OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Washington office pertaining to Contract Idm-E584, Docket DMEA-2781 (monazite), dated August 18, 1953, with

Varlon W. Vandeventer
3832 Clinton Avenue
Fresno, California

for the purpose of determining the amount of royalty payable to the U. S. Government on sales of minerals from property referred to as Hull's Big Creek Property located in Valley County, Idaho, during the period June 22, 1955, through December 20, 1961.

A certification of discovery or development was issued on April 2, 1954, and, in accordance with Article 6 and Annex I of the contract, royalty is payable on all minerals produced from the land described in Article 2 of the contract for a period of 10 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review dated January 20, 1954, indicated accepted costs under the exploration contract amounting to $1,621.00 with the Government's contribution on a 90 percent basis being $1,458.90.

The status of the project, the scope of review, and the reasons therefor are stated on page 2.

This review established no sales subject to the Government's royalty subsequent to the period covered by a prior Report of Royalty Review which also found no sales subject to the Government's royalty through June 21, 1955. Accordingly, as of December 20, 1961, the royalty account of this project was found to be:

Total Royalty Payable	$ -0-
Total Royalty Paid	-0-
Balance of Royalty Due	$ -0-

E. D. Talbert
E. D. Talbert, OME Auditor

December 28, 1961

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

At the time this exploration project was entered into the Operator held possession of the 10 unpatented placer mining claims thereunder by virtue of a September 12, 1952, lease from Fred J. Gardner, Mildred Gardner, P. O. Story, J. M. Hull, Bulah Hull, Keith Hull, J. W. Hull, Frances Hull, C. R. Hull, Adeline Hull, F. W. Wilfong, Mary Wilfong, and Albert Hooper. This lease named Fred J. Gardner, Cascade, Idaho, as the lessors' representative for serving of any notices. Albert Hooper subsequently died and his interests passed to and vested in Alice N. Paul by virtue of a probate court's distribution decree dated March 19, 1954.

On February 18, 1955, the Operator was served with a Notice of Default and Forfeiture executed on behalf of the lessors by an attorney, J. P. Read, Emmett, Idaho. However, during subsequent examinations of the property by field representatives during June 1956 and June 1957, two of the lessors (Fred J. Gardner and F. W. Wilfong) stated that the Operator had assigned or sub-leased his interests to the United States Thorium Corporation, Suite 202, 65 East 4th South, Salt Lake City, Utah. A letter dated January 15, 1958, addressed to the Bureau of Mines' Spokane Field Office by that corporation confirmed that the property had been transferred to it.

Examinations of the property and inquiries by field representatives have established that no minerals have been produced from the property since the date of the exploration contract and that the property has been inactive since the completion of the exploratory churn drilling on October 10, 1953.

This review was made in lieu of an on-site audit of the Operator's accounts and records for the following reasons:

(1) The files indicate that no minerals have been produced from the property since the date of the contract;
(2) The property has been inactive since 1953; and
(3) The administrative cost to the Government of an on-site royalty audit at this time would be excessive in relation to the amount of possible royalty which might be disclosed.

MME Form 22
Dec. 60

DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration

CHECK SHEET OF EXAMINING ENGINEER

Operator's Name and Address

Mr. Verlon W. Vandeventer

3832 Clinton Avenue

Fresno, California

Contract No.	Docket No.
Idm-E584	**DMEA-2781 (Monazite)**

Prepared by (Signature)	Date
Donald R. MacLaren	**12/20/61**

Yes	No		
		1. (a)	Does the Operator stockpile ore subject to royalty repayment?
		(b)	If so, is segregation and identification procedure adequate?
		2. (a)	Does the Operator commingle production subject to DMEA or OME royalties with exempt production?
		(b)	If so, is the allocation of the commingled production equitable?
		3. (a)	Does the Operator stockpile mine or mill rejects (low grade ore, tailing, middlings, etc.) that may have potential value within the royalty payment period?
		(b)	If so, are adequate records maintained on such material to protect the Government's interest?
		4.	Are the assay controls in effect adequate?
		5.	Does the manner of disposing of production give the Government its fair royalty returns?
		6.	Do your periodic examinations of operations indicate the Operator is properly reporting his production of ores subject to DMEA or OME royalties?
		7.	Does the Operator buy from or sell to other Operators?
		*8.	Current status of property. (Check one).
☐			Operating.
☐			Inactive.
☐			Abandoned.
			Date of last production if not operating.

Comment on items 1(b), 2(b), 3(b), and 4 to 6, if answer is No:

***As nearly as can be determined at this time there has been no production from this property; however, see Thermofax copy of letter from U. S. Thorium Corp. dated 1/15/58 re. transfer of property to that corp. and Thermofax copy of "Semi-Annual Report of Certified Project" for period 1/1 to 6/30/57.**

CAADiv., OME

So. 157 Howard Street
Spokane 4, Washington
January 25, 1962

Memorandum

To: Chief, Fiscal Section, Division of Administrative Services, Office of the Secretary, Washington, D. C.

