EXPLORATION PROJECT CONTRACT
CENTRIDA MINES, INC.
DOCKET NO. DMEA-3112

EXHIBIT "A"

Description of the Work

The purpose of the work is to explore for copper ores by crosscutting, drifting, and diamond drilling on the 500 level and the 600 level of the "Pope-Shenon" mine, as indicated on the attached map, entitled "Centrida Mines, Inc. (Pope-Shenon), Salmon, Idaho, Geology 600 Level," and as follows:

From the present east heading on the 500 level, drift east for a distance not in excess of 150 feet, within the shear zone, to explore for additional ore bodies. From the 500 level, at locations approved by the Government and approximately indicated on the aforesaid map, about 6 holes shall be diamond drilled to the north and south to explore for parallel ores. From the central area of the 600 level, a crosscut shall be driven not in excess of 150 feet to the north, and from the end of this crosscut, 5 diamond-drill holes shall be put down to test for the downward extension of the known ore body.

From the present east heading on the 600 level, a drift shall be driven not in excess of 500 feet to the east, within the shear zone. From the 600 level (at locations approved by the Government and approximately indicated on the aforesaid map), about 15 holes will be diamond drilled to the north and south to explore for parallel ore bodies.

All drifts and crosscuts shall be of an approximate minimum of 5 feet by 7 feet in the clear, and all necessary roads shall be kept in a state of good repair.

There shall be cut 1 large diamond-drill station having an estimated amount of 1000 cubic feet of rock excavation at the end of the 150-foot crosscut on the 600 level, and 6 small diamond-drill stations having an estimated amount of rock excavation of 252 cubic feet each at locations approved by the Government.

The total of all diamond drilling shall not exceed 4060 feet and shall be of "AX" size core, and reaming and cementing shall be done where necessary.

Sufficient and proper samples shall be cut and assayed at 6-foot intervals during all work of drifting, when the drift is in an area showing copper or other metallic mineralization. Diamond-drill cores shall be sampled and assayed in 5-foot sections, when penetrating areas showing copper or other metallic mineralization. Proper assay records and assay maps shall be maintained and copies forwarded monthly to the Government.

Agreed Unit Costs

Drifting and crosscutting, 800 feet @ $43.50/ft. 1/	$34,800.00
Diamond drilling, 4060 feet @ $6.50/ft. 2/	26,390.00
1 Large diamond-drill station. 3/	750.00
6 Small diamond-drill stations, @ $200/ea. 3/	1,200.00
Total Estimated Agreed Unit Cost	$63,140.00
Government Participation @ 50%	$31,570.00

1/ This includes cost of sampling and assaying, and road maintenance.

2/ This includes all costs of necessary cementing, reaming, sampling, and assaying.

3/ The unit here is the completed station.

ANNEX II

The following provisions are in lieu of Article 6 :

Repayment by Operator.--a. Certification.--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, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

b. Percentage royalty.--The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2,--(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 this 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 (including any bonuses), in whatever form disposed of, including ore, concentrates, or metal, as follows:

(a) One and one-half ($1\frac{1}{2}$) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(b) One and one-half ($1\frac{1}{2}$) per cent of any such net amounts, plus one-half ($\frac{1}{2}$) per cent 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) 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 ($1\frac{1}{2}$) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half ($3\frac{1}{2}$) per cent.)

c. Definitions.--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.

d. Lien for Payment.--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.

e. Notice to Purchasers.--The Operator shall notify any purchaser of the production of the Government's royalty interest, and shall authorize and direct the purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets; but failure or refusal by the purchaser to comply shall not relieve the Operator of liability to pay any royalty falling due.

f. No Obligation to Produce.--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.

EXPLORATION PROJECT CONTRACT
CENTRIDA MINES, INC.
DOCKET NO. DMEA-3112

ANNEX I

By virtue of a lease dated May 1, 1953, from Fred J. Brough to Lester S. Harrison, which was duly assigned to the Operator by an instrument dated June 1, 1953, the Operator has leased the following 8 unpatented mining claims in the Eureka Mining District of Lemhi County, Idaho:

Name	Book	Page
Grandview No. 1	W	503
Grandview No. 2	W	503
Grandview No. 3	W	504
Grandview Extension No. 1	2	10
Grandview Extension No. 2	2	11
Grandview Extension No. 3	2	12
Grandview Extension No. 4	2	13
Grandview Extension No. 5	Y	593

The Operator is also the owner of the following 5 unpatented mining claims in the Eureka Mining District of Lemhi County, Idaho.

Name	Book	Page
South Salmon Copper	5	5
North Salmon Copper	5	5
North Salmon Copper No. 1	5	4
North Salmon Copper No. 2	5	5
North Salmon Copper No. 3	5	6

All production from the land heretofore leased to one Rulon Young, as mentioned in the aforesaid lease from Fred J. Brough to Lester S. Harrison, is subject to the royalty-payment provisions of Article 6 of the contract form.

MF-200 (A)
(February 1952)

DOCKET NO. DMEA [illegible]

COMMODITY Copper

Docket Copy

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

IDM-E 651

EXPLORATION PROJECT CONTRACT[1]

(Short Form)

IT IS AGREED this 28th day of December, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Centrida Mines, Inc.
P. O. Box 230
Kellogg, Idaho

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

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

ARTICLE 2. *Operator's property rights.*—With respect to that certain land situated in the State of Idaho, County of Lemhi, described as ~~follows:~~ set forth in Annex I, and as shown on map entitled "Centrida Mines, Inc. (Pope-Shenon), Salmon, Idaho, Map of Surface Showing Claims," attached hereto and made a part hereof,

the Operator represents and undertakes:[4]

of 5 unpatented mining claims,

(*a*) That the Operator is the owner, in possession and entitled to possession, and that the property is subject only to the following claims, liens, or encumbrances as to each of which the subordination agreement of the holder is attached:

None

of 5 unpatented mining claims,

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

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

ARTICLE 3. *Exploration project.*—The Operator, within 138 days from the date of this contract shall commence work on a project of exploration for[5] Copper

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

ARTICLE 4. *Costs of the project.*—The agreed, estimated costs of performing the work, expressed in terms of units of work to be performed (per foot of drifting, per foot of drilling, per cubic yard of material to be moved, etc.) are set forth in Exhibit "A," attached hereto. The Government will pay 50 percent of these agreed, estimated costs, as they accrue, for units of work actually performed that conform with the description or specifications for the work set forth in this contract, in an aggregate total amount not in excess of $31,570.00 which is 50 percent of $63,140.00 the agreed, estimated total cost of the project in which the Government will participate: *Provided,* That until the Operator's final report and final accounting have been rendered to the Government and any final check or auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract. The Government may, as it sees fit, make payments direct to the Operator's independent contractors, if any, for the account of the Operator, rather than to the Operator.

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

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

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

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

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

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

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

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

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

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

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

(*d*) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations. See Annex II, substituted for Article 6.

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

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

ARTICLE 9. *Changes and added provisions* _____

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

CENTRLA FIN[illegible], INC.
(Operator)

By Wendell R. Brainard
President

By C Mitchendoy
Administrator, Defense Minerals Exploration Administration

Chamberlin

I, C. Whalen, certify that I am the duly appointed secretary of the corporation named as Operator herein; that Wendell R. Brainard, who signed this contract on behalf of the Operator, was then 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.

C. Whalen
Secretary

[CORPORATE SEAL]

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

Docket Copy

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 20 1955

(Amendment to Change Starting and/or Completion Dates)

AMENDMENT NO. 1

It is agreed this 6th day of January 1955, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration and Centrida Mines, Inc.,

P. O. Box 838, Kellogg, Idaho

each acting in consideration of the agreement to the other to the terms hereinafter set forth, that the Exploration Project Contract Idm-E651 dated December 28, 1953 between the parties hereto be modified and amended to change the ~~xxxxxxxxxxxxxxxxxxxx~~ ______ ~~xx~~
(~~Nxxxxxxxxxx~~)x
~~xxxxxx~~ ______ ~~xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx~~ completion period
(~~Nxxxxxxxxxx~~)x
from 12 (No. of months) to 24 (No of months) from the date of the contract. The effective date of this amendment shall be December 28, 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.

CENTRIDA MINES, INC.
(Operator)

By C. Whalen, Sec.

THE UNITED STATES OF AMERICA

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 20 1955

Exploration Project Contract No. Idm-E651
Centrida Mines, Inc.
Docket No. DMEA-3112

Justification for Amendment No. 1

The request for extension of time is justified because work on the contract didn't start until June 1954, diamond drilling was delayed until the underground work was completed, and the advance of the underground work was slow because of hard ground and labor difficulties.

Howard B. Nickelson

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
12/1/67		110
		220

Centride Mines, Inc.
Post Office Box 838
Kellogg, Idaho 83837

Re: MMMA-3112 (Copper)
Centride Mines, Inc.
Pope-Shenon Mine
Lemhi County, Idaho
Contract Idm-M651

Gentlemen:

By the terms of the subject Exploration Project Contract, as amended, and the certification of discovery or development dated September 19, 1955, all minerals mined or produced from December 28, 1955, to December 28, 1963, were subject to the Government's royalty as set forth in said contract.

As the result of the payment of royalties due the Government under the subject contract in the amount of $293.07 by Mr. J. Howard Sims, Lessee under the Lease and Option to Purchase, dated March 17, 1967, the Government retains no lien on the land described in the contract or on any production therefrom.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

Copies to: Mr. J. Howard Sims,
Box 686, Salmon, Idaho 83467

Mr. Fred J. Brough
c/o Mr. C. Walker Lyon
Veil Building
Salmon, Idaho 83467

cc: Director's Reading File
Division File
Economic Geology File
OME File
OME Reading File
OME Region I
130

GLAult/a 12-1-67

23263

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Centrida Mines, Incorporated
P. O. Box 838
Kellogg, Idaho

Approved
~~Disapproved~~
Betty

pertaining to Exploration Project Contract No. Idm-E651, Docket No. DMEA 3112, dated December 28, 1953, including Amendment No. 1, for the period of December 28, 1953 to April 19, 1955, inclusive, covering a project for the exploration of copper on property known as the Pope-Shenon Mine, located in Lemhi County, State of Idaho.

My review included an examination of the Monthly Reports (Form MF-104) and supporting documents attached thereto, comparison of the costs claimed with the contract and pertinent schedules, consultation with the Government representative who visited and examined the project, 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 following reason:

(a) All 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	$62,612.50
Exceptions	None
Total Accepted Cost	$62,612.50

The contract calls for a 50 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Thirty one thousand three hundred six and 25/100 Dollars

--$31,306.25--

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.

C. A. Turner, Auditor

April 26, 1955

Return name
Gerald Rubin
"Appd. Sol. Off."
Talbot Selfridge

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

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

To: Mr. Wendell R. Brainard, Pres.
Centrida Mines, Inc.
Post Office Box 838
Kellogg, Idaho

Pursuant to the provisions of Exploration Project Contract No. Idm-8651, dated December 28, 1953, Docket No. DMEA-3112, 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: Crosscutting and diamond drilling from the 600 level of the Pope-Shenon mine has shown the existence of copper ores occurring in veins within quartzitic rocks.

Dated SEP 1 9 1955

WRGriswold/er (written 9/14/55)
Copy to:
1-Docket
Clarence A. Fredell, Actg Dr.,MD,EPS
Mr. R. W. Geehan, 3608
Mr. Kiilsgaard, 5225
Admr R File
Op. Committee
Base Metals
Cont.Ad.&Audit Div.
Finance Office
Region I (2)
Mr. F. E. Johnson
Mr. W. R. Griswold
Mr. Fred J. Brough
Chron.

THE UNITED STATES OF AMERICA
By Frank E. Johnson
ACTING Administrator, Defense Minerals Exploration Administration

Check Sheet of Examining Engineer

Operator's Name Contrida Mining Co. (Dopo-Cheron Mine)

Address P. O. Box 838

Kellogg, Idaho

Exploration Contract No. Ib-7691 Docket No. 3112 (copper)

	Check One Yes	No
1. (a) Does the Operator stockpile ore subject to royalty repayment?		X
(b) If so, is segregation and identification procedure adequate?		
2. (a) Does Operator commingle production subject to DMEA royalties with exempt production?		X
(b) If so, do you consider the allocation of the commingled production equitable?		
3. (a) Does the Operator stockpile mine or mill rejects (low grade ore, tailing, middlings, etc.) that may have potential value within the royalty payment period?		X
(b) If so, are adequate records maintained on such material to protect the Government's interest?		
4. Do you consider the assay controls in effect are adequate?	X	
5. Do you consider that the manner of disposing of production gives the Government its fair royalty returns?	X	
6. Do your periodic examinations of operations indicate the Operator is properly reporting his production of ores subject to DMEA royalties?	X	
7. Does the Operator buy from or sell to other Operators?		X

8. Comment on any item 2 (b) to 6 if answer is No.

See comments attached.

A. L. Service

A. L. Service
Mining Engineer

Date Nov. 19, 1956

82448

Supplement to Check Sheet of Examining Engineer

Operator's Name: Centrida Mining Co. (Pope-Shenon Mine)

Address: P. O. Box 838

Kellogg, Idaho

Exploration Contract No. Idm-E651 Docket No. 3112 (copper)

During the Centrida Mining Co. (Pope-Shenon Mine) royalty audit several questions concerning smelter settlement sheets became apparent. These questions were discussed with the Operator, Mr. Brough, and his attorney, Mr. Lyon.

A Garfield smelter settlement sheet numbered 101 and charged to Robertson and Steeples could not be found. Mr. Lyon informed the examining engineer that this number had, for some reason, been cancelled by the smelter and the number system ran from 100 to 102, omitting 101. Further examination of the records substantiated this.

Another lessee named Gunderson made five shipments bearing smelter numbers:

600 — 18 - GM
600 — 20 - GM
600 — 27 - GM
600 — 29 - GG
600 — 30 - GG

Mr. Brough informed the examining engineer that these shipments consisted of tailings which the DMEA had ruled exempt from royalty payment. An examination of the corresponding settlement sheets and mine records substantiated this information.

A. L. Service
A. L. Service
Mining Engineer

Date: Nov. 15, 1956

~~Answered~~
~~Klog~~
Betty

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

FIRST ROYALTY AUDIT CERTIFICATE

I have examined the production records and sales documents pertaining to the sale of copper, silver and gold ore for the period of December 28, 1953 to September 25, 1956 by

CENTRIDA MINES, INC.
Kellogg, Idaho
and
Fred J. Brough and Laura A. Ledbetter
Owners of the Pope-Shenan Mine
Salmon, Idaho

produced from the property known as the Pope-Shenan Mine, located in Lemhi County, State of Idaho, on which royalties are due the United States Government under terms of the contract No. Idm E 651, Docket No. DMEA 3112 (Copper) as amended.

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

The audit established the total sales of such ores, subject to DMEA royalties, to be $81,927.39. Royalty due the Government at the rates specified in the contract is $3,957.14. The royalty paid and balance due are as follows:

Total Royalties Due	$ 3,957.14
Total Royalties Paid	3,378.86
Balance of Royalties Due	$ 578.28

December 20, 1956

C. A. Turner
C. A. TURNER, Auditor

RECEIVED
DEC 31 1956

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

FIRST ROYALTY AUDIT REPORT

I. INTRODUCTION

On November 7, 8, 9 and 14, 1956, an audit was made of the production, sales and royalty accounts and records of:

Centrida Mines, Inc.
Kellogg, Idaho
and
Fred J. Brough and Laura A. Ledbetter
Owners of the Pope-Shenon Mine
Salmon, Idaho

pertaining to the sale of copper, silver and gold crude ore during the period of December 28, 1953 to September 25, 1956, produced from property known as the Pope-Shenon Mine, located in Lemhi County, State of Idaho, on which royalties are due the United States Government under the terms of Contract No. Idm E 651, Docket No. DMEA 3112, dated December 28, 1953, as amended.

The Operator's records of the exploration project are in the possession of Lester S. Harrison, Kellogg, Idaho, who is attorney for the Centrida Mines, Inc. Mr. Harrison was interviewed at his office located at 410 Main Street, Kellogg, Idaho. The exploration project records were requested for the purpose of audit. Mr. Harrison stated that he had not looked at the records for two years and refused to make them available to this auditor. However, these records were not necessary as the landowner's records were deemed sufficient for the purposes of this audit.

Mr. Fred J. Brough, one of the owners of the Pope-Shenon Mine, was interviewed at his home in Salmon, Idaho, November 8, 1956. Mr. Brough's records consisted of the smelter settlement sheets and work sheets on which he had accumulated the various lessee's production, and some correspondence relative to royalty payments.

Mr. C. Walker Lyon, Salmon, Idaho, attorney and business advisor to Mr. Brough, was of meterial assistance in the audit of Mr. Brough's records.

At the time of the audit, two lessees, Mr. Raulon Young and Mr. Otis Gunderson of Salmon, Idaho, were active in extracting crude ore from the Pope-Shenon Mine. Mr. Young and Mr. Gunderson were questionned regarding their mining activities, shipments of crude ore to the smelter and payment of royalties. Mr. C. Walker Lyon assisted in acquiring this information.

Mr. A. L. Service and Mr. David Walker, Mining Engineers, U. S. Bureau of Mines, were present and assisted in the audit.

II. GENERAL INFORMATION

The exploration project contract provides (1) the Operator or his successor in interest shall pay the Government a royalty on all minerals mined or produced from the land described in Article 2, regardless of any certification of discovery or development, from the date of the contract until the lapse of 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, or (2) if the Government makes a certification of discovery or development, for a period of ten years from the date of the contract, or until the total amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of the net smelter returns, or other net amounts realized from the sale or disposition of ore, concentrates or metal. A certificate of discovery or development was issued September 19, 1955.

A Report of Review dated April 26, 1955, was issued by C. A. Turner, DMEA auditor, the total accepted costs of the exploration project amounted to $62,612.50, with the Government's contribution on a 50 percent basis being $31,306.25.

The effective date of the contract was December 28, 1953. Rehabilitation and work preparatory to exploration was started in May 1954, while actual exploration in the cross-cut was started June 4, 1954.

The lands described in Article 2 and Annex I of the Contract as being owned by Fred J. Brough were leased to Raulon Young July 2, 1952 for the period ending July 2, 1955. On May 1, 1953, Fred J. Brough entered into a mining lease with Lester S. Harrison covering the same eight mining claims for the purpose of a DMEA exploration loan. On February 16, 1954, Raulon Young subjected his lease to the terms, conditions and agreements of the DMEA loan contract so that everything necessary could be done on the leased land to complete the exploration project. On June 4, 1953, Lester S. Harrison assigned and transferred all rights, title and interest in his contract with Fred J. Brough to the Centrida Mines, Inc.

The contract dated May 1, 1953 between Lester S. Harrison (assigned to the Cnetrida Mines, Inc.) and Fred J. Brough provided in Article 10, terms for abandonment of the land leased. Notice was given Fred J. Brough on April 6, 1955 by the Centrida Mines, Inc. of the abandonment of the property as provided by the terms of their contract.

Article 7 of the DMEA Contract No. Idm E 651 makes certain provisions for the transfer and conveyance of the Operator's rights and interests in the land described in Article 2. However, Section 10 of the contract between Lester S. Harrison (which was assigned to the Centrida Mines, Inc.) and Fred J. Brough dated May 1, 1953 does contain the provision that the Operator, by giving ninety days notice, may discontinue operations and abandon the project without recourse from the owner. Notice to discontinue operations and to abandon the project, dated April 6, 1955, was given by the Centrida Mines, Inc. to Fred J. Brough.

Annex I to the DMEA Contract provides that all production from the land heretofore leased to Raulon Young, as mentioned in the aforesaid lease from Fred J. Brough to Lester S. Harrison, is subject to the royalty provision of Article 6 of the DMEA Contract.

Shipments of crude ore by Rulon Young (See Schedule No. 3) on which royalties due amounting to $717.54 are unpaid. These shipments were made during the period of March 16, 1954 and November 1, 1954, all prior to the Operator's abandonment (notice of which was dated April 6, 1955) of the property.

Article 2 of the Owner's Consent to Lien, signed by Fred J. Brough and Laura A. Ledbetter, May 28, 1953, grant to the Government a lien upon the land described in Annex I of the Contract 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 $31,306.25, or ten years have elapsed from the date of the contract.

During the period of March 16, 1954 to November 1, 1954, smelter settlement sheets numbered Y5 to Y10 inclusive, and Number 1 from the A.S. and R. Company, Garfield, Utah (Schedule No. 3) indicate $717.54 royalty due. This royalty due has not been paid.

The Field Team, Region 1, Northwest District, by letter dated August 2, 1955, notified Mr. Fred J. Brough of his obligations under the terms of the contract and requested copies of the smelter settlement sheets. The Field Team again by letter dated May 15, 1956, notified Mr. Brough of his obligation to pay the $717.54 royalty due and requested payment.

The Operating Committee by letter dated August 10, 1956, advised the Field Team as follows:

All production from the land heretofore leased to one Rulon Young, as mentioned in the aforesaid lease from Fred J. Brough to Lester S. Harrison, is subject to the royalty provision of Article 6 of the contract form, and;

This letter is to emphasize the fact that the Operator is the prime debtor for the royalties under discussion, and a demand for payment should be made upon it, before the landowner becomes liable.

The Field Team by letter dated August 30, 1956, notified the Centrida Mines, Inc. of their obligation and requested payment of $717.54. Payment was not received at the time of this audit.

III. SCOPE OF AUDIT AND FINDINGS

A. Conference with Examining Engineer

(a) The Operator does not stockpile ore subject to DMEA royalties, nor are low-grade ores, tailings, or middlings stockpiled.

(b) All production from the mine is subject to DMEA royalties.

(c) Sampling and assay controls in effect are considered adequate.

(d) The manner of disposing of production is considered as giving the Government its fair royalty returns.

(e) Examination indicated that the mine owner is properly reporting the current production subject to DMEA royalty.

B. Audit of Smelter Settlement Statements

A considerable amount of preaudit work was accomplished in the DMEA Office, Region I, Northwest District, Spokane, Washington, prior to the field audit. During this preaudit work, a statement of royalties received was prepared from copies of the smelter settlement statements furnished by the purchasers of crude ore in support of royalty payments made by such purchasers. The purchasers have made the royalty checks payable to Fred J. Brough (mine owner) who endorses them over to the DMEA Executive Officer. The royalty receipts were verified with deposits made by the Regional Finance Officer. All of the data included in the statement was confirmed. This statement, which is filed as a part of my audit work papers, was reconciled with the production and sales records of Mr. Fred J. Brough during the on-site audit.

All of the sales were crude ore produced by lessee, and sold to the American Smelting and Refining Company, located at Garfield, Utah and Tacoma, Washington. The sales are for the period of December 28, 1953 to September 25, 1956. Schedule No. 1.

IV. CONCLUSIONS AND RECOMMENDATIONS

A summary analysis of the production and sales of crude ore from the Pope-Shenan Mine during the period of December 28, 1953 to September 25, 1956 subject to DMEA Royalties, Royalties Due, Royalties Paid and Royalties Unpaid follow in Schedule 1.

Total net sales of crude ore during the period of December 28, 1953 to September 25, 1956, after deduction of smelting charges, amounted to $120,790.59, whereas, the net proceeds on which royalties have been computed amount to $81,927.39, as shown above. The difference of $38,863.20 is made up of the allowable deductions from the net proceeds before royalty computations, as follows:

Allowable Deductions on Crude Ore Shipments	
Freight	$ 14,951.61
Hauling	22,623.37
Sampling	907.22
Assaying	301.00
Umpire	80.00
Total	$ 38,863.20

The audit has confirmed the accuracy and propriety of the sales of crude ore during the period of December 28, 1953 to September 25, 1956, and the balance of DMEA royalty due as follows:

Shipments of Crude Ore (After smelter deductions)	$120,790.59
Allowable Deductions	38,863.20
Subject to DMEA Royalty	$ 81,927.39
DMEA Royalties Computed	$ 3,957.14
Royalty Repayments	3,378.86
Unpaid Royalty Due (See Schedule No. 1)	$ 578.28

Mr. Lester S. Harrison stated that the Centrida Mines, Inc. are without funds and that they have no intention of paying the royalties due $717.54 on the Rulon Young shipments Nos. Y5 to Y10 inclusive and No. 1.

Mr. C. Walker Lyons, attorney for the mine owners, feels that payment of this royalty is an unjust charge and that enforced payment would result in extreme hardship to the owners of the Pope-Shenan Mine.

At the conclusion of the audit this report and findings were discussed in detail with Mr. A. E. Weissenborn, Executive Officer, DMEA Field Team, Region 1, Northwest District.

December 20, 1956

C. A. Turner

C. A. TURNER, Auditor

SCHEDULE NO. 2

STATEMENT OF UNPAID ROYALTIES DUE ON SHIPMENTS OF CRUDE ORE

Settlement Sheet Date	Lot No.	Computation of Smelter Settlements: Net weight Pounds	Dry weight Pounds	Short Dry Tons	Gross Proceeds	Allowable Deductions	Net Proceeds	Computation of Royalties: Value S.D.T.	Royalties Due Rate	Royalties Due Amount	Royalties Paid Rate	Royalties Paid Amount	Royalty Unpaid
Unpaid Royalties Due on Shipments to A.S.& R. Co., Garfield, Utah													
By Roulon Young													
3/16/54	Y5	99,140	97,058	48.529	$1,696.57	$ 584.70	$ 1,111.87	$22.91	5.0%	$ 55.59	5.0%	-0-	$ 55.59
3/30/54	Y6	112,200	107,038	53.519	2,430.64	658.28	1,792.36	33.49	5.0%	89.62	5.0%	-0-	89.62
5/17/54	Y7	110,220	106,884	53.402	2,397.22	533.30	1,863.92	34.90	5.0%	93.20	5.0%	-0-	93.20
6/8/54	Y8	102,400	98,612	49.306	1,622.66	715.10	907.56	18.41	5.0%	45.38	5.0%	-0-	45.38
6/17/54	Y9	113,080	106,634	53.317	4,566.07	686.14	3,879.93	72.77	5.0%	194.00	5.0%	-0-	194.00
7/16/54	Y10	109,860	104,368	52.184	4,400.68	598.97	3,801.71	72.85	5.0%	190.09	5.0%	-0-	190.09
11/1/54	1	29,680	29,116	14.558	1,002.17	9.00	993.17	68.22	5.0%	49.66	5.0%	-0-	49.66
Total		676,580	649,630	324.815	$18136.81	$3,785.49	$14,350.32	$44.18		$717.54		-0-	$717.54
Royalties Overpaid on Shipments to A.S.& R. Co., Garfield, Utah													
By Robertson and Steeples													
10/13/55	103-ASG	119,020	113,546	56.773	$1,224.59	$ 582.61	$ 641.98	$11.31	4.5%	$ 28.89	5.0%	$ 32.10	
12/5/55	108-AS	119,140	109,252	54.626	1,122.20	579.17	543.03	9.94	3.0%	16.29	5.0%	27.14	
12/23/55	111-RSG	114,520	109,366	54.683	1,140.14	557.03	583.11	10.66	4.0%	23.32	5.0%	29.16	
1/9/56	113-RSG	113,600	108,488	54.244	1,059.93	556.60	503.33	9.28	2.5%	12.58	5.0%	25.17	
1/12/56	114-RSG	116,460	110,870	55.435	908.03	566.38	341.65	6.16	1.5%	5.12	5.0%	17.08	
1/26/56	115-ASG	114,000	108,870	54.435	985.82	554.53	431.29	7.92	1.5%	6.47	5.0%	21.56	
3/13/56	117-RSX	105,160	102,338	51.169	887.15	516.73	370.42	7.24	1.5%	5.55	5.0%	18.53	
Total		801,900	762,730	381.365	$7,327.86	$3,913.05	$3,414.81	$ 8.95		$ 98.22		$170.74	$(72.52)
Royalties Overpaid on Shipments to A.S.& R. Co., Garfield, Utah													
By Gunderson and Partners													
4/4/56	600-2-GM	113,220	109,574	54.787	$1,202.02	$ 572.27	$ 629.75	$11.49	4.5%	$ 28.33	5.0%	$ 31.49	
5/2/56	600-5-OF	117,560	115,302	57.751	1,401.62	680.02	721.60	12.50	5.0%	36.08	5.0%	36.09	
5/2/56	600-6-GM	111,280	107,608	53.804	811.36	552.88	258.48	4.80	1.5%	3.87	5.0%	12.92	
6/5/56	600-12-GM	117,600	113,132	56.566	1,042.51	587.99	454.52	8.03	1.5%	6.81	5.0%	22.73	
6-7-56	600-13-OF	114,360	110,586	55.293	913.99	568.04	345.95	6.25	1.5%	5.19	5.0%	17.30	
6-5-56	600-15-gv	117,840	114,422	57.211	757.47	585.18	172.29	3.01	1.5%	2.58	5.0%	8.61	
6/14/56	600-17-OF	117,120	113,020	56.510	878.17	581.62	296.55	5.24	1.5%	4.45	5.0%	14.83	
7/17/56	600-23-GM	102,980	92,682	46.341	804.02	516.01	288.01	6.21	1.5%	4.32	5.0%	14.40	
Total		913,960	876,526	438.263	$7,811.16	$4,644.01	$3,167.15	$ 7.23		$91.53		$158.37	$(66.74)
TOTAL UNPAID ROYALTIES DUE													$578.28

SCHEDULE NO. 3

Shipments of Crude Ore to the A.S.& R. Co., Garfield, Utah by Roulon Young, lessee, prior to the Operator's abandonment of the property.

			Computation of Smelter Settlements					Computation of Royalty				
								Value	Royalty Due		Royalty Paid	
Date of Settlement	Lot No.	Net weight Pounds	Dry weight Pounds	Short Dry Tons	Gross Proceeds	Allowable Deductions	Net Proceeds	S.D.T.	Rate	Amount	Rate	Amount
3/16/54	Y5	99,140	97,058	48.529	$1,696.57	$ 584.70	$1,111.87	$22.91	5.0%	$ 55.59	-0-	-0-
3/30/54	Y6	112,200	107,038	53.519	2,450.64	658.28	1,792.36	33.49	5.0%	89.62	-0-	-0-
5/17/54	Y7	110,220	106,804	53.402	2,397.22	533.30	1,863.92	34.90	5.0%	93.20	-0-	-0-
6/8/54	Y8	102,400	98,612	49.306	1,622.66	715.10	907.56	18.41	5.0%	45.38	-0-	-0-
6/17/54	Y9	113,080	106,634	53.317	4,566.07	686.14	3,879.93	72.77	5.0%	194.00	-0-	-0-
7/16/54	Y10	109,860	104,368	52.184	4,400.86	598.97	3,801.71	72.85	5.0%	190.09	-0-	-0-
11/1/54	1	29,680	29,116	14.558	1,002.17	9.00	993.17	68.22	5.0%	49.66	-0-	-0-
Total		676,580	649,630	324.815	$18,136.01	$3,785.49	$14,350.52	$44.18	5.0%	$717.54	-0-	-0-

SCHEDULE OF ALLOWABLE DEDUCTIONS

Date of Settlement	Lot No.	Freight	Hauling	Assaying	Umpire	Representation	Total
3/16/54	Y5	$ 206.09	$ 367.61	$ 5.00	$ 2.00	$ 4.00	$ 584.70
3/30/54	Y6	233.24	416.04	5.00	--	4.00	658.28
5/17/54	Y7	229.13	295.17	5.00	--	4.00	533.30
6/8/54	Y8	212.87	493.23	5.00	--	4.00	715.10
6/17/54	Y9	257.84	419.30	5.00	--	4.00	686.14
7/16/54	Y10	250.50	339.47	5.00	--	4.00	598.97
11/1/54	1	Prepaid	-0-	5.00	--	4.00	9.00
Total Allowable Deductions		$1,389.67	$2,330.82	$ 35.00	$ 2.00	$ 28.00	$3,785.49

SCHEDULE NO. 1

STATEMENT OF SALES OF CRUDE ORE, ROYALTIES DUE, ROYALTIES PAID AND UNPAID ROYALTIES DUE.

