued to be bad and water flow extremely heavy. The total advance for the month of December was only 83'. Early in January of 1952 the right wall of the heading became very soft and on the 15th of the month it became impossible to hold the ground with timber. This condition necessitated another retreat to more firm ground. This time the new heading was started 30' back from the face and was advanced 84' during the last half of January.

While the underground crews were attempting to get through the second major shear zone, weather conditions outside were extremely bad. Beginning the last week of November and lasting through March, the heavy snow fall and high wind velocity made it difficult to impossible to keep the 5½ mile mine road open to traffic. Aid in plowing out the snow, normally supplied by the county, was not given during the winter of 1951-52. Until early in December, Paymaster crews were able to get by with a small tractor-dozer, but it then became apparent that the unit was too small. An Allis-Chalmers HD-7 dozer was purchased and was in use the balance of the winter. The cost of this work was exceedingly heavy.

Extending the Adit - (cont.)

The funds allowed under the original contract were used up late in 1951. The exact date was difficult to ascertain. However, the work at the Paymaster was continued without interruption while applications for an amendment of the contract were submitted.

The contract was amended to provide for additional drifting and for diamond drilling if ore were not encountered within the limits of the allowable drifting. The amendment (No. 3) also provided for additional drifting following the diamond drilling if the drilling produced encouraging results. The aggregate total of drifting and crosscutting under the amendment was 820' and the diamond drilling was not to exceed 600'.

The starting point for the work under the amended contract was established in the amendment as a point 25' east of survey station L-12. When the amendment became effective the heading had already advanced beyond the starting point and had again (for the 3rd time in shear zone B) encountered ground that was so bad that it forced a retreat. The flow of water was the greatest so far encountered.

The new heading was started at a point 65' back from the caved face and was driven in a direction approximately normal to the strike of the shear zone. During the month of March, 1952, the face was advanced 107' and at the end of the month was completely through shear zone B (see Map).

During April and most of May the heading was advanced rapidly through good ground. Little timber was required until the adit entered the third shear zone at station L-13 plus 175' (see Map). The diamond drilling phase of the amended contract was to be started at about the point where the heading entered the shear. However, it was thought advisable to drive into firm ground before trying to core drill. This change was permitted by contract amendment No. 4 and the heading was continued to a point located at L-13 plus 223'.

Diamond Drilling

At that time the position of the Spokane-Idaho Mining Company was rather difficult. Under the amended contract, footage allowed prior to diamond drilling was used up and in order to maintain government participation the company was forced to diamond drill. We were allowed a maximum of 600 feet of drilling and under the contract we had to cut significant mineralization in order to justify further work.

The face of the adit was in granite even though it was in the hanging wall of the downward projection of the quartzite-granite contact. This could be accounted for by flattening of the contact or by faulting. The fault pattern already established led to the belief that faulting was responsible and that we were not completely through the last fault zone. The absence of cross faulting in the middle tunnel, however, indicated that the

Diamond Drilling (cont.)

structure down-dip from known ore was apt to be in its projected position. Accordingly, the allowed diamond drill footage was laid out to prospect this area.

However, our proposed holes were not acceptable to the government. The U. S. Geological Survey's DMEA Team recommended a different drilling program which was accepted by Spokane-Idaho on the grounds that the government would not further participate in the proposal made by us.

Drilling Results

Hole No. 1 - This hole was drilled flat on a bearing of N. 15° E. a distance of 144'. The hole was in granite all the way. Fault and gouge material was encountered at from 120 to 135'. No evidence of vein structure was found.

Hole No. 2 - This hole was drilled S. 70° W. at an angle of plus 31° for a total distance of 139'. Drilling was in granite to 102' where the granite-quartzite contact was hit. The balance of the hole was in quartzite.

Hole No. 3 - The drilling of hole No. 3 was from a point located at station L-13 plus 50'. The bearing was S. 47° W. and the vertical angle plus 45°. The hole was in granite for the entire length of 200'. No mineralization was encountered.

The diamond drilling program was completed June, 30, 1952.

Crosscutting to the Contact

Early in July work was resumed in the adit under terms of amendment No. 3 of the contract. The heading was driven to the left to intercept the structure that was cut by D.D.H. No. 2. Several faults were encountered enroute and are shown on the map. After driving 106' from L-14, the granite-quartzite contact was cut. The heading was continued a few feet to test the hanging wall and then a drift was started on the structure.

Drifting

The granite-quartzite contact showed a little gouge and the quartzite was rusty with oxidized iron. No ore minerals were present.

After drifting on the contact for approximately 50' a shear zone was encountered and the contact was lost.

Drifting (cont)

Believing that the offset was to the east, the drift was turned slightly and continued in quartzite until the end of the month. At that time the aggregate footage under amendment No. 3 of the contract was used up and the work was stopped.

Conclusions and Recommendations

Certain features of the geology at the Paymaster are still not completely clear. One of the most perplexing problems is how to explain the surface mapping of the granite-quartzite contact between shear zones B and C. If the dashed line is correct, this shear zone C as mapped on the surface does not correlate with what we are calling shear zone C in the adit. During a reconnaissance survey, Mr. Brower Dellinger of the Spokane-Idaho found considerable evidence indicating that the surface outcropping of the granite-quartzite contact between shear zones B and C is as shown by the dotted line on the map. This position of the contact fits the underground findings more closely and explains why D.D.H. No. 3 did not cut the structure.

The face of the adit is now in quartzite and apparently entirely through the last shear zone. If and when work is resumed at the Paymaster, the first step is to bring the transit survey to the face to check the Brunton work and the map. If the picture is not substantially changed the adit should be continued on its present trend until the quartzite-granite contact is again intercepted. The contact can then be explored by drifting. The distance to the contact should be approximately 100'.

Cost

The total cost of the Paymaster Exploration Project was $128,976.14. Of this amount $28,028.17 was spent prior to July 16th, 1951, the effective date of the original DMA contract.

This leaves a total of $100,947.97 as the total expense incurred while the government was participating in the program. To date, expenses totaling $85,812.53 have been approved by the government as allowable under the terms of the contract. Some expenses that were not allowable under the original contract are now being submitted to the government as allowable under amendments to the contract. If allowed, these expenses will bring the contract amount up to the total of $95,020.16 stipulated in amendment No. 3 to the contract.

Respectfully submitted,

Robert G. Gordon

Robert G. Gordon
Engineer

RGG:er

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

[redacted]
So. 157 Howard Street
Spokane 4, Washington

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 17 1952

November 14, 1952

Mr. Frank E. Johnson, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: Docket DMEA-391X (Lead-Zinc)
Paymaster, Inc.
Blaine County, Idaho
Contract Idm-E59

Dear Mr. Johnson:

Enclosed are the original and two signed copies of Amendment No. 5 to the subject contract.

Copies of the amendment have been retained by the Operator, the Field Team, and the Finance Officer.

Sincerely yours,

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Enclosure

cc: Kiilsgaard
USBM (2)

cse
11-17

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

November 11, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 17 1952

Mr. F. E. Johnson, Chairman
Operating Committee, DMEA
Dept. of the Interior
Washington 25, D. C.

Dear Mr. Johnson:

In my letter of November 4 to you re the Paymaster Contract No. Idm-E59, Docket No. DMEA-391X (Lead-zinc) I note that I said, "Enclosed are signed copies of Amendment 3." This should have read "Amendment 6." Will you please make this correction on your copy of the letter.

Sincerely yours

A. E. Weissenborn

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

cc: USBM (2)
Fiscal officer
Kiilsgaard

cor
11-19

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

November 4, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 13 1952

Mr. F. E. Johnson, Chairman
Operating Committee, DMEA
Dept. of the Interior
Washington 25, D. C.

Dear Mr. Johnson:

Enclosed are signed copies of Amendment No. ~~5~~ 6 to the Paymaster contract Idm-E59, Docket No. DMEA-391X (Lead-Zinc). We believe that with these it will be possible to make the back payment due the Operator, and I wish to thank the Washington staff for taking care of this matter for us.

By copy of this letter, the Fiscal Officer's copy is distributed.

Sincerely yours

A. E. Weissenborn

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Enclosure 1 (in trip.)

cc: USBM (2)
Fiscal Officer w/1 encl.
Kiilsgaard

cae
11-13

FILE COPY
SURNAME:

Cuba
Rubin
Hofflund
Weller
Talbot

UNITED STATES 140
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

OCT 27 1952

Mr. A. E. Weissenborn
Executive Officer
DMEA Field Team, Region II
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA-391X
Contract No. Idm-E59 (Lead-Zinc)
Paymaster, Inc.

Dear Mr. Weissenborn:

This responds to your letter dated October 6, to the Administrator concerning the propriety of payment of the Government's share of the costs of certain retroactive pay increases and "a few other small items" incurred prior to the date of Amendment No. 3 (May 20, 1952), from funds made available under that Amendment.

The third paragraph on page 2 of Amendment No. 3, limits the use of the funds made available by that amendment to the work described therein under Exhibit "G". Therefore, there is attached an Amendment No. 6 which substitutes a new paragraph three for the original one and permits the payment of allowable costs incurred under the contract prior to the date of Amendment No. 3.

Sincerely yours,

(signed) FRANK E. JOHNSON
Chairman, Operating Committee

HCRubin/ema/10-21-52
cc: Mails & Files
Adm. R. File

Operating Comm.
Mr. Thayer
Mr. Hedges
H. F. Keller
J. L. Hofflund
H. C. Rubin
Chron.
Pending

10-27-52

Approved:

Charles H. Merrill (HB)
Member, Bureau of Mines

P. R. Kinkel, Jr. (HB)
Member, Geological Survey

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

Corbett
McKnight

OCT 1 6 1952

Mr. A. F. Weissenborn
Executive Officer, Region II
DMEA Field Team
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA-391X (Lead-Zinc)
Contract No. Idm-E59
Paymaster, Inc.
Blaine County, Idaho

Dear Mr. Weissenborn:

Enclosed please find the original and five copies of Amendment No. 5 to the Paymaster, Inc. Exploration Project Contract No. Idm-E59, Docket No. DMEA-391X.

This amendment makes possible the legal payment of overtime and straight time wage increases due to a general increase in the rates prevailing in the area.

Please have the original and copies signed, returning the original and two copies to this office.

Sincerely yours,

(signed) FRANK E. JOHNSON (HB)
Chairman, Operating Committee

P.H. 10-16-52

Enclosures 6

FXCorbett/bjl (written 10/15/52)

APPROVED:

J. H. Hedges (HB)
Member, Bureau of Mines

A. R. Kinkel, Jr. (HB)
Member, Geological Survey

Copy to: Docket
Admr. R. File
Op. Committee
H. F. Keller (2)
F. X. Corbett
Mr. Bishop
Mr. McKnight
Chron.

500

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

OCT 1 6 1952

Memorandum

To: Administrator

From: Chief, Base Metals Division

Subject: Justification for Amendment No. 5 to Docket No. DMEA-391X, Paymaster, Inc.

This amendment is a routine matter which does not increase the estimated total cost of the project.

The amendment is necessary to correct a defect in Amendment No. 3, which increased the estimated cost of the project but precluded the possibility of legally making payment of wage and salary increases, both for straight and overtime work, which might be caused by a general rise in the regional pay level.

H. F. Keller, Chief
Base Metals Division

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
Spokane 2, Washington
1201 N. Division St.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 8 1952

October 8, 1952

MEMORANDUM

To: DMEA Field Team, Region II

From: V. Z. Johnson, Mining Engineer, Bureau of Mines

Subject: Inspection of Paymaster, Inc. mine, Blaine County, Idaho, Contract Idm-E59, Docket No. DMEA 391X (lead-zinc)

The inspection was made October 2, 1952 by T. H. Kiilsgaard and J. Fuller of the USGS and H. T. Reno and V. Z. Johnson, USBM. One caretaker was the only Paymaster employee present, and the portal was cribbed to discourage casual entry.

The inspecting party was able to reach the face in a short segment of drift along the quartzite contact. Lack of oxygen caused by the impaired ventilation of cribbed portal made it necessary to immediately leave the workings without sketching geology and excavation. A quick glance at the contact zone gave the impression of considerable shearing with oxidation stains, and enough water to make disagreeable working. Map submitted by Bob Gordon, engineer employed by Paymaster, shows the contact at a point 1,596 feet from the point of DMEA contract to participate, and the face is probably 30 feet westward along the strike.

The Operator reports that diamond drilling was completed during July 1952. D.D.H. #2 which was drilled plus 31°, S. 70° W. for 90 feet in granite until contacting the formation change from 90-120 ft.; quartzite 102-118 ft.; and indications of vein material 118-120 ft.; and quartzite from 120-139 ft. D.D.H. #2 was started from Sta. L-13 plus 220 ft.

D.D.H. #1 started from the same point and drilled flat N. 15° E. encountered granite the entire distance of 144 ft.

D.D.H. #3 was drilled plus 45°, S. 47° W. a distance of 200 ft. in granite from Sta. L-13 plus 50 ft.

If either hole D.D.H. #1 or #3 crossed the vein it was not recognized in core or sludge that was recovered.

Exploration has been recessed for a review of corporation funds.

V Z Johnson

V. Z. Johnson

Orig. & 3—Wash.
USGS (2) M/D
DMEA VZJ

File in our folder - Alaska

See Amendment #5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

[redacted]
So. 157 Howard Street
Spokane 4, Washington

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 16 1952

October 6, 1952

Mr. C. O. Mittendorf, Administrator
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.

Re: Docket DMEA-391 (Lead-Zinc)
Paymaster, Inc.
Contract Idm-E59

Dear Mr. Mittendorf:

After my conversation with you relative to the difficulty in getting payment for the $1,200 retroactive pay on the above contract, I have talked further with Mr. Howard of the Bureau of Mines on this matter and I find that although results are the same, my understanding of the reason why the Fiscal Officer does not make payment is subject to some correction. The subject involved is some $1,200 retroactive pay plus a few other small items. As you know, the contract was amended and the amount of money was increased so that more work could be done after the original funds were exhausted. Mr. Lee's point in refusing to make payment on the retroactive pay is that the money in the amendment was designated specifically for additional work and therefore these funds cannot be used except for work specified in the amendment. Lee would be willing to certify the retroactive pay raise but he claims that only funds from the original contract can be used for that purpose, and as these funds are exhausted no payment can be made even though there are sufficient funds in the amended contract to make payment. On careful re-reading of the contract I am forced to conclude that Mr. Lee may have a legal basis for his refusal to certify, although, according to my way of thinking, refusal to certify for payment is contrary to the intent of the amendment as it seems evident that the retroactive pay raise is a legitimate expense in which the Government should share. Assuming that you and the Legal Division will agree with this (and I think that you will because I believe that the purpose of making the amendment was to permit the work to continue without interruption) a letter to Mr. Lee informing him that it is O.K. to certify this payment seems to be the only way by which payment can be made.

Sincerely yours,

A E Weissenborn

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Amend #5

cc: USBM (2)

140

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

August 11, 1952

Memorandum

To: Mr. J. L. Chambers, Chief
Contract Administration and Audit Division

From: Chief Counsel

Subject: Paymaster, Inc., Docket No. DMEA-391X,
Contract No. Idm-E59

Reference is made to your memorandum to me of August 7.

Your memorandum and the previous discussion raises this question: After the performance of additional work not originally provided for in an exploration project contract, may the contract be amended to cover the additional work?

The real question is not: "What is the effective date of an amendment to an exploration project contract if the amendment does not on its face indicate the effective date?"

The answer to the properly-stated question is "no", if the additional work was done by the operator voluntarily and without any understanding with the Government that it would be covered into the contract by an amendment. The answer is "yes", if the additional work was done pursuant to an understanding with the Government, either oral or written, that the additional work would be covered into the contract by a written amendment.

I presume that in most cases of additional work there has been some sort of advance understanding between the operator and the Field Team with respect to the additional work. Wherever this advance understanding is to the effect that the additional work will be added to the description of the work in the contract and contributed to as such by the Government, a written amendment of the contract is proper to carry out this oral understanding.

Whether any particular amendment covers additional work performed before the date of the amendment, must be determined from an examination of the amendment. If the amendment in terms relates back to a date prior to the performance of the additional work, it is plain that the intention is to cover the additional work even though it was performed before the date of the amendment. But there are other ways of making it plain that it is the intention of the amendment to cover the additional work performed before the date of the amendment. I think that any amendment which merely adds work to that described in the contract, without any express statement in the amendment with respect to its effective date, plainly is intended to cover all of the additional work described in the amendment regardless of when the additional work was commenced.

For the benefit of certifying officers any amendments which are intended to relate to work performed before the date of the amendment, should contain some sort of a recital stating that the work was agreed to before it was performed. Such a recital might be as follows:

> "WHEREAS, the additional work described above was authorized by the Field Team Executive Officer before the commencement of the work for inclusion in the Exploration Project Contract . . ."

If the absence of such a recital in an amendment is a stumbling block to any certifying officer, it would be easy to amend the amendment to include it. In our circular on amendments we will include some instructions on this subject. In the absence of such a recital, it does seem to me that the amendment itself is pretty good evidence that the parties understood about and agreed upon the work before it was performed, and that the certifying officer would not need to hold up payment on this account.

J. L. Hofflund

J. L. Hofflund
Chief Counsel

FILE COPY
SURNAME:
800

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

August 7, 1952

To: Mr. J. L. Hofflund
Chief Counsel

From: J. L. Chambers, Chief (Signed) J. L. Chambers
Contract Administration and Audit Division

Subject: Docket DMEA-391X, Contract No. Idm-E59
Paymaster, Inc.

On Monday, August 4, a conference was held in Mr. Mittendorf's office in which were present Messrs. Mittendorf, Johnson, Hofflund, Keller, Chambers and Weissenborn. Among other things we discussed Contract No. Idm-E59, commonly known as the Paymaster, Inc. One of the questions discussed was "what is the effective date of an undated amendment which does not specify any limited time." Your reply was that in such instances the amendment took the effective dates of the contract. Acting on this advice I informed our auditor in Spokane that the effective date of an amendment which did not specify an effective date is the effective date of the contract itself, and asked him to give this decision to our Finance Officer who is holding vouchers on the above contract for determination of the effective date of the amendment thereto.

I am giving you this memorandum as a record. If I have misinterpreted your ruling, please correct me so that I can make a correction by wire to the auditor concerned.

This memorandum is written because in a telephone conversation of this date with Mr. Kane, he questioned its general application.