From: Acting Field Officer, OME, Region I

Subject: DMRA-2781 (Measuite)
Verlon W. Vandewenter
Hall's Big Creek Property
Valley County, Idaho
Contract Ida-2584

There is enclosed a Report of Royalty Review dated December 28, 1961, for the purpose of determining the amount of royalty payable to the U. S. Government on sales of minerals from property referred to as Hall's Big Creek Property located in Valley County, Idaho, during the period June 22, 1955, through December 29, 1961.

This Report of Royalty Review is for record purposes only and no copy has been provided for the Operator.

D. R. MacLaren

Enclosure

MLSMELSER:mls
cc: CAADiv., OME
OME; CPF
Reading copies to:
Nolan; Hobbs; Guild

ultra

OFFICIAL FILE COPY
OME
RECEIVED JAN 29 1962
DATE
80

JAN 9 1962

Memorandum

To: Acting Field Officer, Region I

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

Subject: DMEA-2781 (Monazite)
Varlon W. Vandeventer
Hall's Big Creek Property
Valley County, Idaho
Contract Idm-E584

The original and one copy of a Report of Royalty Review covering the subject contract are enclosed. If you concur in the facts stated therein, please make the following distribution:

(a) Original to the Fiscal Section, Division of Administrative Services, Office of the Secretary, Department of the Interior, Washington 25, D. C.; and

(b) One copy for your files.

This Report of Royalty Review is made for record purposes only; therefore, no copy for the Operator is provided.

As evidence of your concurrence, a copy of your memorandum transmitting the original report to the Fiscal Section should be furnished this Division. If for any reason you do not concur, both copies of the report should be returned to this Division with your comments.

Enclosures

EDTalbert/ama 1-8-62

cc:
Docket
Director's Reading File
CA & A Division
Mr. Rothrock

DEC 7 1961

Memorandum

To: Acting Field Officer, Region I

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

Subject: DMEA-2781 (Monazite)
Verlon W. Vandeventer
Hull's Big Creek Property
Valley County, Idaho
Contract Idm-8584

This Division is preparing a Report of Royalty Review on the subject contract. Accordingly, your submission of an original and one copy of MME Form 22, Check Sheet of Examining Engineer, will be appreciated.

It appears that the property under this contract has been inactive since October 10, 1955. If this is so, please confirm by an appropriate statement under item 8 of MME Form 22.

EDTalbert/ama 12-7-61

cc:
Docket
Director's Reading File
CA & A Division

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

RECEIVED
JUL - 8 1955

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Executive Officer, DMEA Field Team, Region I, N.W. District, pertaining to Contract Idm-E584, Docket No. DMEA-2781, with:

Verlon W. Vandeventer
3832 Clinton Avenue
Fresno, California

for the purpose of determining the amount of royalties due the U.S. Government on sales of monazite from property referred to as Hull's Big Creek Property, located in Valley County, Idaho, during the period August 18, 1953, to June 21, 1955.

The exploration contract is dated August 18, 1953; the contract was completed in October, 1953; and certification of discovery or development was issued under date of April 2, 1954. According to Report of Review dated January 20, 1954, prepared by Mr. C. A. Turner, auditor, total accepted costs under the contract amounted to $1,621.00, with the Government's participation, on a 90 per cent basis, being $1,458.90.

My review included a conference at Cascade, Idaho, on June 21, 1955, with Mr. Fred J. Gardner, who is one of the parties to the Owner's Consent to Lien made a part of the exploration contract, in company with Mr. John D. Bardill, metallurgist, Bureau of Mines, Spokane, Washington, who is thoroughly familiar with the project.

This review was made in lieu of an on-site audit of the operator's accounts and records for the following reasons:

(1) The exploration consisted only of churn drilling, and the investigation developed that no mining machinery has been installed on the property, so no production subject to DMEA royalty has been possible.

(2) The administrative cost to the Government of an on-site royalty audit at this time would be excessive in relation to the amount of possible royalty which might be disclosed.

The review has not disclosed any sales of monazite from this project which would be subject to royalty payments to the U. S. Government.

C. E. Fisher

C. E. Fisher, Auditor

July 1, 1955

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

JUL 11 1955

Mr. Clarence F. Fisher
DMEA Auditor
1201 North Division Street
Spokane 2, Washington

Re: Reports of Royalty Review
Idm-E350, DMEA-2264
Commanche Gold Dredging Co.
and
Idm-E584, DMEA-2761
Verlen W. Vandeventer

Dear Mr. Fisher:

Receipt is acknowledged of your Reports of Royalty Review covering the above-cited Exploration Project Contracts.

The Reports are accepted and may be distributed in the usual manner.

