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 No. Idm-8545, Docket No. DMEA-2891 (columbium-tantalum and uranium), dated June 5, 1955, with

J. R. Simplot Company
Continental Bank Building
Boise, Idaho

for the purpose of determining the amount of royalty due the U. S. Government on sales of minerals from property referred to as the Dismal Swamp Placers located in Elmore County, Idaho, during the period January 1, 1955, through March 15, 1961.

A certification of discovery or development was issued on September 29, 1954, and, in accordance with Annex III of the contract, royalty is payable on all minerals mined or 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 April 25, 1954, indicated accepted costs under the exploration contract amounting to $8,834.97 with the Government's contribution, on a 90 percent basis, being $7,951.47.

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

This review established the total sales of concentrates for the period to be $4,078.78. Royalty due the Government at rates specified in the contract is $203.94. A prior Report of Royalty Review found no sales subject to Government royalty through December 31, 1954. The royalty account as of March 15, 1961, was:

Total Royalty Due	$203.94
Total Royalty Paid	203.94
Balance of Royalty Due	$ -0-

E. D. Falbert, OME Auditor

May 16, 1961

Idm-E545 J. R. Simplot Company DMEA-2891

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

The files indicate that the Operator abandoned the property under the contract by allowing its June 12, 1952, lease and option with the owners, Idaho Gem Mining Company, a partnership, to lapse. Thereafter, a Howard Paul and one of the partners in Idaho Gem Mining Company, Arthur T. Smith, 915 Main Street, Boise, Idaho, purchased the property. There was no production during the period that the Operator had possession of the property.

During 1956, Arthur T. Smith sold some concentrate samples to the E. I. DuPont Company for $203.60 and paid the Government $10.18 as a 5% royalty.

On May 18, 1958, 2,004 lbs of columbium-tantalum concentrates were sold for $4,641.48 to the G.S.A. Purchase Depot, Custer, South Dakota. This 2,004 lbs consisted of a blend of 1,673 lbs. 2 oz. of concentrates from 1956 production from property and 330 lbs 14 oz. of higher grade concentrates purchased from the Black Hills Keystone Corp. On December 31, 1958, the 5% royalty of $193.76 was paid on the $3,875.18 quantitative (83.49%) share of the proceeds. There is no evidence of further production or sales from the property.

As Article 10 of this contract includes an "abandonment" proviso, it appears that, unless the Operator reacquires an interest in the land, neither the obligation for repayment nor the lien upon the land and upon production is legally enforceable.

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

(1) All available information indicates that all sales of production from the property since the date of the contract have been reported and proper royalty paid to the Government; and

(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 additional 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

J. R. Simplot Co.

Continental Bank Building

Boise, Idaho

Contract No.	Docket No.
Idm-E545	**DMEA-2891**

Prepared by (Signature)	Date
D.A. MacLaren	5/10/61

Yes	No		
	X	1.	(a) Does the Operator stockpile ore subject to royalty repayment?
			(b) If so, is segregation and identification procedure adequate?
	X	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?
	X	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?
X		4.	Are the assay controls in effect adequate?
X		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:

The claim owner, Arthur T. Smith, returned our letter of 3/21/61 with the following notation at the bottom: "In answer to questions above: (1) The 627 lbs. were thrown away as they were of no value; (2) There has been no production in the period stated; and (3) No, we have not sold any of the claims."

There is no unsold or stockpiled production.

84861-60

So. 157 Howard Street
Spokane 4, Washington
May 22, 1961

EXTRA COPY
O. M. E
RECEIVED MAY 24 1961
DATE

800

Memorandum

To: Chief, Fiscal Section, Office of the Secretary

From: Acting Field Officer, OME, Region I

Subject: Report of Royalty Review
DMEA-2891 (Columbium-Tantalum and Uranium)
J. R. Simplot Company
Dismal Swamp Placers
Elmore County, Idaho
Contract Ida-245

There is enclosed the original of a Report of Royalty Review dated May 16, 1961, on sales of minerals from property referred to as the Dismal Swamp Placers located in Elmore County, Idaho, during the period January 1, 1955, through March 15, 1961.

In accordance with instructions in Mr. Talbert's memorandum of May 17, 1961, no copy of this Report of Royalty Review will be furnished the Operator.

Donald R. MacLaren

D. R. MacLaren

Enclosure

MLSmalser:mls
cc: CAAA Div., OME
OME
Reading copies to:
Nolan
Hobbs
Guild

MAY 17 1961

Memorandum

To: Acting Field Officer, Region I

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

Subject: IMBA-2391 (Columbium-Tantalum and Uranium)
J. R. Simplot Company
Dismal Swamp Placers
Elmore County, Idaho
Contract Ida-2545

The receipt of your AEC Form 22, with a footnote pertaining to the heretofore unaccounted for balance of 627 lbs of concentrates, has enabled the completion of the Report of Royalty Review referred to in my March 15 memorandum. The original and one copy are attached.

If you concur in the facts stated therein, please submit the original to the Department's Fiscal Section. The copy is for your files. On the other hand, if for any reason you do not concur, please return the original and copy to this Division with your comments.

In view of the audit statement regarding "abandonment", no copy of this Report of Royalty Review should be furnished the Operator, its successors, or the landowners. Furthermore, in event of future production, normal collection efforts should be made even though our claim may not be "legally" enforceable.

Attachments

EDTalbert/ama
May 16, 1961

Copy to: Docket
Director's Reading File
CA & A Division
Mr. Rothrock
Mr. Talbert

So. 157 Howard Street
Spokane 4, Washington
April 27, 1961

OFFICIAL FILE COPY
O. M. E
RECEIVED MAY 1 1961
DATE | INITIALS | CODE
800

Mr. Arthur Smith
915½ Main Street
Boise, Idaho

Re: DMEA-2891 (Columbium-Tantalum and Uranium)
J. R. Simplot Company
Dismal Swamp Placers
Elmore County, Idaho
Contract Idm-E545

Dear Mr. Smith:

The Office of Minerals Exploration is the successor agency to the Defense Minerals Exploration Administration and is charged with maintaining records of the royalty status of certified DMEA contracts.

In this connection, we wrote to you on March 21, 1961, asking you to advise us:

1. What, if any, disposition has been made of the 627 pounds of up-graded concentrates remaining from the 2,300 pounds concentrated during the period January 1, 1957, to June 30, 1957?

2. Has there been any production from Dismal Swamp Placers since the period July 10, 1956, to September 1, 1956?

3. Have you disposed of your interest in any of the claims?

As yet, we have received no reply and would appreciate receiving this information so that we can bring our records up-to-date.

Sincerely yours,

Donald R. MacLaren

D. R. MacLaren
Acting Field Officer, OME
Region I

DRMacLaren:mls
cc: E. D. Talbert, CA&A Div., OME
OME(2)
CPF

Reading copies to:
Nolan Guild
Hobbs

Extra

~~OFFICIAL FILE~~ COPY
O. M. E.
RECEIVED MAR 24 1961

DATE	INITIALS	CODE
		800

Jackland

So. 157 Howard Street
Spokane 4, Washington
March 21, 1961

Mr. Arthur Smith
915½ Main Street
Boise, Idaho

Re: DMEA-2891 (Columbium-Tantalum and Uranium)
J. R. Simplot Company
Dismal Swamp Placers
Elmore County, Idaho
Contract Idm-2545

Dear Mr. Smith:

According to our records, approximately 3,200 yards of gravel from the Dismal Swamp Placers were processed between July 10 and September 1, 1956, resulting in 800 pounds of high grade, 2,556 pounds of medium grade, and 1,487 pounds of low-grade concentrates or a total of 4,843 pounds of concentrates, none of which were sold by December 17, 1956, the date of our royalty inspection.