JLChambers/wb
August 7, 1952

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

FILE COPY
SURNAME:
800

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

AUG 7 1952

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

Air Mail

Dmea 391

Dear Bob:

Reference is made to your letter of July 23, 1952, in regard to the Paymaster, Inc., Contract Idm-E59, Amendment No. 3. It appears that Mr. Weissenborn did not give an effective date on Amendment No. 3. The General Counsel has ruled that when an amendment does not bear an effective date, it takes the effective date of the original contract. Therefore, Amendment No. 3 will bear the date limitations of the contract. Since you did not give me any details of the exceptions taken by Mr. Lee, I am unable to offer any suggestions for clearing such exceptions.

We are trying to get an additional auditor for Region II. We have two applicants from Seattle, one of which appears to have the background which we need but refuses to travel very much. The other one does not measure up to our needs. Dal Talbert, however, is in San Francisco this week and is interviewing several applicants, one of which we hope will be willing to come to Spokane. I am very anxious to get another auditor to help because I think you should assume the responsibility of seeing that the 104's are cleared promptly. This does not mean that the engineer and Mr. Weissenborn will be relieved of the responsibility of accepting 104's from the operating standpoint, but we hope to relieve them altogether from the financial standpoint as soon as we can give you an assistant. We hope, also, that you will have time to assist Mr. Weissenborn in clearing the vouchers through the finance office.

Your thanks are to go to Miss Borovies in regard to the brief case and she tells me she has sent you Supplement No. 3 of Circular 19, so there is enclosed a copy of Circular 19.

If there are any particular questions in regard to Paymaster, I shall be glad to give them special attention if you will write me.

I note that you have been furnishing this office only one copy of the project audit. We require two copies. Miss Borovies has been making an extra copy but I believe your girl could save her this work without increasing her own typing time by furnishing the additional copy.

JLChambers/wb 8-6-52

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

Enclosure

Sincerely yours,

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

JN. 8-7-52

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

So. 157 Howard Street
Spokane 4, Washington

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 23 1952

June 19, 1952

Memorandum

To: Frank E. Johnson, Chairman, Operating Committee, DMEA

From: A. E. Weissenborn, Exec. Officer, DMEA Field Team, Region II

Subject: Amendment No. 4 to Paymaster Mines, Inc., Contract Idm-E59, Docket DMEA-391X

Attached are the original and 2 copies of Amendment No. 4 to the subject contract. This amendment was necessary in order to completely penetrate fault zone "C" before establishing a diamond drill station. The total amount of drifting and crosscutting has not been changed.

A. E. Weissenborn

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Enclosures

cc: USBM

5-29
6-24-52

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
So. 157 Howard Street
Spokane 4, Washington

JUN 20 1952

June 10, 1952

Memorandum

To: A. E. Weissenborn, Executive Officer, DMEA Field Team, Region II

From: Thor H. Kiilsgaard, Geologist, U. S. Geological Survey

Subject: Routine report on the Paymaster mine, DMEA Contract No. Idm-E59.

On May 22 and 23, 1952, I examined the Paymaster mine in company with Mr. Tom Howard, U. S. Bureau of Mines. We found the Exploratory adit being extended at a satisfactory rate of advance in a N. 41° W. direction, but that the face had entered a major shear zone which was impeding progress. The Exploratory adit, from the time of my last visit to the property on March 23, 1952, has been continuously in granite and has crossed a succession of northeast-trending shear zones, some of which are fairly large sized.

Following our visit to the Exploratory adit, we decided to examine the surface to determine if possible the location of the granite-quartzite contact overlying the area being explored, and its possible projection to the Exploratory adit level. Doubt had arisen in our minds as to the validity of the contact shown on the map, as presented by Paymaster, Inc., officials, and since the surface had never been examined by DMEA examiners a surface study appeared to be warranted. Field examination quickly revealed that the granite-quartzite contact did not extend in a normal position around the hillside, as postulated by Paymaster officials, but was instead highly faulted and very irregular. In view of the faulted condition of the contact, it was decided to plane table the contact area and the vein outcrop; one day was spent performing this work. The plane table map of the surface is intended to be used as an overlay of the underground geologic map I prepared on March 21, 1952.

It will be noted on the underground map dated March 21, 1952, that the Exploratory adit encountered several major northeast-trending shear zones, two of which, shear zones "A" and "B" had caused much trouble to mining operations. On the basis of these northeast shear zones, coupled with the probability of encountering other parallel shear zones, it was recommended that the Exploratory adit be driven N. 40-45° W. until all northeast-trending shear zones were completely intersected or until the quartzite contact was reached.

From March 21 until May 22, 1952, the Exploratory adit advanced about 410 feet, remaining entirely in granite but encountering several northeast-trending shear zones. On May 22, the adit face had penetrated 11 feet into a major shear zone, hereafter referred to as shear zone "C". If Howard's and my interpretation of the surface geology is correct, shear zone "C" will be the last northeast-trending shear zone to impede exploration work. Following this line of reasoning, we recommended to the mine foreman that as soon as shear zone "C" is completely intersected the heading be turned to the northeast for about 10 feet to provide for a diamond drill station and then stopped. From this station we recommended a diamond drill hole to go N. 45° E; this hole should intersect the vein in about 100 feet. However, if the vein is not found within 150 feet it will be assumed that the dip of the vein has flattened and therefore a diamond drill hole should be drilled in a S. 60 W. direction to search for the vein. The mine foreman advised the Examining Team that their recommendation would be complied with and that a drilling contractor had been contacted who had quoted a drilling price within the cost limits allowed in the DMEA contract.

Perusal of the surface overlay map will show the magnitude of shear zones "A", "B", "C", and the Gulch fault which is southeast of present mine workings. Had Paymaster, Inc., officials taken the trouble to map these struc tures prior to entering into the present exploration program, they would undoubtedly have greatly changed the exploration program at a considerable financial saving to themselves.

One irregularity on the surface map that is difficult to explain is the block of quartzite between shear zones "B" and "C". This block has been intersected by the Exploratory adit at a level about 350 feet below the outcrop and there the adit was in granite. It is probable that the quartzite in this block is an overlying segment whose keel or granite contact passes above the adit level owing to a flattening in dip, or that the area is affected by faulting which is not shown on the surface map. Much of the surface in this block is overlain by mantle, thereby precluding a thorough study. Some evidence of the flattening in dip of the granite-quartzite contact is supported by Cross-sections C-C' to A-A', which show a flattening of dip of the contact between the middle tunnel and the outcrop from northwest to southeast. There is also in this area a tendency of the vein to pull away from the contact, leading one to speculate on the possibility of the vein being southwest of the Exploratory adit (see section A-A').

cc: USBM
DMEA
USGS (SRO)

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

So. 157 Howard Street
Spokane 4, Washington

May 21, 1952

Operating Committee
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 26 1952

Gentlemen:

Enclosed are the original and two copies (all signed) of Amendment No. 3 to Contract No. Idm-E-59, Docket No. DMEA-391X, Paymaster, Inc.

The operator has retained one copy.

Sincerely,

Relda R. Carlson

(Mrs.) Relda R. Carlson
For: A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Enclosures

cc: USBM

SAS

500 FILE COPY
SURNAME:
Docket

Moulds

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

Mr. A. E. Weissenborn
Executive Officer, Region IV
DMEA Field Team
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMEA 391
Paymaster, Inc.
Amendment 2

Dear Mr. Weissenborn:

Enclosed, herewith, are two copies of the executed amendment to the subject contract. One copy is to be given to the Operator and the other attached to your copy of the contract.

Sincerely yours,

D. E. Moulds (mef) 5-19

D. E. Moulds, Chief
Base Metals Division
Defense Minerals Exploration
Administration

Enclosures - 2

DEMoulds/hmj
5-19-52
CC to: Adm. Reading File
Docket File Copy
Mr. Moulds
Region IV

500

FILE COPY
SURNAME:

Moulds
Talbert

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

MAY 16 1952

Mr. A. E. Weissenborn
Executive Officer, Region II
DMEA Field Team
South 157 Howard Street
Spokane 4, Washington

Re: Amendment No. 3
Docket No. DMEA 391
Paymaster, Inc.- Lead-Zinc
Contract No. Idm-E59

Dear Mr. Weissenborn:

We are transmitting, herewith, the original and five copies of Amendment No. 3 to contract Idm-E59, Paymaster, Inc., covering the increased cost of the exploration work required to reach the objective of the project.

The amendment has been drawn in accordance with correspondence and discussions between members of your staff and this office, and has been signed for the Government. If the form and content meet with your approval, please have the original and all copies signed and dated by the operator, and distribute in the customary manner.

Sincerely yours,

5/16

(signed) FRANK E. JOHNSON (JHB)

Chairman, Operating Committee
Defense Minerals Exploration
Administration

Enclosures-6

APPROVED:

J. H. Hedges (JHB)
Member, Bureau of Mines

J. M. Lemmon (JHB)
Member, Geological Survey

FXCorbett /DEMoulds/meB 5/13/52
cc to: Docket File Copy
Adm. R. File
Operating Committee
Mr. Moulds
Mr. Corbett
Mr. Bishop
Mr. McKnight
Region II

DEPARTMENT OF THE INT
Defense Minerals Administration
RECEIVED
MAY 13 1952

MAY 12 8 04 PM '52

32 WA SP /I-GS-G/

SPOKANE 5-12-52 1230P

MR. C. O. MITTENDORF

ACTING ADMINISTRATOR,

DEFENSE MINERALS EXPLORATION ADMINISTRATION

WA /25/ D.C.

RE.. STATUS OF AMENDMENT TO PAYMASTER, INC., CONTRACT IDM-E59. Dmea-391

OPERATOR REQUESTED AMENDMENT TO INCREASE FUNDS IN CONTRACT ON FEBRUARY 25, 1952. FOLLOWING CONFERENCES WITH FIELD TEAM, OPERATOR SUBMITTED REVISED AMENDMENT ON MARCH 7. ADDITIONAL CONFERENCES WITH OPERATOR CHANGED REVISED AMENDMENT WHICH WAS FORWARDED TO WASHINGTON D. C. MARCH 27, NUMEROUS PHONE CALLS AND DIRECT CONSULTATION WITH WASHINGTON OFFICIALS URGED IMMEDIATE ACTION ON AMENDMENT, AND ON APRIL 25 WASHINGTON OFFICE WAS ADVISED BY MEMO THAT PAYMASTER WOULD SHUT DOWN OPERATIONS IF AMENDMENT WAS NOT RECEIVED BY MAY 15.

AS OF MAY 12, NO WORD HAS BEEN RECEIVED ON AMENDMENT STATUS. IT IS IMPERATIVE THAT FIELD TEAM RECEIVE IMMEDIATE ACTION ON AMENDMENT, OTHERWISE GOVERNMENT STANDS TO LOSE ENTIRE INVESTMENT IN PAYMASTER EXPLORATION PROGRAM.

A. E. WEISSENBORN, EXECUTIVE OFFICER, DMEA FIELD TEAM, REGION II.

IDM-E59 25 1952 7 27 25 15 12

VA 121232P

MAY 13 8 57 AM '52
BUREAU OF MINES
MAIL ROOM
WASHINGTON, D.C.

FILE COPY
SURNAME:
800

Talbert

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

Mr. W. Rulon Lee
Finance Officer
Bureau of Mines
P. O. Box 492
Albany, Oregon

MAY 1 1952

Dear Mr. Lee:

Reference is made to your letter of March 28, 1952, enclosing a copy of Amendment No. 1, executed March 21, 1952, effecting certain changes in the work under Contract No. Idm-859, Docket No. DMA-391X with Paymaster, Inc., and questioning the legality of the amendment.

Order No. 2653 of the Acting Secretary of the Interior, dated August 16, 1951, delegated to the Executive Officers of the DMEA Field Teams the authority to enter into amendments for exploration contracts to the extent of making changes in the description of the project, the work to be performed, etc. In view of this Order I do not believe that there is any question as to the legality of this amendment.

With reference to the expenditures during the period July 16 to September 30, 1951, it appears that the amount of $23,194.58 reported by the Operator included at least $8,000 in inventory on hand as of September 30, covering such items as timber, pipes, power, rail, fuel, etc., in sufficient quantities for the entire project. These amounts of inventory items should be taken into consideration when calculating the costs per unit of work performed. Not having definite or pertinent information as to the expenditures claimed by the Operator on his October to January, inclusive, MF-104's, I can not very well offer you much in the way of comments. However, I would suggest that you make payment of these invoices provided that the amounts claimed are within the aggregate total amounts as stated in Article 13 of the contract and are within the amounts permitted by the several exhibits attached to the contract.

I regret the delay in returning this amendment to you. It was held with the intention of discussing the matter during your recent visit to Washington.

Sincerely yours,

/S/ Talbert S.N. 5-1-52

Jay L. Chambers, Chief
Contract Administration and
Audit Division

EDTalbert/wb
May 1, 1952

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

M. E. Volin, Member, DMEA Field Team, Reg. II May 12, 19.

T. E. Howard, mining engineer, Bureau of Mines

Routine inspection, Paymaster Mines, Inc., Contract Idm-E59, Docket No. 391X (lead-zinc)

The subject inspection was made April 23, 1952, with Ernest Lomas, mine superintendent.

Work was in progress in the northwest heading which was started just before my last previous inspection on February 29, 1952. The fault which caused the loss of the last heading had been successfully penetrated in this new crosscut and the heading advanced to a total length of 270 feet. The first 138 feet required timber and the crosscut is wet for its entire length. Another strong northeast striking fault was encountered at 260 feet and was passed through successfully.

The target structure had not yet been reached and the face was still in granite. An attempt was made to locate the vein by drilling a long hole northeast from the crosscut at 128 feet. The bit and a drill rod were lost after only 20 feet had been drilled. Drilling was so difficult that the hole was given up.

Lomas stated that he had been informed by officials of the company that work would be suspended May 15, 1952, pending action by DMEA on their request for additional funds with which to complete the project.

T. E. Howard

Orig. to files
cc: USGS, Spokane
2 cys - Wash.
TEH

Department of the Interior
Defense Minerals Administration
JUN 27 1952

OFFICE OF THE ADMINISTRATOR

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS ADMINISTRATION

WASHINGTON 25, D. C.

So. 157 Howard Street
Spokane 4, Washington

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 28 1952

April 25, 1952

Air Mail

Memorandum

To: D. E. Moulds, Base Metals Division, DMEA

From: Thor H. Kiilsgaard, Geologist, U. S. Geological Survey, Region II.

Subject: Paymaster, Inc., Contract Idm-E59, amendment to increase contract funds.

This memorandum will support our recent telephone conversation concerning the proposed amendment to the Paymaster contract. As you will recall, we more or less decided to establish the amendment on a stage basis in which we would agree to provide funds in the amendment sufficient to carry the project to its original goal, and then, pending on results of our findings, either terminate the contract or allow drifting to continue an additional 700 feet.

In regard to recent advance of the Paymaster heading, Tom Howard, U. S. Bureau of Mines, visited the mine on April 23, 1952. At that time the Exploratory adit had been advanced 278 feet in a N. 40° - 45° W. direction from station L 12, as shown on the map accompanying my memorandum on the Paymaster mine dated March 27, 1952. The advance from station L 12 has been continuously in granite, and has passed through a succession of northeast-trending shear zones, most of which have had to be timbered. A major fault, striking N. 60° W., and dipping 85° NW., was intersected 265 feet from station L 12. This fault is comparable with shear zones "A" and "B", as shown on my map of March 27. It is interesting to note that this fault was passed through without losing the heading, a fact which both Howard and I agree was largely due to meeting the fault at right angles instead of an acute angle as did other lost headings shown on my map of March 27.

The face of the present heading is now west of the projected position of the quartzite contact, but it is still in granite. It is recommended that the heading continue to advance on its present bearing for at least 430 feet, from station L 12, or until the quartzite is intersected. At that point, if the vein has not been found, the operator should stop the advance and either diamond drill or long hole drill for the vein. It is not believed advisable to drill from the present heading owing to the major northeast-trending shear zones, which have probably displaced the vein.

The present heading is advancing toward the downward projection of that part of the vein which contained productive ore shoots on the upper levels. It is therefore not to be construed as wasted effort, as the original intent of the exploration program was to get beneath those ore shoots.

Most of the adit advance from station L 12 has required timbering. The advance, although fairly rapid, has been expensive, costing somewhere in the vicinity of $55.00 per foot.

Attached is a copy of Amendment No. 2 3 which I have drawn up as a result of our telephone conversation. If you disagree with its contents, please revise; however, I would caution against cutting the unit costs too much, as the estimated cost proposed in Howard's memorandum of March 14, 1952, appears to be running pretty close to actual operational costs. I might add that Howard was advised by the mine foreman that Paymaster, Inc. plan to cease exploration operations on May 15, if they have not been granted some sort of a contract amendment by that date.

Thor H. Kiilsgaard

Thor H. Kiilsgaard
Geologist

Enclosure

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
WASHINGTON 25, D. C.

April 21, 1952

Memorandum

To: D. E. Moulds, DMEA

From: H. E. Olund, USBM

Subject: Paymaster, Inc. - Request for additional funds to complete Contract IDM-E-59, DMEA Docket No. 391

The funds, $43,000, for the original program were exhausted about January 15, 1952, after completing about 835 feet of the X-cut tunnel. (Factors which contributed to the exhaustion of the funds at this point were (a) difficulty in obtaining competent labor, (b) abnormal winter weather conditions, (c) unexpected bad ground, (d) supply and transportation costs, which were higher than was expected.

The original contract provided for 500 feet of cross-cutting at $25.00 per foot. However, about 1,020 feet of cross-cutting has so far been completed at a cost of $57.10 per foot. The course of the X-cut had to be changed due to bad ground and 185 feet of the total advance was lost, leaving 835 feet of net advance.

The projected position of the contact has been passed but the only indication of mineralization found was a series of copper stained joints.

The field team made an examination of the project early in March 1952, and has submitted a report recommending an extension of the project for 1,590 feet of X-cuts and drifting, which will take about 11½ months to complete and will cost $90,791.90 (Government share = $45,395.95). Detailed costs are given. These costs show an average of $57.30 per foot for the extended contract which we consider a very high cost per foot for X-cutting and drifting.