Purchaser and Lessee	Short Dry Tons	Net Receipts Amount	Net Receipts Per S.D.T.	Royalty Due Rate	Royalty Due Amount	Royalty Paid Rate	Royalty Paid Amount	Unpaid Royalties Due
3/16/54 to 11/1/54 Shipments to A.S.& R. Co., Garfield, Utah by Roulon Young	324.815	$14,350.52	$44.18	5.0%	$ 717.54	5.0%	$None	
12/14/54 to 8/30/56 Shipments to A.S.& R. Co., Garfield, Utah by Roulon Young	484.673	17,160.92	35.41	5.0%	858.06	5.0%	858.06	
2/2/56 to 8/2/56 Shipments to A.S.& R. Co., Tacoma, Washington by Roulon Young	323.0415	11,759.64	36.40	5.0%	587.98	5.0%	587.98	
Total Shipments by Roulon Young	**1132.5295**	**$43,271.08**	**$38.21**		**$2163.58**		**$1446.04**	$ 717.54
7/19/55 to 4/24/56 Shipments to A.S.& R. Co., Garfield, Utah by Robertson and Steeples	547.102	$10,802.40	$19.75	5.0%	$ 540.11	5.0%	$ 540.11	
	56.773	641.98	11.31	4.5%	28.89	5.0%	32.10	
	54.683	583.11	10.66	4.0%	23.32	5.0%	29.16	
	54.626	543.03	9.94	3.0%	16.29	5.0%	27.14	
	54.244	503.33	9.28	2.5%	12.58	5.0%	25.17	
	161.039	1,143.36	7.10	1.5%	17.14	5.0%	57.17	
Total Shipments by Robertson and Steeples	**928.467**	**$14,217.21**	**$15.31**		**$638.33**		**$ 710.85**	$(72.52)
3/22/56 to 9/25/56 Shipments to A.S.& R. Co., Garfield, Utah by Gunderson and Partners	1042.047	$21,993.55	$21.10	5.0%	$1099.68	5.0%	$1099.69	
	54.787	629.75	11.49	4.5%	28.33	5.0%	31.49	
	325.725	1,815.80	5.57	1.5%	27.22	5.0%	90.79	
Total Shipments by Gunderson and Partners	**1422.559**	**$24,439.10**	**$17.18**		**$1155.23**		**$1221.97**	$(66.74)
TOTAL	**3483.5555**	**$81,927.39**	**$23.52**		**$3957.14**		**$3378.86**	$ 578.28

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Office of Minerals Exploration, Washington, D. C., and the Executive Officer, Region 1, Spokane, Washington, pertaining to Contract No. Idm-E651, Docket No. DMEA-3112 (Copper), dated December 28, 1953, with

Centrida Mines, Inc.
P. O. Box 838
Kellogg, Idaho

for the purpose of determining the amount of royalty due the U. S. Government on sales of minerals from property referred to as Pope-Shanon Mine located in Lemhi County, Idaho, during the period September 26, 1956, through April 15, 1960.

A certification of discovery or development was issued on September 19, 1955, and, in accordance with Article 6 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 in lieu of final cost audit dated April 26, 1955, indicated accepted costs under the exploration contract amounting to $62,612.50 with the Government's contribution, on a 50 percent basis, being $31,306.25.

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 crude ore for the period to be $76,814.95. Royalty due the Government at rates specified in the contract is $5,555.54.

A prior royalty audit report dated December 20, 1956, found the sales subject to Government royalty through September 25, 1956, to be $81,927.39 which added to the sales for this subsequent period make a total of $158,742.34. The royalty account as of September 25, 1956, was:

Total Royalty Due	$3,957.14
Total Royalty Paid	3,378.86
Balance of Royalty Due	$ 578.28

At April 15, 1960, the royalty account of this project was found to be:

Total Royalty Due	$7,512.68
Total Royalty Paid	7,219.61
Balance of Royalty Due	$ 293.07

follow up

C. E. Fisher

April 15, 1960 C. E. Fisher, OME Auditor

Idm-E651 Centrida Mines, Inc. DMEA-3112

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

Centrida Mines, Inc., completed the exploration work in March 1955 and abandoned the property shortly thereafter. That company did not recover any ore which would be subject to Government royalty during the time it was in possession of the property under a lease.

During the exploration period and subsequently production was made by other lessees from other parts of the property. Sales of crude ore by such other lessees during the exploration period amounted to $14,350.52 on which Government royalty amounted to $717.54. Efforts to collect this royalty from Centrida Mines, Inc., proved unsuccessful and the land-owner refused to pay the royalty.

Subsequent sales of crude ore have been made by lessees and the land-owner has paid royalty on such sales at 5 percent of net proceeds. Many of the sales were made at prices which warranted the payment of royalty at rates less than 5 percent. The resultant overpayments, aggregating $424.47 at April 13, 1960, have been retained and applied against the royalty due on production during the exploration, thereby reducing the unpaid royalty due to $293.07. A listing of the unpaid royalty and the overpayments is shown on Schedule "A" attached.

The mine has been idle since June 1958.

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

(1) Inspection reports by representatives of the Field Team, Region I, and other documents in the files indicate that all sales of production since the date of the exploration contract have been accounted for; 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
April 59

DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration

CHECK SHEET OF EXAMINING ENGINEER

Operator's Name Centrida Mines, Inc.

Address Kellogg,

Idaho

Exploration Contract No. Idm-E651 Docket No. DMEA-3112

		Check One Yes	No.
1.	(a) Does the Operator stockpile ore subject to royalty repayment?		
	(b) If so, is segregation and identification procedure adequate?		
2.	(a) Does Operator commingle production subject to DMEA or OME royalties with exempt production?		
	(b) If so, do you consider the allocation of the commingled production equitable?		
3.	(a) Does the Operator stockpile mine or mill rejects (low grade ore, tailing, middlings, etc.) that may have potential value within the royalty payment period?		
	(b) If so, are adequate records maintained on such material to protect the Government's interest?		
4.	Do you consider the assay controls in effect are adequate?		
5.	Do you consider that the manner of disposing of production gives 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.	Comment on any item 2 (b) to 6 if answer is No.		

There has been no production from this property since June 1958.

April 13, 1960
Date

S. W. Zoldok
Mining Engineer
S. W. Zoldok

53362

Schedule "A"

Idm-E651 | Centrida Mines, Inc. | DMEA-3112

Settlement Sheet

Shipper's Lot. No.	Date	SDT Crude	Net Proceeds Amount	Net Proceeds Per SDT	Rate	Royalty Due	Paid	Differences Unpaid	Differences Over-payment
Y5	3/16/54	48.529	$ 1,111.87	$22.91	5.0%	$ 55.59	$	$	$
Y6	3/30	53.519	1,792.36	33.49	5.0	89.62			
Y7	5/17	53.402	1,863.92	34.90	5.0	93.20			
Y8	6/8	49.306	907.56	18.41	5.0	45.38			
Y9	6/17	53.517	3,879.93	72.77	5.0	194.00			
Y10	7/16	52.184	3,801.71	72.85	5.0	190.09			
1	11/1	14.558	993.17	68.22	5.0	49.66			
			$14,350.52			$ 717.54		717.54	
103-ASG	10/13/55	56.773	641.98	11.31	4.5	28.89	32.10		3.21
108-AS	12/5	54.626	543.03	9.94	3.0	16.29	27.14		10.85
111-RSG	12/23	54.683	583.11	10.66	4.0	23.32	29.16		5.84
113-RSG	1/9/56	54.244	505.33	9.28	2.5	12.58	25.17		12.59
114-RSG	1/12	55.435	341.65	6.16	1.5	5.12	17.08		11.96
115-RSG	1/26	54.435	431.29	7.92	1.5	6.47	21.56		15.09
117-RSG	3/13	51.169	370.42	7.24	1.5	5.55	18.53		12.98
600-2-GM	4/4	54.787	629.73	11.49	4.5	28.33	31.49		3.16
600-5-OF	5/2	57.751	721.60	12.50	5.0	36.08	36.09		.01
600-6-GM	5/2	53.804	258.48	4.80	1.5	3.87	12.92		9.05
600-12-GM	6/5	56.566	454.52	8.03	1.5	6.81	22.73		15.92
600-13-OF	6/7	55.293	345.95	6.25	1.5	5.19	17.30		12.11
600-15-GV	6/5	57.211	172.29	3.01	1.5	2.58	8.61		6.03
600-17-OF	6/4	56.510	296.55	5.24	1.5	4.45	14.83		10.38
600-23-GM	7/17	46.341	288.01	6.21	1.5	4.32	14.40		10.08
600-38-GG	10/13	54.968	446.11	8.12	1.5	6.69	22.31		15.62
20	10/30	50.464	281.52	5.58	1.5	4.22	14.08		9.86
600-44-GG	11/20	51.707	223.33	4.32	1.5	3.35	11.17		7.82
600-46-GG	11/20	52.435	286.02	5.45	1.5	4.29	14.30		10.01
23	11/20	52.319	504.81	9.65	3.0	15.14	25.24		10.10
600-48-GG	12/4	55.654	522.79	9.39	2.5	13.07	26.14		13.07
600-49-BK	1/2/57	50.967	452.02	8.48	1.5	6.48	21.60		15.12

Idm-8651 | Centrida Mines, Inc. | DMRA-3112

Settlement Sheet

Shipper's Lot No.	Date	SDT Crude	Net Proceeds Amount	Net Proceeds Per SDT	Rate	Royalty Due	Royalty Paid	Differences Unpaid	Differences Over-payment
600-50-GG	1/2/37	50.410	$ 244.34	$ 4.85	1.5%	$ 3.67	$ 12.22	$	$ 8.55
600-51-BK	1/30	46.291	235.08	5.09	1.5	3.54	11.79		8.25
600-52-GG	3/6	55.814	214.58	3.84	1.5	3.22	10.73		7.51
600-53-BKG	3/8	24.426	190.62	7.80	1.5	2.86	9.53		6.67
600-54-GG	3/19	54.907	193.10	3.52	1.5	2.90	9.66		6.76
600-55-BKG	3/27	55.554	234.28	4.23	1.5	3.51	11.71		8.20
600-56-GG	4/9	72.742	251.66	3.46	1.5	3.77	12.58		8.81
600-57-GG	4/23	71.456	77.82	1.09	1.5	1.17	3.89		2.72
600-58-BK	4/23	53.790	331.20	6.16	1.5	4.97	16.56		11.59
15	5/10	56.750	566.73	9.99	3.0	17.00	28.34		11.34
16	5/10	55.885	441.31	7.90	1.5	6.62	22.07		15.45
600-60-BKG	5/13	56.479	136.05	2.41	1.5	2.04	6.80		4.76
600-61-BKG	5/20	51.697	178.88	3.46	1.5	2.68	8.94		6.26
600-62-GG	6/7	54.238	216.24	3.99	1.5	3.24	10.81		7.57
600-63-GG	6/12	57.061	216.79	3.80	1.5	3.25	10.84		7.59
600-64-GG	6/19	56.099	230.82	4.11	1.5	3.46	11.54		8.08
600-65-GG	6/23	52.355	221.14	4.22	1.5	3.32	11.06		7.74
600-66-GG	7/5	52.601	199.43	3.79	1.5	2.99	9.97		6.98
600-67-GG	7/18	52.376	27.80	.53	1.5	.42	1.39		.97
600-68-GG	7/31	55.106	5.85	.11	1.5	.09	.29		.20
600-69-GG	8/28	54.448	238.29	4.38	1.5	3.57	11.91		8.34
32	9/13	57.251	566.39	9.89	3.0	16.99	28.32		11.33
600-70-GG	9/17	33.891	127.77	3.77	1.5	1.92	6.39		4.47
35	10/8	55.930	481.43	8.61	2.0	9.63	24.07		14.44
36	10/15	56.173	489.53	8.71	2.0	9.79	24.48		14.69
Sampler 5810	6/5/38	65.650	124.00	1.89	1.5	1.86	6.20		4.34
						$1,079.11	$ 786.64	$717.54	$424.47
		Net underpayment					293.07		293.07
						$1,079.11	$1,079.11	$717.54	$717.54

DMEA Form 9
Rev. 6/57

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE

Idm-E NO. 651

DMEA NO. 3112

Application
- [ ] Denied
- [ ] Withdrawn

Contract
- [ ] Terminated - Not Certified
- [x] Terminated - Certified
- [ ] Cancelled
- [ ] Royalty Agreement

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

Folder No. 1:

Left Side

- [x] Royalty Audits
- [x] Certification of Discovery
- [x] Closing Letter
- [x] Cost Audits
- [ ] Termination Notice or Agreement
- [ ] Recision Notice
- [ ] Assignment of Contract
- [x] Contract Amendments
- [x] Contract with all exhibits and annexes
- [x] Owner's Consent to Lien and Subordination Agreement
- [x] Application and attachments

Right Side

- [x] Project summary (final)
- [x] Work Comoleted analysis (final)

All other material filed in chronological order including the following reports if checked:

- [ ] Field Team Semi-Annual Report for Certified Project
- [x] Final Field Team Report (Tab)
- [x] Operator's Final Report (Tab)
- [ ] Interim Field Team Reports
- [ ] Operator's monthly reports and all attachments
- [x] On-site Exam Report (Tab)
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Left Side

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

Right Side

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

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

Folders No. 3 : Settlement Sheets

Folders No. _____ : Drill Logs

Folders No. _____ : Royalty material

Reporetd Inactive 12/28/59

R.C.G.

17963

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL - 6 1953

July 1, 1953

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: Application for Assistance
Centrida Mines, Inc.
Pope Shenon Mine
Lemhi Co., Idaho

Dear Mr. Selfridge:

Enclosed herewith are three copies of an application submitted by the Centrida Mines, Inc., of Kellogg, Idaho, for the exploration of the Pope Shenon mine in Lemhi County, Idaho. We have not yet critically examined this application; however, information either published or in our files suggests strongly that the property is worth serious consideration.

It is possible that ample information is available so that a field examination will not be required. However, we will proceed to make a critical analysis of the application and will make such other investigations including a field examination as appear necessary.

Sincerely yours,

A. E. Weissenborn

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

Enclosure
cc: USBM(2)

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Form Approved.
Budget Bureau No. 42-R1035.2.

RECEIVED
JUL - 6 1953

APPLICATION FOR AID IN AN EXPLORATION PROJECT, PURSUANT TO DMEA ORDER 1, UNDER THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

Not to be filled in by applicant

Docket No. DMEA-3112
Metal or Mineral
Date Received 7/6/53
Estimated Cost
Participation (Government %)

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: CENTRIDA MINES, INC., an Idaho Corporation
P. O. Box 838
Kellogg, Idaho

(*b*) If other than an individual, add to your name above whether a corporation, partnership, etc., and the name of the State in which incorporated or otherwise organized.

(*c*) If a corporation, add to above statement, titles, names and addresses of officers. See attached sheet.

(*d*) If a partnership, add to the above statement the names and addresses of all partners.

2. *General.*—Read DMEA Order 1, "Government Aid in Defense Exploration Projects," before completing this application. Submit this application and all accompanying papers in quadruplicate (four copies), with your name and address on each sheet of the application and on all accompanying papers. Where sufficient space is not provided on the form for all required information, state it on an accompanying paper, with a reference in each case to the instruction to which it refers by number. Comply with all applicable instructions; or, if not applicable, so state. File the application with Defense Minerals Exploration Administration, Department of the Interior, Washington 25, D. C., or with the nearest field executive officer thereof.

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract

(*b*) State any mine name by which the property is known.

(*c*) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise

(*d*) If you are not the owner, submit with this application a copy of the lease, contract, or other document under which you control the property.

(*e*) If you own the land, describe any liens or encumbrances on it

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice.

4. *Physical description.*—(*a*) Describe in detail any mining or exploration operations which have been or now are being conducted upon the land, including existing mine workings and production facilities. State your interest, if any, in such operations. Also describe accessibility of mine workings for examination purposes.

(*b*) State past and current production, and ore reserves, if any, giving quantities and grades.

(*c*) Describe the geologic features of the property, including mineralization, type of deposit (vein, bedded, etc.), and your reasons for wishing to explore. Illustrate with maps or sketches. Send with your application (but not necessarily as a part of it) any geologic or engineering report, assay maps, or other technologic information you may have, indicating on each whether you require its return to you.

(*d*) State the facts with respect to the accessibility of the project: Access roads, distances to shipping, supply and residence points.

(*e*) State the availability of manpower, materials, supplies, equipment, water, and power.

5. *The exploration project.*—(*a*) State the mineral or minerals for which you wish to explore .....

(*b*) Describe fully the proposed work, including a map or sketch of the property showing a plan (and cross sections if needed) of any present mine workings, and the location of the proposed exploration work as related to such features as contacts, veins, ore-bearing beds, etc.

(*c*) The work will start within ..... days and be completed within ..... months from the date of an exploration project contract.

(*d*) State the operating experience and background of the applicant with relation to the ability to carry out such exploration project, and also that of the person or persons who will supervise the operations.

6. *Estimate of costs.*—Furnish a detailed estimate of the costs of the proposed work (you will have to use a separate sheet), under the following headings. Add the totals under all headings to give the estimated total cost of the project:

(*a*) *Independent contracts.*—(Note.—If the applicant does not intend to let any of the work to contractors, write "none" after this item. To the extent that the work is to be contracted, do not repeat the cost of the contract-work in subsequent items.) State the cost of any proposed independent contracts for the performance of all or any part of the work, expressed in terms of units of work (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved, etc.).

(*b*) *Labor, supervision, consultants.*—Include an itemized schedule of numbers, classes and rates of wages, salaries or fees for necessary labor, supervision and engineering and geological consultants.

(*c*) *Operating materials and supplies.*—Furnish an itemized list, including items of equipment costing less than $50 each, and power, water and fuel.

(*d*) *Operating equipment.*—Furnish an itemized list of any operating equipment to be rented, purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or suggested use-allowance based on present value, as the case may be.

(*e*) *Rehabilitation and repairs.*—Furnish a detailed list showing the cost of any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and which will be devoted to the exploration project.

(*f*) *New buildings, improvements, installations.*—Furnish a detailed list showing the cost of any necessary buildings, fixed improvements, or installations to be purchased, installed or constructed for the benefit of the exploration project.

(*g*) *Miscellaneous.*—Furnish a detailed list showing the cost of 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.

(*h*) *Contingencies.*—Give an estimate of any necessary allowances for contingencies not included in the costs stated above.

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

7. (*a*) Are you prepared to furnish your share of the cost of the proposed project in accordance with the regulations on Government participation (Sec. 7, DMEA No. 1)?

(*b*) How do you propose to furnish your share of the costs?

☐ Money ☐ Use of equipment owned by you ☐ Other

Explain in detail on acompanying paper.

CERTIFICATION

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

Dated June 25, 1953

CENTRIDA MINES, INC.
(Applicant)

By Wendell R. Brainard
President

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

U. S. GOVERNMENT PRINTING OFFICE 16—66551-1

CENTRIDA MINES, INC.

INDEX:

Form MF-103
Supplementary Sheets to MF-103 Pages 1 to 4, inclusive.
Estimated Total Cost of Project Pages 4 and 5.

Former Reports
State of Idaho Bureau of Mines and Geology on the Copper Mineralization near Salmon, Lemhi County, Idaho - by Alfred L. Anderson

Copy of Contract with Fred Brough, owner of the Pope-Shenon Mine.

Subordination Agreement with Fred Brough.

MAPS:

Geologic Sketch Map of Pope-Shenon Mine and Surrounding Area.

Claim Map - 1" = 300'

Composite Map of Levels with Assays - 1" = 40'

Level Maps with Geology and proposed Exploration Drafts and Diamond Drill Holes on the 600, 500, and 400 levels - 1" = 40'

West-East Section with Assays and also Showing Stoped Areas - 1" = 40'

Centrida Mines, Inc.
P. O. Box 838
Kellogg, Idaho

1. (c) Name of Applicant, etc.

Centrida Mines, Inc., an Idaho Corporation.

President	Wendell R. Brainard	P. O. Box 838, Kellogg, Ida.
Vice-President	John B. Penney	P. O. Box 838, Kellogg, Ida.
Secretary	C. Whalen	P. O. Box 838, Kellogg, Ida.

3. (a) Applicant's Property Rights

The property in question comprises the following unpatented mining claims located in Eureka mining district, Salmon, Idaho. These claims are shown on the Claim Map and are recorded in the office of the County Recorder of Lemhi County, State of Idaho.

Name	Book	Page
Grandview #1	W	503
Grandview #2	W	503
Grandview #3	W	504
Grandview Extension #1		
Grandview Extension #2		
Grandview Extension #3		
Grandview Extension #4		
Grandview Extension #5		
South Salmon Copper) These claims were located		
North Salmon Copper) April 1st, 1953, location		
North Salmon Copper #1) notices will be recorded		
North Salmon Copper #2) at the County Recorder's		
North Salmon Copper #3) office by July 1st, 1953.		

(b) State any mine name by which the property is known.

To our knowledge the property has been known only as the "Pope Shenon Mine".

(c) Our interest in the property.

Centrida Mines, Inc. is purchaser under contract of the unpatented mining claims listed under long-term purchase contract.

(d) Copy of contract attached. Also copies of owners "Consent to Lien".

(e) No liens or encumbrances.

(f) See description of unpatented claims under 3 (a).

4. (a) Past mining and exploration operations.

The Pope Shenon mine has been developed by a series of six tunnels, the lowest, the 600 foot level, being about 648 feet vertically below the upper 100 foot level. The 600 foot level was opened up by a 600 foot crosscut followed by approximately 1200 feet of drifting and crosscutting on the shear zone and subsequently became the main production level. The intermediate level 70 feet above is connected by raises with the 600 foot level and also with the 500 foot level 160 feet above. There are stopes between the 600 foot and the intermediate levels, between the intermediate and the 500 foot levels, and between the 500 foot and the 400 foot levels. There is also a small amount of stoping above the 400 foot level. The 100, 200, and 300 foot levels are short drifts into the ore zone above the 400 foot level as shown on the maps. There is a total of 3600 feet of drifting and crosscutting on these six (6) levels.

Centrida Mines, Inc.
P. O. Box 838
Kellogg, Idaho

4. (a) Continued--

Present mining operations.

The present operations are carried on by a leaser who has a lease on the ground above the 500 foot level. Operations consist chiefly of mining the ore on the edges of the old stopes in which the crude ore is sorted and shipped.

Production facilities.

There is no mining equipment on the property other than that used by the leaser in current operations. There is some usable rail and pipe left in the mine, along with a small mill building at the portal of the 600 foot level which could be used if a mill is desired at this location.

(a) Accessibility of mine workings for examination purposes.

All the levels are readily accessible excepting the 200 and 300 foot levels which are caved at the portals. The stoped areas are open but would require timbers and ladders to enter for any examination purposes. The writer wishes to call attention to the exceptionally good ground in this mine as all the stopes are open and there has been very little sloughing of the walls.

4. (b) Past known production.

For the known production please refer to the table on page 4 of Alfred L. Anderson's report, a copy of which is contained in this report. From a survey of the mine it is estimated that about 60,000 tons of ore has been extracted from the mine which yielded approximately 2,500,000 pounds of copper giving an average of 4.2% copper recovered per ton of ore mined. It should also be noted that ore milled produced very good grade of concentrates indicating that the concentration of the ore is very satisfactory.

Current Production.

Present operations consist of a leaser operating on a small scale.

Ore Reserves.

The higher grade ore in the principal ore-shoot discovered to date has been mined above the 600 foot level leaving marginal ore on the walls. Upon close study of the assay maps and sections of the mine which were prepared by the Centrida engineers, it is evident that there are around 5,000 tons of ore with an average grade of approximately 4% copper which could be mined from the present workings in the event that a concentrator should be erected on the property.

4. (c) History, Geology, etc.

The report by Alfred L. Anderson on the Copper Mineralization near Salmon, Lemhi County, Idaho, written in 1943, for the Idaho Bureau of Mines and Geology is attached hereto and describes the history and geology of the property adequately.

Reasons for wishing to explore.

1. To check the extension of the known ore-shoot below the

600 foot level. Quotation from Anderson's report, "Since the copper deposits show no evidence of a shallow-seated origin but are localized along deeply seated zones of shearing and possess the characteristics of deposits formed at depth, they may be expected to show a considerable vertical range and, therefore, to persist below any level yet reached in mining. Consequently, the ore at the Pope Shenon mine should continue below the No. 6 level with little change, probably to such depth as increasing mining costs would make deeper work unprofitable."

2. To explore the continuation of the strong shear zone to the east by drifting and lateral diamond drilling. Quotation from Anderson's report: "Much ore, however, may yet remain above the No. 6 level, particularly between the Intermediate and the No. 5 in the eastern part of the mine and possibly between the No. 5 and No. 4 in the ground not yet reached by drifts. Additional ore may also be present along the zone of shearing in the north part of the mine and should be sought in crosscuts and drifts from the Intermediate, No. 5, and perhaps the No. 4 levels. The major zone of shearing as a whole has not been adequately explored and the possibility of uncovering additional lodes on systematic development should be considered."

4. (d) Accessibility of Project.

The project is located about 7½ miles by air south and a little east of Salmon. By road it is about 10 miles of which 4 miles is on U. S. Highway 93. The remaining 6 miles is a dirt road of which 3 miles is graveled. Due to the small amount of snow fall in the area it is seldom that the road is not passable in a car.

Distance to shipping points.

If it is desired to ship to smelters in Salt Lake City, Utah, or south, the nearest railroad is the Union Pacific at Mackay, Idaho, which is 116 miles south on U. S. Highway 93.

If it is desired to ship north, say to the Anaconda Smelter, the most suitable railroad is the Northern Pacific at Darby, Montana, which is 78 miles north on U. S. Highway 93 across the lost Trail pass elevation 6951 feet.

Supply and residence points.

A large portion of the supplies are readily available at Salmon, such as lumber, etc., The mining equipment and supplies are available at Missoula, Montana, 140 miles north on U. S. Highway 93.

As the mine is located within 10 miles of Salmon, it is very likely that most of the employees would establish residences there.

4. (e) Availability of Manpower.

Manpower should be readily available in the area as the City of Salmon with a population of 3000+ would offer many men, in addition to the large farming area immediately out of town along the Salmon and Lemhi Rivers.

Material, Supplies and Equipment.

Material and supplies, such as timber, lumber, etc., are available in Salmon. The mining equipment, etc., is readily available at Missoula, Montana, and Salt Lake City, Utah.

Centrida Mines, Inc.
P. O. Box 838
Kellogg, Idaho

Availability of Water and Power.

Water is immediately available in the mine for all exploration purposes, with additional water available in a spring within a 1000 feet of the mine.

The Idaho Power Company's line up the Salmon River south of Salmon is within 2½ miles of the project and they have between 500 and 1000 h.p. available on the present line. However, for exploration purposes, it would be more economical to use diesel power.

5. (a) The exploration project.

The mineral for which we wish to explore is Copper.

(b) Proposed work.

1. To drive a 150 foot crosscut on the 600 foot level north opposite the mined out ore-shoot, and at this point to put down 5 diamond drill holes, (as shown on 600 foot geology plan) to check the extension of the ore body below the 600 foot level.

2. To drift 500 feet east on the 600 foot level and 150 feet east on the 500 foot level staying in the shear zone to check for other ore-shoots. Location of drifts shown on the 600 and 500 foot geology plans.

3. To diamond drill north and south across the shear zone as shown on the 600 and 500 foot level geology plans to check for parallel and possible finger ore-shoots.

5. (c) The work will start within 90 days and be completed within 10 months from the date of an exploration project contract.

5. (d) Operating background and ability of the applicant.

The personnel of the applicant who will supervise the work all have 20 years or more of mining and operating background in the Coeur d'Alene mining district in Idaho and throughout the northwest. Transcripts of their records will be furnished upon request.

6. Estimated Total Cost of Project.

Project

(a) Independent Contracts - Yes.

800 feet of 5'x7' drifts, and crosscuts @ $40.00 per foot	32,000.00
1 diamond drill station 1000 cu. ft. excavation @ 0.75/cu.ft.	750.00
Six small crosscuts for lateral diamond drill stations 6'x7'x7' deep @ $200.00	1,200.00
Diamond drilling, 4060 feet at hole @ $6.50 per foot	26,390.00

Centrida Mines, Inc.
P. O. Box 838
Kellogg, Idaho

(b) Labor is taken care of in contract.

Supervision and Consultants

The above work is to be completed in 10 months.

Supervision and Consultants @ $650.00	6,500.00
Mileage and expenses	1,500.00

(c) Operating Materials and Supplies

These items taken care of in contract on drifting and diamond drilling.

(d) Operating equipment taken care of in contracts.

(e) Rehabilitation and Repairs of Tunnels.

Repairing 1000 feet of track	150.00
Putting 400 feet of track to face @ $1.50 per foot layed	600.00
1000 feet of 2" pipe @ 50¢ in place	500.00

(f) New Buildings, improvements, and installations.

One small building for change house and supplies	250.00

(g) Miscellaneous

Sampling and assaying of 150 samples @ $2.50	375.00
Accounting @ $75.00 per month	750.00
Workmens Compensation @ 1½% on $6,500.00	97.50
Employers' Liability Insurance @ 7½% of $6,500.00	487.50
Payroll taxes 2.7% of $6,500.00	175.50
(h) Contingencies	2,500.00
Total	$ 74,225.50

MEMORANDUM OF AGREEMENT

THIS AGREEMENT made and entered into this 1st day of May, 1953, by and between FRED J. BROUGH, a widower, of Salmon, Lemhi County, State of Idaho, hereinafter known as the party of the first part, and LESTER S. HARRISON, of Kellogg, Shoshone County, State of Idaho, hereinafter known as the party of the second part.