Sincerely yours,

(Signed) E. D. Talbert

E. D. Talbert, Acting Chief
Contract Administration
and Audit Division

WBorovies/wb
July 11, 1955

Copy to: Docket (2)
Admr. Reading File
Mr. Chambers

REPORT
OF REVIEW

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Verlon W. Vandeventer
3832 Clinton Avenue
Fresno, California

pertaining to Exploration Project Contract No. Idm-E584, Docket No. DMEA 2781, including Annexes I and II, covering a project of exploration for monazite, located in Valley County, Idaho, commonly known as Hull's Big Creek Property, for the period of August 18, 1953, to January 20, 1954.

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

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

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

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

Total cost as billed by Contractor		$1,621.00
Exceptions		
By DMEA Finance Officer	$ -0-	
By this review	-0-	-0-
Total Accepted Cost		$1,621.00

The contract calls for a 90 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of One thousand four hundred fifty-eight and 90/100 Dollars

-- $1,458.90 --

is considered valid and proper, provided 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.

January 20, 1954

C. A. Turner, Auditor

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

January 20, 1954

Mr. R. J. Hindman, Certifying Officer
DMEA Field Team, Region II
1201 North Division
Spokane 2, Washington

Re: Docket No. DMEA-2781 (monazite)
Verlon W. Vandeventer
Hull's Big Creek Property
Valley County, Idaho
Contract No. Idm-2504

Dear Mr. Hindman:

This is to inform you that all work under the subject contract has been completed to the satisfaction of the Government. The Operator has submitted a final report which has been accepted as satisfactory by the Executive Officer.

There are no items of equipment or supplies in which the Government has an equity.

It is requested that the Operator's books be audited as soon as possible and that his invoices be processed for final payment since all contract requirements have been met.

Sincerely yours,

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

cc: DMEA (2)
USBM (2)
Auditor Hull
Cont. Adm. & Aud. Div., Wash., D. C.
Armstrong

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

JAN 26 1954

Mr. Charles A. Turner
DMEA Auditor
1201 North Division Street
Spokane 2, Washington

Re: Contract Idm-E464, DMEA-2740
Irving and Nelson
Silver Bow County, Montana
and
Contract Idm-E584, DMEA-2781
Verlon W. Vandeventer
Valley County, Idaho

Dear Mr. Turner:

Returned herewith for necessary revisions are the Reports of Review in lieu of final audits, covering the referenced Exploration Project Contracts, as forwarded by your letters of January 22, 1954.

With reference to the Irving and Nelson contract Idm-E464 the reason (b) for the review in lieu of an audit is stated erroneously. These costs were not on an agreed unit cost basis but were on an actual cost basis under an approved subcontract. Therefore, it is suggested that reason (b) be revised to read as follows:

> "a major portion ($4,156.65) of the costs covered churn drilling at rates specified in an approved subcontract."

With reference to the Vandeventer contract Idm-E584 just the opposite situation exists. All of the costs are on an agreed unit cost basis. In such cases only one reason for a review in lieu of an audit is required, i. e.:

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

Your reasons (a) and (c) are not applicable and reason (b) is incorrectly stated.

In the factual portion of both Reports of Review the lines "Less: Salvage proceeds on property" and "Net cost as claimed by Contractor" should be deleted, as they are not applicable to these contracts. Also, amounts temporarily withheld by the Certifying Officer to guarantee rendition of final reports or analyses or to protect the Government's interest in property should not be considered as exceptions. Such amounts may be disregarded for audit or review purposes.

With regard to the projects which are on an agreed unit cost basis (i. e., under the Short Form Contract, MF-200A), it is not necessary to have the prior approval of this Division prior to the release of the regional copies of the Report of Review. Please refer to a letter of March 11, 1953, addressed to Mr. W. H. King, Executive Officer, DMEA Field Team, Region IV, copies of which were furnished all auditors.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

Enclosures

EDTalbert/wb
January 26, 1954

Copy to: Docket (2)
Admr. Reading File
Mr. Chambers

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
1201 N. Division St.
Spokane 2, Washington
January 22, 1954

Air Mail

Mr. Jay L. Chambers, Chief
Contract Administration and Audit Division
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D.C.

Re: Contract Idm-E584, DMEA-2781
Verlon W. Vandeventer
Valley County, Idaho
Hull's Big Creek Property

Dear Mr. Chambers:

Enclosed are three copies of report of review pertaining to exploration project contract number Idm-E584, Docket Number DMEA-2781, Verlon W. Vandeventer, Fresno, California.

The Finance Officer's deletions in this case were intended to be more in the nature of a hold back rather than a true deletion of costs and a schedule was not made covering them.