We recommend that this project be reconsidered by the field team to see if a cheaper method of exploration can be arranged. We would recommend running the present drift ahead until it passes through the contact with the quartzite, then drill a diamond drill hole north to cut and explore the area beyond the contact. Drill another hole due south to find the faulted contact in that direction. If mineralization is discovered in either contact zone then we can decide where to go and how much exploration work to allow.

If no mineralization is discovered in either hole we may not allow an extension of the contract beyond this point.

H. E. Olund

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

April 14, 1952

Memorandum

Re: DMA-391X
(Application to amend contract Idm-E59)
Paymaster Mine
Blaine County, Idaho
$90,789

To: Mr. D. E. Moulds

From: E. L. Newcomb

Subject: Geological recommendation

The Paymaster, Incorporated, has applied for an amendment to increase its contract funds in order to complete the original project, and also to do an additional 700 feet of drifting.

The field team has reviewed the proposed amendment, and they recommend that the contract should be increased by $90,789. About $50,789 will be used to complete the original contract, and $39,970 for new work not included in the original contract.

The original contract provided for 500 feet of crosscutting at an estimated cost of $25.00 per foot and 1,000 feet of drifting at $30.50 per foot. However, about 1,020 feet of crosscutting has been done at a cost of approximately $57.10 per foot. However, since 185 feet of this total advance was lost, because of bad ground conditions, the effective advance was 835 feet. The increase in crosscutting was a result of altering the course of the crosscut, because of two strong shear zones, heavy ground, and strong water courses in the sheared ground. About January 20, 1952, the contract funds were fully expended, because of the increased costs of crosscutting under such adverse conditions. Since that date, the company has advanced the crosscut with its own funds; however, it is no longer able to continue the work without further Government assistance.

Apparently the ground conditions encountered by the crosscutting could not be anticipated from an examination of the surface outcrops or in the old workings. However, a better understanding of the geological conditions encountered during the advance of the crosscut, by the mine manager, could have resulted in considerable saving of time and money.

At present, the crosscut has passed the point where the projected vein should have been encountered. The only evidence of mineralization at this point was a zone of copper-stained joints, which may intersect the vein above the exploration level. Since the vein has not been intersected south of shear zone "B", there is a strong indication that the vein has been displaced by faulting along this shear zone. The

field team postulates that the granite-quartzite contact may bend to the south on the basis of evidence projected from the surface map. However, faulting along shear zone "B" may also account for the bending in the contact.

The field team has recommended the following program to be included under the amended contract:

1) Present heading to be continued N 45° W until zone "B" and any other parallel shear zones to the northwest are completely intersected.

2) When the heading reaches firm ground, drilling should be advanced to the northeast, and then, if the vein is not found, to the southwest.

3) After the vein is located, drifting should be continued on the vein to a point 700 feet beyond the limit in the original contract. An estimated 1590 feet of crosscutting and drifting will be needed to complete the project.

If the contract is not amended, nothing further will be learned about the downward projection of the Paymaster vein and the work done to the present time will be wasted.

We recommend that the contract should be amended to allow the work proposed by the field team.

E. L. Newcomb

E. L. Newcomb
Geologist

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

No. 157 Howard Street
Spokane 4, Washington

Dmad 391

April 3, 1952

Memorandum

To: E. J. Weissenborn, Executive Officer, DMA Field Team, Region II.

From: Thor T. Hillsgaard, Geologist, U. S. Geological Survey, Region II.

Subject: Routine examination of the Haymaster mine, Contract 18b-57.

The Haymaster mine was examined on March 12 and 13, 1952. The better part of the two days was spent in snowshoeing to and from the mine, a distance of about 6 miles from the highway.

The adit of the exploratory drift was measured from the point where DMA contract work began to the face of the adit. Approximately 1,020 feet of adit have been driven since contract work began, and although the adit now extends beyond the point where the Haymaster vein should have projected to, the vein has not been intersected. This increase over the original estimate of 500 feet of adit has been brought about by:

1. Turning the heading to the northwest, thus approaching the vein at an acute angle instead of normal to the strike of the vein as was originally planned.

2. Approximately 145 feet of adit advance have been lost because the heading has been backed up and turned to new courses in order to by-pass sheared and heavy ground.

3. Probable fault displacement of the vein by major northeast-trending fault zones that were unknown when the contract commenced.

The entire adit advance thus far has been in granite. It will be noted from the map accompanying my report on the Haymaster mine dated March 27, 1952, that the heavy ground that has retarded advance of the adit occurs in two major northeast-trending shear zones. These shear zones are controlled by a strong northeast-trending joint pattern in the granite. The zones are strong water courses and contain much gouge and crushed and broken granite. The shear zones

BL

have also been intruded by basic dikes that are now sheared and highly altered. It is probable that most of the heavy-ground trouble heretofore encountered has been because the headings intersected the shear zones at acute angles, thereby presenting little opportunity to spill or put in the necessary breast boards to hold the ground. The present heading is being driven normal to shear zone "B" and should pass through that zone with a minimum of trouble.

At a distance between 80 and 110 feet southwest of adit station No. 10, there is a series of near vertical, northwest-striking joint planes that are strongly copper-stained. These joints are roughly in line with the projected vein at the adit level, but they are not believed to represent the vein at that level. Instead, their steeply dipping planes probably intersect the vein above the adit level; thus they serve as leaks leading away from the vein. Inasmuch as the vein has not been intersected south of shear zone "B", the copper-stained joints suggest that the hanging wall block of shear zone "B", northeast of the present heading, bears investigation. The vein probably has been faulted and displaced by shear zone "B", thus accounting for the failure to intersect the vein south of that shear zone.

The present heading is being driven N. 45° W., or roughly parallel to the strike of the vein; therefore, no intersection with the vein can be expected at this time. However, the heading is advancing normal to the trend of the major shear zones and also toward the exploration target area. The adit should continue in this direction until the sheared zones are completely passed through or until the quartzite contact is reached. Upon reaching the quartzite, if the vein has not been intersected, it would benefit the operator to drill for the vein before continuing the adit further. The most logical area to be drilled would be to the northeast where the vein should be reached with holes that should not exceed 100 feet in length.

cc: USBM
DMEA

500

FILE COPY
Surname:

Mendes

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY
WASHINGTON 25, D. C.

April 2, 1952

N.S. in R.J.R.

Memorandum

To: C. O. Mittendorf

From: Base Metals Division

Subject: Paymaster, Inc. Docket No. DMA 391X Contract Idm-E59

This contract covered the following proposed work:

Crosscutting	500 feet	@ $25.00	$ 12,500.00
Drifting	1000 "	@ 30.50	30,500.00
			$ 43,000.00

All additional facilities and buildings to be purchased, installed or erected by the Operator at no cost to the project.

Depreciation of equipment $406 per month, included on per foot cost.

Review of the progress reports on MF-104 for the period July 16 - October 1, 1951 indicate the following costs for 363 feet of crosscutting.

	Amount	Cost/foot
Wages and salaries	$7713.91	$ 21.25
Equipment	553.50	1.52
Supplies	10682.66	29.43
Other	2680.72	7.38
	$21,630.79	$ 59.59

It is noted that supplies have been purchased as follows:

Timber	$ 2275.94
Explosives	2967.21
Repair Parts	533.82
Other	5671.89
	$11,448.86

ℓ

The inventory on hand September 30, 1951 is as follows:

10,692'	Stull Timber	$ 2138.00
112'	Culvert pipe	268.80
575'	1" pipe	122.19
665'	4" pipe	711.55
900'	12" vent pipe	1116.00
6,000#	Powder	1185.00
19,860#	20# rail	1241.25
2,000' lbs.	Lumber	144.00
5,000 gal.	Fuel & Stove Oil	850.00
8 tons	Coal	126.00
1 roll	Fuse	42.00
9 Bxs	Blasting caps	21.24
150	Electric primers	36.00
		$ 8,002.43

The indicated purchases and inventory results in a usage of $3,446.43 or $9.49 per foot. The cost per foot would then appear to be $30.15, which is generally in line with the cost of starting the project and accomplishing 363 feet of work.

It appears that an inventory has been built up, and paid currently, for sufficient quantity of some items for the entire project. Mine rails, for example, in the inventory, will lay 1,490 feet of track and only 1,137 feet remain in the project (1500 - 363).

The attached letter from the Fiscal Officer with included amendment No. 1, has presented additional data indicating that total expense has exceeded the maximum of the project and has resulted in only 892.7 feet of crosscutting. This division has received only the two progress reports and does not have a copy of Amendment No. 1 as yet. We thus do not h ve the data to further investigate the indicated exorbitant cost of $50.80 per foot in comparison to the estimated average of approximately $28.70.

It is also impossible to determine the reason for the excess of crosscutting over that originally applied for. If results of the work indicated the necessity of crosscutting to reach the Paymaster vein objective, the Amendment would be applicable.

Before this letter can be constructively answered, the field will necessarily have to report on the project. This memorandum is presented for your information and discussion as to further action.

D. E. Moulds hmj

D. E. Moulds

DEMoulds/hmj
4-2-52
CC to: Docket File Copy
Mr. Moulds

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
Albany, Oregon

REGION II

March 28, 1952

Defense Minerals Exploration Administration
Contract Audit Division
Washington 25, D. C.

(Thru: Mr. Kenfield Bailey)

Gentlemen:

Reference is made to exploration contract Idm-E59, docket No. DMA 391X, entered into with Paymaster, Inc., 611 Peyton Bldg., Spokane, Washington.

On March 8, when auditing the contractor's invoice (Form MF-104) for September 1951, I called the attention of the representatives of the DMEA Field Team at Spokane to the fact that the contract specifies that 500 feet of crosscutting is to be performed at an estimated maximum expenditure of $12,500.00, while the operator during the period July 16-September 30 reportedly expended $23,194.58 in crosscutting 363 feet. Nothing had been done on drifting, which was to be the work calling for the major expenditure. ?

I have now received invoices (Forms MF-104) from the operator through the month of January, which shows a total expenditure of $45,347.24 in crosscutting 892.7 feet. No drifting has been done and expenditures allowed by the contract have been exceeded. I understand the executive officer of the DMEA Field Team has made a recommendation to the Washington office allowing additional expenditures under the contract.

I am attaching copy of Amendment No. 1, executed March 21, 1952 relative to work to be done under the contract. There is question in my mind that such an amendment may be entered into in the field, and considerable doubt exists in my mind as to its legality in the circumstances.

Kindly let me have your comments in this regard as soon as possible, and return the amendment to this office.

Very truly yours,

W. Rulon Lee

W. Rulon Lee
Fiscal Officer

P.S. Payment will not be made on operator's invoices for period October-January until this matter is settled. WRL

BUREAU OF MINES
WASHINGTON, D. C.

MAR 31 1 56 PM '52

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane 4, Washington

March 27, 1952

Operating Committee
Defense Minerals Exploration Administration
Department of Interior
Washington 25, D. C.

Inasmuch as the company is now operating beyond the limits of the contract, we request that this be given prompt attention so that the operators may be advised as soon as possible what the decision may be.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
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MAR 31 1952

A. E. Weissenborn
A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

OFFICE OF THE ADMINISTRATOR

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS ADMINISTRATION

WASHINGTON 25, D. C.

So. 157 Howard Street
Spokane 4, Washington

March 27, 1952

Memorandum

To: Chairman, Operating Committee, DMEA

From: DMEA Field Team, Region II

Subject: Paymaster, Inc., Contract Idm-E59, amendment to increase contract funds.

Enclosed is a formal application from the Paymaster to increase the amount of the funds allotted to contract Idm-E59. Memorandum by Tom Howard, U. S. Bureau of Mines, and Thor Kiilsgaard, U. S. Geological Survey, concerning the proposal are attached.

At first sight a request to increase a $43,000 exploration contract by $90,789.00 is rather startling. However, about $51,000.00 is to complete the original contract; $39,970.00 is for new work not contemplated in the original contract.

The original contract provided for 500 feet of crosscutting at an estimated cost of $25.00 a foot and 1,000 feet of drifting at $30.50 a foot. Actually, about 1,020 feet of crosscutting has been done at a cost of around $57.10 per foot, and of this about 185 feet was lost due to bad ground--leaving an effective advance of about 835 feet. The increase in crosscutting resulted largely from altering the course of the crosscut on several occasions due to bad ground. However, funds ran out before the objective was reached. (See plan map attached to Kiilsgaard's report.)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 31 1952

High costs are attributed to several factors:

1. Unexpected bad ground conditions, the water-filled fissures in particular causing much difficulty.

2. Unusually heavy snows which hampered work considerably and caused absenteeism.

3. The isolated state of the mine and the extremely wet working conditions underground made it almost impossible to recruit and hold an efficient crew of miners.

Reviewed by
DMEA OPERATING COMMITTEE
4-9-52
NB (date)

4. A lack of understanding of the geological conditions resulted in some lost motion. These conditions, however, became fully apparent only when the work had reached nearly to its present state.

It is believed that the crosscut is not very far from the vein. The operators believe that vein follows the quartzite-granite contact; Survey geologists postulate that the vein may depart from the contact. Both parties believe that the bend on the contact (projected from surface mapping) is the result of faulting along the "B" shear zone and perhaps along other parallel shears. The plan is to drive the crosscut straight ahead normal to the direction of faulting until the disturbed zone is passed and then either follow the granite-quartzite contact or crosscut to the vein, depending on circumstances. It is hoped that ground conditions will improve and that costs will be materially reduced; nevertheless, it seems only prudent to use actual costs to date in estimating the cost of future work.

The operator indicates that funds ran out about the middle of December; a review of his accounts indicates that this was nearer the 20th of January, the difference resulting from the deletion of certain items claimed in his MF-104 forms. Since that date the operator has continued with his own funds but cannot do so much longer. The operator was slow in submitting his last reports; checking them took time and further time has been consumed in working out plans that would be satisfactory to the operator and the Field Team and in discussion of allowable items of cost.

The Field Team urges that the contract be amended as suggested in Mr. Howard's memorandum, for it believes that the ore possibilities warrant the additional cost as pointed out in Kiilsgaard's memo. The abandonment of the project at this point would result in a dead loss to both the government and the operator; if the proposed work finds the anticipated tonnage of ore, both should be repayed.

If it does not violate policy, the Field Team urges that the amendment be made retroactive to the time the original funds were expended.

By DMEA Field Team, Region II

A. E. Weissenborn

A. E. Weissenborn, Executive Officer
(U. S. Geological Survey)

M. E. Volin

M. E. Volin, Member
(U. S. Bureau of Mines)

Enclosures
cc: USBM, Spokane

OFFICE OF THE ADMINISTRATOR

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.
So. 157 Howard Street
Spokane 4, Washington

Department of the Interior
Defense Minerals Administration
RECEIVED
MAR 31 1952

March 27, 1952

Memorandum

To: A. E. Weissenborn, Exec. Officer, DMEA Field Team, Region II

From: Thor H. Kiilsgaard, Geologist, U. S. Geological Survey

Subject: Paymaster, Inc., Contract Idm-E59, amendment to increase contract funds.

Paymaster, Inc., has expended the funds allotted to DMEA contract Idm-E59, without reaching the Company's exploration target. Paymaster, Inc., has therefore applied for an amendment to increase its contract funds, which would allow that Company to complete its previously proposed program, and also to do an additional 700 feet of drifting. The proposed amendment, as submitted by Paymaster officials, has been thoroughly analyzed and revised by Mr. Tom Howard, U. S. Bureau of Mines, whose memorandum is submitted herewith. It is recommended that Mr. Howard's revised amendment be approved, and that Paymaster, Inc., be granted an amendment increasing the amount of the original contract by $90,789.00.

Contract Idm-E59 was for an estimated $43,000; the funds to be expended in driving 500 feet of crosscut to the southwest to intersect the Paymaster vein, and 1,000 feet of drifting to the northwest on the vein. Work was to commence at the face of the Exploratory adit (see map attached to the contract); however, heavy ground was encountered at the face, so the heading was backed up 50 feet and turned to the northwest (see accompanying map). The heading was driven on the new course for about 660 feet, where it was again lost in sheared and heavy ground. The operator again backed up about 50 feet and turned the heading to the southwest in a direction he believed to be normal to the sheared zone. After following the new direction for 170 feet, a strong water course was encountered and the heading consequently abandoned. The operator backed up 20 feet and started a new course to the west, which was advanced 140 feet when heavy-sheared ground made further advance financially unfeasible. The heading was consequently backed up 65 feet and turned on a new bearing, N. 45° W., where it is being advanced at the present time.

To date, about 1,020 feet of crosscut has been driven by Paymaster, Inc., but the Paymaster vein is yet to be intersected. This increase over the original estimate of 500 feet of crosscut has been brought about by:

1. Turning the heading to the northwest, thus approaching the vein at an acute angle, instead of normal to the strike of the vein as was originally planned.

2. Approximately 185 feet of adit advance has been lost because the heading has been backed up and turned to new courses in order to bypass sheared and heavy ground.

3. Probable fault displacement of the vein by major northeast-trending shear zones that were unknown when the contract commenced.

The Paymaster mine was visited twice by the writer during the early fall months of 1951, but time spent on the property did not permit detailed geologic mapping. The general position of shear zone "A" was discussed with the operator, as was the northwest bearing of the advancing adit. The operator explained that the adit was being advanced to the northwest because the company was primarily interested in getting under that portion of the vein that had been stoped above. It was reasoned that such a direction of approach sacrificed some drifting for crosscutting, but would reach the same objective at a cheaper cost inasmuch as the crosscut probably wouldn't require timber, whereas the drift might. The original program would have allowed more exploration of the vein, but in the light of what is now known, a longer northwest-trending crosscut would have been more feasible.

Paymaster officials report that funds for the exploration program expired about January 20, 1952, at the point marked in orange on the accompanying map. Since that date the company has been advancing the adit on company account, but with the hope that the proposed amendment could be made retroactive to the point where contract funds expired. Costs of the proposed amendment have therefore been calculated from the point where contract funds expired to the end point of the proposed drifting program, a distance of about 1,525 feet. At the estimated unit cost of $57.10 per foot, as outlined in Howard's memorandum, the 1,525 feet of adit will require $87,077.50. If the amendment is made retroactive to the point where contract funds expired, allowance will have to be made for the 65 feet of lost heading, which, figured at $57.10 per foot, will add $3,711.50, giving a grand total of $90,789.00. Of this grand total, $39,970.00, the cost of 700 feet of drifting at $57.10 per foot, is an added expense that was not considered when the original contract was drawn up. This 700 feet of drifting probably should have been included in the original contract, but at that time the operator felt that he could undertake such drifting

at his own expense. However, the higher costs have since caused him to change his mind and he now wishes to add this work to the contract.