RECITALS:

Party of the first part is the owner, in possession and entited to possession of certain unpatented lode mining claims located in the Eureka Mining District of Lemhi County, State of Idaho, which said claims are more particularly named and hereinafter described, and original location notiees for which are duly recorded and filed in the office of the County Auditor and Recorder of Lemhi County, State of Idaho, at Salmon, Idaho, reference to which said original location Notices with amendments, if any, as to name of locator or locators, date of location and Book and Page of Recording, are hereby specifically referred to, and the whole location record thereof, made a part hereof. Said lode claims are by name known and described as follows:

> Grandview No. 1, Grandview No. 2, Grandview No. 3, Grandview Extension No. 1, Grandview Extension No. 2, Grandview Extension No. 3, Grandview Extension No. 4, and Grandview Extension No. 5.

Together with all water rights, mill sites, power lines, telephone lines, power sites, water lines, flumes and ditches, and all appurtenances, including any and all mining equipment, but excluding the Snow Tailings dump, and buildings of any and every kind connected with said property, it being the intention of the parties hereto to include in this agreement all of the property, real, personal and mixed, and all rights of every kind belonging thereto, owned by the said first party herein, whether or not referred to above or correctly described.

Said second party or his assigns, are in position to

search and prospect for mines and ore bodies within mines, and are in position to take over the possession of the mining property of the party of the first part with a view to conducting an exploration and development thereon and thereafter, if warranted, arrange for the mining of the same.

IMPROVEMENTS:

Said claims have been developed by a series of six tunnels. Altogether there are more than 3,610 feet of drifts and crosscuts in the mine. The production record of the claims consists of over 2,400,00 lbs. of copper. There are also certain buildings located on the premises, which consist of a small building at the portal of the No. 5 tunnel, and there is also an old mill building located below the portal of No. 6 tunnel. There is no equipment belonging to said first party. Some milling equipment is installed in the mill building which belongs to one Mike Burch but subject to his removal on notice.

The annual assessment work required by the laws and statutes of the Federal Government and the State of Idaho and the local mining districts has been done and performed up to date. All proofs of labor have been properly filed and recorded.

That all indebtedness, including all present taxes, insurance and obligations of every kind and character, have been satisfied and fully paid and there are no known judgments, liens, mortgages or encumbrances of any kind or character against any of said property except as hereinafter related and stated.

The party of the first part is obligated for amounts of approximately $10,000.00 for money and property he has in the past received, and the amounts for said obligations are all now past due and owing. That the money, services or property received and which created said obligations was spent and used upon or for the benefit of said mining property and all are obligations that must be satisfied and paid. There is now the possibility of suits or actions being filed for the collection thereof and in such case there is danger of attachments being levied or

judgment liens being created against the property. Second party desires to evade any conditions of this kind and to assist first party by placing said outstanding obligations in a position that the title to the property cannot in anywise be affected or said obligations become a cloud on the title of the mining property. To assist first party in extending said claims second party will advance to first party as advance royalty, under the within contract, $954.60 and first party agrees that upon the payment thereof, he will procure from each of said debtors an extension of time to pay each and every of said obligations for a period of two (2) years from the date of this contract. The said $954.60 so advanced is to be immediately applied by first party on said obligations and acquittances from said debtors are to be received and evidence thereof delivered to second party. On May 1st, 1954, second party agrees that he will make another advance in the way of advance royalty to the first party equivalent to an amount of the interest due on each and every of said obligations. First party is to apply said amount on said obligations. At the maturity date of said obligations, May 1st, 1955, said second party is then to make a further advance in the way of an advance royalty, to satisfy all of said obligations. Any and all advances made as aforesaid for the retirement of said obligations, or the interest thereon, are to be charged against any and all royalty herein agreed to be paid first party.

That a portion of said mining ground, more particularly from the portal of No. 5 level to the present east face of No. 5 level, thence vertically to the No. 4 level, thence 200 feet east on No. 4 level, thence vertically to the surface, is under lease to Rulon Young, which said lease was made and engaged in by first party with Rulon Young on July 2, 1952, copy of which is hereto attached and made a part hereof. That this agreement is at all times subject to the said lease with Rulon Young, and second party herein is to be obligated to carry out the terms and conditions thereof with the said Rulon Young and protect and

save harmless the party of the first part from any and all further obligations of any kind or character thereunder.

NOW, THEREFORE, BY VIRTURE OF THE PREMISES, THE PARTIES HERETO AGREE, ONE WITH THE OTHER, AS FOLLOWS:

1. INTERESTS. Party of the first part hereby grants to party of the second part the exclusive and perpetual right to take immediate possession of said mining property and premises, and second party agrees to immediately enter upon and take charge of the same for the purpose of prospecting, developing and mining the same under such a program as may be warranted from the standpoint of a sound mining venture, and for such purpose will expend at least $40,000.00 for the physical benefit of such property on or before May 1st, 1955 and because of these agreements is hereby given the quiet, peaceful, complete, undisturbed and perpetual possession of the said mining claims and mining property, and all improvements, and any and everything located thereon or belonging to the same so long as he shall comply with the terms of this agreement. All work done and performed shall be done in accordance with practical prospecting methods and with good mining practice with the end in view of developing said mining claims into a workable and productive mine. Second party shall have complete charge of all exploration, development and mining of said claims.

2. PURCHASE PRICE: Party of the first part hereby gives and grants to party of the second part the right to purchase said mining claims and all of said mining property, and the appurtenances incident thereto, for a cash consideration of ONE HUNDRED FIFTY THOUSAND and NO/100 ($150,000.00) DOLLARS, said purchase price to be paid in cash or on the following royalty basis, to-wit: Ten per cent (10%) of the net smelter returns from all smelter shipments until the party of the first part has received $50,000.00; thereafter five per cent (5%) of the net smelter returns from all ores shipped from said mining claims until an additional $100,000.00 in cash has been

received by said first party, totaling $150,000.00. No interest shall be charged on the deferred payments.

Upon the receipt by party of the first part, or his heirs or assigns, of the said $150,000.00 in cash on the basis hereinbefore provided, then and in that event, all right, title and interest of the party of the first part shall pass to party of the second part, or his assigns. To facilitate said transfer, and at any time after the party of the first part has expended an amount of $10,000.00 in actual development upon said property, the said second party may require that the party of the first part deposit a copy of this agreement in escrow with a party to be agreed upon in Lemhi County, Idaho, along with a good and sufficient mining deed to said premises so that the same may be ready and available for delivery to the party of the second part as soon as the purchase price herein agreed upon has been fully paid.

3. SPECIAL COVENANTS: It is agreed by the parties hereto that from and after January 1st, 1955, if shipments being made and royalties received by the said party of the first part, do not equal $200.00 per month, then and in that event second party will make advances to the party of the first part as advance royalties in an amount equivalent to $200.00 per month, and the said $200.00 per month shall continue to be paid by second party to first party monthly unless royalties received are in excess of said amount or amounts, in which event, second party shall be released from payment of said $200.00 per month advance royalty obligations. The said royalties received by said first party shall be cumulative and in no case shall the party of the first part receive said $200.00 per month, beginning January 1st, 1955, if the amount of royalties received have exceeded said amount. Any said payments of $200.00 shall, of course, be charged against the royalties herein agreed to be paid first party, as well as be applied upon purchase price of said mining property. Any advance royalty payments made to

Laura Ledbetter as hereinafter provided, or those made to creditors or claimants of the first party, shall not abrogate this $200.00 per month payment if royalties have not been sufficient to meet it otherwise.

4. RATE OF PROGRESS: Second Party agrees to proceed by a geological reconnaissance with a later prospecting program and finally the exploration and development of the property under the terms of this agreement as diligently as existing conditions will permit, but shall not be obligated to perform any specific amount of work continuously nor shall he be required to do the work at any particular time or place, on or off the said property. Provided, however, and following June 30, 1953, second party shall, as a minimum, do all required assessment or representation work, if required, to protect the unpatented claims from forfeiture under the present or future existing laws of the Federal Government, State, Municipal or local mining districts as respects annual work.

5. NEW LOCATIONS: In case the party of the second part should find new and additional ground, other than herein specifically described or herein included, that should be located and become a part of or be grouped with the claims already held by said first party, that any such locations made by second party will immediately be and become the property of the parties of the first part, and after location be included in and a part of this agreement, the same as if originally included herein.

6. INSURANCE AND LOCAL TAXES: It is agreed that second party is to pay all State, Federal and Municipal, as well as personal property taxes, that may be levied upon said property as the same are assessed and fall due, but he shall not be required to protect by insurance any of the buildings of structures or personal property or equipment now located on the property.

7. COSTS OF MAINTENANCE--OPERATION: All costs of maintaining said property, as well as all costs of all prospecting work, development work and mining work, shall be borne entirely

by second party, and first party shall not be obligated for any such costs and expenses, and second party agrees to assume and pay any and all such obligations to be hereinafter incurred, and further agrees that he will protect and save harmless the first party from any and all such obligations except as herein specifically excepted, and that second party will post notices at conspicuous places on said property, notifying all persons, including labor and materialmen, that second party is holding possession of the said premises under this agreement with first party, and that second party is wholly liable for all labor and materials connected with any and all mining operations and maintenance of said property, and that first party is not in anywise liable for the same.

8. PATENT: In case, during the existence of this contract, the party of the second part should decide to patent any or all of the unpatented mining claims made the subject of this agreement, it is understood and agreed between the parties hereto, that the second party shall have the right and privilege of instituting patent proceedings in the name of the parties of the first part, and when patent is obtained, the same is to be subject to the interest of the party of the second part in said mining claims, as herein agreed.

9. RIGHT OF INSPECTION: First party, through their duly authorized representative, shall be entitled to inspect all work done on the property at any reasonable time, but second party shall at all times have full charge of the operation and the complete direction of the same.

10. RIGHT TO DISCONTINUE: The party of the second part may at any time after date hereof, if he so elects, discontinue any operation, development or mining program on said property. In case second party desires to abandon the project and discontinue development or prospecting thereon, he shall, in such event, give to the party of the first part ninety (90) days notice of his intention so to do, and upon said abandonment, leave the

property in good state and condition, and any and all permanent improvements, including but not limited to all buildings, structures, and rail and water lines, that have been made thereon, by the said second party, shall be and become forfeited by said second party to said first party as and for liquidated and stipulated damages for failure of the party of second part to fulfill and carry out said prospecting and development. Party of the first part shall have no other recourse against second party, other than the forfeitures hereinbefore enumerated. In case of such abandonment, second party is to have the right to remove any and all equipment or movable improvements placed thereon by him within ninety (90) days following any abandonment. Any property not so moved will be forfeited to first party without obligation of the first party.

11. WORK OUTSIDE PROPERTY LINES: It is agreed between the parties hereto that in the development of the said mining claims, the second party will not be required to work within the lines of said claims, providing work done off of the said claims is for the benefit of said claims of first party, such as a deep shaft sunk on adjoining property with an arrangement that access can be had through said shaft to the lower levels and the veins in said property or a deep tunnel driven off of the said claims with the purpose of reaching and exploring veins on said property within its lines or extralaterally at depth.

12. FORFEITURE: In case the party of the second part fails to comply with the terms of this agreement, then and in that event, second party shall be in default and first party may then declare second party in default and give to second party notice of said default, specifying particularly wherein second party is in default, and unless said default is corrected in a period of ninety (90) days thereafter, said first party may then declare a forfeiture against said second party, and if the default is not corrected within thirty (30) days following the service of the forfeiture notice, then and in that event, first party may enter upon and take possession of

of said premises and declare all the rights of the second party terminated, and the same shall in that event cease and determine and the party of the second part agrees that in such event he will surrender up and deliver over the premises to first party, but second party shall have the right to remove any and all equipment of every kind and character which he had placed upon said premises.

Any default or forfeiture as in this section provided, is predicated upon the fact that no default or forfeiture can be declared against second party if the cause of default by second party has been due to war, scarcity of labor or materials, strikes, lockouts, mining casualty, extremely low metal prices, or causes beyond the control of second party, and in all such events, second party is to be excused from performance of the contract for such period as such disability beyond his control existed, and the time for performance under said agreement in any and all such events shall be automatically extended for such time as such disability existed, protection against forfeiture of unpatented claims for lack of required annual work alone excusing.

13. ASSIGNMENT: It is understood and agreed between the parties hereto that the party of the second part is acting for an undisclosed principal in accepting said obligations, and that as such he is to have the right and privilege, without the consent, oral, written or implied, of party of the first part to assign this said agreement to a newly organized corporation, or to one already in existence, and which said corporation will then and in that event and when said assignment is made, become the party of the second part herein, and the party of the second part shall be and become entirely released from any and all obligations hereunder, the same as if the said second party had been the said corporation or corporations in the original instance.

14. RFC LOAN: It is understood and agreed between the parties hereto that the party of the first part has heretofore applied to the Reconstruction Finance Corporation in an amount of $25,000.00,

but that said amount of money has never been finally approved by said Reconstruction Finance Corporation. Said first party now agrees that the party of the second part is to have the use and benefit of said loan provided the Reconstruction Finance Corporation will agree that the same may be granted second party. And for this purpose, said first party hereby assigns, sets over and transfers to said second party, or his assigns, all his right, title and interest in and to the said loan so applied for and subject only to the approval of said Reconstruction Finance Corporation.

15. FEDERAL LOANS: It is anticipated that in the prospecting, developing and mining of all deposits from the mining lands made the subject of this agreement, that financial assistance may be made further available by the Federal Government to the extent of 50% or more of certain expenditures which the second party, or his assigns, are planning to make on said property; that such additional assistance may be of great benefit in getting the mining property into production, and, in that manner, greatly benefit all parties. Should this assistance become available, party of the first part agrees to such a loan or loans, and also to the Federal Government holding a lien on the land and subject to repayment of any amounts from production. To assist in this connection and in case of an application being filed by second party or his assigns, the first party agrees that he will sign and execute a subrogation agreement when duly submitted for this purpose.

16. It is agreed between the parties hereto that the first party entered into a Memorandum of Agreement on the 3rd day of March, 1953, with Mr. Frank A. Taft, as second party. Said parties now represent that said agreement has been fully and completely cancelled and that party of the first part is in position to contract with the party of the second part herein with respect to all the matters and things in this contract particularly specified.

17. LEBBETTER INTEREST: Party of the first part represents

that he is the sole owner of all of said mining claims and mining property and that the same is free, clear and unencumbered, except as in this contract hereinbefore set forth, with the exception of the interest of one Laura Ledbetter of Maxville, Granite County, Montana, who is the record owner and owns an undivided one-half interest in and to said property. In this connection, said party of the first part represents that on the 27th day of June, 1952, he made and entered into a written agreement with said Laura Ledbetter wherein he acquired the right to purchase all of her right, title and interest in and to said mining property for the consideration of $12,500.00, said payment to be made at any time within five (5) years from June 27th, 1952, and said payment is to be without interest, but said Laura Ledbetter is to receive five per cent (5%) of all the net smelter returns from any ore shipped from said property during said period and until she receives the said $12,500.00. Upon the payment to said Laura Ledbetter of said $12,500.00 by royalty or otherwise, all her right, title and interest in and to said property will pass to the party of the first part herein. Party of the first part now agrees that upon the signing of this contract he will immediately procure from the said Laura Ledbetter, a good and sufficient mining deed to her interest in said property and have the same escrowed with a party to be agreed upon in Lemhi County, Idaho, so that the same may be available for delivery to him, or second party herein, as soon as the purchase price of $12,500.00 is fully paid to the said Laura Ledbetter. In the meantime and until said payment of $12,500.00 is made to the said Laura Ledbetter, any and all royalty or royalties paid from shipment of ores from said mining property to the said Laura Ledbetter, is to be deducted and charged to royalty payments herein agreed to be paid the said party of the first part. Said party of the second part is to have the right and privilege of paying to said Laura Ledbetter said $12,500.00 at any time during the life of this contract and obtain the said deed so that

title may pass to the party of the first part herein. In case, at the end of said five (5) year period for the payment thereof as provided in said agreement hereinbefore referred to, the full amount of said $12,500.00 has not been paid, then and in that event the second party agrees to take up and complete said payment so that the title may be placed in the said party of the first part herein. In case the party of the second part, or his assigns, should exercise his right to abandon said contract as provided in Section 10 of this agreement, then and in that event the provision last above referred to shall become null and void.

In addition to causing the said Laura Ledbetter to immediately deposit a mining deed in escrow to facilitate the transfer of said property when payment is made as aforesaid, first party agrees that he will procure the signature of said Laura Ledbetter to a Subrogation Agreement to assist second party, or his assigns, in obtaining a federal loan as provided in Section 15 of this Agreement.

That the first party shall have access to all maps, reports logs, Geological and other data and information concerning said property, and in the event this agreement is forfeited or terminated for any cause or the property is surrendered or abandoned, the second party or his assigns shall furnish and give to the first party the above or exact duplicates thereof.

It is agreed between the parties hereto that this Agreement and each and every cause and covenant hereunder, where the context require it, shall extend to and become binding upon the heirs, executors, administrators and assigns of all parties hereto.

IN WITNESS WHEREOF, the parties hereto have hereunto affixed their names and seals the day and year in this agreement first above written.

/s/ FRED J. BROUGH

Party of the First Part.

/s/ LESTER S. HARRISON

Party of the Second Part.

STATE OF IDAHO)
:SS.
County of Lemhi)

On this 9th day of May, 1953, before Me, C. Walker Lyon, a Notary Public in and for the State of Idaho, personally appeared FRED J. BROUGH and LESTER S. HARRISON, known to me to be the persons whose names are subscribed to the within instrument, and acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

(SEAL)

/s/ C. WALKER LYON

Notary Public in and for the State of Idaho, residing at Salmon, Idaho.
My Commission Expires 2/27/56.

The above contract was assigned by Lester S. Harrison to Centrida Mines, Inc., June 1, 1953.

COPPER MINERALIZATION NEAR SALMON, LEMHI COUNTY, IDAHO

By

ALFRED L. ANDERSON

ABSTRACT

Because of the pressing demand for copper in the present war, attention has been directed to the copper deposits near Salmon, Idaho, particularly to the Pope-Shenon mine, which, because of its production of more than 2,400,000 pounds of copper, has been the largest and most consistent producer. The geology of the mine is described and the commercial possibilities discussed. It is concluded that the deposits are deep-seated; that deeper development should add greatly to ore reserves; and that, prices for copper being favorable, there is no apparent reason why work at the mines should not be resumed.

INTRODUCTION

PURPOSE AND SCOPE

This report deals largely with the geologic occurrence of the ore at the Pope-Shenon mine, the only copper mine near Salmon, Idaho, that has been recurrently active since Ross 1/made his report on the copper deposits in 1925. Because of the pressing demand for copper in the present war effort, attention has again been directed to the deposits and particularly to the Pope-Shenon mine, which in the past has been the leading producer of copper. Because so little has been done on the others since Ross made his report, there is little to add to the data already available, except insofar as the findings at the Pope-Shenon may apply to the district as a whole. The Pope-Shenon mine has been opened at deeper levels and considerably more information on the occurrence and distribution of the ore and its persistence with depth is now available. These new data may be of assistance to those who may wish to engage in mining at the Pope-Shenon or in mines of similar kind in the region nearby.

LOCATION AND ACCESS

Most of the copper deposits lie on both sides of the Salmon River in the central part of Lemhi County, spaced rather widely in the southern part of the Eureka and in the western part of the McDevitt mining districts. 2/ The Pope-Shenon mine is in the Eureka district near the north end of the Lemhi

Range in Section 9, Township 20 N., Range 22 E., about 7-1/2 miles by air or 10 miles by road south-southeast of Salmon. It lies at an altitude of about 5,650 feet (aneroid) and affords a commanding view of the Salmon River Valley and the town of Salmon about 1,700 feet below.

Formerly Salmon was the terminus of the Gilmore and Pittsburg Railroad, which connected with the Oregon Short Line (Union Pacific system) at Armstead, Montana, 95 miles to the east, but in 1939 the line was abandoned and the tracks removed. Since then, Salmon and Lemhi County have been entirely dependent on automobile and truck transportation, the nearest railheads being at Armstead, Montana, at Darby, Montana, 74 miles to the north (Northern Pacific Railway), and Mackay, Idaho, 118 miles to the south (Oregon Short Line). Mail is received daily at Salmon, except Sunday, by mail truck from Armstead and by Salmon River stages from Pocatello, Idaho. Passenger stages run daily to and from Pocatello, via Blackfoot and Mackay (Salmon River stages), and to and from Missoula, Montana (Intermountain Transportation Company). Passengers also are carried on the mail stage to and from Armstead, Montana. Truck lines provide Salmon with adequate freight and express service.

Much of the trafffc in and out of Salmon is on U. S. Highway No; 93 which extends north through Missoula and south through Challis. South of Challis the traffic follows U. S. Highway 93-A to Arco, thence U. S. Highway No. 20 to Blackfoot, and U. S. Highway No. 91 from Blackfoot to Pocatello. These highways are surfaced and all of them oiled, except for some miles north of Salmon and for some few miles on each side of Challis. Except to Missoula and Armstead, the highways cross no mountain passes, but occupy valleys and mountain basins. These highways are open to travel throughout the year.

The Pope-Shenon mine is easily accessible. U. S. Highway No. 93 is followed for the first four miles south of Salmon. From there a road, much of it improved, leads to the mine. Because of the aridity of the region, the winter snow is light and offers no obstacle to travel either to the mine or to points outside the county.

ACKNOWLEDGMENTS

The writer wishes to acknowledge his gratitude to Fred Brough and Challis Hall, who kindly furnished transportation to and from the mine during the course of the study and who also provided data on mining operations and assisted in obtaining information on past production. Mr. Brough accompanied the writer underground the first day, pointing out many features that did much to hasten the progress of the work. Recognition also is due Don Smith, then at the mine, who gave his time in assisting the writer in the underground examination.

POPE-SHENON MINE

HISTORICAL SKETCH

Although the presence of copper in parts of the district was known as long ago as the late fifties, little copper mining was attempted until after

1911. Claims were located at the Pope-Shenon in the early nineties, but the locations were for gold, not copper. The first copper locations were two years later.

Apparently little work was done for a decade or more, although smelter records show that some ore was shipped to Anaconda, Montana, by Langsdorf and Company in October, 1908. Next, a shipment of hand-sorted ore was reported in 1917, 1/ followed two years later by 360 tons of 12 per cent copper 2/. The destination of the 1917 and 1919 shipments was not given, and no record appears in the files of the Montana and Utah smelters.

By 1918 the development had gone far enough to show the presence of a body of copper ore, much of which was too thoroughly oxidized for gravity concentration. In 1919, a chloridizing plant was built at the mine and was in operation during 1920 and 1921. The ore mixed with sodium and calcium chlorides was fed to a revolving furnace and heated sufficiently to volatilize the copper as copper chloride which was caught in a Cottrell precipitator. Mixed with limestone and coke, and fed to an oil-heated reverberatory furnace, the copper chloride was reduced to metallic copper. Because of the high cost of extraction and operational difficulties, the work was abandoned.

On August 1, 1922, the property was leased to W.M. and G.A. Snow. The mill was changed over into a gravity concentrator equipped with jigs, tables, and a small flotation unit, and supplied with sulphide ore from a stope above the No. 5 level, then connected to the mill by tramway. Shipments of concentrates were then made to the International Smelting and Refining Company, beginning late in 1922 and continuing into early 1924. Late in 1923, operations were suspended and the mine was idle for several years thereafter.

In 1927 or 1928, the mine was reopened by the Winder-Stillman Company and concentrates were shipped during 1928, 1929, and 1930. The mine closed in 1929 and later was lost in default. It was relocated by Fred Brough in 1937 as the Grandview mine and some shipments of hand-sorted ore were sent to the smelter in 1937 and 1938. The low price of copper then forced suspension of operations, but a further shipment credited to Joe Jones was made in April, 1939. In July 1941, the mine was leased to L. J. Bills, the mill re-equipped, and shipments of concentrates resumed. From August to December, 1941, the shipments were credited to Mr. Bills, but in February, March, and May, 1942, the shipments were by the Salmon Development Company. In July, 1942, the property reverted to its owners, Fred Brough and Challis Hall.

PRODUCTION

Data on production, as obtained from the records of the International Smelting and Refining Company, the Anaconda Copper Mining Company, and the American Smelting and Refining Company, show that 154.1 tons of crude ore and 5,074.4 tons of concentrates have been shipped from the Pope-Shenon

mine. Since the reported shipments of 1917 and 1919 could not be verified in smelter records, they are not included. The amount of copper produced by chloridizing and reduction at the mine in 1920 and 1921 was not learned. The total amount of copper produced exceeds 2,400,000 pounds.

Production by years is given in the table that follows.

Ore Shipments from the Pope-Shenon Mine

Date	Shipper	Material	Dry weight tons	Copper per cent	Silver oz./ ton	Gold oz./ ton
Oct. 1908	Langsdorf & Company	Crude	21.7	15.48	1.40	0.03
1922	Snow Bros.	Conc.	343.0	Average		
1923	" "	"	1,482.0	approx-		
1924	" "	"	781.0	imately		
1928	Winder-Stillman Co.	"	686.0	25 per cent		
1929	" "	"	996.0	copper		
1930	" "	"	412.0			
8-31-37	Fred Brough	Crude	21.5	13.17	0.90	0.02
9-20-37	" "	"	19.2	11.55	0.90	0.01
10-11-37	" "	"	22.5	14.42	1.00	0.015
11-20-37	" "	"	27.1	9.99	0.60	0.015
1-20-38	" "	"	35.8	10.10	0.30	0.015
Apr. 1939	Joe Jones	"	6.3	6.44	0.81	0.03
2-14-41	Theron Kidd	Conc.	3.1	24.93	1.60	0.61
Aug. to Dec. 1941	L. J. Bills	"	45.3	27.56	1.62	0.051
10-8-41	L. J. Bills	"	2.4	25.08	1.35	0.035
Feb, Mar, May, 1942	Salmon Development Co.	"	23.6	22.76	1.20	0.04

DEVELOPMENT

The Pope-Shenon mine has been developed by a series of six tunnels, numbered consecutively, starting with the one highest on the mountainside. The workings are much the same as when Ross examined the property in 1923, except that the No. 6, then a tunnel 40 feet long in barren rock opening at the rear of the mill, has been extended to cut the lode and has since become the main working level. This level has about 1,735 feet of drifts and crosscuts, or almost as much as the rest of the mine, and is connected by raises with an intermediate level 70 feet above and with the No. 5 level 160 feet above. The intermediate level has 400 feet of drifts. Altogether, there are more than 3,610 feet of drifts and cross cuts in the mine. There are also stopes between the No. 6 and Intermediate levels, between the Intermediate and the No. 5, and between the No. 5 and the No. 4. A winze has also been sunk on the No. 6 level to a depth of 40 feet. These workings are shown in plan and longitudinal sections in Figures 1 and 2.

TOPGRAPHY

The mine lies well up the west slope of the Lemhi Range just above the line where the smooth, sagebrush-covered, lower slopes meet the more rugged, timer-covered, intermediate slopes. At and above the mine, the slopes are steep, in places nearly precipitous, but, except for scattered cliffs and ledges of bedrock, the surface is covered with extensive masses of talus, which, with the bedrock, slope at an angle of about 35 degrees. At the portal of the No. 6 tunnel, the altitude is about 5,650 feet (aneroid) or about 650 feet less than the portal of the No. 1 tunnel. Above the mine the slopes rise to nearly 9,000 feet. Below, the slopes reach the floor of the Salmon River Valley at about 3,900 feet.

For a description of the regional topography, the reader is referred to the reports by Umpleby 1/ and Ross 2/.

GEOLOGY

Foreword

The broader features of the geology of Lemhi County have been presented by Umpleby 3/ and Ross 4/, and no attempt is made herein to supplement the descriptions already given.

The only rocks of pertinent interest are those that contain the ore, namely, a thick sequence of metamorphosed sedimentary strata, believed to belong to the Belt series (pre-Cambrian) and known to be the oldest rocks in the region. Volcanic and sedimentary strata ("lake beds") of Tertiary age underlie the sagebrush-covered slopes below the mine, but, since these are younger than the deposits and have had nothing to do with the mineralization, discussion of them is omitted.

The older metamorphosed strata have been bent into broad, gentle folds and sliced by a well-defined cleavage which, in general, is schistic. Local zones of shearing independent of the folds and cleavage have localized the ore deposits.

Stratigraphic Features

The country rock at the Pope-Shenon mine is a dark green, impure quartzite and quartzitic argillite, in places containing intercalated beds of lighter colored rock. Bedding, in general, is rather indistinct, but can be distinguished on close examination. The bedding planes commonly are closely spaced, in places several to an inch, but thicker beds up to a few inches do occur. Many of the beds are in part built up on interfingering lenses a

fraction of an inch thick and a few inches long. In general, the bedding has been obscured by a fairly pronounced schistosity, more prominent along the mineralized zones than elsewhere. The schistosity is far more conspicuous than the bedding, and from even a short distance may be easily mistaken for bedding. The strata also are cut by a set of closely spaced joints and these, too, from a distance give the impression of bedding structures. Much of the talus that skirts the outcrops and mantles the slopes are angular rock fragments bounded by these joint surfaces.

Individual minerals in the rock are difficult to recognize, except in thin section under the microscope. Ross 1/ points out that the rock has been completely recrystallized and that in addition to the recrystallized quartz, there are variable amounts of fine-grained sericite, muscovite, chlorite, and dark green biotite, none of which exceed one millimeter in longest dimension. Fine-grained magnetite is reported to be present in places, particularly in the proximity of mineralized areas. Epidote appears locally.

These strata are, in general, more highly metamorphosed than those in the northern part of the state, and direct correlation with any given member of the Belt series cannot be made. Alghough dynamic stresses may have had something to do with the degree of metamorphism, particularly along the general zones of shearing, materials supplied by escaping emanations from the Idaho batholith as it slowly cooled below probably have had a far greater influence in changing the rock strata to their present metamorphosed condition.

Structural Features

Folding.

Through much of the mine the beds appear to strike about N. 15° -20° E. and dip about 35° E. Locally, the strike swings as much as 30° west of north and the dip flattens to about 10° E. A dip steeper than 35° was observed in but one place. There appears to be an absence of drag folding even along the local zones of shearing. The mine appears to be located on the west flank of a broad syncline whose axis lies just west of the roughly parallel to the crest of the Lemhi Range. Apparently, the thick series of strata is too strong to permit any except very broad, gentle folds. There appears to be no relation between the folding and the distribution of the ore deposits.

Cleavage.

The rock cleavage is fully as conspicuous underground as on the surface and largely controls the way the rock breaks when blasted. Consequently, the cleavage is the most noticeable structural feature along the drifts and crosscuts. The cleavage is independent of the attitude of the bedding. It strikes a few degrees east or west of north and dips 55° to 70° West, or practically at right angles to the dip of the bedding. However, there is some local variation in strike and dip, and at one place, probably near a fault, the strike is near N. 40° W.