Yours very truly,

C. A. Turner, Auditor

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. 1087

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

Voucher prepared at 2/18/54
(Give place and date)

THE UNITED STATES, Dr., Payee's Account No. Idm-E584

To Verlon W. Vandeventer
(Payee)

3832 Clinton Avenue, Fresno, California
(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.
	Oct. 1953	Final payment of balance of amount previously withheld. Conforms to C. A. Turner's audit dated 1/20/54				173.70	
PAYMENT: Complete ☐ Partial ☐ Final ☐		Use continuation sheet(s) if necessary					
Shipped from	to	Weight	Government B/L No.		Total	173.70	

(Payee must NOT use this space)

Differences .....

Account verified; correct for 173.70

(Signature or initials) .....

Contract No. Date Req. No. Date Invoice Rec'd.

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 Minerals Production Act, Interior	$173.70	$173.70

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.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 20 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of October, 1953 Docket No. DMEA 2781 Contract No. IDM-E-584
Operator's Name Verlon W. Vandeventer Minerals Monazite
Address 3832 Clinton Ave., Fresno, California
Contract Amount, $ 2285.00 Government Participation: 90 % Amount, $ 2056.50

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	1428.00		1428.00	1428.00		1428.00
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
* Sampling and Analysis	193.00		193.00	-0-		-0-
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	1621.00		1621.00	1428.00		1428.00

I certify that the above bill is correct and just and that payment therefor has not been received.
Date Oct. 22, 1953 *Payee Verlon W. Vandeventer

Per _____ Title _____

*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:

$ 1285.20

Signature _____ (Authorized Certifying Officer)

Date 11/9/53 Vou. No. 966
(See other side)

* Sampling charges withheld until final results are received on assays.

(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. F-584 in accordance with the terms of the contract.

Signature /S/ John A. Bowsher Title Mining Engr Date 10/29/53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ Thomas E. Howard Title Mining Engr Date 10/29/53

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
(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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 20 1953

Month of October 195 3 Docket No. DMEA 2781 Contract No. IDM-E-584

Operator's Name Verlon W. Vandeventer Minerals Monazite

Address 3832 Clinton Ave., Fresno, California

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								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn	FT	1428.00	120'	1428.00	120'	11.90	150'	11.90
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
								1785.00
TOTAL DISTRIBUTED COSTS								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 Oct. 22, 1953 Operator Verlon W. Vandeventer

Per _____ 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.

REMARKS:

(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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 20 1953

GENERAL REPORT

Big Creek, Valley County, Idaho.

The drilling of six churn drill holes, depth as follows:

Hole	No.	1	14	ft.
"	"	2	14	"
"	"	3	26	"
"	"	4	28	"
"	"	5	17	"
"	"	6	21	"

was completed October 10, 1953. These holes were spotted by a Government Engineer and a Government Field Supt. The location of holes were moved by them about 300 feet in an easterly direction and more near the center of the valley than specified by contract No. IDM-E-584. Holes Nos. 1-2-4-5 and 6 show washed gravel with Ilmenite, garnels, zircon and monazite. A very small percent of black sand appears in the concentrate. An average depth of 12 feet of this washed gravel is indicated by these five drill holes. Hole No. 3 was drilled on a bench which showed sand and clay from top to bottom. Five foot samples were kept of each entire hole. Samples of holes 1 - 2 were concentrated by the Idaho Canadian Dredging Co's plant man at their plant in Cascade Idaho. Samples of holes 3-4-5-6 were concentrated by Gem Monazite Inc. plant man at their plant at Cascade, Idaho. The total weight of each sample was kept. The concentrates were weighed and split. One half of concentrates were kept in five foot samples and delivered to Bureau of Mines laboratory at Boise, Idaho. One half of concentrates were kept in a composite sample of each hole (6) and delivered to Abbot A. Hanks, Inc., 624 Sacramento Street, San Francisco, California, as instructed by Bureau of Mines at Spokane, Wash. The samples delivered to Abbot A. Hanks are to be assayed for percentage by weight of monazite in the black sand concentrates and the percentage of rare earth oxides in the monazite. These assay reports will be ready about Nov. 9, 1953 and will immediately be sent to Bureau of Mines at Spokane, Wash.

Enclosed are all forms, map, original invoices , etc., required by contract. By measuring and estimating the length, width and depth of this washed gravel deposit on these claims, there is about one million, five hundred thousand cubic yard of dredge gravel for a drag-line dredge, which is enough yardage depth, and monazite (from surface to 3') for a profitable drag-line dredge operation. It is very evident that if a sufficient amount of test holes, probably about 20 hole more, were drilled on this property it would add one million more cu. yd. or more and probably a lot more monazite per cu. yd.

October 23, 1953
DMEA-2781

Verlon W. Vandeventer
3832 Clinton Ave.,
Fresno, California.