During the period January 1 to June 30, 1957, 4,906 tons of concentrates were shipped to the General Services Administration Depot at Custer, South Dakota, but were unacceptable because of the high ilmenite content. The 4,906 tons were reconcentrated to 2,300 pounds which had not been disposed of by June 14, 1957, the inspection date.

During the period January 1 to June 30, 1958, 1,673 pounds 2 ounces of company produced concentrates, sweetened with 300 pounds 14 ounces of concentrates from Black Hills Keystone Corporation were sold to the GSA. Royalty on the 1,673 pounds 2 ounces of company concentrates was paid. Since that date, no further production or sale has been reported.

I am preparing an annual report on the royalty status of all certified projects and would greatly appreciate it if you would advise me:

1. What, if any, disposition has been made of the 627 pounds remaining from the 2,300 concentrated during the period January 1, 1957, and June 30, 1957?

2. Has there been any production since the period July 10 to September 1, 1956?

3. Has your company disposed of its interest in any of the claims?

The Office of Minerals Exploration is the successor agency to the Defense Minerals Administration. A reply at your earliest convenience will be very much appreciated.

Sincerely yours,

D. R. MacLaren
Acting Field Officer, OME
Region I

cc: E. D. Talbert, CA&A Div., OME
OME(2)
CPF
Director
Econ. Geol.
BAFM

1 5 1961

Memorandum

To: Acting Field Officer, Region I

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

Subject: DMEA-2891 (Columbium-Tantalum and Uranium)
J. R. Simplot Company
Dismal Swamp Placers
Elmore County, Idaho
Contract Idm-E545

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

The Washington files indicate that this project has been inactive since the latter part of 1956. If this is correct, please confirm by an appropriate statement under item 8 of MME Form 22.

A statement as to whether or not there is any unsold or stockpiled production also will be appreciated. The docket files are somewhat confusing on this point.

The Semi-Annual Report of Certified Project for July 1 to December 31, 1956, reports the processing of 3,200 yards of gravel into 800 lbs. of high grade, 2,556 lbs. of medium grade, and 1,487 lbs. of low grade concentrates, i.e., a total of 4,843 lbs. of concentrates. The report for the following six months' period states that 4,906 lbs. of concentrates were shipped, rejected, and then reconcentrated to 2,300 lbs. The report for January 1 to June 30, 1958, states that 1,673 lbs. 2 oz. of concentrates were up-graded by blending with 330 lbs. 14 oz. of concentrates procured from another source. No mention of unsold production, however, is made in that or subsequent reports and correspondence.

EDTalbert/ama
March 15, 1961

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

E-545

For Certificate of Deposit No. 490, dated January 14, 1959, giving royalty payment of $193.76, see E-152.

1321 N. Division St.
Spokane 2, Washington

October 27, 1958

EXTRA COPY
O. M. E.
RECEIVED
DATE
8 00

Mr. Arthur F. Smith
912 Main Street
Boise, Idaho

Re: Docket No. [illegible] (columbite-tantalite-uranium)
Bismal Bunny Placers
Elmore County, Idaho
Contract No. [illegible]

Dear Mr. Smith:

This is in reply to your letter of October 13, requesting an extension of time until December of this year in which to pay royalty due amounting to $193.76 (subject to audit).

We do not wish to work a hardship on you but we do not have the authority to defer payment beyond a reasonable period of time. In this case we believe that an extension to December 15, 1958 should be adequate.

Photostat copies of the check received and of the sheet showing distribution of the money received will be sufficient for our records.

By Field Team, Region I

Collected 11/14/59

A. E. Weissenborn, Exec. Officer
U. S. Geological Survey

Wing G. Agnew, Member
U. S. Bureau of Mines

cc: OMS (2)
USGS (2)
USBM (AB)

RECEIVED

800

So. 157 Howard Street
Spokane 4, Washington

September 16, 1958

Mr. Arthur T. Smith
915 Main Street
Boise, Idaho

Re: Docket No. DMEA-2891 (Columbium-Tantalum)
J. R. Simplot Company
Dismal Swamp Placers
Elmore County, Idaho
Contract No. Idm-E545

Dear Mr. Smith:

We have not yet received a reply to our letter of July 23, 1958, in which we advised you that our recent royalty inspection disclosed the sale of 2,004 pounds of columbium-tantalum concentrates to the General Services Administration Purchase Depot, Custer, South Dakota, on May 19, 1958. The value of this production subject to the Government's percentage royalty is $3,875.18 and royalty due at 5 percent is $193.76 (subject to audit).

A check in the amount of $193.76 should be made out to the Defense Minerals Exploration Administration and mailed to Mr. A. E. Weissenborn, Executive Officer, South 157 Howard Street, Spokane 4, Washington.

We would also like to receive documentary evidence of the sale showing the amount sold, name of purchaser, and price obtained. A photo-copy of the settlement sheet will suffice.

An early reply will be appreciated.

Sincerely yours,

William G. Agnew
Acting Executive Officer
DMEA, Region 1

cc: DMEA (2)
USBM (2)
USBM(AD)

		CODE
		800

1201 N. Division St.
Spokane 2, Washington

July 23, 1958

Mr. Arthur T. Smith
915 Main Street
Boise, Idaho

Docket No. DMEA-2091 (columbium-tantalum)
Re: J. R. Simplot Company
Dismal Swamp Placers
Elmore County, Idaho
Contract No. Idm-8545

Dear Mr. Smith:

Our recent royalty inspection disclosed the sale of 2,804 pounds of columbium-tantalum concentrates to the General Services Administration Purchase Depot, Custer, South Dakota, on May 19, 1958. The value of this production subject to the Government's percentage royalty is $3,875.18 and royalty due at 5 percent is $193.76 (subject to audit).

A check in the amount of $193.76 should be made out to the Defense Minerals Exploration Administration and mailed to Mr. A. E. Weissenborn, Executive Officer, DMEA Field Team, Region I, South 157 Howard Street, Spokane 4, Washington.

We would also like to receive documentary evidence of the sale showing the amount sold, name of purchaser, and price obtained. A photo-copy of the settlement sheet will suffice.

By Field Team, Region I

A. E. Weissenborn, Exec. Officer
U. S. Geological Survey

Wing G. Agnew, Member
U. S. Bureau of Mines

cc: DMEA (2)
USGS (2)
USBM (AB)

For Certificate of Deposit No. 336, dated July 25, 1956, giving royalty repayment of $10.18, see E-152.

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

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-E 545, Docket No. DMEA-2891, with:

J. R. Simplot Company
Continental Bank Building
Boise, Idaho

for the purpose of determining the amount of royalties due the U. S. Government on sales of columbian, tantalum and uranium from property referred to as Dismal Swamp Placers located in Elmore County, Idaho, during the period June 5, 1953, to December 31, 1954.