The cleavage is due to an essentially parallel alignment of the platy minerals, and, therefore, is a schistic rather than the fracture variety. This schistic structure is characteristic of the entire rock sequence and is, consequently, regional rather than local. The structure, however, is better developed in some places than in others. It is not to be confused with a local schistosity found along and parallel to the zones of shearing where it is more or less closely associated with the shearing and the mineralization. The general cleavage apparently has been induced by regional stresses, probably by the same stresses responsible for the folding. The regional cleavage like the folds has had little or nothing to do with the localization of the ore deposits or the distribution of the ore within the deposits.

Shearing.

Since zones of shearing that cut the folds and cleavage of the metamorphosed strata are in control of the location and formation of the ore deposits, they are structural features of the first order of importance and need be discussed in considerable detail. These zones may occur singly, or, as at the Pope-Shenon mine, there may be several of them linked together and related as parts of a major system of shearing. Because of the ore association, it is important that the characteristics of the major shearing and its component parts be fully understood.

That there existed at the Pope-Shenon mine a broad and complicated zone of shearing made up of smaller, roughly parallel, overlapping and branching zones, was not evident until the work was carried along on the No. 6 level. Then two important zones of shearing linked together by a branching shear were uncovered and each followed by drifts, the more prominent one on the south being a downward extension of the single one exposed on the higher levels of the mine (Fig. 1). Together, these comprise a master shear zone more than 40 feet wide, the member zones measuring from a few feet to 20 feet wide. Becuase of inadequate exploration, the major zone of shearing may actually be very much wider. Its known length exceeds that of the drifts on the several levels, but againthe full limits have not been determined. Because of the nature of the shearing, it may have an expected length of at least several thousand feet, although any component member of the zone may not be so persistent. The major zone of shearing has a general easterly trend and steep northerly dip. The minor zones that compose it also have easterly trends, but show some variation in strike and dip.

The more northerly of the two zones was the first to be intersected in the No. 6 cross cut, the second appearing about 30 feet beyond. Since the first appeared to be more prominent than the other, the drifting was directed along it in an east-northeasterly direction for about 80 feet, the shearing dipping about 70° N. and occupying about the full width of the drift. At the 80-foot point, the shear zone branched, the more prominent part continuing on in directions ranging from N. 70° E. to N. 80° E., the other extending about S. 70° to its intersection or junction with the second zone of shearing that was uncovered in the crosscut. The main north branch was then drifted on for about 260 feet where it was lost in the side of the drift. For the full distance, the shearing held its course to the northeast, its direction ranging between N. 85° E. and N. 65° E., its dip, between 65° N. and 80° N. The zone appears to be 6 to 8 feet wide along the drift.

The branch that links the north shear zone with the one on the south has a length of about 40 feet. It appears to curve and become a part of the second shear zone just as it was a part of the first. The shearing, however, is neither so broad nor so prominent as in the two zones it joins together. It forms a zone about 2-1/2 feet wide.

The second or south shear zone is the most important so far uncovered and has been followed through on all levels of the mine. For some distance its trend is about N. 70° - 80° E. or closely parallel to that of the zone on the north, but farther in its course changes to due east and then east-southeast, causing it to swing away at ever increasing distances from its neighbor. The shearing along the zone is not altogether continuous. Just beyond the first raise to the No. 5 level, it passes into the wall of the drift and is lost, but another of greater prominence appears in the drift and crosscut 20 feet to the south. This one also appears to die away, but the drift shortly picks up a zone of shearing across a transverse fault of unknown but probably small magnitude and continues on it as far as the work has gone. A short distance beyond the fault the trend of the shearing changes from about N. 70° - 80° E. to directly east and then to S. 70° E., the southeast trend being interrupted locally not far from the face of the drift by a change back to the northeast, then again to the southeast. This change in the direction of the shearing is also well shown on the Intermediate level (Fig. 1) and begins to show on the No. 5 level not far from the face. In the west part of the mine where the strike is to the northeast the dip is about 70° N., but as the strike changes direction to east and southeast the dip tends to steepen and in the east part of the mine is 80° N. to nearly vertical. This increase in dip is shown on the map (Fig. 1) by the closer spacing of the levels in the eastern part of the mine.

The south zone of shearing seems to be broader than that on the north, and in part better defined. It has been exposed for a distance of 650 feet and is from about five to as much as 20 feet wide. The shearing may be even broader near the far end of the No. 5 level, but the increase in width may be the result of branching, the exposures being such as not to make the relations entirely clear.

One other zone of shearing of minor magnitude is exposed in the long crosscut driven south from the No. 6 level near the center of the mine. This shear zone lies oblique to the others and strikes about N. 35° W. and dips 70° to 80° S.W. It provides additional evidence of the complex re-relations of the major zone of shearing.

These individual zones of shearing may be distinguished from the unsheared rock not alone because they have localized mineralization, but also because they are marked by a fairly well defined schistosity parallel to the shearing itself which in part has obliterated the regional schistosity. These shear zones also show more evidence of crushing and rock alteration than the surrounding rock.

Individually, the shear zones are structurally complex, made up for the most part of two sets of fractures, one parallel to the shearing or local schistosity and the other oblique thereto, each set marked by bands and stringers of ore as shown in Figure 3. Since the ore has been deposited largely by replacement of the rock bordering the fractures, the fractures

themselves have been obliterated, though the record remains in the distribution of the ore itself. Fractures parallel to the zone of shearing strike about N. 70° E. or S. 70° E. (depending on the local trend of the zone), and dip 70° -80° N.; whereas the oblique fractures strike about S. 70° E. where the main shearing is northeast and about S. 45° - 55° E. where the shearing is S. 70° E. In either case, the oblique fractures dip about 70° S.W.

The fractures parallel to the shearing are the most prominent. There may be several of them along the shear zone, but those along the walls are generally most conspicuous. Where the prominent fractures are along both walls, they are commonly joined by diagonal fractures. If along one wall the diagonal fractures may extend out to one side or the other, or if the main fractures follow the center of the zone of shearing, the oblique fractures may extend out on both sides. Some of the fractures parallel to the shearing are not persistent, but die away and are replaced by others that overlap and carry on the shearing. Prominent fractures may appear on one wall and then within a short distance shift to the other. Generally, minor parallel slips appear at random throughout the shear zone.

The oblique or diagonal fractures commonly persist to the walls of the shear zone and then fade away. Most of them are breaks of minor magnitude, but some are strong enough to influence the direction of shearing and, as in the eastern part of the mine, may even in part control the direction of the shear zone itself. Those of minor magnitude may be a few inches to several feet long; those of greater magnitude may be as long as 20 feet and may have a marked influence on the shape and size of the ore body, in places producing marked bulges in the hanging wall. Most of the oblique fractures of minor magnitude join the fractures parallel to the shearing at a sharp angle, but some of the larger ones curve as they come in from the walls and join or become a part of the system of fractures parallel to the shearing.

There are also some cross fractures that trend about N. 25° E. and dip about 60° W. Thse cut the shear zones, contain a little gouge, but have produced no appreciable offsets. They contain no ore, but have served as channels for descending surface waters and are bordered by zones of surficial alteration.

The displacement along these zones of shearing apparently has been negligible, perhaps a few inches or at the most a few feet. Because of the lack of variation in the metamorphosed strata, offsets are not clearly distinguishable. Grooves and striations were not observed, but the relations of the oblique fractures suggest that the displacement has been essentially in an horizontal direction, the hanging wall having moved east with respect to the foot wall. Yet movement in such a direction does not seem to account for all the observed structural complexities and until more is known about the direction and amount of movement along the various zones of shearing, the direction of application of stresses must remain in doubt. Because of the developed schistosity, the stresses responsible must have been intense and deeply applied.

Character of the Deposit

All the ore at the Pope-Shenon mine lies along the complex zones of shearing and has been deposited for the most part by replacement of the altered

quartzitic rock and subordinately by filling of fractures. The deposits are in the form of steeply inclined tabular masses of sheared rock, the ore distributed along the schistosity and fractures parallel to the shearing and along the fractures oblique thereto. They form lodes rather than veins.

The zones of shearing are not uniformly mineralized, but the ore is contained in sheets that have rather definite limits along the strike. Where lightly mineralized, the lodes may appear to be merely zones of shearing in rock of similar appearance to the surrounding country rock, but close examination shows that much of the rock in the zones has been more highly altered or metamorphosed than the country rock at a distance, the increased alteration seemingly a consequence of the intense localized shearing and the altering action of the mineralizing solutions.

Mineralogy

The Pope-Shenon has both primary and oxidized ore, but little attention has been given the oxidized ore since the early twenties. The minerals in the unoxidized parts of the lodes comprise chalcopyrite, pyrite, delafossite, sphalerite, magnetite, quartz, micas, and chlorite. The chalcopyrite is by far the most abundant mineral and with subordinate amounts of pyrite forms roughly tabular bands of variable size about parallel to the long direction of the lodes, also narrow stringers and seams that extend obliquely across the lodes. There are also disseminated grains in the country rock, in places concentrated into irregular bodies of nearly solid sulphides. Sphalerite was not observed but is inferred because of reports of traces of zinc in the ore shipments. The altered country rock containing micas and chlorite is the chief gangue. Small irregular masses and stringers of quartz appear here and there but are minor, and most of the sulphides mined are in the country rock.

Delafossite ($Cu_2O.Fe_2O_3$) intimately associated with magnetite and mica, is an interesting mineral in the Pope-Shenon mine, being present in considerable abundance and mined as ore in parts of the stopes. This black ore has a peculiar banded or layered structure and in part takes the form of irregular concentric ellipsoids and of slightly curved and subparallel bands. Considerable ore of this kind appears along the No. 5 level and some on the No. 6. Since the ore appears below as well as above the zone of oxidation, it is believed to be primary. Apparently it was produced by rhythmic deposition from a fluid that was diffused into the rock from openings produced by joints.

Barite has been found in a narrow vein that cuts diagonally across the main zone of shearing in the No. 3 level of the mine. This barite is younger than the main copper deposit and probably belongs to a later epoch of metallization.

The oxidized parts of the ore contain much malachite and some azurite, cuprite, and in places a little native copper. These minerals were so abundant in the upper levels that the chlorination mill was erected to treat the oxidized ore. The west margins of the shoots contain these oxidized minerals, particularly malachite, even on the No. 6 and Intermediate levels, but primary sulphides also are present. Much of the sulphide ore, except on the lower levels shows incipient oxidation. Some of the ore mined above the No. 5 level contained small amounts of chalcocite, recognizable mostly

microscopically.

Structural Relations of the Ore

Although much of the ore has been deposited by replacement of sheared and altered quartzite, the influence of the schistosity and of the fractures parallel and oblique to the shearing in controlling the distribution of the ore is generally very evident. A band of ore a few inches to several feet thick may lie along one of the walls of the shear zone and stringers of ore generally less than an inch thick may extend obliquely out toward the opposite wall, trending in an east-southeast direction and dipping steeply southwest. This relation shows to particular advantage in the roof of the Intermediate level just above the east raise and Figure 3 is a sketch of the exposure there revealed. The ore is close to the foot wall of the shear zone and comprises a band of massive sulphides about 8 to 10 inches wide parallel to the drift fringed by stringers on either side which extend out obliquely to the walls of the drift. The stringers are less than an inch thick but they comprise an essential part of the milling ore.

In many places high-grade seams joined together by diagonal stringers lie along both walls of the shear zone. These hanging and foot wall seams may be as much as 15 to 20 feet apart, but generally they are within 8 or 10 feet of each other and may close in to 4 or 5 feet. Generally as the distance between them decreases, the stringers between become more numerous and the ore body of higher grade. The ore also may follow one wall at a time and may change from one to the other as the guiding fractures on either wall strengthen or weaken.

Master diagonal fractures that enter the main zone of shearing and curve so as to lie parallel thereto also have had a marked influence in localizing ore. These fractures may extend into the walls for considerable distances but the ore is mostly localized in the bend or along the oblique fracture just before it changes direction to conform with the shearing (Fig. 4). These fractures may enter from either the hanging or the foot wall. Since the fractures dip steeply southwest, the ore rises upward into the hanging wall, and followed upward, appear to reverse the direction of dip of the mineralized zone, though actually they produce large bulges in the hanging wall. Because of this relation, the last stope on the No. 6 level is inclined to the south instead of to the north, and the stope at the east end of the Intermediate level stands nearly vertical, the hanging wall in places dipping steeply south though the foot wall itself still has a steep dip to the north. The junction of these southwesterly dipping lateral fractures with the main zone of shearing is reported to determine the position and pitch of some of the best ore bodies.

In places the diagonal as well as the seams parallel to the shearing abut against thin seams of gouge in cross slips. The ore seams do not appear to be offset and the cross seams contain no ore. However, here and there the ore is reported to be spread out alongside the cross seams and to make small bodies of high-grade.

The ore has been little disturbed by post-mineral faulting. In places a little gouge may appear along one of the walls but nowhere in conspicuous quantities. Because of the absence of appreciable post-mineral movement,

the ore is firm and stopes remain open without being timbered.

Ore Shoots

The ore shoots are of moderate size. The main ore shoot (Fig. 2) has been stoped for about 180 feet on the No. 5 level, 170 feet on the Intermediate, and 280 feet on the No. 6 level. Its average width is just under 10 feet, but reaches a maximum of 20 feet. Ore has been stoped from the No. 6 to the No. 4 levels, a vertical distance of more than 400 feet, but since ore remains in the floor of the No. 6 level and in the bottom of a 40-foot winze sunk below the No. 6, the full limits of the shoot are unknown.

The shape of the ore shoot is uncertain. The stope lengths on the different levels probably have resulted from varistions in mining methods and in the grade of the ore mined under different managements than from any such variations in the actual distribution of the ore itself. The greater stoping length along the No. 6 level may mean that marginal ore also was stoped but left unmined in the levels above or that much ore remains unmined above the Intermediate level. As confirmation of the second view is the fact that ore lies in the roof of the eastern half of the Intermediate level and has been followed upward from the east end of the Intermediate to a point about 65 feet above the level, the top of the stope showing 3 to 4 feet of massive sulphides which with fringing stringers make an ore body 5 to 6 feet wide with possibly several feet of milling ore still concealed in the walls. Were the stope continued upward at the present angle, it would pass about 60 feet ahead of the face on the No. 5 level. This stope appears to have been driven upward on the pitch of the ore body at an angle of about 70 degrees. The absence of ore in the face of the drift on the No. 5 level may mean that the No. 5 drift merely entered a barren zone in the ore shoot. Although on the upper levels the pitch of the main ore shoot appears to be steeply west, the offsets in the stopes below confuse the relations and the pitch may actually be different from that believed to exist.

A small stope 80 feet long and 20 feet highto the east of the main stope on the No. 6 level affords proof that other ore shoots exist along the zone of shearing, though perhaps not equal in size to the one just described.

Smaller ore shoots also appear along the zone of shearing in the north drift on the No. 6 level but have not been fully explored. A stope about 30 feet long, 25 feet high, and 4 feet wide has been made on the shoot near the front part of the drift. Just beyond is another stope about 50 feet long and 10 to 15 feet high, and then a third about 35 feet long and 30 to 40 feet high. Since there are no exploratory cross cuts on the higher levels, the upward continuation of these shoots has neither been demonstrated nor disproven.

The factors in control of the localization of the ore shoots are not fully understood. The distribution of the workable bodies of ore apparently conforms with the distribution and spacing of the fractures that have been favorable to the movement of the mineralizing solutions. These favorable zones appear to be where the shearing has been most intense, particularly where it has produced a marked schistosity.

Mention has already been made of the manner in which the ore lies along the schistosity and the fractures parallel to the schistosity or shearing, as well as in the fractures oblique thereto. The spacing of these fractures has much to do with regulating the amount of ore as well as the dimensions of the ore body. Mention also has been made of the localization of ore along the more prominent lateral fractures where they bend into the main zone of shearing and the influence these have had in controlling the position and pitch of some of the best ore.

However, the factors that control the location of these structurally favorable areas remain obscure, though horizontal shearing stresses can account for the shear and oblique fracture system. The variation in the angle dip of the individual shear zone may have some bearing on the localization of the ore shoots, but the present development has not revealed what this relation might be. The same may be said of the variation in strike. In the upper levels the exposed ore shoot follows the shearing of east-northeast trend, but on the No. 6 and Intermediate levels the ore also follows the east-southeast shearing. Whether the change in direction has been accompanied by any material change in the quantity and grade of ore was not learned. The smaller shoots appear to favor the shearing of east-northeasterly trend, changes to the southeast being marked by barren zones. Undoubtedly, the movement along these curved zones of shearing has provided the necessary openings for the circulation of the mineralizing solutions, but until more is known of the characteristics of the major shearing, the problem of ore shoot control must be left largely unsolved.

Tenor of the Ore

Most of the ore mined has carried from 2-1/2 to 6 per cent copper, but there have been small bodies containing 10 to 20 per cent copper, few of which were large enough, however, to be mined separately. By careful hand sorting, crude ore carrying 10 to 15 per cent copper has been shipped to smelters. Concentrates have carried about 25 per cent copper. In either crude ore or concentrates, the precious metal content has been negligible. The crude ore shipped has contained less than an ounce of silver and generally less than 0.01 ounce of gold per ton; the concentrates, less than 1.6 ounces of silver and 0.1 ounce of gold per ton.

No sampling of the ore bodies was attempted, but access was had to some of the old sampling records of the American Smelting and Refining Company and the International Smelting and Refining Company. These show that the stope above the No. 4 level carried 8.13 per cent copper and 1.0 ounce of silver and 0.08 ounce of gold per ton over a 4-1/2 foot width of the lode (Fig. 2).

Six samples from the stope between the Intermediate and No. 5 levels (Fig. 2) gave results as follows: (1) width of 2-1/2 feet, 16.4 per cent copper; (2) width of 2-1/2 feet, 20.5 per cent copper; (3) width of 4 feet, 4 per cent copper; (4) width of 6 feet, 5.5 per cent copper; (5) width of 3 feet, 4.8 per cent copper; and (6) width of 5 feet, 6.0 per cent copper. A sample from the west edge of the same stope had 4.36 per cent copper and 0.3 ounce of silver per ton along a strip 4-1/2 feet wide.

One sample of the ore at the far east end of the Intermediate level

(Fig. 2) showed 15.09 per cent copper and 1.2 ounce of silver and 0.01 ounce of gold per ton across 5-1/2 feet. In a small stope just above, 4 feet of ore carried 2.16 per cent copper and 0.5 ounce of silver and 0.015 counce of gold per ton.

One 5-foot sample at the bottom of the 40-foot winze below the No. 6 level (Fig. 2) had 1.67 per cent copper; another of the same width showed 2.94 per cent copper. Both had but a trace of gold and each 0.4 ounce of silver per ton.

Six samples along the north zone of shearing on the No. 6 level, all but one in the first stope, showed results as follows: (1) 2 feet of ore in drift 50 feet west of stope, 8.24 per cent copper; (2) 2.7 feet at west edge of stope, 15.65 per cent copper; (3) 2-1/2 feet, 11.30 per cent copper; (4) 2-1/2 feet, 9.17 per cent copper; (5) 2 feet, 12.37 per cent copper; and (6) 3 feet, at the east edge of stope, 5.76 per cent copper. Except for one sample the silver averaged less than 0.2 ounce per ton and the gold less than 0.01 ounce.

Wall-rock Alteration

The mineralizing solutions have induced some changes in the country rock in and along the lodes, but the changes are not marked and the altered rock still has much the same appearance as the surrounding rock, though metamorphosed to a somewhat greater degree than that at a distance. The rock in and along the lodes shows the results of greater pressure, is more crushed, and is in part converted into schist. The grains of chlorite and mica tend to be larger than those in the country rock and show a more conspicuous orientation. In places, quartz has been added. Some of the rock also is bleached and softened and in part changed to sericite, apparently by alteration of the biotite and chlorite of the original rock.

Age and Genesis

The mineral associations in the altered wall rock are those generally recognized as characteristic of formation at moderately high temperature and pressure. The alteration of the rock in and near the zones of shearing appears to represent the first stage of the mineralizing process and differs from the regional metamorphism only in its greater intensity. Metalliz minerals were introduced along the more intensely altered zones later, perhaps when temperatures were somewhat lower.

The deposits show none of the characteristics of the ore deposits genetically related to Tertiary intrusive rocks. On the contrary, the little difference between the wall-rock alteration and the regional metamorphism of the quartzitic rock, except in degree of intensity, suggests a close relation between them and, therefore, with the Idaho batholith. Emanations given off by this cooling granitic mass is believed to have been responsible for transforming the sedimentary strata that it invaded into metamorphic rock by supplying the materials and heat necessary to form the minerals the rock now contains. Later, fluids from a deeper source within the congealing batholith apparently were directed along channels opened by deep-seated shearing. The rock along these channelways was then rather intensely altered, appreciably more so than the surrounding rock, and the ore was deposited shortly

after. Since it is now generally believed that the batholith was emplaced and consolidated during Cretaceous time, the ore deposits, a late phase of the magmatic activity, are probably late Cretaceous.

CONCLUSIONS

Since the copper deposits show no evidence of a shallow-seated origin but are localized along deeply seated zones of shearing and posses the characteristics of deposits formed at depth, they may be expected to show a considerable vertical range and, therefore, to persist below any level yet reached in mining. Consequently, the ore at the Pope-Shenon mine should continue below the No. 6 level with little change, probably to such depth as increasing mining costs would make deeper work unprofitable.

Much ore, however, may yet remain above the No. 6 level, particularly between the Intermediate and the No. 5 in the eastern part of the mine and possibly between the No. 5 and No. 4 in the ground not yet reached by drifts. Additional ore may also be present along the zone of shearing in the north part of the ine and should be sought in cross cuts and drifts from the Intermediate, No. 5, and perhaps the No. 4 levels. The major zone of shearing as a whole has not been adequately explored and the possibility of uncovering additional lodes on systematic development should be considered. Several hundred feet of additional depth may be gained by adit-levels driven lower on the slope, preferably along the main zone of shearing. Still greater depth can be had by shaft or winze from the lowest adit that can be driven. Sufficient ore to continue mining on a moderate scale for a considerable number of years seems probable.

In searching for ore, attention should be given any evidence of shearing, particularly such shearing as has been accompanied by comparatively intense alteration. It is possible that a shear zone barren where first uncovered may have ore in other parts either on the strike or at depth. Shear zones, therefore, should be explored along the strike on each of the levels.

Although considerable of the ore carries 6 or more per cent copper, successful mining can be carried on only under the most careful and efficient management and with suitable mine and mill equipment, and then, probably only when the price of copper is above normal levels.

WHEREAS, under date of on or about the 2nd day of July, 1952, one Fred J. Brough, an unmarried man of Salmon, Idaho, entered into and engaged in a certain mining lease as lessor, with the undersigned Rulon Young, of the same place, as lessee; and,

WHEREAS, the ground so leased and the terms and conditions are fully set out in the agreement hereto attached and made a part hereof; and,

WHEREAS, the term of said lease was from the 2nd day of July, 1952, to the 2nd day of July, 1955; and,

WHEREAS, the said Fred J. Brough entered into a certain mining lease May 1, 1953, as Lessor with one Lester S. Harrison, of Kellogg, Shoshone County, State of Idaho; and,

WHEREAS, the said Lester S. Harrison has been granted a DMEA exploration and development loan for the total mining property of Fred J. Brough, which includes property leased to the said Rulon Young; and,

WHEREAS, the said Rulon Young and his wife, Leone Young, desire to subject their lease to the terms, conditions and agreements of the said DMEA loan so that everything necessary can be done on the leased land, so that the exploration project may be carried to completion;

NOW, THEREFORE, in consideration of the sum of of ONE and NO/100 DOLLARS ($1.00) and other consideration, the receipt whereof is hereby acknowledged, the undersigned lessee, Rulon Young, and his wife, Leone Young, hereby subject and subordinate that certain mining lease, made and entered into July 2, 1952, by Fred J. Brough and them, to said DMEA loan agreement and hereby agree and give permission to the said Lester S. Harrison, his employees and agents and the agents of the United States Government, acting under the DMEA loan granted for the said premises, to do whatever is necessary on the leased land so that the exploration project may

be carried to completion and the United States Government repaid any sums due and owing because of said loan.

IN WITNESS WHEREOF, The undersigned have hereunto set their hands and seals the 16th day of February, 1954.

Rulon Young (SEAL)

Leone Young (SEAL)

STATE OF IDAHO,)
) ss
COUNTY OF LEMHI.)

On this 16th day of February, in the year 1954, before me, the undersigned, a Notary Public in and for said State, personally appeared RULON YOUNG and LEONE YOUNG, known to me to be the persons whose names are subscribed to the foregoing instrument and acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Notary Public for State of Idaho,
Residing at Salmon, Idaho.
My Commission Expires: 2-27-56.

ASSIGNMENT OF CONTRACT

For and in consideration of the sum of One Dollar ($1.00) and other valuable considerations, the receipt whereof is hereby acknowledged, the undersigned LESTER S. HARRISON and GRACE G. HARRISON, his wife, hereby assign, set over and transfer to CENTRIPA MINES, INC., all their right, title and interest of every kind and character in and to that certain contract involving certain copper claims in Lemhi County, Idaho, and dated May 1, 1953, with Fred J. Brough, a widower, of Salmon, Idaho, as party of the first part, and Lester S. Harrison, of Kellogg, Idaho, as party of the second part. Paragraph Thirteen (13) of said contract provides for this said assignment and the same is made in compliance with and on the conditions provided therein.

IN WITNESS WHEREOF, the undersigned have hereunto set their hands and seals this 4th day of June, 1953.

Lester S. Harrison

Grace G. Harrison

STATE OF IDAHO)
) ss.
County of Shoshone)

On this 4th day of June, A. D. 1953, before me, the undersigned, a Notary Public in and for the State of Idaho, personally appeared LESTER S. HARRISON and GRACE G. HARRISON, personally known to me to be the individuals who signed the within and foregoing instrument, and acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal, the day and year in this certificate first above written.

Phyllis J. Holt
Notary Public in and for the State of Idaho, residing at Kellogg, Idaho.
My commission expires Dec. 5, 1953.

MF-203

OWNER'S CONSENT TO LIEN

(Copy)

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of Idaho, County of Lemhi, described as follows: 1/ Grandview No. 1, Grandview No. 2, and Grandview No. 3, Grandview Extension No. 1, Grandview Extension No. 2, Grandview Extension No. 3, Grandview Extension No. 4, and Grandview Extension No. 5, lode mining claims, location notices of which are of record in Book "W" of Mining Claims, pages 503, 503, 504, and in Book 2 of Mining Claims, pages 10, 11, 12, and 13, respectively, records of Lemhi County, Idaho, to which record reference is hereby made for a more particular description thereof; situate in McDevit Mining District, County of Lemhi, State of Idaho,

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/ CENTRIDA MINES, INC.

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/$ 150,000.00----------, or ten years have elapsed from the date of the contract.

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

Dated this 28th day of May, 195 3.

/s/ Fred J. Brough [Seal]

/s/ Laura A. Ledbetter [Seal]

_____ [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.

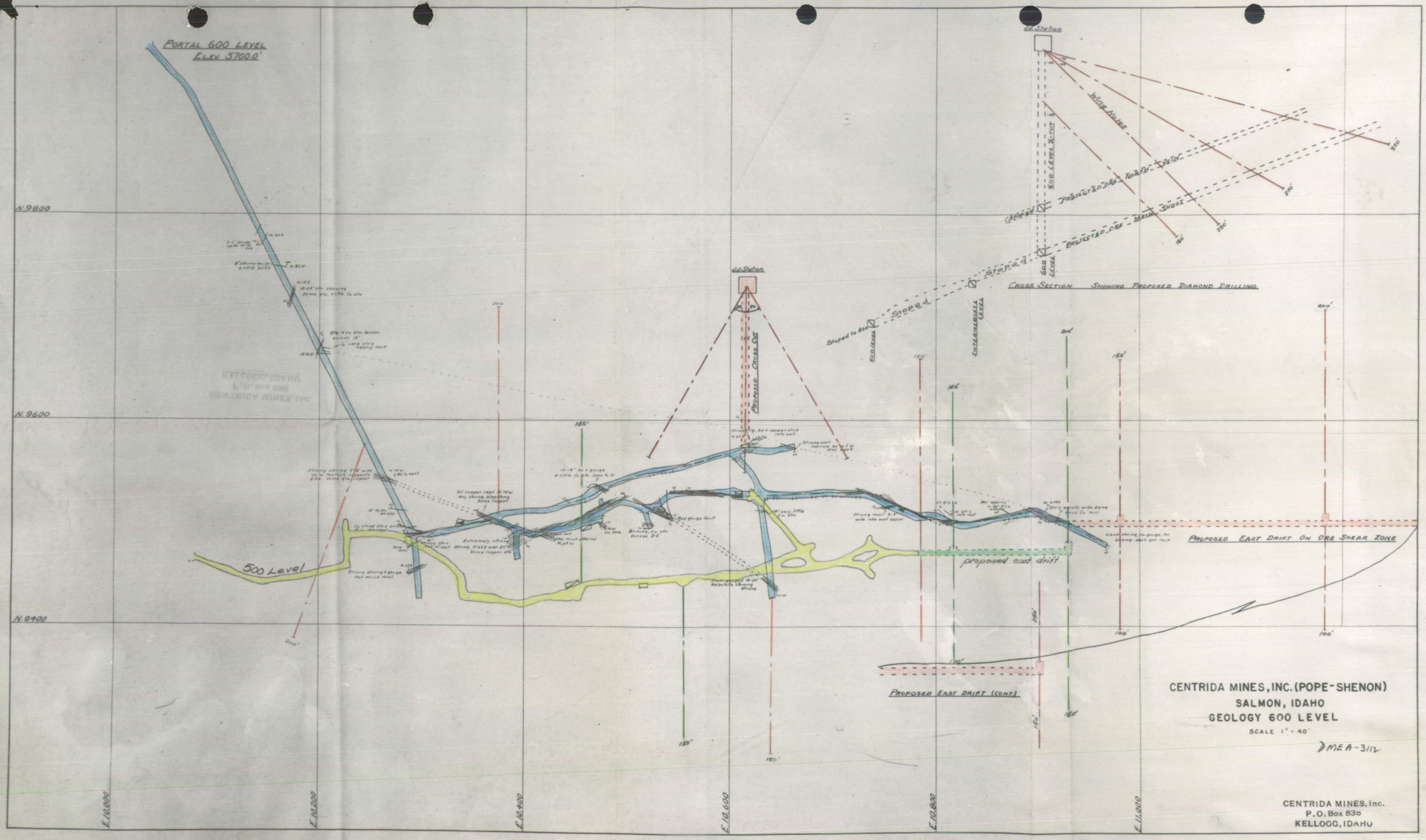
(For instance: the percentage royalty on a net amount of five dollars ($5.00) per ton, would be one and one-half (1½) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) per cent.)

(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.