September 19, 1963

Memorandum

To: The File

From: F. M. Murphy, Mining Engineer
Division of Minerals

Subject: DMEA-2781 (Monazite)
Verlon W. Vanderventer
Hull's Big Creek Property
Valley County, Idaho
Contract Idm-X584

Mr. Fred J. Gardner, representative of the claim owners, returned an undated MMX Form 63 (received September 16, 1963) in which he stated that the ten claims listed in the contract had reverted to the public domain.

There was no production from the claims during the effective royalty period of August 18, 1953, to August 18, 1963. This memo serves as release of Government lien in lieu of letter to the Operator.

F. M. Murphy

FMMurphy/mm
cc: Director's Reading File
Region I w/copy of Form 63 dated Sept. 4, 1963
✓CA&A Division
Docket
Code 500

GOVERNMENT COPY

CERTIFICATION BY THE UNITED STATES OF AMERICA OF A DISCOVERY OR DEVELOPMENT UNDER AN EXPLORATION PROJECT CONTRACT

To: Varlon W. Vandeventer
3832 Clinton Avenue
Fresno, California

Pursuant to the provisions of Exploration Project Contract No. Idm-[illegible], dated August 18, 1953, (Docket No. DMEA-2781), hereinafter called the "contract" between you and the United States of America, hereinafter called the "Government"; to establish and fix the Government's percentage royalty on production and its lien thereon and on the land described in the contract, the Government considers and therefore certifies that discovery or development from which production may be made has resulted from the exploration work.

The nature of said discovery or development is described broadly or indicated as follows:

Churn drilling has indicated a monazite-bearing alluvial deposit on the property described in Article 2 of the subject contract. The gravel ranges in thickness from 10 to 24 feet, but only the upper 10 feet contain sufficient concentration of monazite to be of economic importance.

THE UNITED STATES OF AMERICA

Dated APR 2 1954

By C. Mitteudorf
Administrator, Defense Minerals
Exploration Administration

Operator (original)
cc to: Adm. Reading File
Contract Adm. and Audit Division
Field Team (2 copies)
Finance Office
Rare & Misc. Metals Division
Mails & Files Docket
Mr. Irving Gumbel, Acting Director, EPS
Mr. Hedges, Rm. 4604
Mr. Thayer, Rm. 5216 GSA Bldg.
Mr. M. Ching
Mr. F. E. Johnson
Code 700 contract file
Operating Committee

Docket No. ~~2781~~

Commodity ~~Monazite~~

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

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

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

Contract No. Idm-E 584

Date of Contract or ~~Amendment:~~ August 18, 1953

Name and Address of Operator:
Verlon W. Vandeventor
3832 Clinton Ave.,
Fresno, California

Amount of Government participation $2,056.50

Percent of Government participation 90 %

Region: 11 State: Idaho

Note: Please release $597.60; Advice Contract Administration and Audit Division.

(Name)
J. J. Chambers,
Chief Contract Administration and Audit Div.

(Title)

Date Delivered to Bureau of Mines, Washington. 2/11/54

54458

Docket No. DMEA 2781

Commodity ~~Monazite~~

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

STRATEGIC AND CRITICAL MINERALS EXPLORATION PROGRAM

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

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

Contract No. Idm-E 584

Date of Contract ~~or Amendment~~ August 18, 1953

Name and Address of Operator:

Verlon W. Vandeventer
3832 Clinton Avenue,
Fresno, Calif.

Amount of Government participation $ 2,056.50

Percent of Government participation 90 %

Region: II State: Idaho

(Name)
J. L. Chambers,
Chief, Contract Administration and Audit Division

(Title)

Date Delivered to Bureau of Mines, Washington. Aug. 18, 1953 13908

MF-200 (A)
(February 1952)

DOCKET No. DMEA 2781

COMMODITY Monazite

Government's Copy

IDM-E 584

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

EXPLORATION PROJECT CONTRACT[1]

(Short Form)

IT IS AGREED this 18th day of August, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Verlon W. Vandeventer
3832 Clinton Avenue
Fresno, California

hereinafter called the "Operator," as follows: as set forth in Annexes I and II attached hereto and made a part hereof

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

ARTICLE 2. *Operator's property rights.*—With respect to that certain land situated in the State of Idaho, County of Valley, described ~~as follows~~[3] as set forth in Annex II

the Operator represents and undertakes:[4]

~~(a) That the Operator is the owner in possession and entitled to possession and that the property is subject only to the liens or encumbrances as to each of which the subordination agreement hereto is attached~~

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

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

ARTICLE 3. *Exploration project.*—The Operator, within 43 or before days from the date of this contract shall commence work on a project of exploration for[5] Monazite

in or upon the described land; and shall bring the project to completion within a period of two (2) months from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided. The work shall be performed by the Operator or by independent contractor or contractors efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmen's compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