The contract was dated June 5, 1953, and certification of discovery or development was issued under date of September 29, 1954, providing for repayment of royalties for a maximum period of 10 years from the date of the exploration contract. According to report of review in lieu of final audit prepared by Mr. Robert N. Hull, auditor, under date of April 25, 1954, total accepted costs under the contract amounted to $8,834.97 with the Government's participation, on a 90 percent basis, being $7,951.47.

No royalties have been paid to the Government to date in connection with this contract.

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

(1) Under date of October 7, 1954, the operator advised that J. R. Simplot Company had allowed its lease and option from the original owners to lapse because the results of their exploration work, in their opinion, did not justify continuing with the operation; that the property was subsequently purchased by Arthur T. Smith and Howard Paul, of Boise, Idaho; and, to the operator's knowledge, there has been no production from the property,

(2) According to Semi-Annual Report of Certified Project for the period July 1 to December 31, 1954, there has been no production from the property, 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.

C. E. Fisher
C. E. Fisher, Auditor

August 5, 1955

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

J. R. Simplot Company
Continental Bank Building
Boise, Idaho

pertaining to Exploration Project Contract No. Ida-E545, Docket No. DMEA-289., including Amendments Nos. 1, 2, and 3, for the months of July, August, and September 1953, inclusive, covering a project for the exploration of Columbium-Tantalum and Uranium on property known as the "Dismal Swamp", located in Elmore County, Idaho.

My review included an examination of the Monthly Reports (Form MF-104), comparison of the costs claimed with the contract, consultation with the Government representative who visited and examined the property, and a determination of the reasonableness and propriety of the costs.

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

(a) the administrative cost to the Government of an audit would be excessive in relation to the estimated amount of possible further disallowances thereunder;
(b) the Monthly Reports were supported by documentary proof of the costs applicable to contract provisions for payment by the Government on the basis of actual costs incurred;
(c) a large portion ($1,730.25) of the costs incurred covered work performed at unit rates under independent contract; and
(d) a large portion ($2,693.75) of the costs incurred were under a contract provision for payment by the Government on the basis of agreed estimated costs of units of work actually performed.

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

Total cost as billed by Contractor		$8,853.86
Exceptions (schedule attached):		
By DMEA Finance Officer	$14.90	
Herewith	3.39	18.29
Total Accepted Cost		$8,834.57

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 Seven Thousand Nine Hundred Fifty One and 47/100 Dollars

$7,951.47

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.

Robert M. Hull
Robert M. Hull
Auditor

April 25, 1954

Schedule of Exceptions

J. R. Simplot Company Idm-2545 DMEA-2891

Labor $14.76*

Mathematical errors made in computing wages of William L. Kochstrasser and Horace D. Ogden, during August 1953.

Payroll Taxes $2.35

$0.09* To reduce payroll taxes to cover disallowances under labor.
$2.26 Mathematical error in computing payroll taxes during September 1953.

Liability Insurance $1.18

$0.05* To reduce payroll taxes to cover disallowance under labor in August 1953.
$1.13 Mathematical error in computing liability insurance during September 1953.

*Deletions by Certifying Officer

Schedule of Allowable Maximums

J. R. Simplot Company — Idm-2545 — DMEA-2891

Work actually performed	Allowable Maximum	Accepted Costs	Balance
215½ hrs. Boring @ $12.50/hr.	$3,600.00	$2,693.75	$ 906.25
Churn Drilling 329.4 ft. @ $5.2527	4,000.00	1,730.25	2,269.75
Supervising Engineer, Salary and Expenses	1,430.00	992.29	437.71
Jeep Depreciation	512.00	512.00	-0-
Pump Depreciation	90.00	-0-	90.00
Total Estimated Cost of Project	18,190.00	8,853.26	9,336.74
Government Participation	16,371.00	7,951.47	8,419.53

The wages of the Supervising Engineer did not exceed the maximum of $550.00/mo.

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

MAY 11 1954

Mr. Robert N. Hull
DMEA Auditor
1201 North Division Street
Spokane 2, Washington

Subj.: Idm-E120, DMA-211
Snoose Mining Co.,
Idm-E545, DMEA-2891
J. R. Simplot Co., and
Idm-E531, DMEA-3010
Bradley Mining Company

Dear Mr. Hull:

Reference is made to the Audit Report and Certificate for Idm-E120 and the Reports of Review for Idm-E545 and Idm-E531, as submitted by your letters of May 3 and 4, 1954.

The Audit Report and Certificate covering Idm-E120, Snoose Mining Co., is acceptable and distribution may be effected after correction of a typographical error. The date on the last line of page 2 of the Audit Report should be May 26, 1953 rather than May 26, 1952. The correction has been made on the Washington copies.

The Report of Review covering Idm-E545, J. R. Simplot Co., is returned herewith for revision, since the reasons for a review in lieu of an audit are improperly stated. Reasons (b) and (c) should be deleted and replaced by the following reasons (provided, of course, that they are correctly applicable):

(b) the Monthly Reports were supported by documentary proof of the costs applicable to contract provisions for payment by the Government on the basis of actual costs incurred;
(c) a large portion ($1,730.25) of the costs incurred covered work performed at unit rates under independent contract; and
(d) a large portion ($2,693.75) of the costs incurred were under a contract provision for payment by the Government on the basis of agreed estimated costs of units of work actually performed.

It is apparent that you have confused independent contract costs with agreed unit costs. In this connection your attention is invited to my memorandum of February 2, 1954 to all auditors on the subject: Reports of Review in lieu of final audits, particularly to the paragraph headed "Important" on page 4 thereof.

The Report of Review covering Idm-2531, Bradley Mining Co., is being held in suspense pending a reply to my letter to you under date of May 4, 1954, relative to the audit of this contract. My letter and your Report of Review apparently crossed in the mails.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

Enclosure

EDTalbert/wh
May 11, 1954

Copy to: Docket
~~Admin.~~ Reading File
Mr. Chambers

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of September 1953 Docket No. DMEA 2891 Contract No. IDM-E545
Operator's Name J. R. Simplot Co. Minerals Cb-Ta-U
Address Continental Bank Bldg., Boise, Idaho
Contract Amount, $ $18,190.00 Government Participation: 90% Amount, $ $16,371.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling		1730.25	1730.25		1730.25	1730.25
Bulldozing		2693.75	2693.75		2693.75	2693.75
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	171.38	1362.30	1533.68	171.38	1362.30	1533.68
Supervision	58.13	540.42	598.55	831.23	961.06	992.29
Technical Services	173.10	324.18	497.28	—		
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives		26.54	26.54		26.54	26.54
Pipe						
Track						
Other		388.13	388.13		388.13	388.13
(4) Operating Equipment:						
Rental Saw	175.00		175.00	175.00	—	175.00
~~Purchase~~ Jeep		512.00	512.00		512.00	512.00
~~Depreciation~~ Comp.		85.30	85.30		85.30	85.30
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis	253.21	181.44	434.65	253.21	181.44	434.65
Payroll Taxes	20.10	98.66	118.76	17.84	98.57	116.41
Liability Insurance	10.04	49.33	59.37	8.91	49.28	58.19
(8) Contingencies (specify):						
TOTALS	$860.96	$7992.30	$8853.26	859.57	7977.40	8834.97

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

Date 1-22-54 *Payee J R Simplot Co.

Per John M Paul Title Treasurer

*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:

771.81
.50 unexpended from voucher 959
771.31
.01
771.32

$ 771.32

Signature MJP
(Authorized Certifying Officer)

Date 6/16/54 Vou. No. 1183
(See other side)

Adjusted to Report of Review by R M Hull dated 4/25/54

(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. 6545 in accordance with the terms of the contract.