On March 12 and 13, 1952, the Paymaster mine was visited and the geology of the Exploratory adit mapped in some detail. It will be noted from the accompanying map that the heavy ground that has retarded advance of the adit occurs in two major northeast-trending shear zones. These shear zones are controlled by a strong northeast-trending joint pattern in the granite. The zones are strong water courses and contain much gouge and crushed and broken granite. The shear zones have also been intruded by basic dikes that are now sheared and altered. It is probable that most of the heavy-ground trouble heretofore encountered has been because the headings intersected the shear zones at acute angles, thereby presenting little opportunity to spill or put in the necessary breast boards to hold the ground. Unfortunately, the contract does not provide for geologically-trained personnel and the mine foreman on the job did not recognize the trend of the shear zones. The present heading is being driven normal to shear zone "B" and should pass through that zone with a minimum of trouble.

As of March 13, 1952, about 180 feet back from the face, there was a series of near vertical, northwest-striking joint planes that were strongly copper-stained water courses. These joints were roughly in line with the projected vein at the adit level, but did not represent the vein at that level. Instead, their steeply dipping planes probably intersect the vein above the adit level; thus they serve as leaks or draining planes leading away from the vein. Inasmuch as the vein has not been intersected south of shear zone "B", the copper-stained joints suggest that the hanging wall block of shear zone "B", north and northeast of the present heading, bears investigation. The vein probably has been faulted and displaced by shear zone "B", thus accounting for the failure to intersect the vein south of the shear zone.

It is recommended that further adit work continue the heading in the present N. 45° W. direction until shear zone "B" and any parallel shear zone to the northwest are completely intersected. This condition should be determined by a decrease in the water flow and a more firm and unaltered condition of the granite wall rock. It is doubtful whether the present heading will intersect the vein inasmuch as the heading is being driven roughly parallel to the strike of the vein; therefore, when the northeast shear zones are intersected and the granite becomes firm, or when the quartzite is intersected, a long-hole probing program should be advanced first to the northeast and then, if the vein isn't found, to the southwest. The vein should be intersected with comparatively short holes. Once the vein is intersected, drifting can be advanced as originally planned.

DMEA should not withdraw support of the Paymaster exploration program at the present time. Withdrawal of support would very probably cause the Spokane-Idaho Mining Company to abandon the property; thus nothing would be learned of the downward projection of the Paymaster vein and the work done to date would be wasted. The Paymaster vein is strong and persistent to the northwest of the Exploratory adit, where it has been traced on the outcrop for over 1,700 feet with about 570 feet of that length strongly mineralized. The vein also crops out southeast of the Exploratory adit, although it has never been explored in that area. The vein definitely warrants exploration and should be picked up in the Exploratory adit with a minimum amount of further exploration work.

If the Paymaster vein maintains the dimensions shown in the middle tunnel, downward to the Exploratory adit, the inferred tonnage could substantially exceed the 52,000 tons estimated in the Field Team report on the Paymaster mine, dated June 13, 1951, which only includes ore above the adit level. Moreover, the additional 700 feet of drifting proposed in the operator's amendment could open up additional reserves not considered in the above.

Costs of the Paymaster exploration program have been higher than anticipated, as explained in the operator's letter of February 25, 1952, and also in Mr. Howard's accompanying memorandum. Most of these costs have been unavoidable and were unforeseen at the start of the contract. It is believed, however, that continued mining costs will not exceed the unit cost of $57.10 per foot of advance. When the northeast-trending shear zones that have hampered operations are completely intersected and the vein is reached, the heavy-ground conditions should decline and there will be little reason for further lost headings. This should speed up the rate of advance and could cut costs appreciably.

Thor H. Kiilsgaard
Geologist

cc: USBM, Spokane

OFFICE OF THE ADMINISTRATOR

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS ADMINISTRATION Dmea 39 / Lead, Zinc

WASHINGTON 25, D. C.

So. 157 Howard St.
Spokane 4, Washington

March 26, 1952

Mr. Frank E. Johnson
Chairman, Operating Committee
Defense Minerals Exploration Administration
Department of Interior
Washington 25, D. C.

Dear Mr. Johnson:

Enclosed is Amendment 2 for the Paymaster, Inc., for the contract Idm-E59 in connection with the exploration of the Paymaster mine in Idaho. The reason for the amendment is that an agreement with the Union calls for a pay raise which is retroactive to the 1st of July.

Sincerely yours,

A. E. Weissenborn

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

Enclosure
cc: USBM, Spokane

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 4 1952

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

1201 N. Division St.
Spokane 2, Wash.
March 14, 1952

MEMORANDUM

To: M. E. Volin, Member, DMEA Field Team, Region II

From: T. E. Howard, mining engineer, Bureau of Mines

Subject: Paymaster, Inc., Contract Idm-B59 - request for change in contract

Paymaster, Inc. has requested that the subject contract be amended to provide additional funds to allow completion of their exploration project. These additional funds would also allow a greater length of crosscutting and drifting than was originally planned. Some of the additional length is due to the fact that the maps used to prepare the original estimate were inaccurate and some is a result of backing up and changing direction in attempts to avoid bad ground. About 700 feet is additional drifting on the structure not specified in the contract.

As the operator points out in his letter of February 25, costs have far exceeded the original estimate and, although the total amount spent by the company on the project thus far is considerably greater than the amount allotted, the target has not yet been reached.

The project has been inspected regularly since its start and until the end of November 1951 appeared to be running smoothly. Monthly operating reports were not submitted during this period so that no check could be made of costs as they were incurred. Near the end of November, bad ground accompanied by a heavy flow of water was encountered and the heading was lost. The operator backed up and started a new heading in a direction he thought to be normal to the structure which is the target of the exploration, hoping to avoid the bad ground.

After driving approximately 170 feet, which brought the face of the crosscut past the projected location of the structure without penetrating it, this heading was lost in the same manner as the first and the operator again backed up and started another heading nearly parallel to the original course. After about 140 feet a heavy flow of water was again encountered and this heading was abandoned. A new heading, started about 60 feet back of this face, is being driven at the present time.

Subject: Paymaster, Inc., Contract Idm-259 - request for change in contract

Though they were requested to do so much earlier by this office the first operating report was not submitted until January 1952. As the reports submitted then were not properly prepared and claimed reimbursement for a great many costs not specified by the contract, they were returned to the operator and he was instructed in invoicing procedure. The first report, covering the period of July 16 to August 31, 1951, was received in this office on February 12, 1952. To date two reports have been submitted covering expenditures to the end of September 1951. They were approved for a total of $17,952.77 and the operator was reimbursed in the amount of $8,976.38, almost 42% of the maximum amount under the contract.

In a letter dated January 23, 1952, the company pointed out that the funds allotted for the project would be insufficient and they were advised to submit a detailed cost estimate for the remainder of the job. The first estimate, dated February 25, 1952, was revised following a discussion between company officials and members of the Field Team and resubmitted on March 10, 1952.

As the estimate is based on experience gained thus far on the project it is considered reasonably accurate in detail. However, costs have been included which, in my opinion, are not properly chargeable to the project. Also, the operator reports that monthly invoices recently completed but not yet submitted indicate that funds were exhausted near the middle of January 1952 rather than December 1951. It is believed that the estimated costs should be corrected as follows:

<u>Labor</u> for 11-1/2 months - 1590 feet of crosscut and drift at 138 feet/mo.

1 master mechanic (compressor man)	$440/mo.	for	11½	mo.	$5,060.00
1 mine superintendent	500/mo.	"	11½	mo.	5,750.00
1 dozer operator	400/mo.	"	5	mo.	2,000.00
1 night shift compressor man	325/mo.	"	11½	mo.	3,737.50
1 surface laborer	325/mo.	"	11½	mo.	3,737.50
4 miners @ $400 ea.	1600/mo.	"	11½	mo.	18,400.00
1 engineer-bookkeeper	412/mo.	"	11½	mo.	4,738.00
1 cook	180/mo.	"	11½	mo.	2,070.00
					$45,493.00
Payroll taxes at 10%					4,549.30

Subject: Paymaster, Inc., Contract Idm-E59 - request for change in contract

The amount shown for labor includes estimated average monthly wages for labor classifications paid at hourly rates. The present wage scale is as follows:

Dozer operator	$13.86/shift
General labor (surface)	13.86/shift
Night compressor man	14.39/shift
Miner	14.26/shift

In addition, a bonus is paid the miners based on advance and timber installed per shift worked in the heading.

Supplies - for 1590 feet of crosscut and drift

Item	Cost/ft.	Total	
Explosives	$3.65	$5,803.50	
Timber (1/2 timbered)	5.28	4,197.60	
Drill steel	0.70	1,113.00	
Bits	1.50	2,385.00	
Hose	0.18	286.20	
Small tools	0.15	238.50	
Miscellaneous supplies	0.10	159.00	
Track	2.70	4,293.00	
Pipe	0.87	1,383.30	
Fan pipe	1.00	1,590.00	
Power (diesel fuel)	3.80	6,042.00	
Repair parts		1,150.00	
Office supplies, transportation, pickup fuel, etc.		1,150.00	
		$29,791.10	
Maintenance and operating supplies for HD-7 dozer, 750 hours @ $6/hr.		4,500.00	
			$34,291.10

Operating equipment

Rented

Lamps - 11½ mo. @ $17.50/mo.	201.25

Subject: Paymaster, Inc., Contract Idm-E59 - request for change in contract

Operating equipment (cont.)

Furnished - for 11½ mo.

Item	Value	Monthly allow. for deprec.	Total
1 trammer (electric)	$3,500.	$58.00	
1 hand held drill	365.	6.00	
1 rotating stoper	1,000.	17.00	
1 compressor	9,000.	150.00	
1 Ford 1/2-ton pickup	1,100.	18.00	
1 G.D. loader	3,000.	50.00	
7 mine cars @ $150	1,050.	17.50	
1 diesel power unit	8,000.	133.00	
2 blowers @ $350/ea.	700.	12.00	
		$461.50	$5,307.25

Furnished - for 4½ mo.

1 AC HD-7 tractor with dozer	6,000.	100.00	450.00

Total allowance for depreciation	$5,757.25
Sampling and Assaying	500.00
GRAND TOTAL	$90,791.90

This total reduces to a unit cost of $57.10 per foot of advance, which appears unreasonably high. However, as it is based on the cost of work done thus far on the project, it is felt that it may not be safely reduced. Factors which contributed to the high cost are:

1. Difficulty in obtaining competent labor, which resulted in a slow rate of advance.

2. Abnormal winter weather conditions.

3. Unexpected bad ground.

4. Supply and transportation costs which are higher than was expected.

PAYMASTER, INC.
c/o P.O. Box 930
Kellogg, Idaho

March 7, 1952

Defense Minerals Administration
C/O U. S. Geological Survey
South 157 Howard
Spokane, Washington

Attention: Mr. A. E. Weissenborn

Gentlemen:

The following is an application for amendment of the exploration contract that exists between the government and Paymaster, Inc. The original contract, (D.M.A. Docket No. 391X) was for a $43,000.00 program with government participation of 50% or $21,500.00.

For reasons explained in our letter of February 25, costs have been higher than expected and the amount of tunnel work has been much greater than we originally expected. As a result we find that the expenditures allowed under the original contract were made by mid-December of 1951 or perhaps even earlier. The exact date is not known because all of the monthly reports have not been finalized and accepted by the government.

The cost estimate relative to this application for amendment of the original contract is based on the assumption that funds were exhausted as of 15 December, 1951. At this time there had been 678 feet of advance on the government contract. As stated in our letter of February 25th, we believe that the total contract distance should have been 2400 feet. From this it follows that as of December 15th there remained 1722 feet of crosscutting and drifting. At our average monthly advance rate of 137 feet, this work would require 12½ months for completion.

Therefore the cost estimate for the amended program is based on the following:

Total footage expected = 1722 feet (from face as of 15 Dec., 1951)
Average monthly advance = 137 feet.
Total length of time needed to complete exploration = 12½ months.

Cost Estimate

Labor:		
1 Mine Superintendent	$500.00/mo.	
1 Bookkeeper	412.00 "	
1 Master Mechanic	440.00 "	
? — 1 Dozer Operator	400.00 "	
2 Gen. Labor @ $325.00 ea.	650.00 "	
4 Miners @ $400.00 ea.	1600.00 "	
	$4,002.00/mo for 12½ mos.	$50,025.00
Administrative Cost:		
General Manager	$200.00/mo.	
Accounting, Engineering and Clerical, Kellogg and Spokane.	200.00 "	
	$400.00/mo for 12½ mos.	5,000.00
Supplies - $12.06/ft for 1722' (See Schedule A)		20,767.32
Power - $3.80/ft. for 1722' (See Schedule A)		6,543.60
Depreciation Allowance on Operating Equipt. (See Schedule B)		8,287.00
Rental - Lamps @ $17.50/mo. for 12½ mos.		218.75
Payroll Taxes; Old Age and Unemployment; Ida. State Ins. Fund = $258.55/mo.		3,231.88
Sampling Cost -		200.00
Travel Expense - $200/mo. for 12½ mos.		2,500.00
Repair Parts -(Exclusive of H.D.7 Dozer) $100.00/mo. for 12½ mos.		1,250.00
Boarding House - (Operating Loss) $200.00/mo. for 12½ mo.		2,500.00
Road Maintainance - (Operating and Maintainence Cost - Schedule C)		5,700.00
	Probable total	$106,223.55
Possible Diamond Drilling if structure is not reached at the point indicated on the map: 500 feet maximum at $5.00/ft.		2,500.00
	Possible Total	$108,723.55

Paymaster, Inc. is prepared to invest an amount sufficient to pay 50% of the cost of this program.

Paymaster, Inc.

By J. L. Kieser

7 March, 1952

General Manager

Schedule "A" - Supplies and Power

Supplies:

Item	Cost/ft
Powder and Caps	$ 3.65
Timber	5.28
Drill Steel	0.70
Bits	2.00
Hose	0.18
Small Tools	0.15
Misc. (Drill Lub., Nails, Blasting Wire,etc.	0.10
	$12.06

Power - Operating and Maintainence cost for the Diesel Elect. Power Unit and for the Diesel driven Compressor

Fuel Consumption:
Compressor @ 55 gal./day
Light Plant @ 45 gal/day
100 gal./day @$0.20/gal. = $520.00.mo.

Power Cost per foot = $520.00/137' = $3.80/ft.

Schedule "B" - Operating Equipment

Item	Value	Depreciation Allowance Per Month
1 Trammer (electric)	$3,500.00	$58.00
1 Handheld drill	365.00	6.00
1 Drifter-autofeed-large	1,000.00	17.00
1 Rotating Stoper	750.00	13.00
1 G. D. Compressor, cfm with D 13000 Cat. Diesel Drive	9,000.00	150.00
1 Ford 1/2 ton pickup truck	1,100.00	18.00
1 G.D. Loader	3,000.00	50.00
7 ~~16~~ Mine Cars @$150.00 per car	2,400.00	40.00
1 Diesel Electric Power Unit	8,000.00	133.00
2 Blowers @350.00 each	700.00	12.00
1 Allis Chalmers H.D. 7 Dozer	6,000.00	100.00
Rail, pipe and fan pipe @3.40/ft.	5,855.00	98.00
	$41,670.00	$695.00

The above monthly rental on equipment furnished by the operator for use on the project is determined on the basis of depreciation over an average life of 60 months.

Total for 12½ months @$695.00/mo. = $8,687.00 - ($100.00 x 4) = $8,287.00
Note - the (100 x 4) is for the four months when the dozer was not in use.

Schedule "C" - Road Maintainence

An Allis Chalmers H.D. 7 dozer is in use for road maintainence. During The winter months it is necessary to operate the dozer full time in order to keep the 5½ mile access road open to traffic. In the summer the road work consists of repairs and requires little if any dozer work.

The following schedule is our estimate of operating time and cost.

Last half of December 1951	100	hrs.	snow	removal
January 1952	200	hrs.	snow	removal
February	200	"	"	"
March	100	"	"	"
April	30	"	"	"
May	10	"	road	repairs
October	10	"	"	"
November	100	"	snow	removal
December	200	"	"	"
	950			

Cost

Fuel
Grease and Oil
Maintainence and Repair

$6.00 per hour

Total for 12½ month period = 950 hours @ $6.00 = $5,700.00

BUSINESS OFFICE: PEYTON BUILDING
SPOKANE 8, WASHINGTON

MINE: BOX 930
KELLOGG, IDAHO

SPOKANE-IDAHO MINING CO.

P. O. Box 930
KELLOGG, IDAHO

February 25, 1952

Defense Minerals Administration
C/O U. S. Geological Survey
South 157 Howard
Spokane, Washington

Attention: Mr. A. E. Weissenborn

Gentlemen:

Your attention is directed to the exploration program of Paymaster, Inc., DMA Docket No. 391X, total contract amount $43,000.00 with a government participation of 50% or $21,500.00.

On January 23, 1952, we wrote you in regard to an upward revision of our original cost estimate for the Paymaster Exploration Project.

Our original cost estimate of $42,885.00 ($43,000.00 was later taken as the total contract amount) was arrived at by assuming the completion of the work in 9 months with a crew of seven including supervisory personnel. As follows:

1 Mine Superintendent	@ $450.00/mo.	9 mos.		$4,050.00
1 Master Mechanic	@ 375.00/mo.	"	"	3,375.00
1 Journeyman Mechanic	@ 350.00/mo.	"	"	3,150.00
2 Miners	@ 320.00/mo.	"	"	5,760.00
2 Muckers	@ 300.00/mo.	"	"	5,400.00
				$21,735.00

Supplies - 60% of labor	$13,000.00	
Power @ $1.65/ft.	2,525.00	
Indirect cost: Industrial insurance, repairs, etc. @ $2.00/ft.	3,000.00	
Depreciation of rental of equipment @ $1.75/ft.	2,625.00	$21,150.00
		$42,885.00

The total contract amount of $43,000.00 for 1500 feet of tunnel is equal to $28.66 per foot. This figure is far too low for an operation such as the Paymaster where a complete camp must be maintained at the expense of one heading.

We wish to again emphasize that when the above estimated was made we contemplated:

1. Reasonably good ground.

2. 500 feet of crosscutting and 1000 feet of drifting.

3. 200 feet of tunnel progress per month.