PORTAL 600 LEVEL
ELEV. 5700.0'
N.9800
N.9600
N.9400
500 Level
dd Station
PROPOSED CROSS CUT
Stoped
Stoped to 400
400 Level
600 Level
600 Level X-cut
Intermediate Level
Wing holes
PROJECTED ORE - MAIN SHOOT
CROSS SECTION SHOWING PROPOSED DIAMOND DRILLING
PROPOSED EAST DRIFT ON ORE SHEAR ZONE
proposed east drift
PROPOSED EAST DRIFT (CONT)
E.10,000
E.10,200
E.10,400
E.10,600
E.10,800
E.11,000
CENTRIDA MINES, INC. (POPE-SHENON)
SALMON, IDAHO
GEOLOGY 600 LEVEL
SCALE 1" = 40'
DMEA-3112
CENTRIDA MINES, Inc.
P.O. Box 838
KELLOGG, IDAHO

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION 500
WASHINGTON 25, D. C.

PROJECT SUMMARY REPORT

By: W. R. Griswold June 21, 1956

1. Docket No. DMEA-3112 (Copper)
Contract No. Idm-E651
Property: Pope-Shenon Mine
Lemhi County, Idaho

Operator: Centrida Mines, Inc.
Post Office Box 838
Kellogg, Idaho

Operator's Property Rights: Lessee
Owner's Consent to Lien dated May 28, 1953.

2. Contract dated December 28, 1953.

Work Authorized

800 feet drifting and crosscutting @ $43.50/ft.	$34,800.00
4,060 feet diamond drilling @ $6.50/ft.	26,390.00
1 diamond drill station (1000 cu. ft.)	750.00
6 diamond drill station (252 cu.ft. each) @$200.00	1,200.00
Total estimated cost of project	$63,140.00
Government's share, 50%	$31,570.00

Amendments

No. 1 Dated January 6, 1955.

Extends work completion period from 12 to 24 months from contract date.

Work Completed

Drifting 648 feet @ $43.50/ft.	$28,188.00
Crosscutting 150 feet @ $43.50/ft.	6,525.00
1 large diamond drill station	750.00
5 small diamond drill station @ $200.00/ea.	1,000.00
Diamond drilling 4,023 feet @ $6.50/ft.	26,149.50
Total cost of the project	$62,612.50
Government's participation, 50%	$31,306.25

3. Report of Review dated April 26, 1955.

No exceptions.
Field Team Final Report dated April 1956.
Operator's Final Report dated April 7, 1955.

4. Certification of Discovery dated September 19, 1955.

Ore Reserve Estimated 17,000 tons, 5.5% Cu.

5. Comments

The Field Team states:

"The project work consisted of drifting on the 500 and 600 levels, crosscutting for a diamond drill station on the 600 level, and diamond drilling to explore for new veins and the downward continuation of veins mined above the 600 level.

"No ore was found in the 500-and 600-level east drifts, and diamond drilling from these drifts indicated that the vein structure was not ore bearing east of the old workings.

"The 600-level crosscut driven north to provide drill stations for testing the known veins at depth cut a previously undiscovered 6-foot vein of unoxidized copper ore. Later diamond drilling proved this vein to be oxidized, narrow, and of low grade below the level. The down holes from the crosscut intersected the known veins, but these veins are narrower than on the level above, and in places are leached and oxidized."

"Government participation in further work in the immediate mine area is not warranted because of the limited amount of work necessary to complete exploration of known targets. With present geologic knowledge no Government participation in further exploration on this group of claims is warranted."

We are not in complete accord with the views expressed. All diamond drill holes were relatively short - some longer holes to cut the veins at greater depth would be of interest.

W R Griswold

W. R. Griswold

WRG/er
Copy to: Docket
Base Metals
Chron.

☒ Audited

☒ Certified

Name CENTRIDA MINES, INC.

State IDAHO

RK ANALYSIS SHEET - DMEA PROJE

Analysis as of 3/31/55.
Incl. Voucher for February 1955,

Commodity COPPER

☐ Actual Cost

☒ Agreed Unit Costs

Docket No. 3,112

Idm-E No. 651

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting 5'x7'	800' @ 43.50	$34,800.00	798'	$34,713.00	$34,713.00
Raising					
Shafts					
~~Winzes~~ Diamond Drill Stations	7 units	1,950.00	6	1,750.00	1,750.00
Drilling (Specify)	4,060' @ 6.50	26,390.00	4,023'	26,149.50	26,149.50
Surface Excavation					
Underground Excavation					
Roads and Trails					
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.					
Other (Specify)					
Totals	$63,140.00		$62,612.50		$62,612.50

Checks Audit.

Prepared by W. H. Ruggesheid

✓ copied.

71626

Centrido Mines - Inc - Idaho - 3112

agreed Unit Costs.

800' Dro + XCS @ 43.50 (5x7') X $34,800.00

4060' D.D @ 6.50 X 26,390.00

1 Large D.D Station 750.00

6 Small D.D. Stations @ 200.00 1,200.00

$ 63,140.00

Over Sept 1955

Spent.

498' Dro + XCS. @ 43.50 $ 34,713.00

4023 26,149.50

~~2893'~~ D.D. 6.50 ~~18,804.50~~

6 D.D. Stations 1,750.00

62,612.50

$ ~~55,267.50~~

Docket 3112

File

Memorandum

To: Associate Solicitor--Mineral Resources

From: Chief, Office of Minerals Exploration

Subject: OME-6651 (Copper)
J. Maurer Mine
Pope-Shannon Mine
Lemhi County, Idaho

The subject application has been received by OME and an exploration contract appears to be warranted. However, in view of royalty being due the Government on past production from the property under a former DMEA contract, we question the propriety of a new contract before the old account has been settled. We would appreciate your comments and/or a decision in this matter so we may act accordingly.

Briefly, this property was the subject of DMEA contract (Docket DMEA-3117). The project was certified as a discovery on September 19, 1955. Royalty on past production in the amount of $293.07 remains unpaid according to a Report of Royalty Review dated April 15, 1960.

In accordance with Annex II (in lieu of Article 6) of that 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. This repayment period expired December 28, 1963.

The Operator (now defunct) and property owner have argued that the "Abandonment" clause contained in Article 7 of the contract releases them of this obligation. The interpretation of this clause is the main point of contention.

Attempts to collect the remaining royalty due the Government have been futile, although subsequent royalties on production from the property by other lessees have been paid.

The present application (Docket [illegible]) is essentially the same, except for Applicant, as the one submitted in 1961 (Docket [illegible]). At that time a contract was prepared, but the application was withdrawn by the Applicant due to financial difficulties.

All material we have relating to the former DMSA contract and applications is attached for your review.

FRANK E. JOHNSON

Frank E. Johnson

Attachments

Director's Reading File
Division File
Economic Geology File
GGE File
Geo Reading File
Mr. Peterson
Region I
Dockets 5112 & 6190

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
11/30/67	Peterson	120
		120
		110
		220
		120M

AIRMAIL

Mr. J. Howard Sims
Box 686
Salmon, Idaho 83467

Re: OME-6651 (Copper)
J. Howard Sims
Pope-Shenon Mine
Lemhi County, Idaho

Dear Mr. Sims:

Thank you for your letter of November 15, 1967, to our Spokane, Washington, office, and enclosed check in the amount of $293.07 for payment of royalties due the Government on past production from the Pope-Shenon mine.

Your application for exploration assistance is now being referred to Mr. D. R. MacLaren, Field Officer, Region I, Office of Minerals Exploration, U. S. Geological Survey, U. S. Courthouse, Room 656, West 920 Riverside Avenue, Spokane, Washington 99201.

Mr. MacLaren will notify you if additional information concerning the application is needed.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Division File
Economic Geology File
Docket OME-6651
Docket DMEA-3112
OME Reading File
OME Region I
Mr. Peterson
130

ECPeterson/gla 11-30-67

23263

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
12/1/67		110
		220

Mr. Fred J. Brough
c/o Mr. C. Walker Lyon
Veil Building
Salmon, Idaho 83467

Re: DMMA-3112 (Copper)
Centrida Mines, Inc.
Pope-Shenon Mine
Lemhi County, Idaho
Contract Idm-8651

Dear Mr. Brough:

Enclosed is a copy of a self-explanatory letter of today to the Centrida Mines, Inc., the Operator under the subject contract. This correspondence relates to the Owner's Consent to Lien executed by you and Laura A. Ledbetter on May 28, 1953, under the Defense Minerals Exploration Administration.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

Enclosure

cc: Director's Reading File
Division File
Economic Geology File
OME File
OME Reading File
130

GLAult/a 12-1-67

23263

Closed file out

OFFICIAL COPY
O. M. E.
RECEIVED
NOV 27 1967

INITIALS	CODE
gla	30
	~~120 MC~~
gs	~~111~~
HK	~~120~~
	220

Chief, Branch of Budget & Finance

M. L. Smelser for
D. R. Maclaren
Field Officer, Region I

11/15/67	$293.07	Idaho 1st Nat'l. Bank Salmon Office Salmon, Idaho	J. Howard Sims Salmon, Idaho	DMEA-3112 Idm-E651	Royalty*

*Repayment of royalty due the Government from production during the contract period.

11/20/67

M. L. Smelser

HOWARD SIMS

SALMON, IDAHO - 83467
Phone 208-756-2277

Mar 15 1987

[illegible]

[illegible] the [illegible] [illegible] [illegible] up to me to pay it and [illegible] enough royalty coming to get it back [illegible]

[illegible] office about the matter and you were [illegible] with your agent, the engineer? [illegible] Hoskins which I [illegible] Mr Hoskins didn't know who [illegible] it had to be paid. He then decided [illegible] to be [illegible] and that you [illegible] to collect the money.

Sincerely

[illegible]

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
		100
5/4	Johnson	110
	Selfridge	120
		500
	Talbert	800
		500

May 1, 1964

Memorandum

To: Files

From: Chief, Division of Minerals

Subject: DMEA-3112 (Copper)
Centrida Mines, Inc.
Pope-Shenon Mine
Lemhi County, Idaho
Contract Idm-E651

The repayment period under the subject contract expired in December 1963. Royalty in the amount of $293.07 on production from the land described in the contract remains unpaid. Attempts to collect this royalty from the Operator and more recently from the Owner of the property have been unsuccessful. In view of the circumstances in this case, it is recommended that the Docket be transferred to our inactive files without a release of the Government's lien being sent to the Operator or Owner.

W R Grimes

Chief, Division of Minerals

FEJohnson/bih
5/1/64

cc to: Files (Docket)
Dir. reading file
Mr. Talbert
500
Region I

43683

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
2/13	Murphy	500
"	[illegible]	[illegible]
		[illegible]
	Selfridge	120
2/13	Talbot	[illegible]
"	Fumich	100
		220

Mr. C. Walker Lyon
Veil Building
Salmon, Idaho

FEB 14 1964

Re: DMEA-3112 (Copper)
Centrida Mines, Inc.
Pope-Shenon Mine
Lemhi County, Idaho
Contract Idm-E651

Dear Mr. Lyon:

Your letter of January 21, 1964, and the two executed copies of MME Form 63 are acknowledged.

As you have been previously advised, there remains a balance due the Government of $293.07 in unpaid royalties on production from the Pope-Shenon mine.

The Owner's Consent to Lien executed by Fred J. Brough and Laura A. Ledbetter on May 28, 1953, grants to the Government a lien on the land to secure the payment of the percentage royalty on production. A copy of this instrument is enclosed.

A release of this lien will be effected immediately upon receipt of a remittance to liquidate this $293.07 indebtedness to the Government.

Sincerely yours,

George Fumich, Jr.

Acting Director

Enclosure

FMMurphy/mm (2/13/64)
cc: Mr. Fred J. Brough, Salmon, Idaho
Director's Reading File
Region I w/cy of Form 63 dated 12/30/63 and ltr dated 1/21/64
Docket
Code 500

Yes - but since you figure [illegible] The [illegible] was a [illegible] we felt we [illegible]

23263

LAW OFFICES
C. WALKER LYON
SALMON, IDAHO

TELEPHONE 756-2814

January 21, 1964

Mr. F. M. Murphy, Acting Chief
Division of Minerals
Office of Minerals Exploration
Washington 25, D.C.

Re: DMEA-3112

Dear Mr. Murphy:

Enclosed herewith are two executed copies of MME Form 63 as requested in your letter of December 30.

There has been no activity at the mine for several years except the owners doing the required annual assessment work.

It is our understanding that the lien the Centrida Mines, Inc., placed upon our property to you expired in December, 1963, and we were wondering if some instrument should not be sent the owners releasing the DMEA lien. We would appreciate having this.

Sincerely yours,

CWL:gl
Enc:2

LAW OFFICES
C. WALKER LYON
SALMON, IDAHO

VIEL BUILDING

TELEPHONE 756-2814

OFFICIAL FILE COPY
O. M. E
RECEIVED OCT 25 1962

DATE	INITIALS	CODE
10/25	[illegible]	800
		~~120~~
	[illegible]	~~500~~
		220

October 18, 1962

Mr. D. R. Maclaren
Office of Minerals Exploration
So. 157 Howard Street
Spokane 4, Washington

Re: DMEA-3112 (Copper)
Centrida Mines, Inc.
Pope-Shenon Mine
Lemhi County, Idaho
Contract IDM-E651

Dear Mr. MacLaren:

Received your letter of the 16th, concerning the Pope-Shenon Mine and wish to inform you that the Western Uranium Corporation failed to take up their option to lease or purchase last December.

There has been no production from this property since April 18, 1961.

Sincerely,

C. WALKER LYON

CWL:gl

RECEIVED
OCT 22 1962
U. S. G. S.
SPOKANE, WASH.

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

December 30, 1963

Re: DMEA-3112 (Copper)
Centrida Mines, Inc.
Pope-Shenon Mine
Lemhi County, Idaho
Contract Idm-E651

Mr. C. Walker Lyon
Veil Building
Salmon, Idaho

Dear Mr. Lyon:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

F M Murphy

F. M. Murphy, Acting Chief
Division of Minerals

OFFICIAL FILE COPY
O. M. E
RECEIVED JAN 27 1964

DATE	INITIALS	CODE
1/27	[illegible]	800
		120
1/27	[illegible]	100
1/27	[illegible]	110
1/30	[illegible]	500

MME Form 63
Revised 3-62

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. From October 18, 1962, to December 28, 1963 ~~Since~~ , has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☒

2. From October 18, 1962, to December 28, 1963 ~~Since~~ , has there been any production from the land subject to the contract? Yes ☐ No ☒

   A. If so and it was shipped, give quantity, value, and name and address of purchaser.

	Quantity	Value

   B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity	Estimated Grade	Location
Ore	Tons		
Concentrates	Tons		
Other	Tons		

3. Since , has any production been transported through workings (see of contract)? Yes ☐ No ☐

   A. If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name [signature] Title Owner with Fred J. Brough

Address Salmon, Idaho Date January 17, 1964.

4511

So. 157 Howard Street
Spokane 4, Washington
October 16, 1962

OFFICIAL FILE COPY
C. M. E.
RECEIVED 18 1962
C. M. E.
10/18 cc 800
500

Mr. C. Walker Lyon
Vial Building
Salmon, Idaho

Re: DMEA-3112 (Copper)
Centrida Mines, Inc.
Pope-Shenon Mine
Lemhi County, Idaho
Contract Idm-M651

Dear Mr. Lyon:

An "Option to Purchase," dated June 1, 1961, was executed by the owners of the Pope-Shenon Mine and Western Uranium Corporation.

Will you please advise me as to the present status of the option and whether or not there has been any production from the property since April 18, 1961.

Sincerely yours,

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

DRMacLaren:my
cc: CME
Reading copies to:
Nolan
McKelvey

AME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
10/9	Griswold	500
10/9	Fallmer	800
10/9	[illegible]	130
"	[illegible]	110
10/9	[illegible]	100
		220

OCT 9 1962

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Field Operations

Subject: DMEA-3112 (Copper)
Centrida Mines, Inc.
Pope-Shenon Mine
Lemhi County, Idaho
Contract Idm-E651

We have heard nothing concerning the referenced property since your memorandum of July 28, 1961. Will you kindly advise us as to the present status. You should also make the usual royalty demand in the event there has been any recent production.

In the "Option to Purchase" of June 1, 1961, Item 11 covers the DMEA requirements.

George C. Selfridge

WRGriswold/gla
10-9-62
cc to: Director's Reading File
Review Committee
Docket
Code 500

43683

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

[illegible] Street
Spokane [illegible], Washington
July [illegible], 1961

FILE COPY
[illegible] 7 1961

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Division I

Subject: Property inspections
DMEA [illegible] (Cobalt-Copper)
Montana Coal and Iron Company
Black Pine Mine
[illegible] County, Idaho
Second Amended Contract I-im-E320
and
DMEA [illegible] (Copper)
Centrida Mines, Inc.
Pope-Shenon Mine
[illegible] County, Idaho
Contract I-im-E[illegible]

The Black Pine mine was visited July 21, 1961. The property was reported to have been leased to Western Uranium and the subject Operator was requested to submit a copy of the lease. However, in a letter dated July [illegible] the operator stated that he had not transferred control of the mine or mill to Western Uranium. Copies of this letter have been forwarded to you.

Present on the property was [illegible], mine superintendent for Western Uranium, who stated that [illegible] company is aware of the Government's right [illegible] mill is undergoing repairs and in the mine raises are being sought up; bad timbers are being replaced as are some of the rails. Mr. Green estimated that it will be about 2 months before production will start.

Mr. Green also advised me that Western Uranium has just started cleaning up and repairing workings at the Pope-Shenon mine.

He was unable to say when production at that property might start. Fred J. Brough and Lyon C. Walker, owners of the Pope-Shenon mine, were requested to submit a copy of their lease to Western Uranium. This has been received and forwarded to you.

D. R. MacLaren

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
8/7	Griswold	500
8/7	[illegible]	800
8/8	[illegible]	130
"	Johnson	110
8-8	Tumeh	100
		220

AUG 8 1961

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Field Operations

Subject: DMEA-3112 (Copper)
Cantrida Mines, Inc.
Pope-Shenon Mine
Lemhi County, Idaho
Contract Idm-E651

We have your August 2 memorandum covering a purchase option on the referenced property. We feel that we should accept the fact that a promise has been made concerning future royalty payments and that no further action on our part is indicated at this time. Should any questions arise in the future concerning payment of royalties on this contract, kindly refer them to us.

/s/ George C. Selfridge

(242)

WRGriswold/gla
8-7-61
cc to: Director's Reading File
Review Committee
Code 500
Docket

43683

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane 4, Washington
August 2, 1961

OFFICIAL FILE COPY
O. M. E.
RECEIVED AUG 4 1961

DATE	INITIALS	CODE
8-4	gad	220
		170
8/4		~~800~~
		~~800~~
"	Brisnach	500
		220

Air Mail

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: DMEA-3112 (Copper)
Centrida Mines, Inc.
Pope-Shenon Mine
Lemhi County, Idaho
Contract Idm-E651

On July 19, while I was in the field, Mrs. Smelser forwarded one Thermofax copy each of a letter dated July 17 from C. Walker Lyon and an Option to Purchase Mining Claims by Contract for Deed between Fred J. Brough, C. Walker Lyon, and Grace M. Lyon, owners of the subject property, and Western Uranium Corporation.

While Centrida Mines, Inc., controlled the property under lease from Fred J. Brough and Laura A. Ledbetter and during the term of the subject contract, Rulon Young, a lessee, mined and shipped ore on which royalty in the amount of $717.54 became due but was not paid. The situation is covered in a Field Team letter to W. S. Martin dated August 9, 1957. A Report of Royalty Review dated April 13, 1960, indicates that the past due royalty has been reduced to $293.07.

The past due royalty was reduced by virtue of Mr. Brough paying 5 percent royalty on shipments made after termination of the Centrida lease that would normally have called for royalty in lesser amount. This excess payment has been made under protest submitted in a letter dated October 28, 1955, from C. Walker Lyon. The protest has been repeated some seven times as subsequent payments were made.

In view of the above, I am wondering if Mr. Lyon's letter of July 17 and the accompanying Option may not contain a "sleeper" that could be used to further the Operator's protest to paying "excess" royalty in the future. I refer to the last paragraph of the letter taken in conjunction with item 11 on page 5 of the

Option, which states in part: "During the continuance of this agreement, the Buyer shall pay and assume that certain Defense Minerals Exploration Administration lien which now exists on portion of the premises described herein and shall save the Sellers harmless from any payments that should have been made * * *." Could this, some time in the future, be interpreted as an indication that no request to Western Uranium Corporation for payment of past due royalty is tacit concurrence by the Government that no back royalty is due?

D R MacLaren

D. R. MacLaren

AME FORM 6
REV. 2-59

REFERENCE SLIP

OFFICE OF MINERALS EXPL ATION

TO:

	DATE	INITIALS
1. Mr. Lethridge		
2. Mr. Whitwell		
3.		
4.		
5.		
FROM: Talbert		

I know, but!

DMBa-3112

FOR: Check items for action desired

____ Action
____ Approval
____ Comment
____ Conference
____ Instructions
____ Reply for signature of _____
____ Investigate
____ Recommendations
____ Rewrite
Your information
____ Surname
____ Signature
____ File

REMARKS: In re your red-pencil note. Contract contains "abandonment" clause. Centrida abandoned. We have no enforceable claim for future royalty. Of course, under our policy in similar cases, we should attempt to collect from Western Uranium if there is production.

Talbert 7/21/61

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

M56300-59

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
So. 157 Howard Street
Spokane 4, Washington
July 19, 1961

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUL 21 1961

DATE	INITIALS	CODE
7-21	gad	220
7/24	[illegible]	800
		500
7/2	Greiwold	500
		140
		220

Memorandum

To: Chief, Division of Field Operations

From: Acting Field Officer, Region I

Subject: DMEA-3112 (Copper)
Centrida Mines, Inc.
Pope-Shenon Mine
Lemhi County, Idaho
Contract Idm-E651

Attached are Thermofax copies of a letter dated July 17, 1961, from C. Walker Lyon and the latest lease and option agreement on the Pope-Shenon mine. These were sent to us by Mr. Lyon in response to Mr. MacLaren's letter of July 13 to Fred J. Brough.

Mr. MacLaren will notify Western Uranium Corporation upon his return from the field of their obligation for payment of royalty on any production.

Mary L. Smelser
Mary L. Smelser
For: D. R. MacLaren

Enclosures

LAW OFFICES
C. WALKER LYON
THE BUILDING
SALMON, IDAHO

CITY ATTORNEY

July 17, 1961

PHONE 2814

Mr. D. R. MacLaren
Acting Field Officer, OME
Office of Minerals Exploration
No. 157 Howard Street
Spokane 4, Washington

Re: DMEA-311Z (Copper)
Centralia Mines, Inc.
Pope-Shenon Mine
Lemhi County, Idaho
Contract Idm-E651

Dear Mr. MacLaren:

Received your letter of July 13th concerning the Pope Shenon mine.

Enclosed herewith are two thermofax copies of the latest lease and option agreement.

and others in case of default

Mr. Brough and I will assume that you will look to the Western Uranium Corporation for any royalty due from the operations of this mine as long as the lease and option agreement is in effect.

Sincerely,

Enclosures: 2

CWL/zg

REC
JUL

OPTION TO PURCHASE MINING CLAIMS BY CONTRACT FOR DEED

THIS AGREEMENT made this 1st day of June, 1961, between FRED J. BROUGH, an unmarried man, and C. WALKER LYON and GRACE M. LYON, husband and wife, of Salmon, Lemhi County, State of Idaho, hereinafter referred to as "SELLERS", and WESTERN URANIUM CORPORATION, a South Dakota Corporation, hereinafter referred to as "BUYERS".

WITNESSETH:

WHEREAS, Sellers are holding under possessory mining rights, subject to the paramount title of the United States of America and to a purchase agreement from Laura Ledbetter of Maxville, Montana, the mining claims hereinafter described, commonly known as the Pope-Shenon Mine, situated near Salmon, Idaho, and are desirous of selling said mining claims to Buyer on the terms and conditions set forth below; and

WHEREAS, the Buyer is desirous of purchasing the same upon such terms and conditions.

NOW, THEREFORE, in consideration of the above premises and the covenants, agreements, terms and conditions below, it is agreed between the parties hereto as follows:

1. The property which is the subject of this Agreement is situated in McDevitt Mining District, Lemhi County, State of Idaho and described as follows:

UNPATENTED LODE MINING CLAIMS - Lemhi County Recording:

Name	Book	Page
GRANDVIEW NO. 1	W	502
GRANDVIEW NO. 2	W	503
GRANDVIEW NO. 3	W	504
GRANDVIEW EXTENSION NO. 1	Z	10
GRANDVIEW EXTENSION NO. 2	Z	11
GRANDVIEW EXTENSION NO. 3	Z	12
GRANDVIEW EXTENSION NO. 4	Z	13
GRANDVIEW EXTENSION NO. 5	Y	593
SOUTH SALMON COPPER	5	4
SOUTH SALMON COPPER NO. 1	5	59

(continued)

RECEIVED
JUL 19 1961

Name	Book	Page
SOUTH SALMON COPPER NO. 2	5	59
SOUTH SALMON COPPER NO. 3	5	60
SOUTH SALMON COPPER NO. 4	5	60
SOUTH SALMON COPPER NO. 5	5	61
SOUTH SALMON COPPER NO. 6	5	61
SOUTH SALMON COPPER NO. 7	5	61
SOUTH SALMON COPPER NO. 8	5	61
SOUTH SALMON COPPER NO. 9	5	61
NORTH SALMON COPPER	5	[illegible]
NORTH SALMON COPPER NO. 1	5	[illegible]
NORTH SALMON COPPER NO. 2	5	[illegible]
NORTH SALMON COPPER NO. 3	5	[illegible]
NORTH SALMON COPPER NO. 4	5	[illegible]
NORTH SALMON COPPER NO. 5	5	63
NORTH SALMON COPPER NO. 6	5	63
NORTH SALMON COPPER NO. 7	5	64
NORTH SALMON COPPER NO. 8	5	64
NORTH SALMON COPPER NO. 9	5	65
NORTH SALMON COPPER NO. 10	5	65
NORTH SALMON COPPER NO. 12	5	65
NORTH SALMON COPPER NO. 13	5	67

Together with, all and singular, the hereditaments, appurtenances, mines, minerals, lodes and veins within the lines of said claims, and their dips and spurs and all rights and rights of way, water and water rights, ditches and ditch rights appertaining thereto or used in connection therewith.

2. It is understood and agreed that portions of the above-described mining claims may overlap one another, and there is no warranty on Sellers' part as to any definite acreage covered by any or all claims; however, it is agreed that all mining claims adjacent to and contiguous to the above-described claims owned by Sellers, whether described herein or not, are to be deemed to be a part and portion of the property which is the subject of this agreement; likewise, any and all mining claims, or portions thereof, located or acquired by Buyer, its agents, employees, or assigns, which are adjacent to and contiguous to said mining claims above-described, shall also be deemed a part and portion of the property which is the subject of this agreement, and shall be deemed as Sellers' property subject to this agreement.

3. Sellers hereby grant and give to Buyer the exclusive option to purchase the property which is the subject of this agreement as set forth above upon the following terms and conditions:

A. The option shall be for a period of six (6) months from June 1, 1961.

B. The total purchase price for the subject property shall be ONE HUNDRED FIFTY THOUSAND DOLLARS ($150,000),

payable as set forth below:

C. The option shall be exercised by Buyer paying to Sellers the sum of EIGHT THOUSAND DOLLARS ($8,000) on or before six (6) months from June 1, 1961, which amount shall be credited against the total purchase price above set forth.

D. At such time as said $8,000 is paid, Buyer will have a firm and binding Contract for Deed, the terms and conditions of which are set forth hereinbelow.

4. In consideration of such option, Buyer agrees to do a complete mapping of the described mining claims, geological survey thereof, testing and sampling of the mine products in accordance with accepted geological practices, and to make such information available to Sellers upon request.

5. During the option period, Buyer shall have the right and privilege to explore, develop, mine and market ores from the subject premises, and in consideration thereof will pay Sellers ten percent (10%) of the net smelter returns (as defined hereinbelow) on all ore marketed therefrom, such 10% paid to Sellers to be credited against the total purchase price for the subject property if the option is exercised.

6. The Buyer is an independent contractor and there shall be no privity of contract between Sellers and the employees or sub-contractors of the Buyer, but all such employees or sub-contractors, whether on a wage, partnership or profit-sharing basis shall be selected by Buyer, fired by Buyer, directed by Buyer and paid by Buyer and subject only to the specific limitations herein set forth. The Buyer shall have exclusive dominion and control over the subject property and all mining operations therein and thereon during the term hereof.

7. The Buyer shall work and mine said property in a good and minerlike fashion with due regard to the safety, development and preservation of said premises as a profitable working mine, securely and properly timbering all openings made by Buyer, their assignees or any person working and holding under them, where timbering shall be necessary and proper in accordance with

good mining practice.

8. The Buyer shall perform any and all annual assessment work required by the laws of the United States of America and the State of Idaho to hold possession of unpatented mining property during the continuance of this agreement and shall give proof thereof in writing to Sellers for the purpose of filing any necessary certificates of annual assessment work; provided, however, that should Buyer surrender the premises to Sellers under their rights hereinafter specified the Buyer shall do and perform the required assessment work for the years ending September 1, 1961, and September 1, 1962, and for any other assessment years in which Buyer is in possession of said premises ~~between~~ after June 1 and ~~September 1~~ of such assessment years.

9. The balance of the purchase price, i. e. $150,000 less any sums received by Sellers under paragraph 5 hereof and the $8,000 received to exercise the option herein, shall be paid as follows:

A. Buyer shall pay Sellers in monthly installments a royalty of eight percent (8%) of the net smelter returns (as defined hereinbelow) on all ores marketed from said premises; provided, however, that in the event there are no ores marketed from said premises or the ores marketed during any such month do not produce a royalty equal to $400 per month, then Buyer will pay to Sellers a minimum on account of said royalty of $400 per month, the first such payment for royalty hereunder to be made 30 days after the option is exercised and a payment shall be due on the same day of each and every month following; provided, further, that any amounts paid on account of said minimum royalty requirement of $400 per month, and which is not paid from said eight percent (8%) of actual net smelter returns, shall be credited against future royalties from net smelter returns due Sellers hereunder to the extent such amounts exceed $400 per month.

B. The balance, if any, of the purchase price due hereunder shall be paid no later than ten (10) years from the date the option is exercised.

10. "Net smelter returns" as used herein is defined as the smelter schedule value per dry ton, less treatment, freight, drayage, control assay, sampling charges and any other charges made by the smelter, to which shall be added all net production premium

payments, if any, made to [illegible] production from said premises, except for any such premiums or subsidies which are forbidden by law to be given to mine owners (Sellers herein) as such. Any smelter to which the mine products from said premises are marketed is hereby [illegible] to pay directly to Sellers their royalty as [illegible] hereinbelow; and both Sellers and Buyer shall [illegible] to any such smelter a proper credit memorandum for the purpose of showing advance royalty payments made hereunder by Buyer to Sellers not derived from actual net smelter returns.