Signature /s/ Verdo Z Johnson Title Mining Eng. Date 1/25/54

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /s/ Stephen W Zoldok Title Mining Eng. Date 1/26/54

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

Month of Sept. 1953 Docket No. DMEA 2891 Contract No. IDM-E545

Operator's Name J. R. Simplot Co. Minerals Cb-Ta-U

Address Continental Bank Bldg., Boise, Idaho

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				2149.14				
Auger								
Stripping								
Trenching				563.53				
Test Pits				434.15				
Roads and Trails		175.00		4240.91				
		685.96		1465.50				
TOTAL DISTRIBUTED COSTS		860.96		8853.26				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		860.96		8853.26				$18,190.00

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

Date 1-22-54 Operator J. R. Simplot Co.

Per John W. Dahl Title Treasurer

→ 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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~
So. 157 Howard Street
Spokane 4, Washington

January 28, 1954

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

Re: Docket No. DMEA-2891 (columbium-tantalum)
J. R. Simplot Company
Elmore County, Idaho
Contract No. Idm-E545

Dear Mr. Hindman:

This is to inform you that work on the subject contract has been completed to the satisfaction of the Government. The Operator has submitted his final invoice on work completed and also his final report, which has been accepted as satisfactory by the Executive Officer.

Inasmuch as all contract obligations have been met by the Operator, it is requested that his account be audited and that final payment be made for project work. The Operator's account should be closed out as soon as possible.

Sincerely yours,

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

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

Form 21-F-104 (Rev.)
(April 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.4
Approval expires 6-30-53.

RECEIVED
FEB 5 1954

Revised Report OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of August, 1953 Docket No. DMEA 2891 Contract No. Idm-8545
Operator's Name J. R. Simplot Co. Minerals Cb, Ta, U
Address Continental Bank Bldg., Boise, Idaho
Contract Amount, $ 18,190 Government Participation: 90% Amount, $ 16,371.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	1730.25		1730.25			
Bulldozing	2062.50	631.25	2693.75			
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	1034.85	327.45	1362.30	1065.88	385.20	1451.08
Supervision	310.90	229.52	540.42	462.30	298.76	761.06
Technical Services	197.19	126.99	324.18	-0-	-0-	-0-
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives		26.54	26.54			
Pipe						
Track						
Other supplies	189.74	198.39	388.13			
(4) Operating Equipment:						
Rental Jeep /10¢/mi.	512.00		512.00			
~~Purchase~~ Compressor	85.30		85.30			
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis	181.44		181.44			
Payroll Taxes	68.66	29.80	98.06	68.77	29.80	98.59
Liability Insurance	34.43	14.90	49.33	34.38	14.90	49.28
(8) Contingencies (specify):						
TOTALS	6407.45	1584.84	7992.30	6392.56	1584.84	7977.40

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

Date 1-22-54 *Payee J. R. Simplot Co.

Per John W. Dahl Title Treasurer

*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:

$ 5753.30

Signature [illegible]
(Authorized Certifying Officer)

Date 1/28/54 Vou. No. 1070
(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. E545 in accordance with the terms of the contract.

Signature /S/ Linda Z Johnson Title Mining Engr Date 1/25/54

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ Stephen W Zoldok Title Mining Engr Date 1/26/54

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.

Revised Report

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of August 195 3 Docket No. DMEA 2691 Contract No. Idm-3545
Operator's Name J. R. Simplot Co. Minerals Cb-Ta-U
Address Continental Bank Bldg., Boise, Idaho

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								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn	Ft.	2149.14	329.4	2149.14	329.4	6.5244	500	$8.00
Auger								
Stripping								
Trenching		563.53		563.53				
Test Pits	shaft	434.18	2	434.18	2	217.09	2	
Roads and Trails		2481.07		4065.91				
Sampling		779.54		779.54				
TOTAL DISTRIBUTED COSTS		6407.46		7992.30				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		6407.46		7992.30				$18,190.00

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

Date 1-22-54 Operator J R Simplot Co.

Per John M Dahl Title Treasurer

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

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Wash

OPERATOR'S MONTHLY REPORT AND VOUCHER

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 20 1953

Month of July 195 3 Docket No. DMEA 2891 Contract No. Idm-E545

Operator's Name J. R. Simplot Co. Minerals Cb-Ta-U

Address Cont. Bank Bldg., Boise, Idaho

Contract Amount, $ 18,190.00 Government Participation: 90% Amount, $ 16,371.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing	631.25		631.25			
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor	327.45		327.45			
Supervision	229.52		229.52			
Technical Services	126.99		126.99			
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives	26.54		26.54			
Pipe						
Track						
Other supplies	198.39		198.39			
(4) Operating Equipment:						
Rental Jeep 10¢ mi.	242.20		242.20	—		
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes	29.80		29.80			
Liability Insurance	14.90		14.90			
(8) Contingencies (specify):						
TOTALS	$1827.04		$1827.04	1584.84	—	1584.84

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

Date 10/8/53 *Payee J.R. Simplot Company

Per John M. Paul Title Treasurer

*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:

$ 1426 85-36 Amt

Signature [illegible]
(Authorized Certifying Officer)

Date 11/2/53 Vou. No. 957
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 5445 in accordance with the terms of the contract.

Signature /S/ Verdo Z. Johnson Title Mining Engr. Date 10/12/53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature /S/ Thomas E. Howard Title Mining Engr Date 10/13/53

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.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 20 1953

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July 1953 Docket No. DMEA 2891 Contract No. Idm-E545
Operator's Name J. R. Simplot Co. Minerals Cb-Ta-U
Address Cont. Bank Bldg., Boise, Idaho

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								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails	mi.	1827.04	0.7	1827.04	0.7	261.06	1.5	
TOTAL DISTRIBUTED COSTS		1827.04		1827.04				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		1827.04		1827.04				$18,190.00

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

Date 10/8/53 Operator J R Simplot Company

Per John W Dahl Title Treasurer

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

Work was started on the Dismal Swamp Project (DMEA Docket No. 2891, Contract No. Idm-E545) on July 9, 1953, with one laborer. Preliminary survey of the road was performed on the 10th and 11th and supplies were assembled and trucked to the site on the 12th and 13th. The road survey was resumed on the 17th and completed on the 18th.

On July 22, a second man was hired and swamping on the road right-of-way was begun. The bulldozer was delivered to the job on the 25th and started construction of the road on the 27th. A cook was hired on the 28th; construction of the road was pushed for the rest of the month, 0.7 miles being completed by the night of the 31st.

Total costs for the month were $1,827.04 as detailed on the accompanying Form MF-104.

Lemuel A. Robinson
Supervising Engineer

1963

Mr. Arthur T. Smith
219 Eastman Bldg.
Boise, Idaho

Re: DMEA-2891 (Columbium-Tantalum and Uranium)
J. R. Simplot Company
Dismal Swamp Pioneers
Elmore County, Idaho
Contract Ida-8348

Dear Mr. Smith:

Thank you for returning the completed DMX Form 63's mailed to you on June 20, 1963.

By the terms of the subject Exploration Project Contract, as amended, and the certification of discovery or development dated September 29, 1954, all minerals mined or produced from June 3, 1953, to June 5, 1963, were subject to the Government's royalty as set forth in said contract.