4. Minimum surface construction consisting essentially of a compressor house and limited warehouse facilities.

5. A moderate amount of snow removal and road maintainence expense.

However, results have differed considerably from expectations, as follows:

1. Ground Conditions: Ground conditions have been very bad. Fault zones have been encountered frequently and in many instances the water flow has been so heavy that the ditch could not carry the runoff. This resulted in the flooding of the lower part of the tunnel.

   As mentioned in our letter to you of January 23, two such zones were so bad that changes were made in the direction of the X-cut in order to avoid them.

2. Length of Drive: As a result of a survey made after the submission of our original estimate, we discovered inaccuracies in the map that had been used in preparing the estimate. It became obvious at that time that we understated our needs considerably when we listed 500 feet of crosscutting and 1000 feet of drifting.

   In addition to the shortage in our original estimate, the two changes in direction referred to under (1) resulted in a direct loss of 90 feet of advance because of the necessity of backing up to find better ground before starting out again. When the late November - early December change was made, the direction chosen was the optimum one considering the ground conditions, but resulted in a further lengthening of the route to our ultimate objective.

To date, the vein structure has not been reached although the crosscut has advanced past its projected location. We now believe that the granite-quartzite contact makes a bend as shown on the accompanying map. Being desirous of prospecting along the contact zone, we have been reluctant to turn the crosscut in a direction that would tend to parallel the structure.

We now believe that the total contract distance should be 2400 feet. This figure does not allow for future losses exceeding 50 feet.

3. Advance: The average advance from the effective date of our DMA contract with the government to January 31st was 137 feet per month, instead of the expected 200. The chief reasons for this are ground conditions and a shortage of miners. The exceedingly wet working conditions and the isolation of the property make it difficult to get and keep good miners.

4. Surface Constructions: Much more surface construction was necessary than we expected. When it became apparent that transportation problems would not permit the crews to live in town, a boarding house was constructed and a cook hired. Cost of this construction with furnishings and fixtures was not included in the total contract amount.

5. Road Maintainence: While average snowfall in the Paymaster area is not exceedingly high, snow drifts are common due to the wind and the nature of the terrain. Until early in December our crews were able to keep the road open by use of a small tractor-dozer, but it became apparent that the unit was too small. An Allis-Chalmers HD-7 dozer was purchased and has been in use ever since. Even with this machine the crews were not able to keep up with the drifts so that cars or trucks could get through. Transportation has been by sled behind the dozer and in some instances, by snowshoes.

REVISED COST ESTIMATE:

We have made a revised estimate of cost for the period from July 16, 1951, until completion of the proposed exploration. This estimate is based on the following:

Total footage expected = 2400 feet (from face as of 16 July, 1951).
Average monthly advance = 137 feet.
Total length of time needed to complete exploration = 17½ months.

Revised Cost Estimate

Labor:

1 Mine Superintendent	@ $500.00/mo.	for	17½	mos.	$8,750.00	
1 Bookkeeper	412.00/mo	"	"	"	7,210.00	
1 Master Mechanic	440.00/mo	"	"	"	7,700.00	
2 General Labor	325.00/mo	"	"	"	11,375.00	
4 Miners	350.00/mo	"	"	"	24,500.00	
						$59,535.00

Administrative Cost:

General Manager	200.00/mo	"	"	"	3,500.00	
Accounting Engineering and Clerical-Kellogg and Spokane	200.00/mo	"	"	"	3,500.00	
						$ 7,000.00

Supplies:

60% of Labor	35,721.00
Power @ $3.65 per foot	8,760.00

Indirect Costs:

Payroll, taxes, old age and unemployment insurance, repair parts, Idaho State Insurance Fund - $300.00/mo x 17½ mos.	5,250.00
Depreciation of operating equipment	11,835.25
Rental (Lamps) @ $17.50 for 17½ mos.	306.00
Sampling cost	200.00
Travel Expense @ $200.00/mo.	3,500.00

Boarding House: (Operating Loss)

$200.00/mo for 17½ mos.	3,500.00

Snow Removal: (On 5½ miles of access road)

Operating and maintainence cost (including operator)

November-100 hrs.	@ $8.00/hr.	$800.00	
December-200 "	8.00/hr.	1600.00	
January -200 "	8.00/hr.	1600.00	
February-200 "	8.00/hr.	1600.00	
March -100 "	8.00/hr.	800.00	
April - 30 "	8.00 hr.	240.00	
November-100 "	8.00/hr.	800.00	
December-200 "	8.00/hr.	1600.00	9,040.00

$144,647.25

extra cost breakdown on boarding house, with explanation

List Boarding House — Tractor — Area Cost

Paymaster Operating Equipment	Value	Depreciation
(1) 1 Gardner-Denver CP 89 Drifter - 17½ mos.	$ 1,000.00	
(2) 1 Gardner-Denver Bucking Machine " "	3,000.00	
(3) 1 Mancha Battery Locomotive and Charger " "	3,500.00	
(4) 16 Ore Cars @ $150.00 each	~~1,060.00~~	
(5) 2 12" Sturtevant size 30 Exhauster with 5 H.P. Motor	700.00	
(6) 4 Diesel Electric Power Units @ $8,000.00 each	16,000.00	
(7) 1 G.D. Compressor, 365 c.f.m. with D 13000 Cat Diesel Drive	9,000.00	
(8) 1 Ford Pickup Truck	1,100.00	
(9) Misc. Steel, Hoses, Pan Pipe, etc.	500.00	
	35,850.00	$10,456.25

The above items are depreciated at 1/60 value per month over the full 17½ months of contract.

$\frac{\$35,850.00}{60}$ x 17½ - $10,456.25

(10) Cletrac Tractor - 5 mos.	2,750.00	229.00
$\frac{\$2,750.00}{60}$ x 5 mos. - $ 229.00		
(11) 1 Allis-Chalmers H.D. 7 - 11½ mos.	6,000.00	1,150.00
$\frac{\$6,000.00}{60}$ x 11½ mos. - $1,150.00		
		$11,835.25

Change to months used only

To estimate the probable quantity of the ore that should be developed by this exploration program, we have compared the past production figure of 20,000 tons with the ground stoped and have made allowances for oxidized zones that were not stoped. We believe that the degree of oxidation will be much less in the block of ground that is being opened up and that the tons of mineable ore per vertical foot will be correspondingly higher.

We feel that 75,000 tons of ore assaying 2.0% Pb, 6.7% Zn and 1.9 oz. Ag. can be expected.

Estimating smelter returns from results of our own metallurgical tests and assuming shipping charges of $10.00 per ton of concentrate, we arrive at a figure of $17.63 per ton net smelter return.

Therefore we calculate the net value of the ore developed by the new X-cut as 75,000 x $17.63 = $1,322,250.00.

Yours very truly,

SPOKANE-IDAHO MINING COMPANY

J. C. Kieffer
General Manager

JCK:es

391

IDAHO

BLAINE COUNTY

February 1, 1952

Paymaster, Inc., Idm-E99, Pb-Zn

50-50 of $43,000.00

9 months

The program consists of the extension of an adit that is to explore the Paymaster vein on a level about 325 feet below previous workings. About 500 feet of adit were believed to have been required; however, this distance has been exceeded because of heavy ground that was encountered and bypassed. Upon intersection, the vein is to be explored by 1000 feet of drifting.

Heavy ground encountered in the adit has slowed the work and increased the previous estimate of costs.

Business Office: Peyton Building
Spokane 8, Washington

Mine: Box 930
Kellogg, Idaho

JAN 25 1952

SPOKANE-IDAHO MINING CO.

P. O. Box 930
Kellogg, Idaho

[illegible], 1952

[illegible]
[illegible]
[illegible]
[illegible], Washington

[illegible]

Gentlemen:

[illegible]

[illegible] likelihood [illegible]

[illegible]

[illegible] completely.

BUSINESS OFFICE: PEYTON BUILDING
SPOKANE 8, WASHINGTON

MINE: BOX 930
KELLOGG, IDAHO

SPOKANE-IDAHO MINING CO.

P. O. Box 930
KELLOGG, IDAHO

[illegible] sufficient number of [illegible] rapidly. [illegible] times [illegible] has also [illegible] the [illegible] number of [illegible] have [illegible].

2\. [illegible] conditions are [illegible] worse [illegible] and [illegible] than we planned for. [illegible] closing [illegible] of the road, normally supplied by the County, has not [illegible] this year. As a result it was necessary to [illegible] small tractor-dozer. [illegible] too small, [illegible] a larger unit was purchased. The cost of [illegible] has been [illegible] estimate.

[illegible]

[illegible]

[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
	Total	[illegible]
Government participation, [illegible]		[illegible]

It will be noted that [illegible] is much less than for [illegible]. [illegible] to believe that [illegible] in the [illegible] will not [illegible].

We trust that with this information you will be able to [illegible]. Should additional data be required, we will of course be glad to supply it.

Yours very truly,

SPOKANE-IDAHO MINING CO.

[signature]

[illegible]
[illegible]

[illegible]
[illegible]

FILE COPY
SURNAME:

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

Mittendorf
Strobel 7/27
Bar

AUG -3 1951

My dear Senator Dworshak:

I am pleased to report to you that the Defense Minerals Administration of this Department has recently entered into a contract with Paymaster, Inc., operating in your state for the exploration of possible sources of lead and zinc.

The contract provides that the Government will participate in the expense of this work up to 50% of the cost thereof.

This type of assistance is provided for under Section 303 of the Defense Production Act.

The Defense Minerals Administration will be glad to furnish you any further details you may desire regarding the matter.

Sincerely yours,

(sgd) R. D. Searles

Acting Secretary of the Interior

Hon. Henry C. Dworshak
United States Senate
Washington 25, D. C.

Identical letter to: Sen. Herman Welker
Rep. Hamer Budge

DEMoulds/meh
Written: 7-25-51
cc to: Secy's Reading File
Adm's. Reading File
Mittendorf, Olund
Moulds
Reports and Records

RETURN TO THE BUREAU OF MINES

7-30

BUREAU OF MINES
WASHINGTON, D. C.

AUG 7 1 10 PM '51

Mittendorf
400

August 2nd 1951

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 7 1951
LANDON F. STROBEL
Executive Secretary

Mr. A. E. Wiessenborn, Executive Officer
DMA Field Team, Region II
South 157 Howard Street
Spokane, Washington

Dear Mr. Weissenborn:

This is to acknowledge receipt of Exploration Project Contract covering the Paymaster mining operation, Docket No. DMA 391X, commodity lead-zinc, Idm-R59, from the office of C. O. Mittendorf, Director Production Expansion Division, Defense Minerals Administration, Department of the Interior, Washington, D. C.

Mr. Mittendorf requests us to advise you when work was commenced under this contract. As the actual work, looking towards completion of the work covered by this contract was started May 7th and has been continuously under way since that date, our men in charge at the property were instructed to make a cut-off as to all expenditures as of the start of business on July 16th, date of the contract, and we consider all work from that date on, which properly falls within the description included in the application for assistance, as includable within the estimates.

We hope this is the information desired by your office but if more information is required please so advise.

Very truly yours,

Frank N. Marr

Frank N. Marr
President.

FNM:b

cc C. O. Mittendorf
J. C. Kieffer

FILE COPY
SURNAME:

Mittendorf

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

July 25, 1951

A.E.C.

Mr. A. E. Weissenborn
Executive Officer
DMA Field Team, Region II
South 157 Howard Street
Spokane, Washington

Re: DMA-391 X
Paymaster, Inc.
Spokane, Washington

Dear Mr. Weissenborn:

Enclosed for the use of your office is a copy of the contract covering the subject exploration project, which has been signed for the Paymaster, Inc. and for the Defense Minerals Administration.

A copy for the Regional Finance Officer will be forwarded directly by the Washington Finance Division, together with accounting instructions.

Sincerely yours,

C. O. Mittendorf CC 8/7/51

C. O. Mittendorf, Director
Production Expansion Division

Enclosure-1

DEMoulds/bjs

cc to: Admr. Reading File
Reports and Records
Field Team, Reg. II
Miss Terry, Finance Div.
Mr. Billings
Mr. McKnight
Mr. Mittendorf, Mr. Olund
Mr. Moulds

FILE COPY
SURNAME:

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

Moulds
Mittendorf

July 25, 1951

Mr. Frank Marr, President
Spokane-Idaho Mining Company
611 Peyton Building
Spokane 8, Washington

Paymaster Inc

Re: Docket No. DMA 391X
Paymaster Mine

Dear Mr. Marr:

Enclosed you will please find a copy of the completed exploration contract covering your Paymaster exploration project. The contract bears the number Idm-E59, which is the register number used for all financial correspondence, along with the Docket Number and effective date of July 16, 1951.

Also included are four copies of Monthly Progress Report and one copy of an information bulletin which attempts to set forth the answers to many questions which have arisen in connection with the exploration program.

You are requested to advise Mr. A. E. Weissenborn, Executive Officer, DMA Field Team, Region II, South 157 Howard Street, Spokane, Washington, when the work is commenced under this approved contract.

Sincerely yours,

C. O. Mittendorf 7/27

C. O. Mittendorf, Director
Production Expansion Division

Enclosures-6

DEMoulds/bjs

cc to: Admr. Reading Riles
Reports and Records
Region II (2)
Mr. B illings
Mr. McKnight
Mr. Mittendorf, Mr. Olund
Mr. Moulds

FILE COPY
SURNAME:

Mittendorf

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

July 25, 1951

Contract Service Section
General Accounting Office
Washington 25, D. C.

Re: Docket DMA 391-X
Exploration Project Contract
Idm-E59
Paymaster, Inc.
Spokane, Washington

Gentlemen:

Enclosed for recording in your office is the original, signed copy of an Exploration Project Contract executed between the operator named in the above reference and the Government of the United States.

Sincerely yours,

C. O. Mittendorf cc 7/27

C. O. Mittendorf, Director
Production Expansion Division

Enclosure-1

DEMoulds/meh
cc to: Reports and Records ✓
Adm. Reading File
Mittendorf, Olund
Moulds
Field Team, Reg II (2)
McKnight
Billings

FILE COPY
SURNAME:

Guthrie

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

July 16, 1951

Memorandum

To: C. O. Mittendorf

From: J. L. Hofflund

Subject: Paymaster, Inc., exploration contract -- Docket No. DMA-391X

The captioned contract is approved as to form and legality subject to proper execution by the Operator.

At the time of execution by the Government the effective date should be inserted.

Your file is returned herewith.

J. L. Hofflund

J. L. Hofflund
General Counsel

Attachment

RRGuthrie/ema

Copy to: L. F. Strobel
R. R. Guthrie
J. L. Hofflund
Chron.
Files

Dmas 391

Brought for McKnight Herrera
6/5/51

Defense Minerals Administration 6-21-51

Review of Application for Exploration Assistance

Docket No. 391X

To: Production and Expansion Division

Commodity Zinc-lead

From: Director, Supply Division

Total Amount $43,000.00

Govt. Participation 50%

1. Name and Address of Applicant Paymaster, Inc. 611 Peyton Building, Spokane, Washington

2. Location of Property Multi-metals Mining Claims, Sec. 25, T. 2 N, R 23 E, B.M. Blaine County, Idaho (Lava Creek Mining District, 28 miles west of Arca, Idaho)

3. Mineral or metal Zinc, lead Is it listed in Section 9 of MO-5?

If not, application will be rejected.

4. Geologic probability of discovery—based on data in application (question #16, 17, 18, 20 and 22)*

Mines or Survey reports, etc., do you rate chances:

a) Good See attached DMA examination report

b) Poor

c) None

d) Don't know—needs field examination

e) Is there an alternative and favorable project? (If so, attach an explanation)

5. Is the applicant's right to the property clearly stated? Yes (question 5, 6, 7)*

6. If applicant is a lessee, is a copy of the lease attached?

Does the lease have sufficient time to run to cover a future productive period?

*question numbers are those of MF-103

7. Are subordination agreements necessary? No

a) MF-201? _____

b) MF-202 _____

8. From the data presented, does the proposed project appear feasible from the point of view of:

a) Available manpower Yes

b) Equipment and supplies Yes
(Question 14 plus general knowledge of availability)*

c) Accessibility (question 12)* Yes

d) Water (question 13)* Yes

e) Power (question 13)* Yes

Is a field check needed on any of these points? Have been checked

9. Does the experience of the applicant appear to be adequate to assure that he can properly conduct the proposed project? (question 4)* Yes

_____

Is a field check needed on this point? Have been checked

10. Exhibit A. (questions 21 and 22)*

a) Is the project adequately described? Yes, see DMA examination report

If not, are there sufficient data given so that you can describe the project? _____ If so, attach a draft.

b) Is there an adequate map or sketch of the proposed work? Yes

_____

c) Is the proposed work "exploration" under the definition of Section 8, MO-5? Yes

If not, what part of it is? _____

_____

_____

_____

Is this part a worthwhile exploration project?_____

d) Are the cost estimates detailed? Yes

Can they be summarized, as on page 2 of Procedural Instruction 5-A, from the available data?_____ If so, attach a draft.

e) Are the cost estimates reasonable? Yes

f) Should more information be requested from applicant? No

g) Is a field examination necessary to complete Exhibit A? Has been ~~examined~~

11. Exhibit B (question 23-d)*

a) Is it applicable? No

b) If so, are sufficient data furnished?_____ If so, attach a draft.

c) Is a field check needed? Has been checked

12. Exhibit C (question 23-e, f and g)*

a) Is it applicable? Yes

b) Sufficient data? Yes If so, attach a draft.

c) Are rents and charges reasonable? Yes

d) Is a field check needed? Has been checked

13. Exhibit D (question 23-a, b)*

a) Are there sufficient data? Yes

b) Is the schedule adequate for the work proposed? Yes

c) Is the schedule excessive for the work proposed? No

d) Are the proposed wages and salaries reasonable? Yes

e) Is a field check needed? Has been checked

14. Exhibit E (question 23-c)*

a) Is it applicable? No

b) Sufficient data?

c) Reasonable?

d) Field check needed? Has been checked

15. In your judgment, can the proposed work be done in the proposed time? Yes

(All exploration must be completed within two years)

16. If field examination is not needed, attach your recommendation.
It is recommended that the project be approved, in concurrence with recommendation by Field Team Region II.

17. If field examination is needed, do you have any special instructions for the field team not indicated by your answers to the foregoing question?