11. During the continuance of this agreement, the Buyer shall pay and assume that certain Defense Minerals Exploration Administration lien which [illegible] on purchase of the premises described herein and shall [illegible] the Sellers harmless from any payments that should have been made for the products sold, which said sums shall be paid direct from the smelter or purchaser of the mined products to the said Defense Minerals Exploration Administration in accordance with its loan agreement; provided, that in computing the royalty due Sellers hereunder, such payments shall not be charged against the gross for computing "net smelter returns".

12. The Buyer agrees to pay any license tax, net profits tax and other taxes accruing on account of or chargeable upon the operations conducted by Buyer on said premises, but this provision shall not be construed to mean that the Buyer shall be obligated to pay Federal or State personal income taxes of Sellers.

13. Sellers, or their agents, shall have the right and privilege, at their own risk, to enter upon said premises for the purpose of inspection, surveying, sampling and making such records relative to the mining operations as Sellers shall desire.

14. Buyer will, at its own expense, carry Workmen's Compensation insurance covering all of its employees and sub-contractors. The Buyer will pay any taxes and/or make any deductions under the Federal Social Security Act and the laws of the State of Idaho

in aid thereof for which Buyer may become obligated and will comply with all other laws, rules and regulations affecting Buyer's operation hereunder and will furnish Sellers supporting evidence of such compliance upon request. Buyer will pay all such premiums required for such Workman's Compensation insurance and will furnish Sellers evidence of such compliance and payment of such premiums on request.

15. Buyer will keep true and correct books of account, showing the amount of ore mined from said premises, together with shipping records, to which records the Sellers shall have access at all reasonable times and Sellers may copy therefrom such portions or parts as they desire, and should Buyer surrender, or this agreement become forfeited or terminate in any manner whatsoever, the Buyer will deliver to Sellers all maps, assay records and reports, together with other written data Buyer has in connection with said premises.

16. Buyer will forthwith post and thereafter keep posted in conspicuous places on said premises as many written notices as may be necessary to adequately notify all persons who may come within or upon the said premises that the same are held by Buyer under this agreement to purchase from Sellers, and that Buyer and not the Sellers shall be responsible for all debts and expenses incurred in the mining operations hereunder.

17. The payment of a minimum royalty hereunder shall be in lieu of any specific work requirements on said premises, except as to the provisions of paragraphs 5 and 8 hereof.

18. Buyer will hold Sellers harmless and fully indemnified against all claims and demands of every kind and nature which may be made upon Sellers or against said premises for or on account of any debts or expenses contracted or incurred by Buyer, as well as from and against all acts, transactions or omissions by Buyer, its agents and servants, including claims, demands,

causes of action, cost and expense arising during the continuance of this agreement, from or on account of injury to any person whether occasioned by any unsafe or dangerous condition of any part of said premises or working thereon or therein used by Buyer, or otherwise, and to defend the Sellers at Buyer's cost and expense from such liability or asserted liability.

19. Buyer shall have the right to assign any minority interest in this agreement to Phil Hockey without the written consent of Sellers; otherwise Buyer cannot assign this agreement, or portion or rights thereunder, without the written consent of Sellers first had and obtained; provided that any such consent sought shall not unreasonably be withheld as to any person, association, corporation or partnership financially and otherwise qualified to operate under this agreement.

20. This agreement is subject to the lease and option to purchase for an undivided one-half interest in a portion of the herein described property, dated June 27, 1952, between Laura Ledbetter and Fred J. Brough, one of the Sellers herein, and that under an extension of the said lease and option to purchase, dated May 2, 1955, the balance of the option price shall be paid to Laura Ledbetter before June 27, 1962. Sellers agree to assume and pay any and all obligations due and to become due to said Laura Ledbetter under such agreements or any subsequent agreements and to insure Buyer's full right, title and interest hereunder without any interference, claim, demand or action whatsoever on the part of said Laura Ledbetter as to the said premises and Buyer's operations thereon.

21. Upon full payment of the purchase price herein, Sellers shall make, execute and deliver to Buyer a good and sufficient mining deed to the premises described herein, subject only to the paramount title of the United States of America, conveying full title thereto free and clear of all liens and encumbrances, excepting said Defense Minerals Exploration Administration Lien

and any other liens or encumbrances placed upon said premises by or through Buyer.

22. Buyer has a right and privilege at any time during the term hereof to surrender the said premises to Sellers after a thirty (30) day written notice of intention to surrender has been delivered to Sellers; provided, however, no surrender shall be made or become effectual unless substantial proof is furnished Sellers that the provisions of paragraph 5 hereof have been fulfilled by Buyer and the payments have been made to the Defense Minerals Exploration Administration as required by paragraph 11 hereof and to Sellers for royalties due hereunder for products marketed by Buyer to the date of surrender.

23. Time is the essence hereof, and the failure of Buyer, or its agents, to do and perform each and all of the provisions, obligations and conditions herein contained to be done and performed by it, shall, at the option of Sellers, terminate this agreement, which said option to terminate by Sellers shall be exercised by Sellers giving to Buyer a written notice directed to Western Uranium Corporation, 108 South Third, Riverton, Wyoming, stating the provisions hereof which Buyer has failed to uphold or perform, and should Buyer not fully correct and perform the provisions within thirty (30) days after such notice is received, then Buyer shall immediately surrender possession of the said described premises with any such additional adjacent and contiguous mining claims, Sellers shall have the right to re-enter said premises without further demand or notice and dispossess all persons occupying the same.

24. Buyer shall have the right and privilege of removing, within ninety (90) days from surrender or forfeiture of the premises, any and all personal property placed upon said premises by Buyer, provided that all timbering, all pipes installed underground, all installed rails, and any structures (unless such structures are pre-fab metal buildings) shall remain on

the premises as property of Sellers, and any other property left on said premises after said 90 day period shall become the property of Sellers; further, Buyer shall not have the right to remove, ship or sell ore or products mined or extracted and remaining on the premises after the termination or surrender of this agreement, whether by lapse of time, forfeiture or otherwise, and such ore and products shall be left on the premises to remain the property of the Sellers, with no interest therein to Buyer.

25. The nature of this agreement, once the option is exercised, is the same as in a contract for deed arrangement, and any forfeiture or termination will terminate the same fully and forever as of such date, and Sellers shall retain all monies paid to the date thereof as liquidated damages therefor; it being agreed that the matters mentioned in paragraph 22 hereof shall be excepted therefrom; it being further agreed that no action for specific performance of this agreement in full shall lie on behalf of Sellers against Buyer, nor shall any action lie for damages as a result of said forfeiture or termination.

26. Any waiver of the terms and conditions hereof by Sellers shall not be deemed a waiver of future performance of any such terms and conditions by Buyer.

27. All of the provisions hereof shall inure to the benefit of and be binding upon the executors, administrators, heirs and assigns of the parties hereto.

28. Buyer shall be bound hereunder from and after the execution and approval or ratification of this agreement by its Board of Directors.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals this 26th day of June, 1961.

Fred J. Brough

C. Walker Lyon

Grace W. Lyon

SELLERS

WESTERN URANIUM CORPORATION

By _____
President

_____
Secretary

BUYER

(SEAL)

THE STATE OF IDAHO)
) ss
COUNTY OF LEMHI)

On this _____ day of June, 1961, before me, the undersigned, a Notary Public in and for said State, personally appeared FRED J. BROUGH, C. WALKER LYON and GRACE N. LYON, known to me to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

_____
Notary Public for the State of Idaho, residing in Salmon, Idaho.

THE STATE OF _____)
) ss
COUNTY OF _____)

On this _____ day of June, 1961, before me, the undersigned Notary Public, personally appeared _____, known to be to be the President of Western Uranium Corporation, the corporation which executed the foregoing instrument, and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate written.

_____
Notary Public for the State of _____, residing at _____, _____.

OFFICIAL FILE COPY
O. M. E
RECEIVED JUL 17 1961

DATE	INITIALS	CODE
7-17	gsd	NVO
7/17	[illegible]	800
		500
"	Received	500
		140
		220

No. 157 Howard Street
Spokane 4, Washington
July 13, 1961

Mr. Fred J. Brough
c/o C. Walker Lyon
Attorney at Law
Viel Building
Salmon, Idaho

Re: DMEA-3112 (Copper)
Centrida Mines, Inc.
Pope-Shenon Mine
Lemhi County, Idaho
Contract Idm-E651

Dear Mr. Brough:

According to an article in the June 9, 1961 issue of the Riverton Ranger, Riverton, Wyoming, Western Uranium Corporation has an option to buy the Pope-Shenon mine.

We would appreciate having for our files two copies, or one reproducible copy, of the option agreement or other documents transferring control of the mine to Western Uranium Corporation.

Sincerely yours,

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

DRMacLaren:mls
cc: OME
Reading copies to:
Nolan
Hobbs
Guild

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
7/5	Griswold	500
7/5	Talbot	800
7/5	[illegible]	130
"	Johnson	110
7/5	Lamuth	100
7-5	gad	220

JUL 5 1961

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Field Operations

Subject: DMEA-2499 (Cobalt-Copper)
Montana Coal and Iron Company
Black Pine Mine
Lemhi County, Idaho
Second Amended Contract Idm-E320
and
DMEA-3112 (Copper)
Centrida Mines, Inc.
Pope-Shenon Mine
Lemhi County, Idaho
Contract Idm-E651

The Riverton Ranger, Riverton, Wyoming, issue of June 9, 1961, contains a statement to the effect that Western Uranium Corporation had an option to buy the Pope-Shenon mine and the Black Pine mine and that, according to Wayne Erickson, superintendent, they were now mapping and sampling the Black Pine mine and would start mining in the Black Pine, milling the ore in its 100-ton mill.

Please advise the Operators under the subject contracts that we would appreciate having copies of the option agreements or other documents transferring control from the Montana Coal and Iron Company to the Western Uranium Corporation, and from the owner of the Pope-Shenon mine to the Western Uranium Corporation.

SPHolt/WRGriswold/gla
7-5-61
cc to: Director's Reading File
Review Committee
Docket DMEA-2499
Docket DMEA-3112
Code 500

43683

REQUEST FOR INFORMATION
FROM OPERATOR ON CERTIFIED PROJECT
AND PROJECT UNDER ROYALTY AGREEMENT

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

From: Field Officer, OME, **Region I**
So. 157 Howard Street
Spokane 4, Washington

Concerning:
Docket No. **DMEA-3112 (Copper)**
Property **Pope-Shenon Mine**

Location **Lemhi County, Idaho**

Date: **April 18, 1961**

E-651

OFFICIAL FILE COPY
O. M. E
RECEIVED MAY 2 1961

DATE	INITIALS	CODE
5-2	gad	NVO
		NVO
5/4	WJ	500
"	Brisco	500

Mr. Fred J. Brough
c/o C. Walker Lyon
Attorney at Law
Viel Building
Salmon, Idaho

With the certification of the exploration project identified above, you were asked to inform our office about changes in the status of the property and production from it.

To assist you to furnish this information and to assure the accuracy of our records, we ask that you answer the questions below and return ~~one copy~~ **two copies** to this office with copies of any pertinent documents.

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

1. Since **April 13, 1960**, has there been a change in ownership, lease, or sublease about which the OME has not been notified? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents. **A tentative lease was made with McFarland and Hullinger, of Tooele, Utah, but the parties returned possession of the property before shipping any ore.** Yes ☐ No ☒
2. Since **April 13, 1960**, has there been any production from the property?* Yes ☐ No ☒

   A. If so and it was shipped, give name and address of purchaser?

	Quantity	Value

   B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

Submitted by:

Name **Fred J. Brough By.** [signature] Title **Attorney**

Address **Salmon, Idaho** Date **April 24, 1961**

MME Form 63 8-60 * Property means land subject to the contract. 79340-60

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
10/10	[illegible]	500
		800
		130
		110
		220

Memorandum

To: Acting Field Officer, Region I

From: Chief, Division of Field Operations

Subject: IMFA-3112 (Copper)
Centrida Mines, Inc.
Pope-Shenon Mine
Lemhi County, Idaho
Contract Idm-E651

This is in reference to your letter of May 11, 1960, to Mr. Fred J. Brough concerning delinquent royalty of $293.07. Will you kindly demand payment from him of this sum, citing the Owner's Consent to Lien agreement signed by him, dated May 28, 1953. He should be advised that unless payment is received within 30 days, the matter will be referred to the General Accounting Office for appropriate action.

WRGriswold/gla
10-10-60
cc to: Director's Reading File
Review Committee
Code 500
Chron
Docket

not sent

43683

Mr. D. R. MacLaren
Acting Field Office, Dem
Region I
Office of Minerals Exploration
So. 157 Howard St.
Spokane 4, Washington

Re: Docket No. DMEA-3112 (Copper)
Cerro Flora Mines, Inc.
Prem-Shenon Mine
Lemhi County, Idaho
Contract No. Idm-2081

Dear Mr. MacLaren:

Your letter of May 11th, to Mr. Fred J. Brough, concerning the above mine, has been handed to me by Mr. Brough for answer as I have carried on all correspondence for him concerning the mine.

The mine has been shut down for about two years due to market conditions and inability to obtain a lessee or purchaser for the property. At this time there are no plans to resume operations except, however, annual assessment work to retain title to the property.

Very truly yours,

OWL:ll

RE
MA

Mrs (2)

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAY 16 1960

DATE	INITIALS	CODE
5-16	gad	VVO
5/16	[illegible]	800
"	[illegible]	500
		225

So. 157 Howard Street
Spokane 4, Washington
May 11, 1960

Mr. Fred J. Brough
c/o C. Walker Lyon
Attorney at Law
Viel Building
Salmon, Idaho

Re: Docket No. DMEA-3112 (Copper)
Centrida Mines, Inc.
Pope-Shenon Mine
Lemhi County, Idaho
Contract No. Idm-E651

Dear Mr. Brough:

Enclosed for your information is a Report of Royalty Review dated April 13, 1960, on the referenced property covering the period September 26, 1956, through April 13, 1960.

You will note that, according to this audit, there is a balance due on royalties amounting to $293.07.

As the last royalty payment was on a shipment made June 3, 1958, we assume the mine has been shut down. We would appreciate hearing from you if this is so, and would like to know if you plan to resume operations.

Sincerely yours,

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

Enclosure

cc: Fiscal Section w/orig. Report of Royalty Review
Contract Admin. & Audit Div., OME
OME(2)
USBM w/Thermofax copy of report
DRF

ORIGINAL FILE COPY
DMEA
RECEIVED 24 1958

So. 157 Howard Street
Spokane 4, Washington

March 19, 1958

Mr. Frederick Hughes Snook
Attorney At Law
Salmon, Idaho

Re: Docket No. DMEA-3112 (Copper)
Centrida Mines, Inc.
Pope Shenon Mine
Lemhi County, Idaho
Contract No. Idm-E651

Dear Mr. Snook:

This is in reply to your letter dated March 6, 1958, which was received by this office March 17, 1958, regarding ore from the Pope Shenon mine sold by Rulon Young.

Mr. Brough, in accordance with the Consent to Lien and Subordination Agreement, has paid royalty on ore shipped by Rulon Young furnishing the Government with copies of settlement sheets, and certainly should have copies of these in his files.

We consider all information gained as a result of DMEA projects as confidential between DMEA and the contractor or property owner.

We, therefore, suggest that you ask Mr. Brough for this information.

Sincerely yours,

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region 1

cc: DMEA (2) w/2 copies of incoming
USBM (2) " " " "
USBM (AD) w/copy of incoming

COPY

FREDERICK HUGHES SNOOK

ATTORNEY AT LAW

SALMON, IDAHO

March 6, 1958

D.M.E.A.
Spokane, Washington

Gentlemen:

At the present time there is a suit pending in our District Court between Joseph Parke and Rulon Young in connection with the former operation of the Pope Shenon Mine by these parties and the ore which was sold by Rulon Young in connection therewith.

It is the understanding of Fred Brough, the owner of the property that you have records indicating the amount of ore that was shipped from this property and the money received for it. If this is correct, will you please send a copy of this information to me or to Mr. Brough at Salmon, Idaho, the owner of the property.

Very truly yours,

/s/ Frederick H. Snook

FHS/fw

RECEIVED
MAR 17 1958
U. S. G. S.
SPOKANE, WASH

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
8/16	Fisher	800
8-16	Chambers	800
8/20	Swanel	500
	Long	140
	Sawyer	140
8/23	[illegible]	130
8/23	Johnson	110
"	Mueffenberg	100
8/26	[illegible]	220
		500

Noted without approval →

Mr. A. E. Weissenborn
Executive Officer
DMEA Field Team, Region I
South 157 Howard Street
Spokane 4, Washington

AUG 26 1957

Re: Docket No. DMEA-3112 (Copper)
Centrida Mines, Inc.
Pope-Shenon Mine
Lemhi County, Idaho
Contract No. Idm-E651

Dear Mr. Weissenborn:

Reference is made to your letter dated August 9, 1957, relative to royalty due on production by a lessee during the period exploration work was being performed by Centrida Mines, Inc., under provisions of the subject contract.

This royalty should have been collected from Centrida Mines, Inc., at the time the production occurred, or it should have been withheld from the final settlement made for exploration costs. As neither was done and as it appears that collection cannot now be made from that company, the manner of handling indicated in your letter seems to be in the Government's interest under present circumstances, and is approved.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GB)

APPROVED:

O. M. Bishop (GB)
Member, Bureau of Mines

Thor H. Kiilsgaard (GB)
Member, Geological Survey

CEFisher/wb
August 16, 1957

Copy to: Docket
Admr. Reading File
Operating Committee
Mr. Kiilsgaard, USGS
Mr. Pennington, USBM
Mr. Chambers

8623

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
So. 157 Howard Street
Spokane 4, Washington

OFFICIAL FILE COPY
DMEA
RECEIVED 12 1957

DATE	INITIALS	CODE
8/12	P.	220
8/12	LRY	500

August 9, 1957

Mr. W. S. Martin, Acting Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-3112 (Copper)
Centrida Mines, Inc.
Pope-Shenon Mine
Lemhi County, Idaho
Contract No. Idm-E651 (Terminated)

Dear Mr. Martin:

This is in reply to your letter of July 31, 1957, regarding payment of royalty due the Government on ore mined by Roulon Young, lessee, in the amount of $717.54. This ore was mined and shipped between March 1, 1954 and October 26, 1954 during the period that Centrida Mines, Inc., controlled the property under lease from Fred J. Brough and Laura A. Ledbetter, and during the term of DMEA Contract Idm-E651.

Mr. Lester Harrison had leased the Pope-Shenon mine and on June 1, 1953, assigned the lease to Centrida Mines, Inc., who applied for and obtained a DMEA contract. The DMEA contract was completed March 31, 1955, and a Certification of Discovery or Development was issued September 19, 1955. The Operator exercised his right to discontinue the lease by giving Mr. Brough 90 days notice of his intention on April 6, 1955.

Mr. C. A. Turner, DMEA Auditor, interviewed Mr. Harrison and in a letter dated November 29, 1956 to Mr. Chambers, Contract Administration and Audit Division, he says "Mr. Harrison stated that the Centrida Mines, Inc. are without funds and that they have no intention of paying the royalties." Turner's audit was preceded by our letter of August 30, 1956 to Mr. Harrison in which we identify the shipments on which payment of royalty amounting to $717.54 is due and in which we request payment. The statement in Mr. Turner's letter to Mr. Chambers is the only reply we have received.

With Centrida Mines, Inc., defunct and Mr. Harrison stating he has no intention of paying the royalty and not answering our letters, further demands for payment from that source is futile. Moreover,

Mr. Brough, on the advice of his attorney, has refused to pay the back royalty, as the production was made during the life of the Centrida lease and contract, during which period he had no control whatsoever over the property.

However, since the property reverted to Mr. Brough he has paid royalty totaling $6,088.05 on production to date. All of the payments have been made at the rate of 5 percent although some of the shipments required a smaller payment. The excess paid has reduced the $717.54 back royalty to $423.23, and the entire amount paid has reduced the Government's contribution to the project from $31,306.25 to $25,218.21.

We reiterate our belief that it will be futile to try to collect back royalty from a defunct corporation. It is also our belief that if any effort is made to force payment of this royalty from Mr. Brough that production at the Pope-Shenon mine will be discontinued and the royalty now being paid will be lost. If production continues, overpayments of current royalties may eventually wipe out the back royalties still due.

By Field Team, Region I

A. E. Weissenborn

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

John A. Bardill
for Wing G. Agnew, Member
U. S. Bureau of Mines

cc: USBM (2)
USBM (AD)
Turner
CPF

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
7/30	Fisher	800
7-30	Chambers	800
	Frances	500
7/30	Martin	130
7/30	Dwyer	130
7/31	Martin	130
"	[illegible]	100
"	[illegible]	100
8/1	C	220
(Copper)		500

JUL 31 1957

Mr. A. E. Weissenborn
Executive Officer
DMEA Field Team, Region I
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA-3112
Centrida Mines, Inc.
Pope-Shenon Mine
Lemhi County, Idaho
Contract No. Ida-E651

Mr. Kiilsgaard, USGS
Mr. Pennington, USBM
Mr. Chambers

Dear Mr. Weissenborn:

By letter dated January 24, 1957, the Field Team, Region I, Northwest District, sent Centrida Mines, Inc., a copy of a First Royalty Audit Certificate and First Royalty Audit Report dated December 20, 1956, which indicated royalty due to the Government in the amount of $717.54 applicable to ore mined by a lessee (Roulan Young) from the subject property during the time Centrida Mines, Inc., was in possession of the property. This letter did not demand payment of the amount due and the Washington office file does not disclose any demand for payment subsequent to that date.

In our letter dated August 10, 1956, you were advised that the Operator is the prime debtor for the royalties under discussion, and a demand for payment must be made upon it, before the landowner becomes liable. Therefore you should make a more forceful effort to collect the amount of $717.54 from Centrida Mines, Inc. If such efforts should prove unsuccessful, the matter should then be referred to the Washington office for the necessary action including referral of the case to the Attorney General of the United States, if deemed appropriate.

It is noted that the landowner has paid royalty on sales of ore produced from the property subsequent to the time Centrida Mines, Inc., abandoned their lease. Such payments have been based on a royalty rate of 5%, whereas the value of much of the ore is such that the royalty rate would be less than 5%. Mr. Turner's audit report indicates overpayments by the landowner in this manner amounting to $139.26 and the Semi-Annual Report of Certified Project for the period January 1 to June 30, 1957, indicates similar overpayments during the latter period amounting to $155.05, leaving a net balance of royalty due at June 30, 1957, amounting to $423.23.

Copy to: Docket
Admr. Reading File
Operating Committee

Sincerely yours,

W. S. Martin
ACTING Chairman, Operating Committee (SLB)

CEFisher/wb
July 30, 1957

APPROVED:

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

Thor H. Kiilsgaard (SLB)
Member, Geological Survey

8623

RECEIVED JAN 30 1957 D.M.E.A.

xxxxxxxxxxxxxxxxxx
So. 157 Howard Street
Spokane 4, Washington

January 24, 1957

Centrida Mines, Inc.
P. O. Box 838
Kellogg, Idaho

Re: Docket No. DMEA-3112 (Copper)
Pope-Shenon Mine
Lemhi County, Idaho
Contract No. Idm-E651

Gentlemen:

Enclosed for your information is a First Royalty Audit Certificate and First Royalty Audit Report dated December 10, 1956, which covers the period December 28, 1953 - September 25, 1956, on the above-referenced property.

You will note that according to this audit, royalty amounting to $717.54 due on ore mined during the time Centrida Mines, Inc. was in possession of the property, has not been paid.

By Field Team, Region I, NW Dist.

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

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

Enclosures

cc: DMEA (3)
USBM (2)
USBM (AD)
Turner
Nickelson
CPF

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 30 1957

DATE	INITIALS	CODE
1-30	C	220
1-30	EEP	800
		225

xxxxxxxxxxxxxxxx
No. 157 Howard Street
Spokane 4, Washington

January 24, 1957

Mr. Fred J. Brough
c/o C. Walker Lyon
Attorney at Law
Viel Building
Salmon, Idaho

Re: Docket No. DMEA-3112 (Copper)
Centralia Mines, Inc.
Pope-Sheron Mine
Lemhi County, Idaho
Contract No. Ida-8651

Dear Mr. Brough:

Enclosed for your information is a First Royalty Audit Certificate and First Royalty Audit Report dated December 10, 1956, which covers the period December 28, 1953 - September 25, 1956, on the above-referenced property.

You will note that, according to this audit, there is a balance due on royalties amounting to $578.28.

By Field Team, Region I, NW Dist.

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

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

Enclosures

cc: DMEA (3)
USGM (2)
USBM (AD)
Turner
Nickelson
CPF

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 30 1957

DATE	INITIALS	CODE
1-30	C	220
1-30	6.E.P.	800
		225

RECEIVED JAN 30 1957 DMEA

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
1/8/57	Chambers	800
1-8	C	225

JAN 8 1957

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

Re: Royalty Audit Report
Centrida Mines, Inc.
Idm-E651, DMEA-3112

Dear Mr. Turner:

Receipt is acknowledged of your First Royalty Audit Certificate and Report covering the above-cited project.

The revised report is acceptable and normal distribution is authorized.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

WBorovies/wb
January 8, 1957

Copy to: Docket
Admr. Reading File
Mr. Chambers

R.S.S.

8623

Docket Copy
Talbot

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

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

DEC - 5 1956

Re: Royalty Audit Report
Idm-8651, DMEA-3112
Centrida Mines, Inc.

Dear Mr. Turner:

The Washington copies of your First Royalty Audit Certificate and Report covering the referenced project are returned herewith for revision to include additional pertinent information.

Section II, General Information, of the report should be expanded to include data relative to:

(a) the Operator's abandonment of the property, as permitted by Article 7 of the contract, which released him from liability for royalty on production subsequent to such abandonment;

(b) the Operator's specific liability, as set forth in Annex I of the contract, for royalty on production from land leased to Ruben Young;

(c) the lien upon the land owned by Fred J. Brough and Laura A. Ledbetter, as granted by the Owner's Consent to Lien, to secure the payment of the royalty on production; and

(d) the delinquency in royalty payments, as known before audit, and the Field Team's efforts to obtain payment.

It is to be noted that on page 16 of the royalty procedural manual it is stated that Section II, General Information, will cover four points, the fourth of which is:

"Any other general information which may be pertinent to the case under review."

Section IV, Conclusions and Recommendations, of the report should be expanded by:

P.T.

(a) addition of a column, headed "Royalty Paid", to the summary on page 4 (and changing the heading of the present last column to "Royalty Due");

(b) inclusion of a detailed listing of the settlement sheets on which royalty is due and those on which royalty was overpaid, the total of such listing to agree with the net balance of royalties due;

(c) a statement as to the specific amount due from the Operator for production from the Rulen Young lease prior to the Operator's abandonment; and

(d) inclusion of the information given in the last two paragraphs of your letter of November 29, 1956.

In connection with this section it is to be noted that the royalty procedural manual provides, on pages 16 and 17, that:

> "The balance of royalty due should be reported in detail, listing dates of sales, purchasers and other details in the report itself or on a schedule attached to the report."

In Section I, Introduction, it is stated that the Operator did not make his records available to the auditor. The question arises as to whether he actually refused to permit you to audit them. This should be clarified and it is suggested that you add "however, these records were not necessary as the landowner's records were deemed sufficient for the purposes of this audit."

As you know this is a controversial case. Therefore it is important that your audit report include all necessary information. In this connection your attention is invited to the following quotation from page 1 of the royalty procedural manual:

> "The audit report thus serves not only as a confirmation of the correctness of payments which have been made but also as the basis for the demand upon the debtor for any additional amounts which are determined to be owing. The audit report may become an important document in the institution of legal proceedings to enforce collection of royalties owed the Government."

Two other corrections required are:

(a) The date of the certification of a discovery or development, indicated at the end of the first paragraph on page 2 of your report, should be corrected to "September 19, 1955".

(b) Parenthetical identification of the commodity (Copper) should follow the docket reference on the certificate, as directed by memorandum of May 11, 1956, addressed to all auditors.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

Enclosure

EDTalbert/wb
December 4, 1956

Copy to: Docket
Admr. Reading File
Mr. Chambers

xxxxxxxxxxxxxxxxxx
So. 157 Howard Street
Spokane 4, Washington

October 12, 1956

Centrida Mines, Inc.
P. O. Box 838
Kellogg, Idaho

Re: Docket No. DMEA-3112 (Copper)
Pope-Shenon Mine
Lemhi County, Idaho
Contract No. Idm-2651

Gentlemen:

We have received your letter of October 3, 1956, in which you state, "Centrida Mines, Inc., abandoned the contract on April 6, 1955." If you will refer to our letter of August 30, 1956, you will note that the ore shipments for which royalty is overdue fall between the dates of March 16, 1954 and November 11, 1954. These shipments were all made between December 28, 1953 the date of your contract, and March 31, 1955 the date of termination of the contract, and during the time that your lease with Mr. Brough was in effect. The final paragraph of Annex I of your contract states: "All production from the land heretofore leased to one Fulon Young, as mentioned in the aforesaid lease from Fred J. Brough to Lester S. Harrison, is subject to the royalty payment provisions of Article 6 of the contract form."

Regarding the lot numbers mentioned in the next to the last paragraph of our letter of August 30, we still require the settlement sheets of these lots in order to determine how much royalty is due the Government. We are requesting Mr. Charles Turner, DMEA auditor, to make an audit of old shipments from the Pope-Shenon mine since the effective date of the contract. Mr. Turner will contact you in the near future, and we will appreciate your cooperation in making all the pertinent records in your possession available so that this matter can be settled promptly.

By Field Team, Region I, NW Dist.

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

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

cc: DMEA (2) w/ag incoming
USBM (2)
USBM (AD)
Turner
Nickelson

CENTRIDA MINES, INC.
P. O. BOX 838
KELLOGG, IDAHO

RECEIVED
BUREAU OF MINES
OCT 3 - 1956
POCATELLO, IDAHO

October 3, 1956

Defense Minerals Exploration Administration
1201 North Division Street
Spokane 1, Washington

DMEA

Attention: Mr. Agnew

Dear Sir:

Re: Docket No. DMEA-3112 (copper)
Pope-Shenon Mine
Lemhi County, Idaho
Contract No. Idm-E651

Referring to the above matter, Centrida Mines, Inc., abandoned the contract on April 6, 1955. This was done with the consent of your department and you were forwarded copies of the Notice of Discontinuing development and operations which were also forwarded to the owners. This was done under the escape clause in the Brough contract. It is our opinion that all question of royalties up until the time we released the agreement were disposed of, and if somebody else has been shipping ore from that property since that date, it is not within our knowledge.

Very truly yours,

CENTRIDA MINES, INC.