As the period during which production was subject to royalty has now expired, the Government according to its present records retains no claim or lien against the property or any future production therefrom. We, therefore, are closing our books and records on this contract.

Sincerely yours,

George Furnich, Jr.

Director

Fitzgerald/ms
7/2/63
cc: Director's Reading File
✓CAAA Division
Region I (X) w/copy of Form 63 dated 6/20/63
Docket
Code 300

November 4, 1954

Memorandum

To: The Administrator, DMEA
Attention: Mr. E. W. Ellis

From: Acting Assistant Solicitor, Defense Minerals

Subject: Docket No. DMEA-2591, J. R. Simplot Company (columbium-tantalum and uranium) Contract Idm-E545

With a reference slip dated October 27 the Rare and Miscellaneous Metals Division transmitted for our review a draft of a proposed response to a letter dated October 7 from the Operator which informed the Executive Officer, Region II, that it no longer holds any interest in the land which was the subject of the exploration project, as the lease and option was "allowed to lapse," and that, subsequently, the land was sold to a third party purchaser.

The contract was written on the long form (Revised Feb. 1952), and an Owner's Consent to Lien is attached. A Certification of Discovery or Development was made September 29, 1954. The contract contained the "abandonment" provision which excuses the Operator from the prohibition against transferring the land without providing for the Government's percentage royalty.

In our memorandum dated July 27, 1954, on the subject "Liability of Landlord for Royalties after Abandonment by Lessee-Operator," it was pointed out that neither a lessee-operator nor his landlord who signed the Owner's Consent to Lien is liable for royalty after abandonment by the lessee-operator under the abandonment provision. It follows that purchasers of the land from the landlord after abandonment by the lessee are not liable for any royalty. Therefore, the drafted response suggesting that the Operator inform the transferee of obligations by the latter for royalty is inappropriate and is returned herewith.

HCRubin/emd
Copy to: DMEA Docket
Solicitor's docket
E. W. Ellis (2)
J. L. Hofflund
H. C. Rubin
Attachment
cl.ro

J. L. Hofflund
Acting Assistant Solicitor
Defense Minerals

Contract Adm. & Audit Division

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

To: J. R. Simplot Company
Continental Bank Building
Boise, Idaho

Pursuant to the provisions of Exploration Project Contract No. Idm-E545, dated June 5, 1953 (Docket No. DMEA-2891), 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:

The bulldozing of 16 trenches some 6 to 12 feet deep, the drilling of 25 churn-drill holes to an average depth of approximately 7 feet, and the sinking of 2 exploration shafts to an average depth of about 11 feet on the Associated Gem Group Nos. 2 and 3 claims resulted in the discovery or development of gravel containing columbium, tantalum, and uranium-bearing minerals.

Dated: SEP 2 9 1954

FLKnouse/gla 9-21-54
Copies to:
Operator (original)
Contract Adm. and Audit Div.
Field Team, Region II (2)
Finance Officer
Rare & Misc. Metals Div.
Docket
Mr. Irving Gumbel, Acting Dir.,
Materials Division, EPS
Admr. Reading File
Operating Committee
Mr. Hedges, Rm. 4604
Mr. Kiilsgaard, Rm. 5227
Mr. F. E. Johnson
Mr. F. L. Knouse

THE UNITED STATES OF AMERICA

By Frank E. Johnson
ACTING Administrator, Defense Minerals
Exploration Administration

GOVERNMENT COPY

Docket No. DMEA 2891
(columbium-tantalum-uranium)

AMENDMENT NO. 3

It is agreed this 20th day of October 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, and J. R. Simplot Company, Boise, Idaho

each acting in consideration of the agreement of the other to the terms hereinafter set forth, that the Exploration Project Contract Idm-E 545 of June 5 1953 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 June 5 1953.

This amendment is made by authority granted the Executive Officer, DMEA 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.

J. R. SIMPLOT COMPANY
(Operator)

By Robert Russell
Executive Vice President

THE UNITED STATES OF AMERICA

By M. E. Volin
~~A. E. Weissenborn, Exec. Officer~~
DMEA Field Team, Region II
M. E. Volin, Acting Exec. Officer

J. R. SIMPLOT COMPANY
Contract No. Idm-E545
Docket No. DMEA 2891 (columbium-tantalum-uranium)

AMENDMENT NO. 3

Exhibit "F"

Changes and Modifications

In Exhibit "A" of the exploration project contract under Estimated Costs of the Project, (1) Independent Contracts, delete

Dozing 288 hrs. @ $12.50/hr.* (Refers to actual operating time and includes cost of operator, supplies, maintenance, repair, and moving to subject property.)	$3,600.00*

and add

Agreed Unit Costs

The Government will contribute to the costs of the work specified below as it accrues for units of work actually performed on the basis of the agreed unit costs per hour in lieu of actual costs

Dozing 228 hrs. @ $12.50/hr.*	$3,600.00*

*Indicates allowable maximum

J. R. SIMPLOT COMPANY
Contract No. Idm-E545
Docket No. DMEA 2891

Justification of Amendment No. 3

Independent contractors were not available for this work. The project could not be reached until July when most bulldozers were assigned to seasonal obligations. The Operator moved his own D-8 a distance of 100 miles to expedite project work. The agreed cost of $12.50/hr. is less than actual costs for moving into a remote location on a short job.

V. Z. Johnson

Docket No. DMEA 2891
(columbium-tantalum-uranium)

AMENDMENT NO. 2

GOVERNMENT COPY

It is agreed this 15th day of September 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, and J. R. Simplot Co., Boise, Idaho

OF THE INTERIOR
RECEIVED
NOV 4 1953

each acting in consideration of the agreement of the other to the terms hereinafter set forth, that the Exploration Project Contract Idm-E 545 of June 5 1953 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 July 1 1953.

This amendment is made by authority granted the Executive Officer, DMEA 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.

J. R. SIMPLOT COMPANY
(Operator)

By Robert Fosell
Executive Vice President

THE UNITED STATES OF AMERICA

By M E Volin
~~Executive Officer~~
DMEA Field Team, Region II
M. E. Volin, Acting Exec. Officer

J. R. SIMPLOT COMPANY
Contract No. Idm-E545
Docket No. DMEA 2891 (columbium-tantalum-uranium)

AMENDMENT NO. 2

Exhibit "F"

Changes and Modifications

1. In Exhibit "A" under Operating Equipment - To be Rented add

1 chain saw @ $7/day for 25 days - $175.00

J. R. SIMPLOT COMPANY
Contract No. Idm-E545
Docket No. DMEA 2891 (columbium-tantalum-uranium)

Justification of Amendment No. 2

The original contract made no provisions for a chain saw. The project area has a growth of lodge poles 30 to 40 feet in height that would be hazardous to fall by a bulldozer blade. The lack of provision in the contract for this equipment item was not noticed by the Operator or Government representatives until the Operator started preparing his initial monthly invoice.

The use of a chain saw has contributed to low cost of access road, trench and drill site excavation, as well as to project safety. The proposed $7/day rental rate is about $5 below the rate currently charged by some equipment dealers.