ARTICLE 4. *Costs of the project.*—The agreed, estimated costs of performing the work, expressed in terms of units of work to be performed (per foot of drifting, per foot of drilling, per cubic yard of material to be moved, etc.) are set forth in Exhibit "A," attached hereto. The Government will pay 90 percent of these agreed, estimated costs, as they accrue, for units of work actually performed that conform with the description or specifications for the work set forth in this contract, in an aggregate total amount not in excess of $2,056.50, which is 90 percent of $2,285.00 the agreed, estimated total cost of the project in which the Government will participate: *Provided,* That until the Operator's final report and final accounting have been rendered to the Government and any final check or auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract. The Government may, as it sees fit, make payments direct to the Operator's independent contractors, if any, for the account of the Operator, rather than to the Operator.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 9. *Changes and added provisions* _____

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

Verlon W. Vandeventer
(Operator)

By Verlon W. Vandeventer

By C. V. Mitkendorf
Administrator, Defense Minerals Exploration Administration

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

_____ [CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—66329-1

DEPARTMENT OF ... Bureau Mines Administration
RECEIVED
NOV 1 6 1952

MF-203 OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of Idaho, County of Valley, described ~~as~~ follows 1/

in a lease dated the 12 th day of September 1952.

and recorded in Book 9 Page 224 (official records of said county)

of Miscellaneous on September 15, 1952

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ Verlon W. Vandeventer

3832 Clinton Ave

Fresno California

hereinafter called the "Operator"; and

WHEREAS, under certain provisions of said contract which are set forth on the reverse side hereof, the Government is entitled to a percentage royalty on production and to certain other rights and equities which do or may conflict with or be adverse to the interest of the undersigned in said property;

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production 3/ provided for under the terms of said exploration project contract, or any amendment thereof which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/$ 15,174.00, or ten years have elapsed from the date of the contract.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

Dated this _____ day of _____, 195 ___.

P.O. Story	J. M. Hull [Seal]	James M. Hull
Albert H. Cooper	Beulah Hull [Seal]	Frances Hull
F. H. Wilfong	Keith E. Hull [Seal]	C. R. Hull
Mary Wilfong	Keith Hull	Adeline Hull
		Gus J. Gardner
		Mildred Gardner

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated _____, and recorded in book _____ page _____ official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

2/ Insert the name of the Operator as it will appear in the exploration project contract.

3/ Mining or production from the land is not required, and in the absence of production there is no obligation to repay the Government.

4/ Insert the maximum amount of the Government's contribution.

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

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

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

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

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

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

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

Title to and disposition of property. All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

EXPLORATION PROJECT CONTRACT
VERLON W. VANDEVENTER
DOCKET NO. DMEA-2781

ANNEX I

The following provisions are in lieu of all of paragraph (a) of Article 6 which precedes the colon:

If the Government considers that a discovery or development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after a sufficient, complete, final report and final account referred to in the contract has been rendered, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development, The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2, as follows: (1) Regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production (including any bonuses), in whatever form disposed of, including ore, concentrates, or metal, as follows:

EXPLORATION PROJECT CONTRACT
VERLON W. VANDEVENTER
DOCKET NO. DMEA-2781

ANNEX II

The land referred to in Article 2 of the contract form consists of 10 unpatented mining claims known as Hull's Big Creek Property, located in Sections 27, 32, 33, and 34, T15N., R5E., Boise Meridian. They are recorded in the office of the Recorder of Valley County, Idaho.

Claims	Placer Mining Claims Book No.	Page No.
Green Table No. 1	5	568
" " No. 2	"	569
" " No. 3	"	570
Monazite No. 1	"	571
" No. 2	"	572
Dude	"	281
Lucky Lady	"	180
Silver Dollar	"	188
Big Elk	"	190
B. T.	"	289

These claims were leased to the Operator under lease dated September 12, 1952, and recorded on September 15, 1952, in Book 9, Page 224 of Miscellaneous in office of Recorder of Valley County, Idaho.

These claims are indicated on the map attached hereto and made a part hereof and entitled "Big Creek, Valley County, Idaho."

EXPLORATION PROJECT CONTRACT
VERLON W. VANDEVENTER
DOCKET NO. DMEA-2781

EXHIBIT "A"

Description of the Work

The object of this project is to explore an area along Big Creek, Valley County, Idaho, for monazite by means of churn drilling.

The work as indicated on the map "Big Creek, Valley County, Idaho," shall consist of drilling six churn drill holes, to an average depth of 25 feet, as near to the center of the valley as possible. Using the boundary line of the Payette National Forest on the Cascade-Stibnite road as a starting point, in an easterly direction, drill Hole 1 at 0.6 miles, Hole 2 at 0.7 miles, Hole 3 at 0.5 miles, Hole 4 at 0.8 miles, Hole 5 at 0.4 miles, and Hole 6 at 1.0 miles from the starting point. These distances are approximate and subject to Government approval.