Reviewed by: AJ Bordenlos GS

Date 6/21/51

97692

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

So. 157 Howard Street
Spokane 4, Washington

June 15, 1951

Memorandum

To: Otto Herres, Chief, Lead-Zinc Branch

From: DMA Field Team, Region II

Subject: Paymaster mine, Blaine County, Idaho
(DMA Docket 391)

Enclosed herewith are four copies of a report on the Paymaster mine, Blaine County, Idaho, prepared by a DMA Examination Team, Region II. Also enclosed are six copies of the Exploration Project Contract signed by an official of Paymaster, Inc., together with accompanying maps.

The field team recommends approval of the proposed exploration program of Paymaster, Inc. Management of the proposed program is excellent, and geologic possibilities of the program are favorable. Work is under way on the property at the present time, and there is every chance that the program will be successful.

By Field Team, Region II

A. E. Weissenborn

A. E. Weissenborn, Executive Officer
(U. S. Geological Survey)

M. E. Volin

M. E. Volin, Member
(U. S. Bureau of Mines)

Enclosures

cc: USBM Spokane
USBM Albany

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 18 1951
LAMBERT F. STROBEL
Executive Secretary

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

So. 157 Howard Street
Spokane 4, Washington

June 15, 1951

Mr. Landon F. Strobel
Executive Secretary
Defense Minerals Administration
Department of Interior
Washington 25, D. C.

Re: Paymaster mine
Blaine County, Idaho
DMA Docket 391

Dear Mr. Strobel:

Enclosed herewith are four copies of the Examination Team's report on the Paymaster mine, Blaine County, Idaho. Also enclosed are six copies of Form MF-200 which concern the proposed exploration project contract.

Please pass this information on to the Lead-Zinc Branch.

Yours very truly,

Thor H. Kiilsgaard
For: A. E. Weissenborn
Executive Officer, DMA
Field Team, Region II

Enclosures

cc: USBM Spokane
USBM Albany

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 18 1951
LANDON F. STROBEL
Executive Secretary

Ore - Site Exam.

P.

UNITED STATES
DEPARTMENT OF INTERIOR
OSCAR L. CHAPMAN-SECRETARY

Report by Examination Team
Region II

DMA-391-Paymaster Mine

Blaine County, Idaho

Elwin A. Magill, USBM
James J. Quinlan, USGS
Thor H. Kiilsgaard, USGS

June 14, 1951

DMA EXAMINATION REPORT

DMA Docket-391

Thor H. Kiilsgaard USGS
James J. Quinlan USGS
Elwin A. Magill USBM

Paymaster Mine
Blaine County, Idaho
June 13, 1951

RECOMMENDATIONS

The Examination Team recommends that the DMA enter into an exploration contract with Paymaster, Inc., in the amount of $43,000. Paymaster, Inc., is prepared to furnish $21,500 of this amount.

APPLICANT

The applicant is the Spokane-Idaho Mining Co. (on behalf of Paymaster, Inc.), 611 Peyton Building, Spokane, Wash. Company officers are Frank H. Marr, President and Director, Sam H. Olinediust, Vice President and Director, Charles E. Marr, Jr., Treasurer and Director, and E. Broyles, Secretary. Paymaster, Inc., is the name of a new corporation which the Spokane-Idaho Mining Co. is organizing to operate the Paymaster mine.

LOCATION

The Paymaster mine, on Big Cottonwood Creek in sec. 25, T. 2 N., R. 23 E., Boise meridian, is in western Blaine County, Idaho. It is in the Lava Creek mining district 28 miles west of Arco, 22 miles on oil surfaced highway and 6 miles over dirt road. The lower exploratory adit is at an altitude of about 5,970 feet.

OWNERSHIP

The property, consisting of 26 unpatented mining claims, was acquired in May 1951 by the Spokane-Idaho Mining Co., Spokane, Wash., (see accompanying map). Paymaster, Inc., has a capitalization of 1,000,000 shares, par value 10 cents; 250,000 of these shares have been exchanged for the stock of the Paymaster Mining Co.

HISTORY AND PAST PRODUCTION

The property has been the object of earlier examinations by the following engineers and geologists.

Anderson, A. L., Geology and Ore Deposits of Lava Creek Mining District, Idaho: Idaho Bureau of Mines and Geology, Pamphlet 32, 1929.

Head, R. F., Preliminary Report No. 19, Zinc-Lead Ore, Paymaster mine, U. S. Bureau of Mines, September 1942.

Shaffer, L. E., Paymaster mine, W.M.R., U. S. Bureau of Mines, 1943.

Taber, J. W., Supplement, Paymaster mine, May 1946 (U. S. Bureau of Mines)

Head, Glenn C., Paymaster mine, Preliminary Examination, U. S. Bureau of Mines, November 1950.

These reports deal to some extent with the mine's history and production.

Peak output, attained during the period 1941-47, amounted to 13,388 tons of zinc lead ore containing 1,807,616 pounds zinc, 469,815 pounds lead, 32,298 pounds copper, and 21,886 ounces silver.* Ore was shipped to Midvale, Utah, for treatment.

*Production figures obtained from the Economics and Statistics Service, U. S. Bureau of Mines, Albany, Oreg.

Little development work was done during this period. The operation was terminated in 1947 because of the depletion of ore reserves and suspension of premium price. In 1949 the Paymaster Mining Co., Inc., was reorganized under the direction of G. G. Gressman, Arco, Idaho, and a low-level exploratory adit started. At the close of 1950 this adit had been advanced about 1,100 feet.

DESCRIPTION OF PROPOSAL

Mr. G. G. Gressman, acting for the Paymaster Mining Co., Inc., originally applied for a DMA production loan of $150,000 to be spent as follows:

Building construction	$15,000
Equipment	15,000
Working capital	60,000
Debt repayment	10,000
Mill	50,000

Since acquisition of the mine, the Spokane-Idaho Mining Co. has amended the application to an exploration proposal costing $43,000 (see form MF-103). They propose to extend the lower exploratory adit 500 feet to intersect the vein. This is to be followed by 1,000 feet of drifting to the northwest on structure to intersect the ore shoot, presumably extending downward from the known ore bodies.

TECHNICAL FEASIBILITY

Geologic Setting of the Deposit

The Paymaster vein is a strong structure striking N. 40° to 50° W., and dipping 65° to 70° SW. The structure closely follows the contact of granite and Pennsylvanian quartzites and siliceous limestones,

with granite on the footwall side. Some granite apophyses extend into the hanging wall of the structure.

The footwall of the vein is very persistent and well defined; it contains up to 10 inches of gouge. Beneath the footwall, the granite is intensively altered for several feet away from the vein contact. Mineralization is confined wholly to the hanging wall by replacement of the sedimentary rocks and by filling fractures in the shattered wall. The vein has an irregular hanging wall.

The vein is reported to have been traced for almost 1,700 feet along the strike, but the mineralized portion of the structure has a strike length of about 570 feet and a developed vertical range of 185 feet. Ore shoots within this zone are lenticular bodies ranging from 3 to 15 feet or more in thickness, but the average stope thickness is about 6-1/2 feet. The ore shoots are reported to plunge steeply to the southwest. Maximum stope length of these shoots above the lower tunnel level is about 140 feet. Principal sulfide minerals in the ore are pyrite, sphalerite, galena, chalcopyrite, and pyrrhotite. Sphalerite, the dominant mineral, is present both in large masses and as isolated grains scattered through the quartzitic gangue. An average assay of ore thus far mined approximates 2 ounces silver, 2 percent lead, and 7 percent zinc. It is believed, however, that the grade could be somewhat improved by more selective mining. Ore in the upper regions was oxidized, but relatively unaffected sulfides were found on the lower tunnel level. No oxide ores are expected on the lower exploratory level. Read, op. cit., 1950, states, "it appears reasonable to assume that the known ore shoots persist downward with little or no change in character to the development level currently being driven."

Mine Workings

The mine is developed by two crosscut tunnels 100 feet apart in elevation, the lower tunnel about 125 feet below the surface. Raises and stopes have been driven from these levels. In the fall of 1947 a winze was started from the lower tunnel to explore the vein below. The winze was down 36 feet and reportedly on 8-1/2 feet of ore when the compressor broke down and sinking was abandoned. The winze is now flooded.

The lower exploratory adit has been started since 1949. This adit is 327 feet below the lower tunnel. As of May 8, 1951, the adit was in about 1,100 feet. If it holds to its present course, the adit should crosscut the vein at a distance of about 570 feet. Four hundred and sixty-eight feet from the portal the adit cut two parallel mineralized structures about 4 feet apart. These veins were drifted on for 28 feet to the north and 15 feet to the south before continued exploration was abandoned. The exploratory adit is entirely in granite and should remain in granite until the vein is intersected.

Ore Reserves

There are no measurable ore reserves above the lower tunnel level. Future production will depend upon continued exploration work.

On the basis of past production from above the lower tunnel level, Reed has estimated that the exploratory adit now being driven could develop 52,000 tons of ore below the present known mineralized areas. He further states, "if the frequency of ore-shoot occurrence should continue undiminished along the contact zone within the interval between the known productive area and the point of crosscut intersection, an additional 126,000 tons of ore may be developed."

From information on hand, the Paymaster reserves above the exploratory adit may be classed as follows:

Classification	Tonnage	Zinc-percent	Lead-percent	Silver-ounces
Inferred	52,000	6.7	1.7	1.6
Speculative	126,000	—	—	—

Mining Methods

Shrinkage stoping has been the principal mining method employed in prior operations. The old Paymaster Mining Co. reports mining costs with this method at about $1.45/ton.

Inasmuch as future production is expected to come from a block of ground as yet unopened, no firm estimate of mining costs can be made. However, it is believed that costs will be several times the figure quoted above because of exploration and development charges, together with general increases in materials, equipment, and labor.

Milling Methods

Past output has been shipped for concentration and treatment to mills and smelters in the Salt Lake area.

In the event exploration work discloses sufficient ore, it is planned to construct a selective flotation concentrator on the property. No serious problems are anticipated by the applicant in obtaining a satisfactory recovery. However, it may be necessary to resort to fine grinding (400 mesh or finer) to obtain this recovery.

At the present sufficient data are not available on which to predicate a milling cost estimate. The major items of equipment required for a 200-ton per day selective flotation concentrator are on the property. This equipment was purchased by the Paymaster Mining Co. in 1949.

Rate of Production

Present

The mine is not producing. Output since 1947 has been confined to several small shipments extracted by lessees.

Anticipated

If the lower adit develops ore, the applicants plan the erection of a selective flotation concentrator. The size of this concentrator will be determined by the success of the exploration program. From the grade mined from the upper levels, a 200-ton per day or larger concentrator will be necessary.

Time Schedule

It is anticipated that the crosscutting and drifting can be advanced at a rate of 200 feet per month. The proposed program, therefore, can be completed within 9 months.

Marketing Facilities

It is intended to ship crude ore or concentrates to concentrating and smelting facilities in the Salt Lake area.

EQUIPMENT AND FACILITIES

Installed

1 Automatic drifter
1 D-13000 Caterpillar Diesel and
  365-cubic foot Gardner-Denver Compressor
1 Ford Pickup Truck
1 G.M.C. Truck and Winch
1 Gardner-Denver Mucking Machine
  Drill Steel
  Drill Bits
  Miscellaneous Tools
  Light Plant

During this last winter a snowslide completely destroyed all the buildings at the site of the lower adit. The mine surface plant machinery was scattered for several hundred feet down the canyon. At the present time the extent of damage to this equipment is not known.

Required

The purchase of additional equipment, other than an air trammer, to carry out the proposed program is not anticipated. This trammer will cost about $2,000.

LABOR SUPPLY

Labor supply probably will depend to some extent upon the wage scale adopted. As the proposed operation is in the vicinity of the Arco Atomic Energy plant, the wage scales must be competitive. Therefore, it is likely that a minimum wage scale of $14 per shift will be required to obtain ample labor.

POWER

All power requirements for the operation will have to be generated either by gasoline or Diesel units.

TRANSPORTATION

The nearest rail facilities (Union Pacific) are at Arco, Idaho, 28 miles from the mine. Of this 28 miles, 22 miles is improved primary State Highway and 6 miles of dirt road. The State Highway is kept open during the winter months. It will be necessary to remove the snow on the 6 miles of dirt road for winter operations.

Trucking charges to Arco are $2.50 per ton.

Rail charges vary from $3.50 to $4.50 according to the value of the material shipped.

Access road construction is not required.

ADEQUACY OF REQUESTED FUNDS

The amount requested appears adequate to complete the lower crosscut to the vein, and to drift on the vein to a point under the stoped areas of the upper levels.

COMPETENCE OF APPLICANT

The Spokane-Idaho Mining Co. has for years successfully operated the Old Constitution mine in the Coeur d' Alene district. The company is managed by men of wide experience and sound operating policy. Inasmuch as the key personnel of Paymaster, Inc., will come from the Spokane-Idaho Mining Co., any exploration undertaken by the new company is expected to be carried out under excellent direction and supervision.

DISCUSSION OF PROPOSAL

Paymaster, Inc., proposes to extend the lower exploratory crosscut approximately 500 feet until the vein is intersected and then to drift 1,000 feet to the northwest on the structure to come under the known ore bodies. On the basis of past production and the strength of the mineralized structure, such an exploration program is warranted. Several of the large western mining companies have been favorably impressed with the structure. They have, however, been concerned with the marginal grade and probable difficulties in obtaining a good mill recovery. Personnel of Paymaster, Inc., are of the opinion that if the proposed exploration program proves successful, they can profitably treat the ore.

dma 391X

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
So. 157 Howard Street
Spokane 8, Washington

June 1, 1951

Mr. L. F. Strobel
Executive Secretary
Defense Minerals Administration
Department of the Interior
Washington 25, D. C.

Dear Mr. Strobel:

Enclosed herewith are three copies of Form MF-103 submitted for an exploration loan for the Paymaster Mine, Blaine County, Idaho. This was submitted by Mr. Frank Marr of Spokane. (Please note that this refers to the same property for which a production loan application was submitted by Mr. Earl Gressman and which has been docketed as DMA-391). The property has since changed hands and the new application supersedes the old.

Mr. Frank Marr, who now controls the property, is well known to us as an experienced and competent mine operator and we regard his proposal as a reasonable one.

A report of the field examination of the property is now in preparation and will be submitted within the next few days together with the fourth copy of MF-103.

Sincerely yours,

A. E. Weissenborn

A. E. Weissenborn
Executive Officer, DMA
Field Team, Region II

Enclosure
cc: U.S.B.M., Volin

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 5 - 1951
LANDON F. STROBEL
Executive Secretary

JUN 12 1951

File.

USINESS OFFICE: PEYTON BUILDING
SPOKANE, WASHINGTON

LANDON F. STROBEL
MINE: P. O. BOX 930
KELLOGG, IDAHO

a. E. C.
Hermes

SPOKANE-IDAHO MINING CO.

611 PEYTON BUILDING
SPOKANE 8, WASHINGTON

May ~~5th~~ 3rd 1951

Re: Docket DMA-391

Mr. S. H. Williston, Director
Supply Division
Defense Minerals Administration
Washington 25, D. C.

Attention Mr. Tom Lyon

Gentlemen:

Our organization has just completed a contract, under the terms of which the Paymaster mine is being transferred to the Spokane-Idaho Mining Company, pending the possible formation of a new corporation.

Your letter, dated February 20, 1951, addressed to Mr. G. G. Gressman, President of the Paymaster Mining Company, has been turned over to me in connection with this deal.

Inasmuch as I know Mr. Weissenborn, of Spokane, personally I will immediately contact him for any further proceedure upon the application now before you.

Very truly yours,

Frank N. Marr

Frank N. Marr
President.

FNM:b

cc Mr. A. E. Weissenborn

MAY 18 1951

5

MAY 8 9 18 AM '51
BUREAU OF MINES
WASHINGTON, D.C.

FILE COPY
SURNAME:

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

McKnight
Hedges
Mittendorf

February 20, 1951

Re: Docket DMA-391

Referred to
Mr. A. E. Weissenborn
So. 157 Howard St.
Spokane 8, Washington

G. G. Gressman, President
Paymaster Mining Company, Inc.
Arco, Idaho

Dear Mr. Gressman:

Your application (Docket DMA-391) for a Government loan under the provisions of the Defense Production Act of 1950 has been reviewed by the Lead-Zinc Branch of the Defense Minerals Administration. Before final decision can be taken on your request it will be necessary to obtain additional information on your property. Your application, therefore, has been referred to the appropriate field office with the request that the needed information be supplied to us.

Very truly yours,

/s/

for S. H. Williston, Director
Supply Division
Defense Minerals Administration

ETMcKnight:emp
G-2/20/51
Copies to: Chief, Lead-Zinc Br.
Geological Survey - McKnight
J. H. Hedges
R. H. Mote
Strobel
Mittendorf
2 copies to Executive Officer
Regional Field Team, Region II
Files

Docket 391

8558

FILE COPY
SURNAME:

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

McKnight
MOB
Hepres
Lyon
Strobel
2/27

February 20, 1951

Re: Docket DMA-391

Hon. Henry C. Dworshak
United States Senate
Washington, D. C.

My dear Senator Dworshak:

In reply to your letter of January 31, in which you express interest in the application of The Paymaster Mining Company, Incorporated, for aid under the Defense Production Act of 1950:

This application (DMA-391) has been reviewed in the Washington office, but as the information given is not complete enough for final disposal, it has been referred to the field for additional information.

Sincerely yours,

JAMES BOYD

Administrator

ETMcKnight:emp
G-2/20/51
Copies to: Chief, Lead-Zinc Branch
Geological Survey - McKnight
R. H. Mote
2 copies to Executive Officer,
Regional Field Team, Region II
Strobel
Mittendorf
Files

Dma 391

856

FILE COPY
SURNAME:

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

McKnight
Mote
Hedges
Lyons

February 20, 1951

Memorandum R. E. Weissenborn

To: Executive Officer Field Team, Region II
Through Operating Committee and Director, Supply Division

From: Lead-Zinc Branch, DMA Re: Docket DMA-391

Subject: Application of Commodity: Zinc, lead
Paymaster Mining Company, Inc.
G. G. Gressman, President
Arco, Idaho
Paymaster Mine in Lava Creek District,
Blaine County, Idaho

Review of subject docket shows that applicant is driving a tunnel 350 ft. below upper workings that are largely mined out. Tunnel is now in 1029 ft. and has 1200 ft. farther to go to hit the ore vein. Request is for a loan of $150,000 to finish the tunnel, build a 200 ton mill, build some housing, and buy some equipment.