V. Z. Johnson

Docket No. DMEA 2891
(columbium-tantalum-uranium)
GOVERNMENT'S COPY

AMENDMENT NO. 1

It is agreed this 13th day of July 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, and J. R. Simplot Co. Boise, Idaho

each acting in consideration of the agreement of the other to the terms hereinafter set forth, that the Exploration Project Contract Idm-E 545 of June 5 1953 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 July 13 1953.

This amendment is made by authority granted the Executive Officer, DMEA 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.

J. R. SIMPLOT COMPANY
(Operator)

By Robert Lowell
Exec. Vice President

THE UNITED STATES OF AMERICA

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

J. R. SIMPLOT COMPANY
Exploration Project Contract Idm-E545
Docket No. DMEA 2891 (columbium-tantalum-uranium)

AMENDMENT NO. 1

Exhibit "F"

Changes and Modifications

1. In Exhibit "A", Description of the Work, item 2, change second line

"with casing eight (8) inches in diameter" to

"with casing six (6) inches in diameter".

2. In Exhibit "A", page 2, under Estimated Costs of the Project, (1) Independent Contracts, add

"Government approval is required for independent drill contracts before Government participation in costs thereof."

J. R. SIMPLOT COMPANY
Exploration Project Contract Ida-7545
Docket No. DMA 2591 (Columbium-Tantalum-Uranium)

AMENDMENT NO. 1

Exhibit "B"

Changes and Modifications

1. In Exhibit "A", Description of the Work, item 2, change second line

"with casing eight (8) inches in diameter" to

"with casing six (6) inches in diameter".

2. In Exhibit "A", page 2, under Estimated Costs of the Project, (1) Independent Contracts, add

"Government approval is required for independent drill contracts before Government participation in costs thereof."

J. R. SIMPLOT COMPANY
Contract Idm-E545
Docket No. DMEA 2891 (columbium-tantalum-uranium)

Justification of Amendment No. 1

An independent contract driller with 8-inch casing and 8-inch placer drill was available when the application for an exploration contract was made, and therefore an 8-inch placer drill was requested for the proposed work, part 2, item 5 (b) in the application. During the processing of the application and contract this drill contractor has obligated his time and equipment, but a drilling contractor now bids for the work with 6-inch casing.

It is believed that 6-inch casing and equipment to match will satisfactorily serve the purpose of the relative shallow exploration, as the current Government placer drilling in the area has been done with 6-inch equipment. The maximum allowable - $8.00 per foot - need not be reached for the proposed independent drill contract because currently drillers are doing this work for about $5.50 per foot.

An amendment changing item 2,"Description of the Work" with casing eight (8) inches in diameter to casing six (6) inches in diameter would make it possible to start and continue the contract.

V. Z. Johnson

J. E. SIMPLOT COMPANY
Contract Idm-4545
Docket No. DMRA 2891 (columbium-tantalum-uranium)

Justification of Amendment No. 1

An independent contract driller with 6-inch casing and 8-inch placer drill was available when the application for an exploration contract was made, and therefore an 8-inch placer drill was requested for the proposed work, part 2, item 5 (b) in the application. During the processing of the application and contract this drill contractor has obligated his time and equipment, but a drilling contractor now bids for the work with 6-inch casing.

It is believed that 6-inch casing and equipment to match will satisfactorily serve the purpose of the relative shallow exploration, as the current Government placer drilling in the area has been done with 6-inch equipment. The maximum allowable - $8.00 per foot - need not be reached for the proposed independent drill contract because currently drillers are doing this work for about $5.50 per foot.

An amendment changing item 2, "Description of the Work" with casing eight (8) inches in diameter to casing six (6) inches in diameter would make it possible to start and continue the contract.

V. Z. Johnson

GOVERNMENT'S COPY

2236-2

APPROVAL OF SUBCONTRACT
(Under Form MF-200, revised February 1952)

To: J. R. Simplot Company
(Name of Operator)

That certain contract, or proposed contract, a copy of which you have submitted with your request for approval, dated July 9, 1953, between you and A. E. Hosack & Son
(Name of Independent Contractor)

for the performance of the following work: drilling 6" test holes

which is all or a specific element of the work described in an Exploration Project Contract dated June 5, 1953, Idm-E545, Docket No. DMEA-2891, is hereby approved by the United States of America, subject to all of the terms and conditions relating to such independent contracts set forth in said Exploration Project Contract.

Dated: August 7, 1953.

THE UNITED STATES OF AMERICA

By Thor H. Kiilsgaard

Thor H. Kiilsgaard
Acting Executive Officer
DMEA Field Team, Region II

General Contracting

Tel. 6-0821 shop
6-5338 home

A. E. HOSACK & SON
707-6th Avenue South
Nampa, Idaho

July 9, 1953

J. R.Simplot & Co.
Continental Bank Bldg.
Boise, Idaho

Gentlemen:

We will furnish the following equipment and crew for drilling 6" test holes at Dismal Swamp approximately 9 miles above Rocky Bar, Idaho, the cost of which will be paid for as set forth in this agreement:

Item 1. Equipment to be furnished.
A-71 Star drilling machine mounted on a 6 X 6 Army truck with all necessary drilling tools, double strength 6" drive pipe, dump trough, two measuring containers, gas pump for water.
B - One 1½ ton truck with flat rack.

Item 2. Will furnish two men - a driller and a helper.

Item 3. Moving equipment from Nampa, Idaho to drilling site at Dismal Swamp - $150.00.

Item 4. An hourly rate of $12.50 per hr. will be charged for all time spent pertaining to the drilling of test holes, moving drilling equipment from one hole to another or from one drilling site to another, building road and clearing drilling site. There will be no charge for time lost due to mechanical fault of our equipment.

Item 5. Board to be furnished by purchaser at $_____per day per man. (No board to be furnished).

Item 6. Purchaser to guarantee payments totaling a minimum of $1,500.00

Item 7. Purchaser shall pay for work completed each month. The balance due shall be paid within 10 days after job is finished.

Yours very truly,

Accepted and Approved this

_____day of July, 1953

A. E. Hosack & Son

By Clifford E. Hosack /s/
Drilling Contractor

_____
Purchaser

Docket No. 2891

Commodity Columbium- Tantalum and Uranium

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 8,6

Date of Contract ~~or Amendment~~ June 5, 1953

Name and Address of Operator:
J.R. Simplot
Boise, Idaho

Amount of Government participation ____ $16,371.00

Percent of Government participation 90 %

Region: 11 State: Idaho

Note: Please release $ 8,419.53; Advice Contract Administration and Audit Division

E K Talbert
(Name)
for J. L. Chambers
Chief, Contract Administration and Audit Division

(Title)

Date Delivered to Bureau of Mines, Washington.

5/21/54

54458

Docket No. DMEA 2891

Commodity Columbium-Tantalum and Uranium

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 545

Date of Contract ~~or Amendment~~: June 5, 1953

Name and Address of Operator:

J. R. Simplot Company
Boise, Idaho

Amount of Government participation $ 16,371.00

Percent of Government participation 90 %

Region: II State: Idaho

(Name)

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

(Title)

June 5, 1953

Date Delivered to Bureau of Mines, Washington.