By: C. Whalen
Secretary

ph

RECEIVED
SEP - 4 1956

xxxxxxxxxxxxxxxxxx
1201 N. Division Street
Spokane 2, Washington

August 30, 1956

Centrida Mines, Inc.
Box 838
Kellogg, Idaho

Re: Docket No. DMEA-3112 (copper)
Pope-Shenon Mine
Lemhi County, Idaho
Contract No. Idm-M651

Gentlemen:

Our Washington office has called attention to royalties due on production from the Pope-Shenon mine. They state that according to the terms of your contract "An operator is always liable for royalty on production made prior to abandonment under a contract that permits abandonment."

We have discussed with Washington the matter of production from mine dumps and tailings which existed on the property prior to the date of the contract and have been informed that no royalty is due on production from these sources. Likewise, any mine ore extracted from the property prior to the date of the contract has no royalty obligation. However, all ore extracted after December 28, 1953, the date of the contract, is subject to the Government's percentage royalty. Smelter shipments on which royalty is due are as follows:

Shipper's Lot	Date Shipped	Net Subject to DMEA Royalty	Royalty Due
Y-5	3/16/54	$1,111.87	$ 55.59
Y-6	3/30/54	1,792.36	89.62
Y-7	5/17/54	1,863.92	93.20
Y-8	6/8/54	907.56	45.38
Y-9	6/17/54	3,879.93	194.00
Y-10	7/16/54	3,801.71	190.09
1	11/11/54	993.17	49.66
			$717.54

The amount shown as due is, of course, subject to audit.

We would like to call your attention to the following lot numbers in the series of numbers assigned to various shippers for which we have not received settlement sheets or royalty payments: in the Robertson & Steeples series lot No. 101 has not been reported; in the Gunderson and Mays series we have not received settlement sheets on lots Nos. 600-7, 600-18 and 600-20. We have, however, received a corrected settlement sheet reducing the treatment charge on lot 600-7, resulting in an additional payment to the shipper

of $209.30, but no royalty was received on this corrected settlement sheet. Will you please check into this matter and advise us whether or not these lot numbers covered shipments subject to royalty payments and if so, please let us have payment to cover.

Your remittance covering the above items should be made payable to Defense Minerals Exploration Administration and mailed to Mr. A. E. Weissenborn, Executive Officer, DMEA Field Team, Region I, Sc. 157 Howard Street, Spokane 4, Washington.

By Field Team, Region I, NW Dist.

Wing O. Agnew, Acting Exec. Officer
U. S. Bureau of Mines

Donald R. MacLaren, Acting Member
U. S. Geological Survey

cc: DMEA (2)
USGS (2)

Docket copy
Surname:
Chambers
Griswold
Martin
H. Johnson
McKinney

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

AUG 10 1956

Mr. A. E. Weissenborn
Executive Officer, Northwest District
DMEA Field Team, Region I
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA-3112 (Copper)
Centrida Mines, Inc.
Pope-Shenon Mine
Lemhi County, Idaho
Contract No. Ida-2651

Dear Mr. Weissenborn:

Attention is called to your letter of May 15, 1956, to Mr. Fred Brough of Salmon, Idaho, owner and lessor of the land on which the project is located, in regard to royalty on production on the above-cited project.

According to our information Ralen Young, another lessee, produced the ore on shipments as outlined in your letter of May 15, 1956. At the time the production on which royalty has not been paid was made, the Centrida Mines, Inc., was the Operator under the contract. In reviewing this case it was noted that no recent attempt has been made to recover royalties from the Operator on the production made prior to its abandonment of the land. An Operator is always liable for royalty on production made prior to abandonment under a contract that permits abandonment. It is therefore suggested that you make demand on Centrida Mines, Inc., for payment.

It is clear from the provision of the last paragraph of Annex I of the contract that the Operator assumed the obligation to pay royalty on Ralen Young's production, as evidenced by the following excerpt:

> "All production from the land heretofore leased to one Ralen Young, as mentioned in the aforesaid lease from Fred J. Brough to Lester S. Harrison, is subject to the royalty-payment provisions of Article 6 of the contract form."

This letter is to emphasize the fact that the Operator is the prime debtor for the royalties under discussion, and a demand for payment should be made upon it, before the landowner becomes liable.

Sincerely yours,

W. S. Martin
ACTING Chairman, Operating Committee

APPROVED:

FRANK D. LAMB
Member, Bureau of Mines

M. E. Nelson
Member, Geological Survey

Copy to: Docket
Admr. Reading File
Operating Committee
Mr. Chambers
Mr. Pennington, USBM
Mr. Killsgard, USGS
Mr. Griswold

JLChambers/wb
August 9, 1956

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

August 8, 1956

Memorandum

To: Mr. Jay L. Chambers, Chief
Contract Administration and Audit Division

From: C. E. Fisher, Auditor

Subject: Docket No. DMEA-3112 (Copper), Centrida Mines, Inc.
Pope-Shenon Mine, Lemhi County, Idaho, Contract Idm-5651

Annex I of the subject contract enumerates the mining claims subject to the contract; states that the Operator is in possession by virtue of assignment of a lease dated May 1, 1953, from Fred J. Brough to Lester S. Harrison; and contains the following paragraph:

> "All production from the land heretofore leased to one Rulon Young, as mentioned in the aforesaid lease from Fred J. Brough to Lester S. Harrison, is subject to the royalty-payment provisions of Article 6 of the contract form."

Annex II of the contract substituted revised Article 6 pertaining to percentage royalty. This provided that the Operator, or his successor, shall pay a royalty on all production from the land, regardless of any certification from the date of the contract until the lapse of time within which the Government may make certification (6 months from receipt of final report) and, in the event of certification, for a period of 10 years or until the Government's contribution has been fully repaid.

Article 10 of the lease dated May 1, 1953, permitted the Operator to abandon the property, without recourse, on serving of 90 days notice of intention to do so. Such notice was served on April 6, 1955. Certification of discovery or development was issued on September 19, 1955, subsequent to abandonment of the property by the Operator. Article 7 of the exploration contract would appear to permit such action by the Operator and would release him from any subsequent liability under that contract.

The matter now under consideration appears to involve a question of procedure which should be followed in connection with attempting to collect the royalty due the Government on production from the mine by Rulon Young during the period Centrida Mines, Inc., was in possession of the property.

During my last audit assignment in Spokane, I reviewed the files in that office pertaining to this contract. At that time I noted that the files did not indicate any serious attempt to collect such royalties from Centrida Mines, Inc. When I spoke to Mr. Zoldok about this he stated that, in his opinion, the royalty should be paid by the landowner (Mr. Brough) who had received a financial benefit from the production; that is, had received royalties from Rulon Young, rather than by Centrida Mines who had not received any direct financial benefits from the production. Mr. Zoldok stated that he had so ruled and had advised officers of Centrida that they were not obligated to pay the royalties.

It should be noted that the Field Team favored exempting from the terms of the contract that portion of the property under lease to Rulon Young (see letter dated September 28, 1953 to Operating Committee). Under date of April 15, 1954, the Field Team advised the Operator that royalty would be due on all production from the land from the date of the contract. At that time, no exploration work had been performed and on July 30, 1954, the Acting Assistant Solicitor ruled that royalty was due only in liquidation of the "net amount contributed by the Government" and that after contribution had been made royalty would be due on production since the date of the contract. On October 4, 1954, Mr. Weissenborn advised the Operator that royalty was due on any production since the contract went into effect. The Operator objected to making such payments and in a letter dated October 7, 1954, stated their attorney was looking into the matter and would like to consult with Mr. Weissenborn. Under date of October 15, 1954, Mr. Weissenborn agreed to meet with the attorney. So far as I could ascertain the attempts to collect the royalties from the Operator on production by Rulon Young during the exploration period were discontinued at this point.

Mr. Brough has paid royalties on the production subsequent to abandonment by the Operator. Such payments have been made under protest (see letter dated October 28, 1955, from C. Walker Lyon, Mr. Brough's attorney).

C. E. Fisher

C. E. Fisher, Auditor

CEFisher/wb
August 8, 1956

Copy to: Docket
Admr. Reading File
Mr. Griswold
Mr. Fisher

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

RECEIVED
MAY 16 1956

May 15, 1956

Mr. Fred Brough
Salmon, Idaho

Re: Docket No. DMEA-3112 (copper)
Pope-Shenon Mine
Lemhi County, Idaho
Contract No. Idm-E651

Dear Mr. Brough:

With further reference to the matter of royalties due the Government from ore produced at the Pope-Shenon mine, we have discussed this matter with our Washington office and have been informed that no royalty is due on production from mine dumps and mill tailings which existed on the property prior to the date of the contract. Likewise, any mine ore extracted from the property prior to the date of the contract has no royalty obligation. However, all ore extracted after December 28, 1953, the effective date of the contract, is subject to the Government's percentage royalty. Smelter shipments on which royalty is due are as follows:

Shipper's Lot	Date Shipped	Net Subject to DMEA Royalty	Royalty due
Y-5	3/16/54	$1,111.87	$ 55.59
Y-6	3/30/54	1,792.36	89.62
Y-7	5/17/54	1,863.92	93.20
Y-8	6/8/54	907.56	45.38
Y-9	6/17/54	3,879.93	194.00
Y-10	7/16/54	3,801.71	190.09
1	11/11/54	993.17	49.66
			$717.54

The amount shown as due is, of course, subject to audit.

Please make your remittance payable to Defense Minerals Exploration Administration and mail it to Mr. A. E. Weissemborn, Executive Officer, DMEA Field Team, Region I, So. 157 Howard Street, Spokane 4, Washington.

By Field Team, Region I, NW District

Verne C. Fryklund, Jr., Acting
member, U. S. Geol. Survey

Wing G. Agnew, Acting Exec. Officer
U. S. Bureau of Mines

cc: Mr. C. Walker Lyon, Attorney
Viel Building
Salmon, Idaho

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
WASHINGTON 25, D. C.

RECEIVED
JUN - 1 1956

May 11, 1956

Memorandum

To: W. R. Griswold, Defense Minerals Exploration Administration

From: Commodity Industry Analyst, Branch of Base Metals

Subject: Review of Field Team final report, Docket No. DMEA 3112 (copper), Centrida Mines, Inc., Pope-Shenon mine, Lemhi County, Idaho. Contract No. Idm-E 651

The Field Team final report on this property by Alfred L. Service, Bureau of Mines and Howard B. Nickelson, Geological Survey, has been reviewed.

Exploration of this property consisted of 648 feet of drifting, 150 feet of crosscutting, cutting 6 diamond stations and 4,023 feet of diamond drilling at a total cost of $62,612.50.

Objective of the work was to explore for new mineralized areas and downward extent of veins known and mined above the 600 level.

Drilling below the 600 level indicated 17,000 tons of ore averaging about 5.5 percent copper. As a result, on September 19, 1955, the Government issued a Certification of Discovery or Development.

Because of the limited quantity of work necessary to complete exploration of known targets, the Field Team recommends Government participation in further exploration is not warranted.

I concur with this recommendation.

J. W. Pennington

Copy to: Division of Minerals
Branch of Base Metals (2)
Thor Kiilsgaard, U.S.G.S.
R. W. Geehan
F i l e s

File Copy
Surname
Griswold
Chambers
F E Johnson
Selfridge
Mittendorf

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION 500
WASHINGTON 25, D. C.

Mr. A. E. Weissenborn
Executive Officer
DMEA Field Team, Region I
Northwest District
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA-3112 (Copper)
Centrida Mines, Inc.
Pope-Shenon Mine
Lemhi County, Idaho
Contract No. Idm-E651

Dear Mr. Weissenborn:

We have your letter of April 6, covering various royalty matters pertaining to the cited contract. With reference to the old mine dumps and mill tailings which existed on the property prior to the date of the contract, we are advised by the Associate Solicitor that no contract amendment is necessary to exempt them from the payment of royalty to the Government. Such material is considered as production made prior to the contract date.

Likewise, of course, mine ores which you cite as having been extracted prior to the date of the contract have no royalty obligation.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (2/B)

APPROVED:

P. F. Yopes (2/B)
Member, Bureau of Mines

N. E. Nelson (2/B)
Member, Geological Survey

WRGriswold/er (4/23 & 27/56)
Copy to: Docket
dmr R File
Op. Committee
Base Metals
Mr. Pennington, USBM
Mr. Kiilsgaards, USGS
Chron.

File Copy
Surname
Chambers

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION 500
WASHINGTON 25, D. C.

Mr. A. E. Weissenborn
Executive Officer
DMEA Field Team, Region I
Northwest District
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA-3112 (Copper)
Centrida Mines, Inc.
Pope-Shenon Mine
Lemhi County, Idaho
Contract No. Idm-2651

Dear Mr. Weissenborn:

We have your letter of April 6, covering various royalty matters pertaining to the cited contract. With reference to the old mine dumps and mill tailings which existed on the property prior to the date of the contract, we are advised by the Associate Solicitor that no contract amendment is necessary to exempt them from the payment of royalty to the Government. Such material is considered as production made prior to the contract date.

The question of ore remnants in stope margins was considered carefully prior to the preparation of the contract. Probably almost every old stope in any mine would show patches where a small tonnage could be gouged out later on, granted especially favorable metal market conditions. The normal routine of steping operations is not an attempt to extract every ton of mineralized material, but rather an attempt to mine such ore as offers a profit margin under the prevailing market conditions. Nevertheless, the narrow or off-grade patches which may remain in the stope ends or backs cannot be considered as constituting an ore reserve in the accepted meaning of the word, unless, of course, they can logically be correlated and connected with other ore exposures.

In making an application for exploration assistance, an Applicant quite properly may request that known ore reserves be excluded from the contract, and ordinarily we accede to such requests. However, we do insist upon receiving maps which clearly delineate the ore reserve and justify us in making the exclusion. If the maps submitted by the cited Operator had demonstrated the existence of an ore reserve, in accordance with accepted engineering standards, we would have acted accordingly.

Sincerely yours,

Chairman, Operating Committee

APPROVED:

Member, Bureau of Mines

Member, Geological Survey

WRGriswold/er 4/23/56
Copy to: Docket
Admr R File
Op. Committee
Base Metals
Mr. Pennington, USBM
Mr. Kiilsgaard, USGS
Mr. Jay Chambers, DMEA
Chron.

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

RECEIVED
MAY 2 - 1956

April 26, 1956

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-3112 (Copper)
Centrida Mines, Inc.
Pope-Shenon Mine
Lemhi County, Idaho
Contract No. Idm-E651

Dear Selfridge:

Enclosed are four copies of a Field Team final report written by Alfred L. Service, Mining Engineer, Bureau of Mines, and Howard B. Nickelson, Geologist, Geological Survey, on the Pope-Shenon mine.

A certification of discovery was issued on September 19, 1955. The authors state that no further exploration is warranted.

By Field Team, Region I, NW District

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

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

Enclosures
cc: USBM(2)
USGS(SRO)
Nickelson

Reviewed by
DMEA OPERATING COMMITTEE
5-7-56
(date)

FINAL-FLD

3/12

ACTION ON INTER[illegible]
OR FINAL FIELD TEAM [illegible]PORT

Date 5/8

Referred to:

1. ~~Mr. Mittendorf~~
2. ~~Mr. Johnson~~
3. ~~Mr. Chamberlin~~
4. Docket Control Mails and Files
5. Division
6. Docket Control Mails and Files

Note comments in report regarding:

1. Ore reserve data

2.

3.

4.

and take appropriate action.

- - - - - - - -

Action taken by Division:

Robert E. Adams

RECEIVED
MAY 2 - 1956

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FIELD TEAM, REGION I
Northwest District

FINAL REPORT

Contract Idm-E651

by

Alfred L. Service
Mining Engineer
U. S. Bureau of Mines

Howard B. Nickelson
Geologist
U. S. Geological Survey

CENTRIDA MINES, INC.
Kellogg, Idaho

Docket No.:	DMEA 3112
Commodity:	Copper
Contract date:	December 28, 1953
Completion date:	March 31, 1955

POPE-SHENON MINE
Eureka Mining District
Lemhi County, Idaho

Reviewed by
DMEA OPERATING COMMITTEE
5-7-56
(date)

Spokane, Washington

April 1956

CONTENTS

	Page
INTRODUCTION	1
Summary	1
Recommendations	1
LOCATION AND ACCESSIBILITY	2
PROPERTY	2
History	3
Mine Workings	6
GEOLOGY	6
THE PROJECT	9
Ore Reserves	11
Exploitation Possibilities	12
Summary of Factual Data	14
Discussion of Conclusions	14
Exploration Possibilities	15

TABLES

Table 1.	Production data during period 1908-1956	5
2.	DMEA royalty payments	In pocket

APPENDIX

Diamond Drill Holes Nos. 1-19 — Following 15

ILLUSTRATIONS
(In pocket)

Plate 1. Surface map showing claims, Pope-Shenon mine, Lemhi Co., Idaho, scale 1" = 600'

2. Composite level map 1" = 40'

3. Geologic map of the 600 level (with 3 vertical sections), scale 1" = 40'

4. Geologic map of 500 level, scale 1" = 40'

5. Geologic map of 400 level, scale 1" = 40'

6. Vertical section through South vein (showing ore reserve blocks), scale 1" = 40'

FINAL REPORT

CENTRIDA MINES, INC.
Pope-Shenon Mine
Eureka Mining District
Lemhi County, Idaho

Contract Idm-E651

* * * * *

INTRODUCTION

This report describes an exploration project for copper ores at the Pope-Shenon mine in Lemhi County, Idaho, conducted jointly by Centrida Mines, Inc., Kellogg, Idaho, and the Defense Minerals Exploration Administration.

Summary

The project work consisted of drifting on the 500 and 600 levels, crosscutting for a diamond drill station on the 600 level, and diamond drilling to explore for new veins and the downward continuation of veins mined above the 600 level.

No ore was found in the 500- and 600-level east drifts, and diamond drilling from these drifts indicated that the vein structure was not ore bearing east of the old workings.

The 600-level crosscut driven north to provide drill stations for testing the known veins at depth cut a previously undiscovered 6-foot vein of unoxidized copper ore. Later diamond drilling proved this vein to be oxidized, narrow, and of low grade below the level. The down holes from the crosscut intersected the known veins, but these veins are narrower than on the level above, and in places are leached and oxidized.

The exploration program accomplished its purpose even though the findings were not so encouraging as had been anticipated. When the exploration was completed, Centrida Mines, Inc., relinquished its lease to the owners. The owners have lessees working the mine.

Recommendations

The Government issued a Certification of Discovery or Development on September 19, 1955, because of the ore discovered by the diamond drill holes below the 600 level.

The DMEA exploration and previous work have indicated fairly completely the lateral extent of the known ore shoots. Further work, if undertaken, should be additional exploration and development of the veins at depth within the lateral limits of the productive sections of the veins (pl. 6).

Government participation in further work in the immediate mine area is not warranted because of the limited amount of work necessary to complete exploration of known targets. With present geologic knowledge no Government participation in further exploration on this group of claims is warranted.

LOCATION AND ACCESSIBILITY

The Pope-Shenon mine is in sec. 9, T. 20 N., R. 22 E., Eureka mining district, Lemhi County, Idaho.

The property can be reached by traveling 4 miles south from Salmon, Idaho, on U. S. Highway 93, then turning east on an unimproved county, then a mine road for 6 miles. Approximately 4 of the 6 miles of dirt road is over smooth and rolling Salmon Lake bed deposits, but the last 2 miles is over mountain road.

The mine workings are about halfway up a steep mountain in the Lemhi Range. The lowermost (600) level altitude is about 5,700 feet above sea level. A jeep road to the 500 level is rough but passable; the other levels are connected by stone boat trails.

Snowfall in the area is relatively light, and it has been possible to carry on a year-round operation. Below-zero temperatures occur during the winter months, but the weather is mild during the summer.

PROPERTY

The original Pope-Shenon property consists of eight unpatented claims in sec. 9, T. 20 N., R. 22 E. owned by Fred Brough of Salmon, Idaho, and Laura A. Ledbetter. These are known as the Grandview claims and are recorded in the courthouse, Salmon, Lemhi County, Idaho, as follows:

Name	Book	Page
Grandview No. 1	W	503
Grandview No. 2	W	503
Grandview No. 3	W	504
Grandview Extension No. 1	2	10
Grandview Extension No. 2	2	11
Grandview Extension No. 3	2	12
Grandview Extension No. 4	2	13
Grandview Extension No. 5	Y	593

Centrida Mines, Inc., located five additional claims that are recorded in the Lemhi County courthouse at Salmon, Idaho, as follows:

Name	Book	Page
South Salmon Copper	5	5
North Salmon Copper	5	5
North Salmon Copper No. 1	5	4
North Salmon Copper No. 2	5	5
North Salmon Copper No. 3	5	6

All of these claims were included in the contract (pl. 1).

History

The first claims were located for gold in the early 1890's by Lige Stroud and James Fenning. Several years later Thomas Pope, Red McDonald, Thomas Andres, and Richard Clark located two copper claims, and Philip Shenon later acquired a two-thirds interest in them. There was very little work done at the property until 1908 when Langsdorf and Co. shipped 21.7 tons of crude ore to Anaconda Copper Mining Company's smelter at Anaconda, Montana. During 1917 a shipment of hand-sorted ore was made, and in 1919, 360 tons of ore averaging 12 percent copper was shipped. By 1918 exploration had discovered a copper body too oxidized for gravity concentration. A chloridizing plant was built in 1919 and was in operation during 1920 and 1921. The operation was then abandoned because of operational difficulties and the high cost of extraction.

On August 1, 1922, the property was leased to W. M. and G. A. Snow. They redesigned the mill to concentrate a sulfide ore body above the No. 5 level by gravity and flotation methods. Shipments were made in 1921, 1923, and 1924 to the International Smelting and Refining Co. (The production from 1922 to 1943 is listed at the end of historical description.) Operations were suspended late in 1923 until 1927 or 1928. Winder-Stillman Co. shipped concentrates in 1928, 1929, and 1930, and the property was later lost by default.

In 1937 Fred Brough relocated the claims, and 126 tons of crude ore were shipped up to 1939. In July 1941 the mine was leased to L. J. Bills, who remodeled the mill and shipped some concentrates. The Salmon Development Company shipped 48 tons of concentrates early in 1942. The property reverted to its owners, Fred Brough and Challis Hall, in July 1942. By 1945 all the equipment had been removed and the property remained practically idle until Centrida Mines, Inc., became interested and started negotiating for a DMEA contract in mid-1953.

Table 1.--Production data during the period 1908-1956

Production to 1942

Crude Ore

Date	Shipper	Dry wt. tons	Copper %	Silver oz/T	Gold oz/T	Copper lbs.	Total lbs Copper
10/08	Langsdorf & Co.	21.7	15.48	1.40	0.03	6,700	
8/37	Fred Brough	21.5	13.17	0.90	0.02	5,660	
9/37	Fred Brough	19.2	11.55	0.90	0.01	4,440	
10/37	Fred Brough	22.5	14.42	1.00	0.015	6,480	
11/37	Fred Brough	27.1	9.99	0.60	0.015	5,420	
1/38	Fred Brough	35.8	10.10	0.30	0.015	7,240	
4/39	Joe Jones	6.3	6.44	0.81	0.03	800	
							36,740

Concentrates

1922	Snow Bros.	543					
1923	Snow Bros.	1,482					
1924	Snow Bros.	781					
1928	Winder-Stillman	686	Approximately 25% Cu.				
1929	" "	996					
1930	" "	412					2,500,000
2/31	Theron Kidd	3.1	24.93	1.6	0.61	1,440	
8/41-12/41	L. J. Bills	45.3	27.56	1.62	0.051	24,960	
10/8/41	"	2.4	25.08	1.35	0.035	1,200	
1942	Salmon Devel. Co.	23.6	22.76	1.20	0.04	10,740	
							38,340

Production since DMEA Contract (1953)

Shipment no.	Shipper	Source	Date	Dry tons	Total value	DMEA royalty	Status of royalty
Y-1 to Y-4	Young	Mine	1953	131	$ 4,230.45	None due	
Y-5 to Y-10 and Lot 1	Young	Mine	1954	325	14,350.50	$717.53	Not paid
100-113*	Robertson, Steeples, Gunderson & Young (lessees)	Mine	1955-6	760	13,489.60	674.48	Paid
1-26	Gunderson, Parks	Tailings	1955-6	1318	14,210.89	625.31	Not paid

*No. 101 referred to as 1.

Mine Workings

From 1908 to 1942 the development and exploration work in the Popa-Shenon mine was done on six main levels and an intermediate level between the 500 and 600 levels. These workings totaled more than 3,600 feet. There are several large stopes between the 400 and 500 levels and the 500 and 600 levels (pls. 2 and 6).

The following table shows the approximate level interval:

Level	Interval between levels (feet)
100-200	63
200-300	95
300-400	132
400-500	206
500-600	171

The old workings are almost all accessible, but caving and sloughing from open stopes make some areas dangerous or difficult to enter. The ground is hard quartzite and requires little or no support. Interlevel stopes and raises provide adequate natural ventilation. The mine is above the normal water table, and there were no serious drainage problems. Doors on the portals of the 500 and 600 levels are necessary to prevent ice from forming in the tunnels during the winter months.

The old mill building is still standing near the 600-level portal, and a frame compressor shed is standing near the portal of the 500 level. Both of these buildings are in a dilapidated condition. A new frame building, used as a tool shed and change room, was constructed near the 600-level portal when the exploration project was started.

GEOLOGY

The geology of the mine has been described by C. P. Ross (The Copper Deposits near Salmon, Idaho: U. S. Geol. Survey Bull.774, 1925) and by A. L. Anderson in two publications (Copper Mineralization near Salmon, Lemhi County, Idaho: Idaho Bur. Mines and Geol. Pamph. 60, 1925; and Geology and Mineral Resources of the Salmon Quadrangle, Lemhi County, Idaho: Idaho Bur. Mines and Geol. Pamph. 106, 1956).

The country rock is part of a thick sequence of metamorphosed sedimentary strata belonging to the Precambrian Belt series. These rocks are dark, gray-green, impure quartzites and quartzitic argillites

that, according to Anderson (1925, p. 6), trend generally N. 15°-20° E. and dip 35° or less to the southeast. Bedding is rather indistinct but can be distinguished by close observation. Fairly pronounced schistosity obscures the bedding, and in addition closely spaced joints give the impression of bedding. The schistosity generally strikes a few degrees east or west of north and dips 55°-70° W.

The forces that created the vein system formed one major and two minor fracture zones that dip between 70° N. and vertical, and strike between N. 75° E. and S. 70° E. Movement along these fillings, mainly chalcopyrite and quartz, partly replaced the fractured quartzite in the vein zones. Changes in the strike of the vein in places create oblique fractures extending a few feet into the walls; these have extended mining widths up to 20 feet.

A second set of forces created a complex system of faults that cut the veins at acute angles. Movement along this fracture system appears to be minor, but it did create openings that in many places were filled with diabase dike material. One set of faults striking N. 55°-70° W. and dipping vertically to 60° SW. usually stops against the other set striking N. 65°-70° E. and dipping vertically to 60° SE. The dip of the faults tends to be nearly vertical in the western portion of the 600 level and flattens towards the east.

Where intersected on the 600 level, the dikes are now altered to a soft yellow or red mud that sloughs from its walls. Core specimens obtained from the dikes below the 600 level were identified megascopically as diabase. In these specimens the feldspars are still recognizable, and in most instances the dikes core fairly well.

The fault and dike pattern has created watercourses that have affected profoundly the normal oxidation and leaching of the veins. As a consequence some of the diamond drill holes show oxidized or even leached barren vein material beneath primary sulfides in the same vein. At several places on the 600 level the leached copper from the veins followed down the dikes and deposited malachite within the altered dike material.

To simplify the description of the veins they will be described as the South vein, the Middle vein, and the North vein.

The major, or South, vein has been explored on all the levels. The strike length on the 600 level has been explored for a distance of approximately 520 feet, and 265 feet of this strike length has been stoped. The South vein was explored for 380 feet along its strike on the 500 level, and 280 feet of this length has been stoped to the 400 level. The 400 level followed the vein the length of the drift, and a small stope was mined from the east end of it. Very little

mining was done from the other three levels, although samples indicate ore exists (pl. 6). Stope widths on all levels range from 3 to 20 feet. The ore shoots have steep rakes (pl. 6).

The Middle vein is opened for 450 feet by the 600-level drift and was explored by several DMEA diamond drill holes. There are several small stopes above the level. The Middle vein on the 500 level can also be seen in the north crosscut; the vein is weak on this level (pls. 3 and 4).

The North vein was discovered at the face of the DMEA diamond drill crosscut on the 600 level. Diamond drill holes across this structure proved the ore to be oxidized and variable in grade (pl. 3).

The primary ore mineral is chalcopyrite. Minor amounts of delafossite are found. It is usually considered a secondary mineral, although Anderson believes it to be primary. The oxidized portions of the veins contain malachite, azurite, cuprite, and, in some places, native copper. Minor amounts of pyrite, magnetite, and quartz also are found in the vein. The main gangue is country rock. The silica content of the ore recently shipped ranges from 66 to 80 percent, and the ore is used by the smelters as flux.

Surface oxidation is probably responsible for the oxidized ore found above the 400 level. Oxidized ore below this level has been formed by water percolating through openings in the altered dike and fault structures. Several diamond drill holes through the veins below the intersection of the vein and fault show the vein material is almost completely leached away and may have been re-deposited lower down the vein and in the dike and fault zones. Malachite in the dike and fault zones cut on the 600 level appears to have been derived from these solutions.

Anderson mentions that small amounts of chalcocite were found above the 500 level. Secondary sulfide enrichment has apparently been unimportant in the mine.

Wall rock alteration appears to be minor.

Openings created by fracturing and the moderate replacement of the wall rock by the ore solutions are the major controls of ore deposition. Ore deposition favors the east- or slightly-north-of-east-trending portions of the vein over the southeast-trending portions, and the oblique fractures extending a short distance into the wall rock are responsible for greater vein widths that often occur when the vein bends to the southeast.

The effect caused by change in the dip of the veins is not too well known, but the large stope above the 500 level is nearly vertical and the stope at the east end of the 600 level is vertical, so it may follow that the steeper dips favor ore deposition.

THE PROJECT

It was believed that an exploration program was justified to test the downward continuation of the ore shoot mined above the 600 level and to continue the drifts on the 500- and 600-foot levels to determine whether the veins continued eastward from the workings.

On December 28, 1953, a contract was approved to allow the following exploration:

1. Drive 150 feet of drift from the east face of the 500 level to explore the eastward continuation of the vein; test the walls for parallel veins by diamond drilling.

2. Drive a crosscut 150 feet north from the central portion of the mine on the 600 level and there cut a diamond drill station; test for the downward continuation of the known ore shoots by diamond drilling.

3. Extend the drift 500 feet from the east face of the 600 level to explore the eastward continuation of the vein; test the walls of this drift by diamond drilling.

The agreed cost was $63,140.00, with Government participation of 50 percent.

Adverse weather conditions made it impossible to start work until mid-May 1954, at which time rehabilitation of the 600 level was started.

There was one amendment to the contract. This amendment, dated January 6, 1955, provided for an extension of time from 12 months to 24 months to allow the proposed exploration work to be completed. No recesses were authorized during the contract period, and the project was completed on March 31, 1955.