The time estimated to complete this project is one month. One supervisor, full time, will direct all work, concentrate drill samples for testing and assaying, keep accurate logs of a standard type for placer drilling (the logs to include such additional information as may be required by the Government) and prepare the required reports. Four copies of the log of each hole shall be forwarded to the DMEA Field Team, Region II, as soon as possible after the completion of each hole. One panner shall assist the supervisor in sample preparation. The black sand concentrate shall be forwarded to a laboratory, approved of by the Government, for further separation and testing. The laboratory report on each drill hole sample shall contain the percentage by weight of monazite in the black sand concentrate and the percentage of rare earth oxides in the monazite.

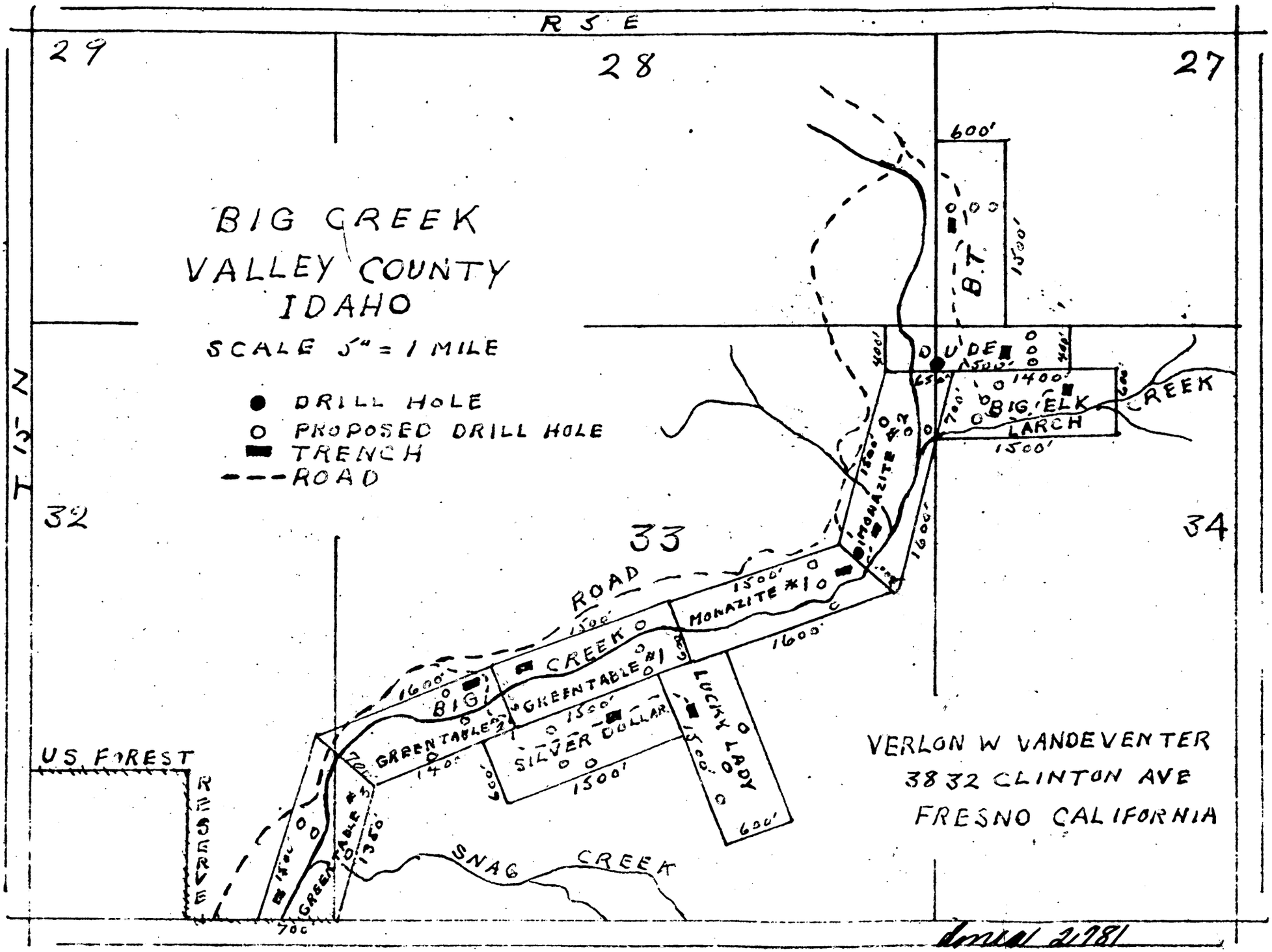
Agreed Unit Cost