13908

MF-200
(June 1951)
(Revised Feb. 1952)

DOCKET NO. DMEA 2891

COMMODITY Columbium-Tantalum, and Uranium

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

Government's Copy
IDM-E 545

EXPLORATION PROJECT CONTRACT[1]

IT IS AGREED this 5th day of June, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] J. R. Simplot Company, a corporation duly organized and existing under Continental Bank Building and by virtue of the laws of the State Boise, Idaho of Idaho hereinafter called the "Operator," as follows: and as set forth in Annexes I, II, and III, attached hereto and made a ~~hereinafter called the "Operator" as follows:~~ 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 Elmore, described as ~~known~~ 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 following mining claims or encumbrances as evidenced by the instrument of the lien agreement attached:~~

(*b*) That the Operator is a lessee, in possession and entitled to possession, and the ~~owners~~ Co-Owners Consent to Lien is attached.

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

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

in or upon the described land; and shall bring the project to completion within a period of 5 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.

ARTICLE 4. *Performance of the work.*—(*a*) *Operator's responsibility.* The work shall be performed efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmens' compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. To the extent specified in Exhibit "A," attached hereto, the work may be performed by independent contractor or contractors; and work not specified in Exhibit "A" for performance by independent contractor may nevertheless be so performed upon amendment of Exhibit "A," as agreed to by the parties, to state the work to be so performed and the estimated unit costs thereof, as provided hereafter.

(*b*) *Independent contracts.*—Any independent contract for the performance of work shall be on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved), or on some basis that will indicate the amount due for work performed at any stage of the work to be performed under such independent contract. The Government shall not be nor be considered to be a party to any such independent contract, and the Government's right to terminate the exploration project contract under any of its provisions shall not in any manner be affected by reason of any such independent contract. If the reference in Exhibit "A" to any such independent contract states that the Government's approval thereof is required, the Government may refuse to participate in the cost thereof unless and until it has given its written approval of the independent contract.

(*c*) *Government may inspect.*—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 5. *Estimated costs of the project.*—A statement of the estimated cost of the project is set forth in Exhibit "A," attached hereto. Except insofar as any item of requirement or the estimated cost thereof set forth in Exhibit "A" is there or elsewhere designated as an "allowable maximum," such items of requirement and of related cost are estimates only, and may be exceeded to the extent that the Government may from time to time approve for the most economic and beneficial performance of the work within the limitation of the total aggregate estimate of costs. The Government's approval of any such excess over the estimate for an item of requirement or related cost will be signified by its approval and payment of any invoice or voucher for payment which expressly calls attention to such excess. Items expressly designated in Exhibit "A" or elsewhere as "allowable maximum," and the total aggregate estimated cost are limitations, and any excess therein will be for the sole account of the Operator in which the Government will not participate.

ARTICLE 6. *Allowable costs of the project.*—(*a*) The costs of the project in which the Government will participate are limited to the following:

(1) *Independent contracts.*—Payments to independent contractors under independent contracts listed in Exhibit "A." The estimated cost of any work to be performed under an independent contract is or shall be included in the estimate of costs in Exhibit "A" in terms of the estimated numbers of units of work to be performed, the estimated amount to be paid per unit, and the estimated total amount to be paid to the independent contractor, and such estimates shall be allowable maximums above which the Government will not contribute. Regardless of the provisions of any such independent contract, the Government will participate in the payments to the independent contractor only on account of work actually performed and that conforms with the provisions of the exploration project contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable and necessary. No such independent contract shall have the effect of increasing the estimated total cost of the exploration project contract nor the maximum amount which the Government will pay as provided in the exploration project contract.

(2) *Labor, supervision, consultants.*—Labor, supervision and technical services (including engineering and geological consultants), a schedule of which is included in the estimate of costs set forth in Exhibit "A." The requirements and related estimated costs for supervision and technical services are allowable maximums.

(3) *Operating materials and supplies.*—Necessary materials and supplies including items of equipment costing less than $50.00 each, and power, water, and fuel, a schedule of which is included in the estimate of costs in Exhibit "A."

(4) *Operating equipment.*—Any operating equipment to be rented or purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or the allowable depreciation, as the case may be, a schedule of which is included in Exhibit "A." Any items listed as owned and to be furnished by the Operator, and related ~~initial~~ allowable depreciation, are allowable maximums.

(5) *Rehabilitation and repairs.*—Any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and to be devoted to the purposes of the exploration contract, a schedule of which is included in the estimate of costs set forth in Exhibit "A." These items are allowable maximums.

(6) *New buildings, improvements, installations.*—Any necessary buildings, fixed improvements, or installations to be purchased, installed, or constructed for the purposes of the exploration work, with the estimated cost of each, a schedule of which is included in the estimate of costs in Exhibit "A." All of these items are allowable maximums.

(7) *Miscellaneous.*—Repairs to and maintenance of operating equipment (not including initial rehabilitation or repairs of the Operator's equipment), analytical work, accounting, workmen's compensation and employers' liability insurance and payroll taxes.

(8) *Contingencies.*—Such other necessary, reasonable direct costs of performing the exploration work, within the limit of the total aggregate estimate of costs, whether or not included in any schedule of costs in Exhibit "A," as may be approved by the Government in the course of the work, as indicated by its approval and payment of invoices and vouchers.

[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*) The Government's payment in all cases will be based on actual, necessary costs (including contract unit prices) incurred not in excess of any "allowable maximum," and not in excess of the fixed percentage of the total aggregate estimated cost. Costs will be considered to be incurred only as they are or become due and payable.

(*c*) No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes) or any other indirect costs, or work performed or costs incurred before the date of this contract, shall be allowed as costs of the project in which the Government will participate.

ARTICLE 7. *Reports, accounts, audits.*—(*a*) *Progress reports.* The Operators shall provide the Government with monthly reports of work performed and costs (including contract unit prices) incurred 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 costs incurred 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.

(*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 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. Upon the completion of the project or termination of the contract the Operator shall render a final account as provided in Article 12.

ARTICLE 8. *Payments by the Government.*—(*a*) The Government will pay 90 percent of the allowable costs incurred, as they accrue, in an aggregate total amount not in excess of $16,371.00, which is 90 percent of $18,190.00, 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 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.

(*b*) The Government may make any payment or payments direct to independent contractors and to suppliers, for the account of the Operator, rather than to the Operator.

ARTICLE 9. *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 III, substituted for that part of 9(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 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 10. *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 11. *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.

ARTICLE 12. *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. Upon the completion of the project or any termination of the contract the Operator shall dispose of any remaining materials, supplies, facilities, buildings, fixtures, and equipment in which the Government has an interest, for the joint account of the Operator and the Government in the proportion of their respective interests; shall render to the Government a full and final accounting of his operations under the contract and his expenditures of money; and shall pay to the Government its pro rata share of any money remaining.

ARTICLE 13. *Changes and added provisions.* The repayment provisions of Article 9 shall apply also to any amounts received as bonuses, premiums, or allowances, in addition to the sale price or market value of the minerals.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C. Mittendorf
Administrator, Defense Minerals Exploration Administration

J. R. SIMPLOT COMPANY
(Operator)

By W. Grant Kilbourne

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

John M Dahl

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—66328-1

EXPLORATION PROJECT CONTRACT
J. R. Simplot Company
Docket No. DMEA-2891

ANNEX I

Materials and Supplies. For the purpose of determining the Government's interest in materials or supplies remaining upon any termination of the work, they shall be considered in groups or categories (such as pipe, or explosives, or rails, or drill steel), and if the original cost of the remaining unexpended portion of any such group or category exceeded $50, the Government shall have an interest therein as provided in Article 11 of the contract form.