Project should be considered for the exploration program when this is announced. If acceptable to applicant, exploration program will help to complete the tunnel. If ore is struck in the vein as expected, a purchase contract can then be negotiated. Application should be considered for both these contingencies, but the immediate program will be concerned only with completion of the tunnel.

Please prepare recommendation according to "Outline for Report and Recommendation for Commodity Committee on Application for Government assistance."

OTTO HERRES, Chief
Lead-Zinc Branch
Defense Minerals Administration

APPROVED:
DMA Operating Committee

_____ Chairman

_____ J. H. Hedges

_____ Olaf N. Rove

E. T. McKnight:emp
G-2/20/51
Chief, Lead-Zinc Br.
Geological Survey - McKnight
J. H. Hedges
R. H. Mote
Strobel
Mittendorf
2 copies to Executive Officer,
Regional Field Team, Region II
Files

Docket DMA 391

856

DENNIS CHAVEZ, N. MEX., CHAIRMAN
JOHN L. MCCLELLAN, ARK.
SPESSARD L. HOLLAND, FLA.
JOHN C. STENNIS, MISS.
VIRGIL M. CHAPMAN, KY.
ROBERT S. KERR, OKLA.
THOMAS C. HENNINGS, JR., MO.
HARRY P. CAIN, WASH.
EDWARD MARTIN, PA.
GEORGE W. MALONE, NEV.
HENRY C. DWORSHAK, IDAHO
FRANK CARLSON, KANS.
FRANCIS CASE, S. DAK.

FRANK BURNETT, CHIEF CLERK

United States Senate

COMMITTEE ON PUBLIC WORKS

LANDON F. STROUD
DMA-391
DMA Files
FEB 1
BUREAU OF MINES
WASHINGTON, D.C.
1 27 PM '51

January 31, 1951

Mr. James Boyd, Administrator
Defense Minerals Administration
Washington 25, D. C.

Dear Mr. Boyd:

I am in receipt of your letter regarding the Paymaster Mining Company, Inc. and am very grateful for your prompt action in this matter and of the consideration you are giving it.

Sincerely yours,

Henry C. Dworshak

DMA 391
856
P 1

FILE COPY
SURNAME:

Mote
Herres

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

January 22, 1951

Re: Docket DMA 391

Hon. Henry C. Dworshak

United States Senate

My dear Senator Dworshak:

In reply to your letter of January 13 with reference to Paymaster Mining Company, Inc. application for financial aid under the Defense Production Act:

The geological aspects of this application are being reviewed now by the United States Geological Survey and I assure you that it is receiving the full and prompt consideration of the Defense Minerals Administration.

If I can be of further service to you at any time please feel free to call upon me.

Sincerely yours,

JAMES BOYD
Administrator

RHMOTE/ks
cc:
Mr. Mote
Mr. McKnight
Mr. Herres
Mr. Strobel
2 carbon copies to Executive Officer, Regional Field Team, II
Spokane, Washington
Files

DMA-391

256

James Boyd

FILE COPY
SURNAME:

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

Defense Minerals Administration
Moon

full rate

Washington, D. C. January 19, 1951

Mr. C. G. Cressman

Arco, Idaho

RE PHONE CALL, APPLICATION RECEIVED AND UNDER CONSIDERATION. INVESTIGATION WILL TAKE SEVERAL WEEKS.

JAMES BOYD

Administrator

JB

LBMoon:gr

Copy to: ~~L. B. Moon~~ Off. (Derres
L. F. Strobel
~~Files~~
Administrator's Reading File
A. E. Weissenborn - Spokane

Dmo 391

856

OLIN D. JOHNSTON, S. C., CHAIRMAN
KENNETH MC KELLAR, TENN.
RUSSELL B. LONG, LA.
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EDWARD J. THYE, MINN.
ZALES N. ECTON, MONT.
HENRY C. DWORSHAK, IDAHO
HARRY DARBY, KANS.

J. AUSTIN LATIMER, CHIEF CLERK

United States Senate

COMMITTEE ON POST OFFICE
AND CIVIL SERVICE

January 13, 1951

and 1/22/51 by RH Motte

DMA-391

Doctor James Boyd, Administrator
Defense Minerals Administration
Department of the Interior
Washington, D. C.

JAN 15 6 32 PM '51
BUREAU OF MINES
WASHINGTON, D.C.

Dear Doctor Boyd:

I am advised that an application for Government loan under Section 302 of the Defense Production Act of 1950, filed by Paymaster Mining Company, Inc., Arco, Idaho, has been forwarded to your office for revision.

It will be greatly appreciated if all the necessary processing of this application can be expedited. Kindly advise me of the action taken.

Sincerely yours,

Henry C. Dworshak

Rec'd by Pub. Com. 1/16/51
Referred to U.S.S.S. 1/16/51
for review

DEFENSE MINERALS ADMINISTRATION

Mr. Herres

Referral of Applications for Government Aid

Docket No. DMA - 391

Commodity: lead zinc and copper

Name of Applicant: Paymaster Mining Company, Inc. (G. G. Gressman, president)

Address of Applicant: Arco, Idaho

Name of Property: Paymaster Mine

Location of Property: Blaine County, Idaho

Nature of Application: Loan of $150,000

Action Dates

Applications: 12/30/50

Received: 1/ 9/51

Acknowledged:

Referred to NONFERROUS METALS Committee: 1/15/51

DMA-391

PAYMASTER MINING COMPANY, INC.

Arco, Idaho
December 30, 1950

Mr. M. E. Volin, Chief,
Mining Division, Region II,
U. S. Bureau of Mines,
Albany, Oregon.

Dear Sir:

In accordance with instructions contained in your letter of November 1, 1950 we are submitting herewith 4 copies of our application for a government loan under the Defense Production Act of 1950.

Engineering, metallurgical, inventory and production reports have been made a part of this report and we hope that it is sufficiently complete to permit you to process it promptly.

Since Mr. Reed's inspection we have leased the two upper stopes and they are now being mined by the lessee and ore shipments are expected to begin in the near future. All of the proceeds of this loan will be used to complete the new transportation tunnel which will permit us to tap the ore reserve at a lower level, thereby enabling us to operate more efficently and economically.

We have increased the amount of the loan applied for in order that we may install a 200 ton mill at the lower level to further increase our productivity.

If any additional information is required for you to process this application, we suggest that you write to either the U. S. Smelting and Refining Co., Salt Lake City, Utah or to the Reconstruction Finance Corp., Salt Lake City, Utah. You will recall that we had a government loan from the RFC in 1944 and they have in their files maps and reports as of that date. This loan was repaid in 1946.

We thank you for your interest in this matter and know that you will expedite its handling.

Yours truly,

PAYMASTER MINING COMPANY, INC.

G G Gressman

President

U. S. BUREAU OF MINES
RECEIVED
JAN 2 1951
ALBANY, OREGON

PAYMASTER, INC.
Contract Idm-E59

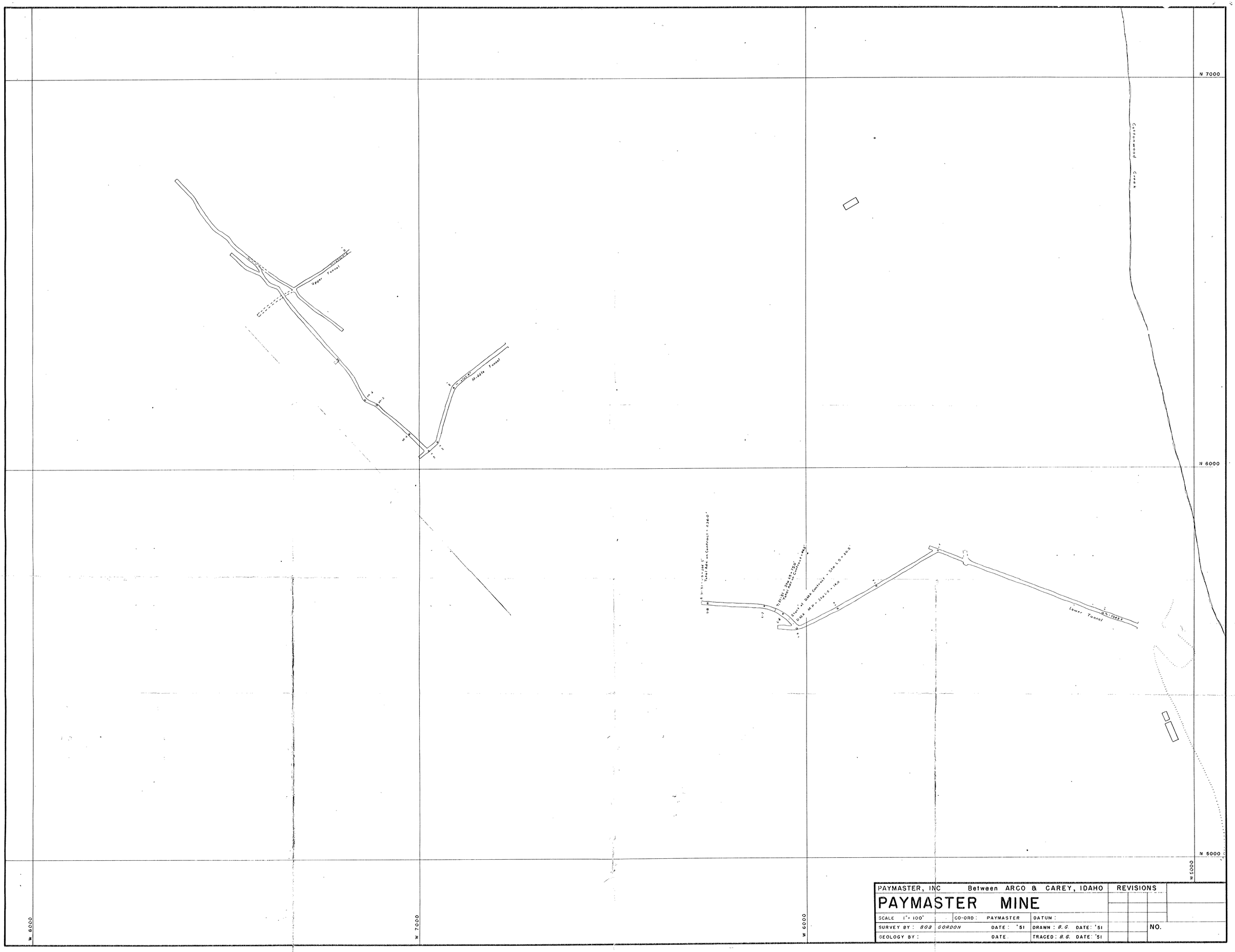
SCHEDULE "A"

	Totals Supplemental MF-104 9/51 thru 8/52	MF-104 totals to date To correct errors in carrying totals forward on MF-104s Plus	Minus	Total	Distribution corrected Plus	Minus	Totals	Disallowed by audit	Inventory adjustments	Allowed by audit
Independent Contracts										
Drilling	$ 4,294.37		2,033.62	2,260.75	2,033.62 A		4,294.37	1,396.37		2,898.00
Labor and Supervision										
Labor	44,655.03	1,001.54		45,656.57	1,995.86 B	1,145.80 A	46,506.63	436.30		46,070.33
Supervision	5,145.44	379.56		5,525.00	337.50 B	235.30 A	5,627.20			5,627.20
Technical Services	129.43			129.43			129.43			129.43
Retroactive pay	2,333.36			2,333.36		2,333.36 B				
Operating Materials and Supplies										
Timber	4,274.63			4,274.63	38.04 D		4,312.67		(928.30)	3,384.37
Explosives	6,324.47			6,324.47	230.50 E		6,554.97		(1055.34)	5,499.63
Pipe and fittings					(.100.08 F					
					(3,118.74 D		3,218.82			3,218.82
Track					1,980.09 D		1,980.09		(46.69)	1,933.40
Miscellaneous	9,423.97	45.90		9,469.87		(9,423.97 D				
						(45.90 A				
Lubricants (Gas, oil and grease)					(1,900.92 D					
					(20.04 E		1,920.96			1,920.96
Drill steel					547.54 D)					
					41.73 E)		589.27			589.27
Carbide bits					602.22 D		602.22		(80.85)	521.37
Small tools					(49.93 D					
					(28.42 E		78.35			78.35
Workmen's safety clothing					440.47 D		440.47			440.47
Fire prevention & first-aid supplies					70.90 D		70.90			70.90
Electrical supplies					104.51 D		104.51			104.51
Oxygen, acetylene and carbide					129.32 D		129.32			129.32
Chain, cable and sheet metal					(39.31 E					
					(164.66 D		203.97			203.97
Automotive supplies					270.00 E)					
					108.61 D)		378.61			378.61
Power										5,239.26
Miscellaneous supplies					55.98 D		55.98			55.98
Operating Equipment										
Rental	202.21	11.63		213.84		11.63 A	202.21	97.21		105.00
Depreciation	5,309.50	319.50		5,629.00		319.50 A	5,309.50			5,309.50
Miscellaneous										
Repairs to Equipment	2,192.34			2,192.34	(1,562.34 E					
					(112.04 D	2,192.34 E	1,674.38			1,674.38
Payroll taxes	2,103.66	6.82		2,110.48	105.00 C	41.84 A	2,173.64	100.48		2,073.16
Payroll taxes on retroactive pay	233.49			233.49		233.49 C				
Liability insurance	2,291.85	115.53		2,407.38	128.49 C	80.51 A	2,455.36	52.68		2,402.68
Dozer work	552.50			552.50			552.50			552.50
Power - diesel	5,239.26	153.14		5,392.40		153.14 A	5,239.26 *			
Contingencies										
Boarding house	306.52			306.52			306.52			306.52
Equipment under $50.00	254.47			254.47		100.08 F	154.39	1.19		153.20
Office miscellaneous	116.37			116.37			116.37			116.37
	$95,382.87	$2,033.62	$2,033.62	$95,382.87	$16,316.86	$16,316.86	$95,382.87	$2,084.23	($2,111.18)	$91,187.46

Salvage value of equipment (rail and pipe) 1,310.00
Total allowed cost $89,877.46

*Power transferred from Miscellaneous to Operating Materials and Supplies
A - Diamond drilling
B - Retroactive pay
C - Retroactive payroll taxes
D - Miscellaneous supplies
E - Repairs to equipment
F - Equipment under $50.00

Robert M. Hull



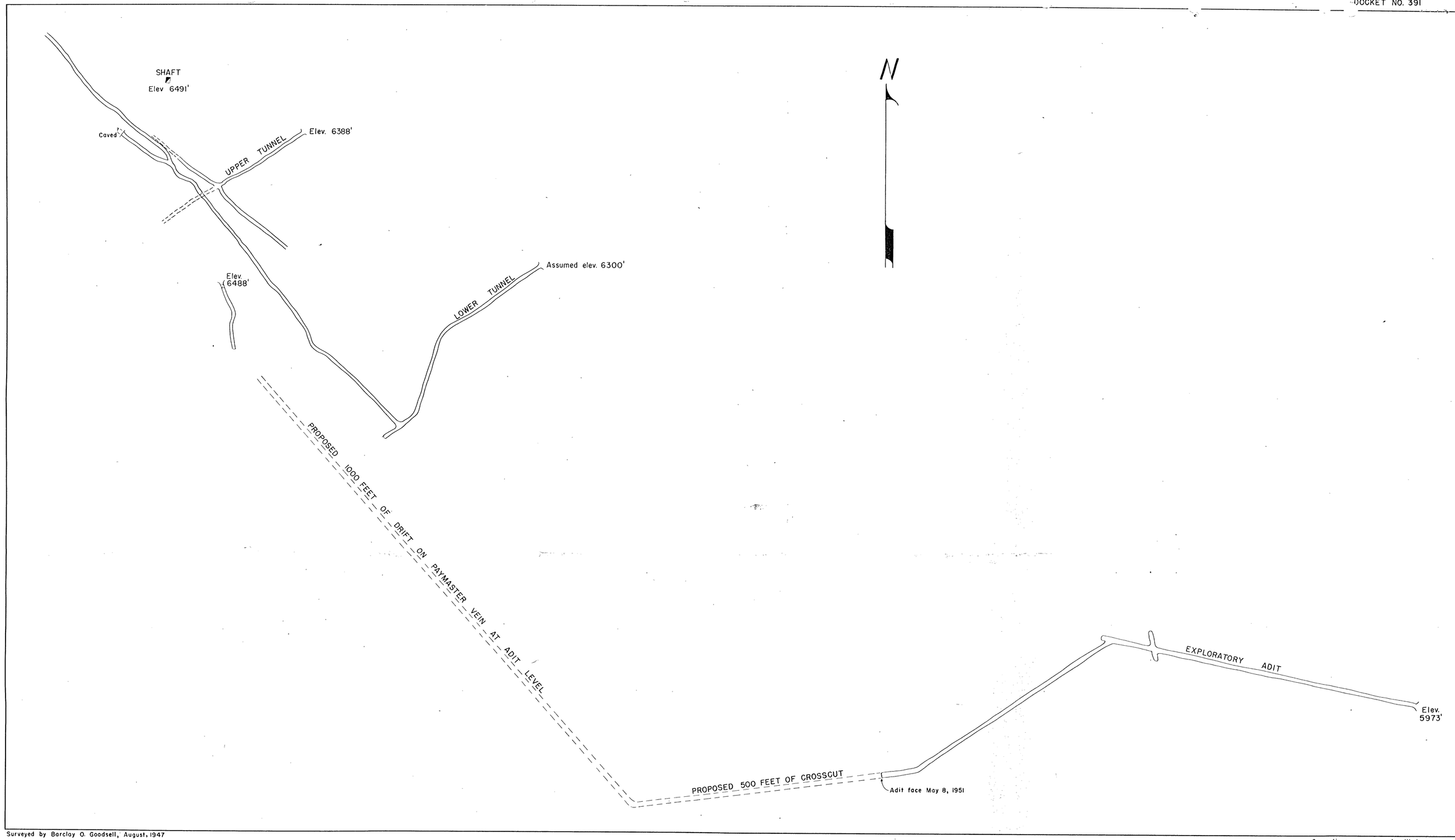
PAYMASTER, INC Between ARCO & CAREY, IDAHO

PAYMASTER MINE

SCALE 1" = 100'	CO-ORD: PAYMASTER	DATUM:	
SURVEY BY: BOB GORDON	DATE: '51	DRAWN: B.G.	DATE: '51
GEOLOGY BY:	DATE	TRACED: B.G.	DATE: '51

REVISIONS

NO.