Churn drilling 150 feet @ $11.90/ft. 1/ $1,785.00

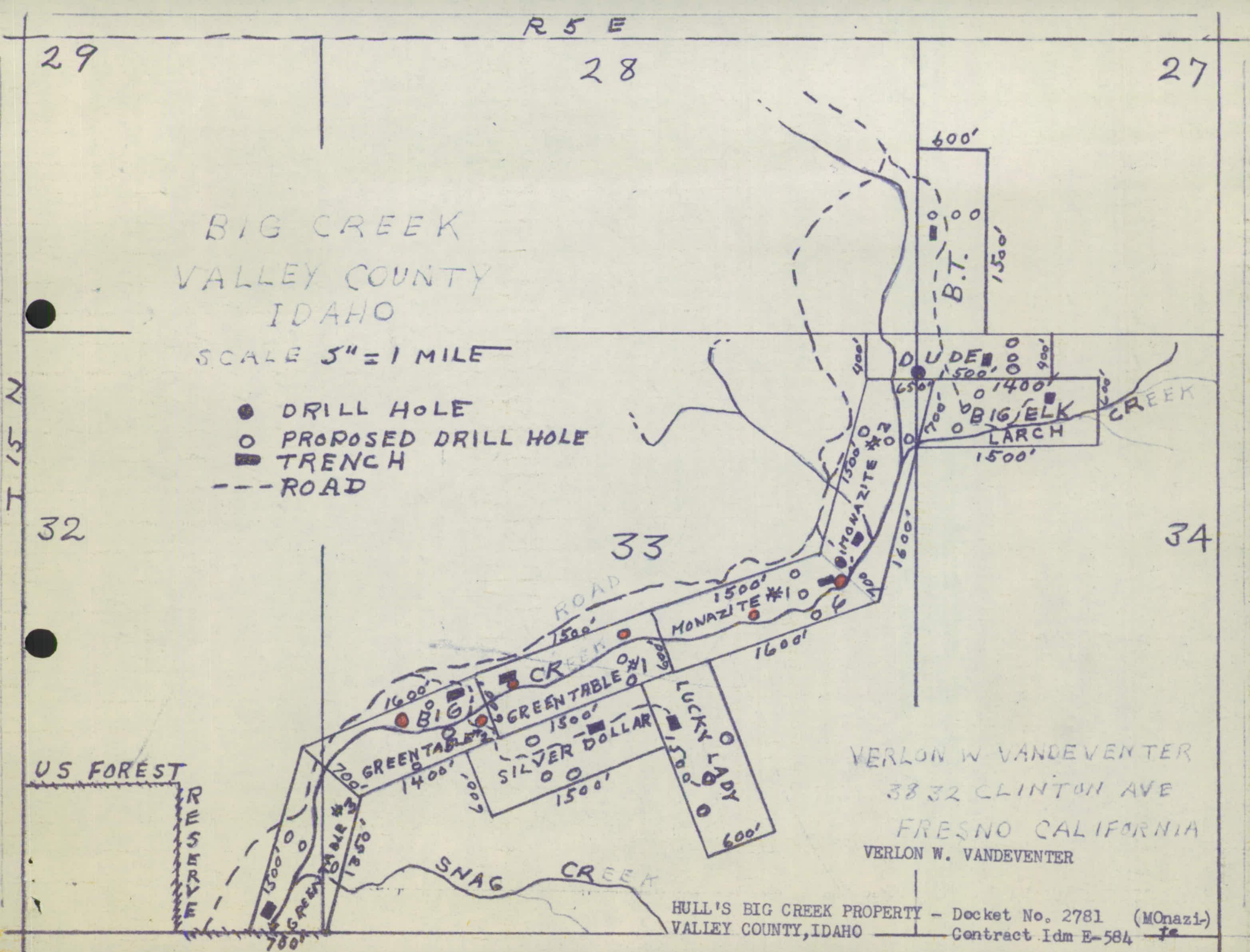
1/ Includes all costs of moving drill to and from property, labor, supervision, unemployment compensation, industrial insurance, old age benefits, and transportation of personnel.

Testing and Assaying - 6 samples @ $83.33/ea. 2/	$ 500.00	
Total Agreed Unit Costs		$2,285.00
Government Participation @ 90%		$2,056.50

2/ Includes transportation and separation costs.



Dental 21781


R 5 E
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BIG CREEK
VALLEY COUNTY
IDAHO
SCALE 5" = 1 MILE
DRILL HOLE
PROPOSED DRILL HOLE
TRENCH
ROAD
B.T.
DUDE
BIG ELK
LARCH
CREEK
MONAZITE #2
MONAZITE #1
ROAD
BIG CREEK
GREENTABLE #1
GREENTABLE #2
GREENTABLE #3
SILVER DOLLAR
LUCKY LADY
SNAG CREEK
US FOREST RESERVE
VERLON W VANDEVENTER
3832 CLINTON AVE
FRESNO CALIFORNIA
VERLON W. VANDEVENTER
HULL'S BIG CREEK PROPERTY - Docket No. 2781 (MOnazi-)
VALLEY COUNTY, IDAHO Contract Idm E-584 te