Equities in Equipment. Unless expressly permitted by provisions in Exhibit "A", the operator shall not procure equipment or any other item under a rental-purchase agreement, an installment-purchase agreement, any agreement which creates or builds up an equity or interest in the thing procured which can be converted to legal title only by further payment or some other consideration, or any agreement other than for straight rental or cash purchase and delivery.

Preservation of Property. Until the final disposal of any equipment or other property in which the Government has an interest or equity, the operator shall preserve and protect same for the mutual best interests of the parties, any reasonable and necessary cost thereof to be treated as an allowable cost of the exploration work to which the Government will contribute.

EXPLORATION PROJECT CONTRACT
J. R. SIMPLOT COMPANY
DOCKET NO. DMEA-2891

ANNEX II

The land referred to in Article 2 consists of the following ten unpatented placer mining claims located in Sections 22, 27, 33, 34, and 35, Township 5 North, Range 9 East, Boise Base Meridian, Idaho, as indicated on the map entitled "J. R. Simplot Co., Dismal Swamp Claim Map, DMEA-2891 - Plate I," attached hereto and made a part hereof:

Unpatented Placer Claims	Recorded in Elmore County Court House, Mountain Home, Idaho
Dismal Associated Group No. 1	Book 34 - Page 182
Dismal Associated Group No. 2	Book 34 - Page 181
Associated Gem Group No. 2	Book 34 - Page 211
Associated Gem Group No. 3	Book 34 - Page 210
Associated Gem Group No. 4	Book 34 - Page 211
Lodge Pole	Book 34 - Page 205
Horseshoe	Book 34 - Page 205
Black Stuff	Book 34 - Page 197
Trail Creek Group	Book 34 - Page 204
Chink Claim	Book 34 - Page 195

EXPLORATION PROJECT CONTRACT
J. R. Simplot Company
Docket No. DMEA-2891

ANNEX III

The following provisions are in lieu of all of paragraph (a) of Article 9 which precedes the colon:

If at any time 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 the Operator has rendered the final report and final account required by the exploration project contract, 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 which is the subject of the exploration project contract, 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 (or other period fixed by the contract) 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, in whatever form disposed of, including ore, concentrates, or metal, as follows:

EXPLORATION PROJECT CONTRACT
J. R. SIMPLOT COMPANY
DOCKET NO. DMEA-2891

EXHIBIT "A"

Description of the Work

The purpose of this project is to explore a placer mine for black sands containing columbium, tantalum, and uranium. The work shall consist of the following:

1. With a D-7 or D-8 Caterpillar angledozer or its equivalent, construct a 1½-mile access road from the nearest point on the present Boise-Rocky Bar highway to the subject property. The road is to be wide enough to move safely a drill rig and supplies to the drill sites. On the property, trails or roads will be made to facilitate the moving of the churn drill. The drill sites will also be leveled off by the angledozer, where necessary.

2. Not in excess of 500 feet of churn drill holes, with casing eight (8) inches in diameter, shall be sunk at points marked on attached map entitled "J. R. Simplot Co., Dismal Swamp, DMEA-2891- Plate II." Holes marked X-13, 14, 16, 20, 23, and 27 shall not be drilled, the hole marked XD-30, however, replacing holes marked X-13 and X-14. During the drilling, the drive shoe of the casing shall at all times be below the bottom of the material pumped from the hole. Any excess volume pumped shall be noted in the drill logs. Two shafts shall be sunk to check drilling results.

3. Sample trenches shall be cut with the angledozer to bedrock in areas that are above the water table level. All road work, sample trenches, drill sites, drilling, check shafts, and method of taking and preparing samples are subject to Government approval.

4. Samples taken from the churn drill holes and trenches shall be concentrated at the property by means of sluice boxes and panning and then split into two equal samples. One such sample from each hole and trench shall be delivered to the Government and the other retained by the Operator, who shall have his individual samples analyzed by a Government-approved laboratory for their columbium-tantalum content.

Four weighted composites of the Operator's samples from drilling and trenching shall be tested for columbite, monazite, and other rare earth minerals to determine their respective weight percentage of the total black sand concentrate. Each composite sample shall then be assayed for its columbium, tantalum, thorium, and uranium content. Radiometric and chemical determination of the uranium in each weighted composite sample of black sand shall be required.

5. One mining engineer, approved by the Government, shall be employed on a full-time basis to supervise the entire exploration project. He shall prepare all required reports and supervise the preparation and final distribution of all samples.

Copies of all drill maps, drill hole logs, data on assays, and test work results shall be delivered monthly to the Government.

Estimated Costs of the Project
(*Indicates allowable maximum)

(1)	Independent Contracts		
	Dozing 288 hrs. @ $12.50/hr.* (Refers to actual operating time and includes cost of operator, supplies, maintenance, repair, and moving to subject property.)	$3,600.00*	
	Churn drill 500 feet @ $8.00/ft.* (This includes cost of labor, material, supplies, repair, and moving drill.)	4,000.00*	$7,600.00*
(2)	Labor, Supervision, and Consultants		
	1 Supervising Engineer, 2 months @ $550.00/mo.* (Amount allowed includes $330 for travel and expense, 55 days @ $6.00/day.)	1,430.00*	
	2 Laborers, 55 days @ $12.00/day ea.	1,320.00	
	1 Cook, 2 months @ $400.00/mo.	800.00	3,550.00

(3) Operating Materials and Supplies

Tent and camp accessories	$ 260.00	
Cooking facilities and food for three (3) men	315.00	
Tools	33.00	
Materials for sluiceboxes, shaft windlass and bridges	230.00	
Engineering supplies, sample scale and sacks	87.00	
Drill bits, explosives, etc. for road and 2 shafts	240.00	$1,165.00

(4) Operating Equipment

To be rented

1 Compressor, 110 cu. ft., with 2 jackhammers, drill steel and hoses - 1 week @ $200.00/wk.		200.00

To be furnished by Operator

1 Jeep pickup truck, approximately 60 days @ $.10/mile 1/	512.00*	
1-1/3" Pump, 2 months @ $45.00/mo. 1/	90.00*	602.00*

(5) Rehabilitation and Repairs

None, except as above provided.

(6) New Buildings, Improvements, Installations

None

1/ This covers cost of fuel, repairs, and depreciation.

(7)	Miscellaneous		
	Analytical work for columbium and tantalum on 46 samples @ $50.00/each	$2,300.00	
	Preparation and analytical work for uranium, thorium, columbium and tantalum on 4 composite samples @ $200.00/each	800.00	
	Workmen's compensation, employer's liability insurance, and payroll taxes	321.00	$ 3,421.00
(8)	Contingencies		1,652.00

* * * *

Total Estimated Cost of Project	$18,190.00*
Government Participation @ 90%	$16,371.00*

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 Elmore, described as follows:1/

Black Stuff	Associated Gem Group #2
Horseshoe	
Lodge Pole	Associated Gem Group #3
Trail Creek Group	
Dismal Associated Group Number 1	Associated Gem Group #4
Dismal Associated Group Number 2	
Chink	

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/ J. R. Simplot Company

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 production3/ 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/$ 17,402.40, 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 5th day of February, 195 3.

Idaho Gem Mining Company

Edward Becker Horace D. Ogden [Seal]

George M. Lont Gracia R Lont [Seal]

William T Smith Florence C Smith [Seal]

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.

RELEVANT CONTRACT PROVISIONS

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.