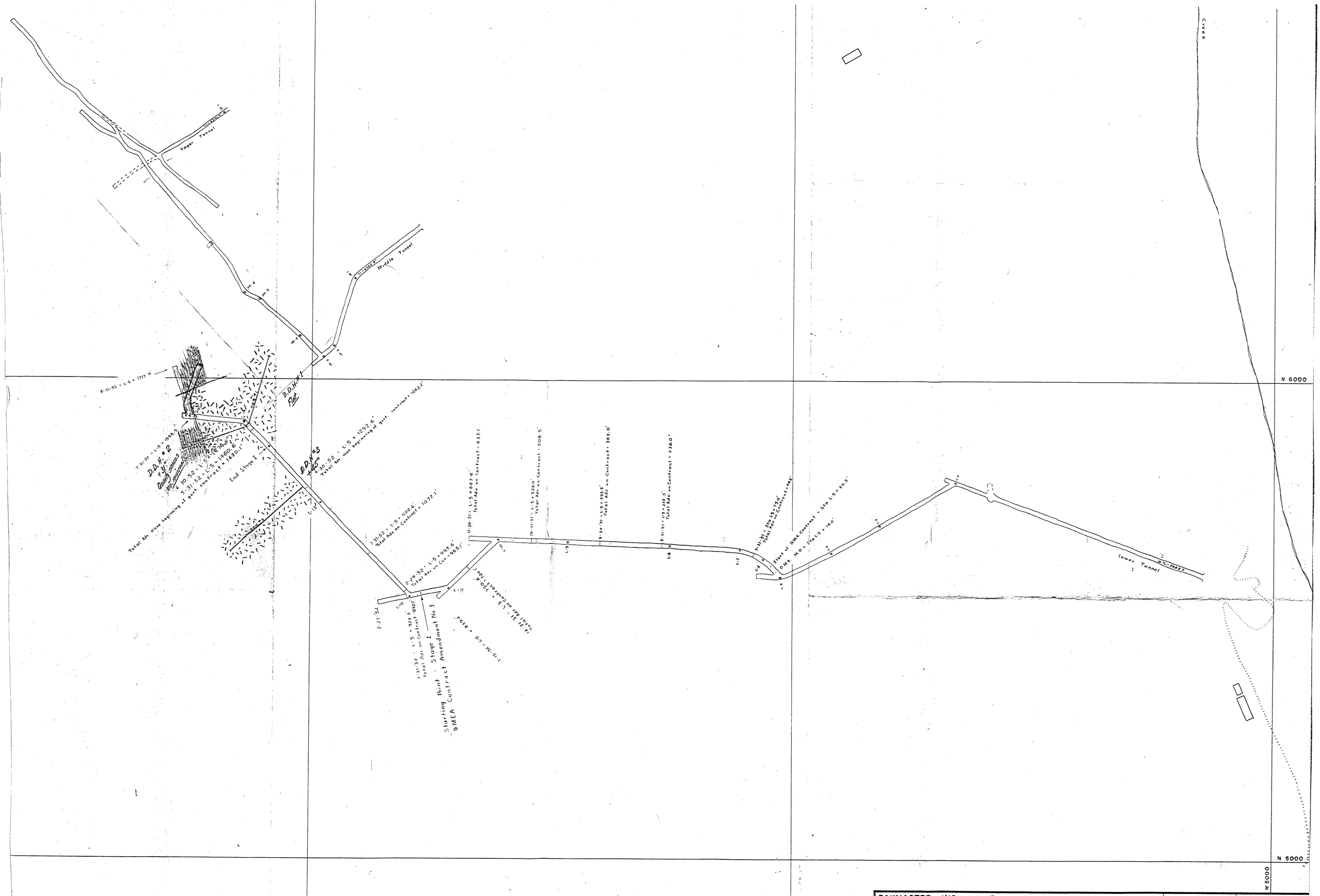


Surveyed by Barclay O. Goodsell, August, 1947

Corrections on proposed adit by
T. H. Kiilsgaard and J. J. Quinlan, U. S. G. S., May 8, 1951

PLAN MAP OF PAYMASTER MINE AND PROPOSED CROSSCUT AND DRIFT, BLAINE COUNTY, IDAHO

0 100 200 300 400 500 600 Feet



PAYMASTER, INC Between ARCO & CAREY, IDAHO			REVISIONS
PAYMASTER MINE			
SCALE : 1" = 100'	CO-ORD : PAYMASTER	DATUM :	
SURVEY BY : BOB GORDON	DATE : '51	DRAWN : B.G. DATE: '51	NO.
GEOLOGY BY :	DATE :	TRACED : B.G. DATE: '51	

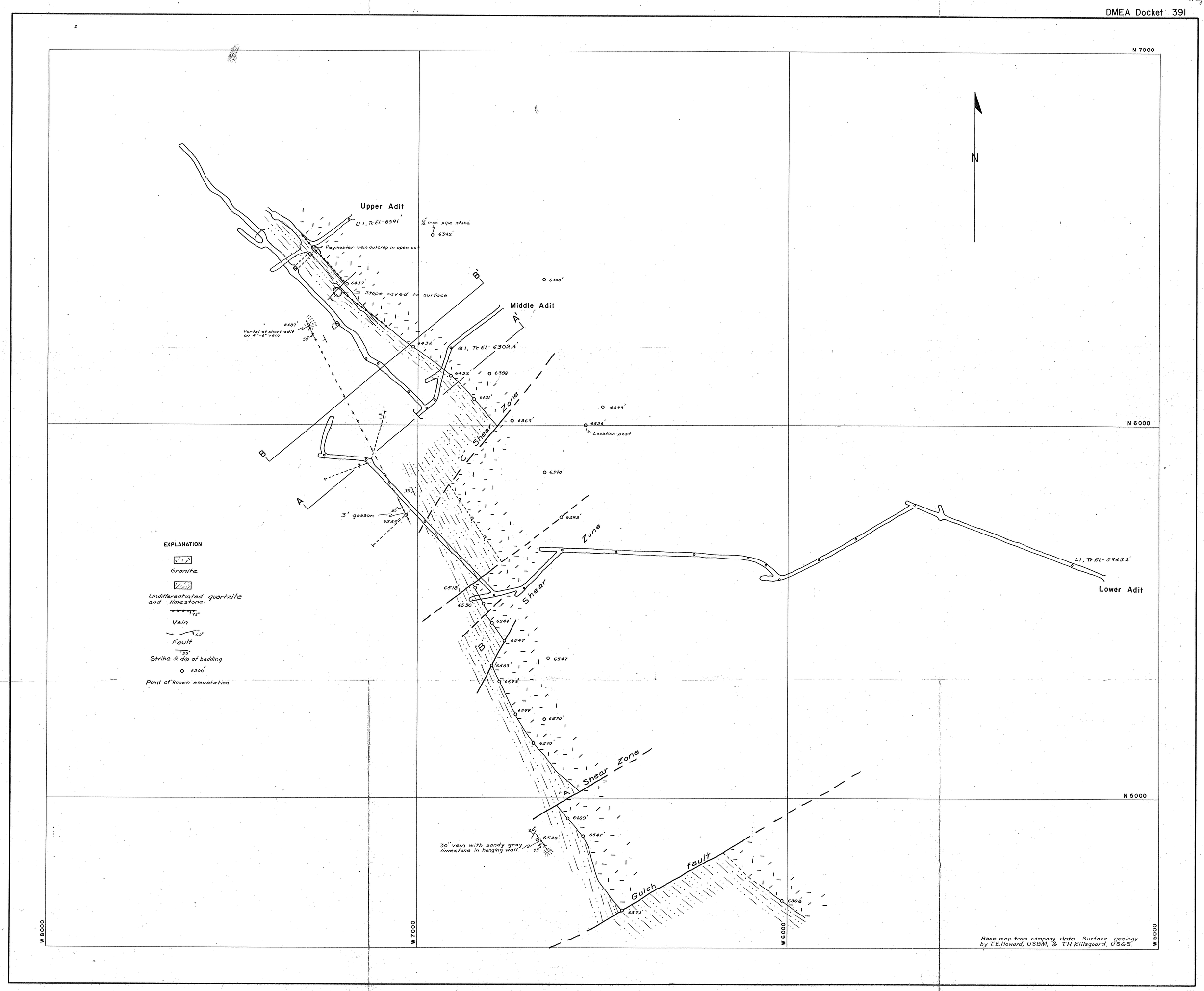


Figure 2, SURFACE MAP OF GRANITE-QUARTZITE CONTACT

PAYMASTER MINE

BLAINE COUNTY, IDAHO

100 0 100 200 300 FEET

MAY 1952

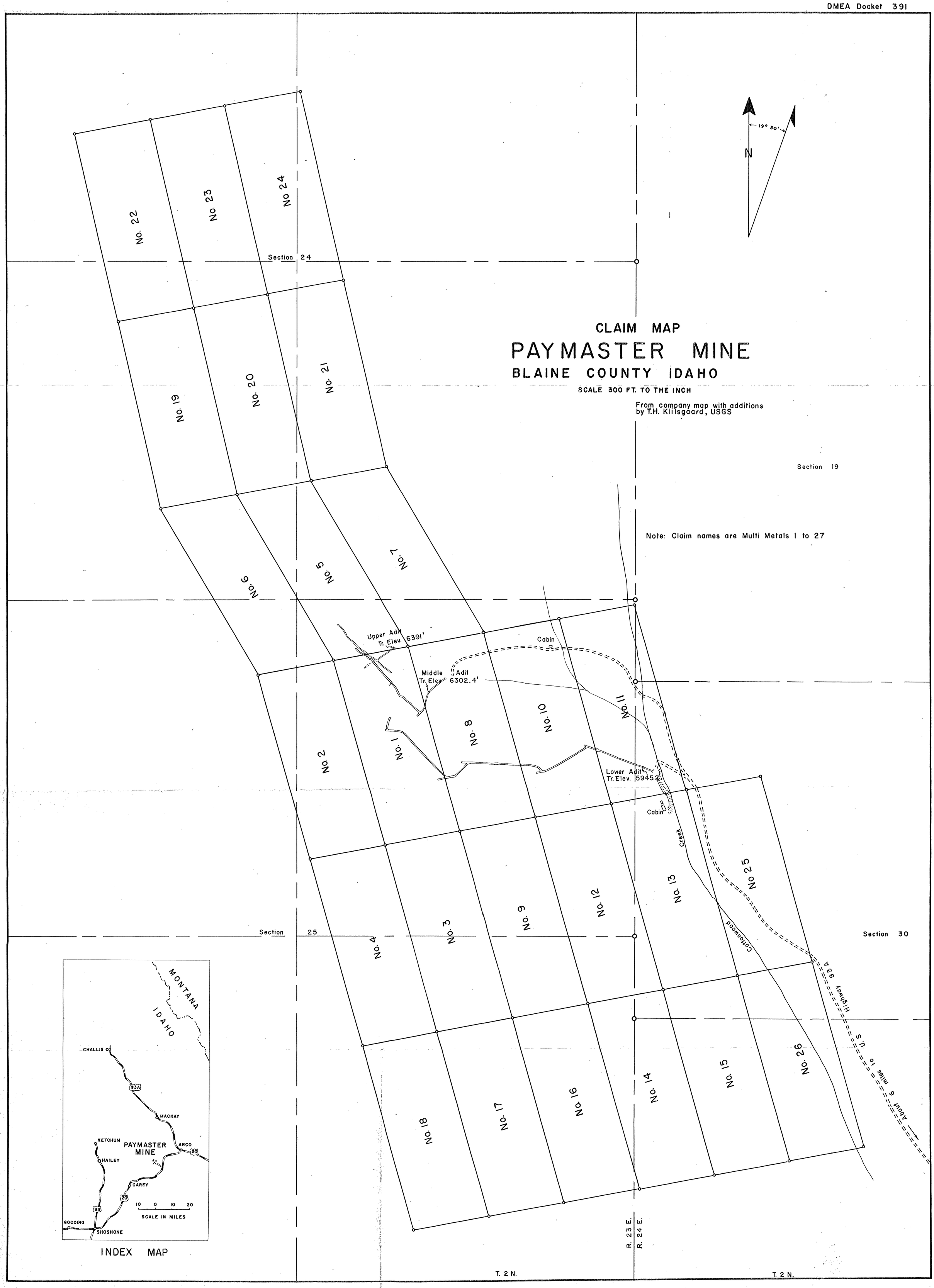
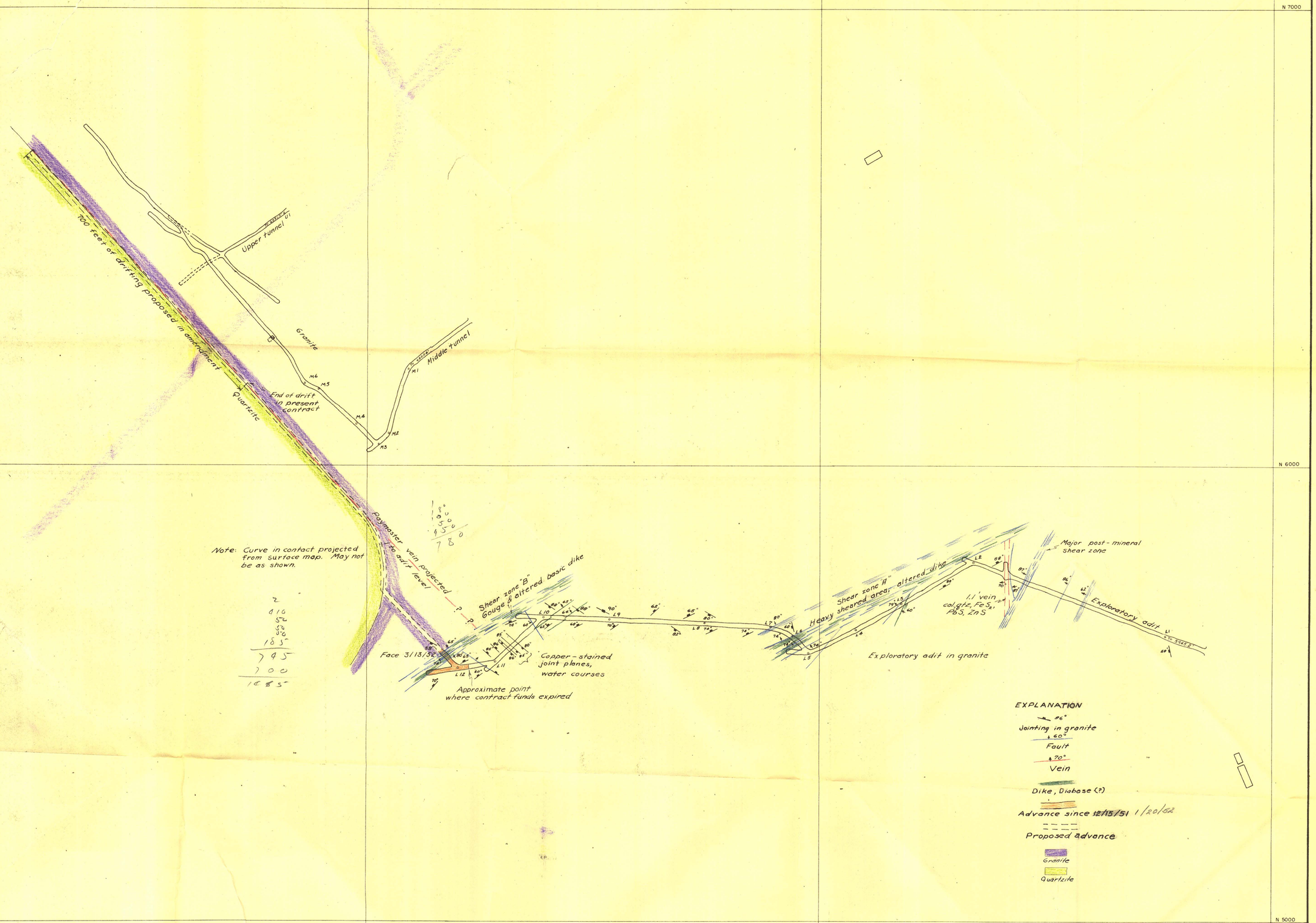

CLAIM MAP
PAYMASTER MINE
BLAINE COUNTY IDAHO
SCALE 300 FT. TO THE INCH
From company map with additions by T.H. Kiilsgaard, USGS
N
19° 30'
Section 24
Section 19
Section 25
Section 30
Note: Claim names are Multi Metals 1 to 27
No. 1
No. 2
No. 3
No. 4
No. 5
No. 6
No. 7
No. 8
No. 9
No. 10
No. 11
No. 12
No. 13
No. 14
No. 15
No. 16
No. 17
No. 18
No. 19
No. 20
No. 21
No. 22
No. 23
No. 24
No. 25
No. 26
Upper Adit Tr. Elev. 6391'
Middle Adit Tr. Elev. 6302.4'
Lower Adit Tr. Elev. 5945.2
Cabin
Cabin
Cottonwood Creek
Highway 93 A
About 6 miles to U.S.
R. 23 E.
R. 24 E.
T. 2 N.
T. 2 N.
MONTANA
IDAHO
CHALLIS
93A
MACKAY
KETCHUM
PAYMASTER MINE
ARCO
20
HAILEY
CAREY
93
GOODING
SHOSHONE
10 0 10 20
SCALE IN MILES
INDEX MAP

Figure 1

PAYMASTER, INC Between ARCO & CAREY, IDAHO				REVISIONS
PAYMASTER MINE				
SCALE : 1" = 100'	CO-ORD : PAYMASTER		DATUM :	
SURVEY BY : BOB GORDON		DATE : '51	DRAWN : B.G. DATE: '51	NO.
GEOLOGY BY :		DATE.	TRACED : B.G. DATE: '51	

DMEA CONTRACT
Idm E-59



PAYMASTER, INC. BLAINE COUNTY, IDAHO

PAYMASTER MINE

SCALE: 1" = 100'

SURVEY BY: R. GORDON DATE: 1951 DRAWN BY: R.G.

GEOLOGY OF LOWER ADIT BY: T.H. Kiilsgaard DATE: 1952 TRACED BY: T.H.K. 3/21/52

IDAHO
Idm E 59