Rehabilitation work on the 600 level started in mid-May 1954, and project work started in early June of the same year, when the north diamond drill crosscut on the 600 level was started. Drifting on the 500 and 600 levels was carried on concurrently until labor difficulties and hard ground slowed the progress, and work was cut back to one heading.

Contract drifting on the 500 level was completed in October 1954 and on the 600 level in January 1955. Both headings, totaling 798 feet, were driven in very hard, blocky quartzite that proved very difficult to drill and break. In addition, the Operator drove another 30 feet of drift on the 500 level on his own account.

Diamond drilling started in January 1955 and terminated on March 31, 1955. A total of 4,023 feet was drilled in 19 holes. All but seven of these holes intersected veins. Locations of these diamond drill holes, with their assays, are shown on plates 2, 3, and 4. The logs of the holes are appended to this report.

Drifting on the 500 level followed a southeast-trending fault containing copper oxide minerals in the fault gouge. After 75 feet it became evident that the structure being followed was a fault and not a vein. The drift was then turned to the northeast to intersect the eastward extension of the South vein (pl. 4). Two small stringers of chalcopyrite with some sooty chalcocite were intersected. These stringers may represent the South vein; if so, the vein appears to weaken rapidly to the east. No other veins were cut in DDH 19, drilled northward 210 feet from the end of the 500-level drift, or in DDH 18 drilled northward from a crosscut near coordinate E 10,600.

On the 600 level the DMEA drift likewise followed a copper-stained fault (pl. 3). After an advance of about 40 feet the drift was turned to the northeast and continued on this course until the allowable footage was expended without finding the South vein. DDH's 11 and 12 drilled north and south from the end of the drift and DDH's 13 and 14 drilled north and south from the drift at coordinate E 10,940 failed to cut any vein.

West of coordinate E 10,600 two veins (here called the South vein and the Middle vein) have been developed on the 600 level. A crosscut paralleling coordinate E 10,600, intended to provide a drilling station for testing the South and Middle veins below the 600 level, cut a third vein (here called the North vein) 160 feet north of the Middle vein. Although this vein looked promising where uncovered in the crosscut (samples assayed 4.15 percent copper over a width of 5½ feet and 3.60 percent copper over 6.0 feet) DDH's 6, 7, and 8 established that the grade indicated in the crosscut did not persist very far below the 600 level; neither could the vein be found in DDH 13 nor in the crosscut from the adit portal to the South vein.

Drilling from the E 10,600 crosscut shows that the ore on the South vein persists to at least 260 feet below the 600 level, (pls. 3 and 6) although the vein may be oxidized or leached in places near its intersection with faults or dikes. Geologic information obtained from DDH's 3 and 16 suggests that the vein may narrow west of coordinate E 10,600, but DDH 17 (shown only on pl. 3) gives some indication that this may be only a local condition.

DDH's 9 and 16 show that the Middle vein continues in depth but is probably narrower and of lower grade than the South vein.

DDH's 18 and 19 on the 500 level and DDH's 11, 12, 13, 5, and 10 on the 600 level explored unsuccessfully for parallel veins north and south of the known veins.

Ore Reserves

Ore reserves at the Pope-Shenon mine are shown graphically on plate 6. Sample data are scarce, but it is apparent that some fringe ore remains above the 500 level and that there is a considerable block of ore remaining between the 600 and 500 levels. Estimates for ore above the 400 level are approximate only and are based wholly on sample data compiled by A. L. Anderson (1925). Estimates for ore between the 600 and 400 levels are based on sampling by Anderson and Centrida Mines and by observation of the workings. The sampling, however, is insufficient to permit a firm estimate of the reserves.

On the above basis it is estimated that the following ore remains in the old working:

Between surface and 400 level

4,000 tons 8 percent copper oxidized ore marginal to stopes

Between 500 and 400 levels

1,100 tons 5 percent copper on west end of stope

Between 600 and 500 levels

2,300 tons 4.5 percent copper between stopes above intermediate level
1,100 tons 7 percent copper on east end of main stope
1,000 tons 8 percent copper above small stope on east end of level
1,000 tons 5 percent copper between 600 and intermediate levels under stoped area
1,000 tons 5.5 percent from Middle vein

Total above 600 level, 11,500 tons of 6.5 percent copper.

Below the 600 level DMEA drilling has indicated 17,000 tons of ore below the main ore shoot, allowing for barren and low-grade area due to leaching in the proximity of faults and dikes. This is the ore that has been added to the reserves as the result of the DMEA project. The grade is less certain; recent shipments by lessees suggest

it may average about 5.5 percent copper. In addition, it is a fair assumption that the ore in the small east stope will persist at least 100 feet below the level adding another 2,500 tons of about 8 percent copper ore to the reserve. This would make a total of 19,500 tons averaging 5.8 percent copper that can be estimated below the 600 level. Ore reserves both above and below the level thus total 31,000 tons averaging 6.0 percent copper, all of which appear to fall within the "indicated ore" classification.

It is not improbable that the two blocks of ore shown on plate 6 below the 600 level may join to form one ore shoot. DDH 17 which shows ore nearly 400 feet to the west of the edge of the ore block should not be ignored; it suggests strongly that more ore may be found below the 600 level. It is by no means certain that DDH's 3 and 16 mark the western limit of the ore shoot.

On the basis of the drilling results no ore can be estimated on the North vein nor is any ore considered to be existing on the Middle vein below the 600 level.

Blocks of indicated ore are shown on plate 6. Data concerning production on which royalty has been paid are given on table 2 appended to this report.

Exploitation Possibilities

After Centrida Mines, Inc., released the option and lease on the mine, the price of copper increased from 37 cents per pound to 48 cents per pound and the owners immediately leased portions of the mine to a group of individuals. Since that time these men have been mining ore from various portions of the mine. It is reported that approximately one car of ore was mined from the end of the diamond drill crosscut, and some ore has been mined from a new crosscut or drift driven to the ore intersected in DDH 17. The rest presumably has come from the old stopes. The American Smelting and Refining Company's smelter at Salt Lake City, Utah, has been buying the ore mainly for its high silica content, and this arrangement permits the lessees to sell either oxide or sulfide ore.

Present reserves do not justify a mill on the property; consequently, the mine must remain a shipper of crude ore. This probably can be done successfully only during periods of high copper prices. At present prices lessees can recover the ore above the 600 level at a good profit, especially since there are no development charges against the ore. Recovery of ore from below the level would require sinking a winze and driving development drifts - it would also entail hoisting charges and some pumping, although water is not a serious problem. One hundred feet of winze and 400 feet of drift would develop about 8,000 tons of ore at a cost of $25,000 ($9,000 for the winze at $90 per foot and $16,000 for the drift at $40 per

foot or $3.13 per ton of ore developed). If the grade is assumed to be the same as that shipped recently from above the level, the return to the lessees after payment of royalty would be $15.10 minus $3.13, or $11.97 minus the added mining cost after paying all royalty and development costs. This is based on the average price received since August 1955; at current prices there would be a considerably greater return. It would appear then that at current prices it would be feasible to recover ore below the 600 level.

Mining costs are not known, but it is probable that 4.00 percent copper would be close to the ore cutoff grade.

Orderly operation of the mine obviously calls for the development of ore below the 600 level before the ore above that level is exhausted. Under the present leasing system this is not likely to be done unless the owners take a firm stand as lessees will not wish to undertake the cost of development as long as they can mine from above the level without the added investment.

Stable wall rock is an important factor influencing continued operation of the mine by lessees as large areas can be opened without timbering or back filling. The five accessible levels afford numerous working places, making significant production possible. The lessees report that they intentionally dilute the ore with wall rock to maintain the silica content desired by the smelter.

Summary of Factual Data

Contract units completed were:

Item	No. of units	Unit cost	Total cost
Drifting	648 feet	$ 43.50/ft.	$28,188.00
Crosscutting	150 feet	43.50/ft.	6,525.00
Large diamond drill station	1	750.00 ea.	750.00
Small diamond drill stations	5	200.00 ea.	1,000.00
Diamond drilling	4,023 feet	6.50/ft.	26,149.50
Total accepted cost			$62,612.50

Total amount of contract	$63,140.00
Government's share at 50 percent	31,570.00
Total amount expended	$62,612.50
Government's participation	31,306.25
Total amount unexpended	$ 527.50
Government's share unexpended	263.75
Royalty payments received	$ 674.48

No equipment was purchased under the contract.

Discussion of Conclusions

On the whole, contract work was carried out in an efficient and workmanlike manner. During the early stages of the project the progress was slowed considerably by lack of competent miners. This difficulty was overcome and work during the later stages progressed at a normal rate.

The average rate of advance was slightly less than anticipated because of the hard blocky ground in which the headings were driven. This ground was very hard to drill and break, consequently the drifting and crosscutting fell behind schedule. No other difficulties were encountered.

The administration of the project was handled in a competent manner by the Operator's supervisory personnel.

Exploration Possibilities

DMEA exploration has shown definitely that the eastern limit of the ore zone has been reached on the 500 and 600 levels; in fact, the veins themselves are not recognizable east of coordinate E 11,000. It has also shown that there are no parallel veins close to the three known veins. No further search for parallel veins or eastward lateral development should be undertaken in the mine area.

Below the 600 level additional testing to determine the eastward limit of the main ore shoot and to test the ground under the easternmost stope is desirable; it is possible that the two ore shoots may join below the 600 level. This testing would be done in the normal course of development of ore below the 600 level.

DDH's 3 and 16 indicate a weakening of the ore shoot west of coordinate E 10,600, but the stopes above the level suggest that the ore shoot extends further to the west and DDH 17 has cut ore still further to the west; thus, the western limit of the major ore shoot has not been determined nor has any probing been done for other ore shoots except by a single hole (DDH 17). Drilling of the ground between coordinate E 10,600 and DDH 17 might increase substantially the ore reserves below the 600 level.

It is unfortunate that a few more holes could not have been drilled under the DMEA contract to test this area; the amount of drilling required is hardly enough to merit DMEA participation in a new or amended contract, but by the same reasoning it should not be beyond the ability of the owner to do himself, provided the present price of copper continues.

Enclosures

Distribution:
- DMEA (4)
- USBM (5)
- USGS(SRO)
- Docket
- Nickelson

APPENDIX

Exploration Project Contract No. Idm-E651
Centrida Mines, Inc.
Pope-Shenon Mine

HOLE NO. 1

Date: January 7, 1955
Bearing: Due South
Inclination: -45°
Coordinates: 9,715N, 10,607E
Elevation: 5,710
Depth: 401
Level: 600

Footage From	Footage To	Remarks
0	39	Grey quartzite, seams oxidized.
	39	½" chalcopyrite seam.
39	102	Grey quartzite, seams oxidized.
102	104	Grey quartzite, small seams of chalcopyrite.
104	115	Grey quartzite.
115	116	White granular dike.
116	144	Grey quartzite.
144	145	Grey quartzite, core broken and oxidized, some seams of chalcopyrite.
145	189	Grey quartzite.
189	191	Core terribly broken up, contains chalcopyrite, bornite, malachite. Sample assayed Tr. Au, 8.36% copper oxides, 9.40% Cu.
191	200	Grey quartzite.
200	203	Grey quartzite, oxidized, containing a few small seams of chalcopyrite.
203	216	Grey quartzite.
216	220	Light grey dike (coarse grain).
220	228	Grey quartzite.
228	249	Grey quartzite.
249	249½	Grey quartzite, core blocky, oxidized.
249½	264	Grey quartzite.
264	275	Light coarse grain dike.
275	311	Grey quartzite.
311	311½	Core broken, strongly oxidized, open water seams.
311½	326	Grey quartzite.
326	401	Grey quartzite.

Exploration Project Contract No. Idm-E651
Centrida Mines, Inc.
Pope-Shenon Mine

HOLE NO. 2

Date: January 12, 1955
Bearing: S. 30° E.
Inclination: -45°
Coordinates: 9,715N, 10,607E
Elevation: 5,710
Depth: 262
Level: 600

Footage From	Footage To	Remarks
0	126	Grey quartzite.
126	127	Light coarse grain dike.
127	146	Grey quartzite.
146	151	Grey quartzite, seams of chalcopyrite. Sample assayed Tr. gold, 0.64% Cu.
151	161	Grey quartzite.
161	162	Grey quartzite, some small seams of chalcopyrite.
162	218	Grey quartzite.
218	222	Grey quartzite, some limestone seams.
222	224	Coarse grain dike material.
224	231	Core broken, strongly oxidized, containing chalcopyrite, malachite, and pyrite. Sample assayed Tr. gold, 4.1% copper oxide, 4.48% Cu.
231	250	Grey quartzite.
250	251	Grey quartzite, some small seams of chalcopyrite.
251	262	Grey quartzite.

Exploration Project Contract No. Idm-E651
Centrida Mines, Inc.
Pope-Shenon Mine

HOLE NO. 3

Date: January 15, 1955
Bearing: S. 30° W.
Inclination: -45°
Coordinates: 9,715N, 10,607E
Elevation: 5,710
Depth: 252
Level: 600

Footage From	Footage To	Remarks
0	53	Grey quartzite.
53	56	Grey quartzite, broken core.
56	98	Grey quartzite.
98	104	Grey quartzite, core broken.
104	129	Grey quartzite.
129	130	Light coarse grain dike.
130	154	Grey quartzite.
154	158	Strongly oxidized, some chalcopyrite, open water seams. Sample assayed Tr. Au, 0.08% copper-oxide, 0.28% Cu.
158	187	Grey quartzite.
	187	1" seam of chalcopyrite.
187	194	Grey quartzite.
194	195	Grey quartzite, some seams of chalcopyrite.
195	225	Grey quartzite.
225	226	Light coarse grain dike.
226	230	Gray quartzite.
230	233	Ore zone, all sulphides, no oxidation. Sample assayed Tr. Au, 1.86% Cu.
233	252	Grey quartzite.

Exploration Project Contract No. Idm-E651
Centrida Mines, Inc.
Pope-Shenon Mine

HOLE NO. 4

Date:	January 21, 1955
Bearing:	Due South
Inclination:	-65°
Coordinates:	9,718N, 10,607E
Elevation:	5,710
Depth:	311
Level:	600

Footage From	Footage To	Remarks
0	5	Grey quartzite.
5	6	Good ore, chalcopyrite.
6	62	Grey quartzite, oxidized on seams, somewhat blocky.
62	160	Grey quartzite.
160	161	Light coarse grain dike.
161	185	Grey quartzite.
185	193	Grey quartzite, seams of chalcopyrite, metal all sulphides, ground tight. Sample assayed tr. Au, 0.90% Cu.
193	250	Grey quartzite.
250	271	Grey quartzite, somewhat blocky.
271	287	Grey quartzite.
287	291½	Chalcopyrite and pyrite, metal all sulphides, ground very tight. Sample assayed 0.01 oz. Au, 8.10% Cu.
291½	311	Grey quartzite.

Exploration Project Contract No. Idm-E651
Centrida Mines, Inc.
Pope-Shenon Mine

HOLE NO. 5

Date: January 27, 1955
Bearing: Due North
Inclination: Horizontal
Coordinates: 9,720N, 10,607E
Elevation: 5,713
Depth: 187
Level: 600

Footage From	Footage To	Remarks
0	26	Grey quartzite, oxidized on seams.
26	32	Grey quartzite, oxidized on seams, core blocky.
32	67	Grey quartzite, oxidized on seams, brown bands in core.
67	88	Grey quartzite.
88	95	Grey quartzite, oxidized on seams, brown bands.
95	145	Grey quartzite.
145	157	Grey quartzite, core blocky, brown bands, oxidized on seams.
157	187	Grey quartzite.

Exploration Project Contract No. Idm-E651
Centrida Mines, Inc.
Pope-Shenon Mine

HOLE NO. 6

Date:	January 28, 1955
Bearing:	Due North
Inclination:	-30°
Coordinates:	9,614N, 10,613E
Elevation:	5,710
Depth:	169
Level:	600

Footage From	Footage To	Remarks
0	24	Grey quartzite.
24	25	Light coarse grain dike.
25	34	Grey quartzite.
	34	2" seam of chalcopyrite.
34	95	Grey quartzite, oxidized on seams.
95	133	Grey quartzite.
133	139 *	Grey quartzite, chalcopyrite, some oxidation.
139	154	Grey quartzite.
154	155	Two 1-inch seams of chalcopyrite.
155	169	Grey quartzite.

* Sample assayed Tr. Au, 2.51% Cu, 0.16% oxide copper.

Exploration Project Contract No. Idm-E651
Centrida Mines, Inc.
Pope-Shenon Mine

HOLE NO. 7

Date: January 29, 1955
Bearing: N. 35° E.
Inclination: Horizontal
Coordinates: 9,614N, 10,616E
Elevation: 5,713
Depth: 128
Level: 600

Footage From	Footage To	Remarks
0	16	Grey quartzite.
16	17½	Light coarse grain dike.
17½	62	Grey quartzite.
62	63	Grey quartzite, oxidized, core blocky.
63	76	Grey quartzite.
76	82	Grey quartzite, oxidized seams.
82	110	Grey quartzite.
110	114 *	Ore zone completely oxidized, porous, only one small speck of chalcopyrite visible.
114	120	Grey quartzite, oxidized, porous seams, probably previous seams of chalcopyrite.
120	128	Grey quartzite.

* Sample assayed 0.31% Cu, 0.04% oxide copper.

Exploration Project Contract No. Idm-E651
Centrida Mines, Inc.
Pope-Shenon Mine

HOLE NO. 8

Date:	January 31, 1955
Bearing:	N. 30° W.
Inclination:	-7°
Coordinates:	9,614N, 10,610E
Elevation:	5,713
Depth:	108
Level:	600

Footage From	Footage To	Remarks
0	33	Grey quartzite.
33	36	Light coarse grain dike.
36	66	Grey quartzite.
66	82	Grey quartzite, about 8 seams open and oxidized, small amount of sulphides in some.
82	86	Grey quartzite, open oxidized seams.
86	86½	Quartz seams of chalcopyrite.
86½	89	Grey quartzite.
89	90	Ore zone all oxidized, some quartz.
90	109	Grey quartzite, brown bands.
109	126	Grey quartzite.
126	129 *	Vein.
129	149	Grey quartzite.

* Sample Assayed 0.14% copper, tr. copper oxide.

Exploration Project Contract No. Idm-E651
Centrida Mines, Inc.
Pope-Shenon Mine

HOLE NO. 9

Date:	February 3, 1955
Bearing:	Due South
Inclination:	-45°
Coordinates:	9,610N, 10,613E
Elevation:	5,710
Depth:	90
Level:	600

Footage From	Footage To	Remarks
0	6	Grey quartzite.
6	7	Grey quartzite, blocky and oxidized.
7	35	Grey quartzite, oxidized on seams.
35	36	Grey quartzite, blocky, some chalcopyrite and malachite.
36	39	Grey quartzite.
39	41	Blocky and oxidized, mineralized. Sample assayed 4.90% Cu, 0.08% copper oxide.
41	59	Grey quartzite, core blocky.
59	64	Very few spots of sulphides, very oxidized. Sample assayed 0.07% Cu, Tr. copper oxide.
64	79	Grey quartzite, core good.
79	80	Chalcopyrite, very little oxidized.
80	88	Grey quartzite.
88	89	Light coarse grain dike.
89	90	Grey quartzite.

Exploration Project Contract No. Idm-E651
Centrida Mines, Inc.
Pope-Shenon Mine

HOLE NO. 10

Date:	February 11, 1955
Bearing:	Due South
Inclination:	Horizontal
Coordinates:	9,430N, 10,640E
Elevation:	5,713
Depth:	151
Level:	600

Footage From	Footage To	Remarks
0	22	Grey quartzite.
22	24	Grey quartzite, oxidized, blocky.
24	27	Grey quartzite.
27	37	Grey and brown quartzite, oxidized, very blocky.
37	41	Grey quartzite, blocky, seams oxidized.
41	90	Grey quartzite.
90	97	Grey quartzite, somewhat blocky.
97	119	Grey quartzite.
119	123	Grey quartzite, blocky, seams oxidized.
123	130	Grey quartzite, bright red oxidization, core very blocky.
130	132	Grey quartzite, open water seams.
132	140	Grey and brown quartzite, blocky.
140	140½	Grey quartzite, some seams of chalcopyrite.
140½	151	Grey and brown quartzite, blocky.

Exploration Project Contract No. Idm-E651
Centrida Mines, Inc.
Pope-Shenon Mine

HOLE NO. 11

Date:	February 11, 1955
Bearing:	Due North
Inclination:	Horizontal
Coordinates:	9,640N, 11,402E
Elevation:	5,720
Depth:	300
Level:	600

Footage From	Footage To	Remarks
0	28	Grey quartzite.
28	34	Grey quartzite, bands of brown quartzite.
34	50	Brown and grey quartzite, open water pockets.
50	60	Brown quartzite, open water pockets.
60	76	Grey and brown quartzite.
76	86	Brown and grey quartzite, some limestone bands.
86	106	Brown and grey quartzite, core very blocky, water course 1/2 hole.
106	120	Grey and brown quartzite, core blocky.
120	128	Grey quartzite.
128	136	Grey and brown quartzite.
136	162	Grey quartzite, some open water pockets.
162	163	Light coarse grain dike.
163	214	Grey quartzite.
214	214½	Rose quartz streak.
214½	221	Grey quartzite with brown bands.
221	236	Grey and brown quartzite, blocky, some open water seams.
236	268	Grey quartzite, very tight as core comes out in 8' lengths.
	268	1/4" quartz seam, some sulphides.
268	284	Grey quartzite, very tight.
284	294	Brown quartzite, some quartz and open water seam, calcite crystals.
294	299	Grey quartzite.
299	300	Grey quartzite, brown bands.
287	289 *	

* Sample Assayed 0.08% copper, 0.00% copper oxide.

Exploration Project Contract No. Idm-E651
Centrida Mines, Inc.
Pope-Shenon Mine

HOLE NO. 12

Date:	February 21, 1955
Bearing:	Due South
Inclination:	Horizontal
Coordinates:	9,630N, 11,402E
Elevation:	5,720
Depth:	156
Level:	600

Footage From	Footage To	Remarks
0	26	Grey quartzite.
26	45	Grey quartzite, brown bands.
45	70	Grey and brown quartzite, core blocky.
70	73	Fault gouge, lots of water. Had to case to 75'.
73	81	Grey and brown quartzite, core very blocky.
81	90	Grey and brown quartzite, core blocky.
90	100	Grey and brown quartzite, some quartz bands.
100	130	Grey and brown quartzite, core blocky.
130	156	Grey quartzite, few brown bands, core good.

Exploration Project Contract No. Idm-E651
Centrida Mines, Inc.
Pope-Shenon Mine

HOLE NO. 13

Date:	February 26, 1955
Bearing:	Due North
Inclination:	Horizontal
Coordinates:	9,500N, 10,940E
Elevation:	5,715
Depth:	301
Level:	600

Footage From	Footage To	Remarks
0	99	Grey quartzite, rock very tight.
99	103	Coarse grain dike, core blocky, some brown bands and some oxidation.
103	121	Grey quartzite, some brown bands.
121	141	Grey quartzite.
141	144	Grey quartzite, core blocky, oxidized, brown bands.
144	146	Coarse grain dike.
146	189	Grey quartzite.
189	191	Coarse grain dike.
191	208	Grey quartzite.
208	212	Grey quartzite, core blocky, brown bands.
212	226	Grey quartzite, core good.
226	301	Grey quartzite, ground very tight.

Exploration Project Contract No. Idm-E651
Centrida Mines, Inc.
Pope-Shenon Mine

HOLE NO. 14

Date:	March 4, 1955
Bearing:	Due South
Inclination:	Horizontal
Coordinates:	9,490N, 10,940E
Elevation:	5,715
Depth:	75
Level:	600

Footage From	Footage To	Remarks
0	10	Grey quartzite.
10	11	Fault.
11	35	Grey quartzite, core somewhat blocky.
35	64	Grey quartzite.
64	75	Grey quartzite, core blocky.

Exploration Project Contract No. Idm-E651
Centrida Mines, Inc.
Pope-Shenon Mine

HOLE NO. 15

Date:	March 11, 1955
Bearing:	S. 30° E.
Inclination:	-60°
Coordinates:	9,720N, 10,607E
Elevation:	5,710
Depth:	305
Level:	600

Footage From	Footage To	Remarks
0	55	Grey quartzite.
55	68	Grey quartzite, core blocky.
68	110	Grey quartzite.
110	112	Grey quartzite, few quartz seams.
112	144	Grey quartzite.
144	145	Light coarse grain dike.
145	168	Grey quartzite.
168	169	Grey quartzite, few small seams of chalcopyrite.
169	179	Grey quartzite.
	179	1/2" band of quartz with seams of chalcopyrite.
179	182	Grey quartzite.
	182	Grey quartzite, few specks of chalcopyrite.
182	190	Grey quartzite, core blocky.
190	225	Grey quartzite.
225	245	Grey quartzite, core blocky.
245	263	Grey quartzite.
263	280	Grey quartzite, core blocky.
280	284	Open oxidized seams, probably the ore zone.
284	292	Coarse grain dike.
292	305	Grey quartzite, core blocky.

Exploration Project Contract No. Idm-E651
Centrida Mines, Inc.
Pope-Shenon Mine

HOLE NO. 16

Date:	March 14, 1955
Bearing:	S. 30° W.
Inclination:	-57°
Coordinates:	9,715N, 10,607E
Elevation:	5,710
Depth:	280
Level:	600

Footage From	Footage To		Remarks
0	6		Grey quartzite, some chalcopyrite.
6	48		Grey quartzite.
48	52		Grey quartzite, core blocky.
52	147		Grey quartzite.
147	149		Light coarse grain dike.
149	155		Grey quartzite.
155	156½		Grey quartzite, 2 quartz seams and 2 seams chalcopyrite.
156½	164		Grey quartzite.
164	165		Grey quartzite, seams of chalcopyrite.
165	182		Grey quartzite.
182	184	*	Grey quartzite, seams of chalcopyrite.
184	227		Grey quartzite.
227	228		Reddish dike.
228	242		Grey quartzite.
242	262		Grey quartzite, 1/2" seam of chalcopyrite at 260'.
262	265		Coarse grain dike.
265	267	**	Grey quartzite, some chalcopyrite.
267	280		Grey quartzite.

* Sample assayed 3.24% copper, tr. copper oxide.

** Sample assayed 4.24% copper, tr. copper oxide.

Exploration Project Contract No. Idm-E651
Centrida Mines, Inc.
Pope-Shenon Mine

HOLE NO. 17

Date: March 17, 1955
Bearing: S. 20° W.
Inclination: Horizontal
Coordinates: 9,585N, 10,240E
Elevation: 5,705
Depth: 145
Level: 600

Footage From	Footage To	Remarks
0	20	Grey quartzite
20	44	Grey quartzite, core very blocky, oxidized on seams.
44	52	Grey quartzite, core blocky.
52	57	Dike very badly altered, oxidized, some copper stains.
57	83	Grey quartzite.
83	83½	Grey quartzite, some sulphides, some malachite.
83½	86	Grey quartzite.
86	87	Grey quartzite, some malachite.
87	93	Grey quartzite, some malachite on seams.
93	100	Grey quartzite, core blocky.
100	103 *	Grey quartzite, some sulphide, malachite, etc., core very oxidized.
103	110	Grey quartzite, brown bands.
110	134	Grey quartzite, strongly oxidized, some malachite.
134	145	Grey quartzite. Quit at 145' hole was very blocky in spots and continued to cave.

* Sample assayed 6.96% copper, 5.04% copper oxide.

Exploration Project Contract No. Idm-E651
Centrida Mines, Inc.
Pope-Shenon Mine

HOLE NO. 18

Date: March 28, 1955
Bearing: Due North
Inclination: Horizontal
Coordinates: 9,535N, 10,620E
Elevation: 5,882
Depth: 150
Level: 500

Footage From	Footage To	Remarks
0	30	Grey quartzite, core blocky.
30	53	Grey quartzite.
53	66	Grey quartzite, red oxidization, core blocky.
66	91	Grey quartzite.
91	103	Grey quartzite, brown bands, core blocky.
103	104	Coarse grain dike, oxidized.
104	108	Grey quartzite, core very blocky.
108	131	Grey quartzite.
131	140	Grey quartzite, core blocky and oxidized.
140	145	Mineralized zone, strongly oxidized.
145	150	Grey quartzite.

Exploration Project Contract No. Idm-E651
Centrida Mines, Inc.
Pope-Shenon Mine

HOLE NO. 19

Date: March 31, 1955
Bearing: Due North
Inclination: Horizontal
Coordinates: 9,590N, 10,920E
Elevation: 5,885
Depth: 210
Level: 500

Footage From	Footage To	Remarks
0	25	Grey quartzite, brown bands, core blocky.
25	58	Grey quartzite, core blocky.
58	82	Brown and grey quartzite, core blocky and oxidized.
82	90	Grey and brown quartzite, core blocky.
90	100	Grey quartzite, brown bands.
100	140	Grey quartzite, ground very tight.
140	158	Grey quartzite.
158	179	Grey quartzite, ground very tight.
179	190	Grey quartzite, core blocky, oxidized.
190	194	Dike very oxidized, blocky.
194	196	Grey quartzite.
196	200	Dike oxidized, very blocky.
200	210	Grey quartzite, ground very tight.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SOLICITOR
WASHINGTON 25, D. C.

APR 19 1956

Memorandum

To: The Administrator, BMRA
Attention: Chief, Base Metals Division

From: Associate Solicitor, Division of Mineral Resources

Subject: Docket No. BMRA-3112, Gentride Mines, Inc., Contract No. Idm-2631 (Copper)

Mr. Griswold's memorandum dated April 16, 1956, requested preparation of an Amendment No. 2 to the subject contract to exempt from the Government's royalty tails and dumps existent on the land prior to the date of the subject contract.

Such an amendment is not necessary. See our memorandum to the Administrator dated July 2, 1954, Schroeder Mining Company, Docket No. BMRA-2694, stating that production made prior to the date of the contract (and tailings and dumps are considered to be production) is not subject to the Government's royalty.

A letter from the Administrator to Mr. Weissenborn so stating should take care of the matter.

Robert P. Dwyer

Robert P. Dwyer

HCRubin/end

Copy to: Solicitor's Docket (2)
BMRA Docket
W. R. Griswold
R. P. Dwyer
H. C. Rubin
chron.

File Copy
Surname

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

500

April 16, 1956

Memorandum

To: Associate Solicitor, Division of Mineral Resources

From: Chief, Base Metals Division

Subject: Preparation of Amendment for Docket No. DMEA-3112, Centrida Mines, Inc., Pope-Shenon Mine, Lemhi County, Idaho, Contract No. Idm-E651, Copper.

Will you kindly prepare an Amendment No. 2 to the cited contract which will exempt from the certification such mill tailings and mine dumps which existed on the property prior to the date of the contract. The letter of April 6 from Mr. Weissenborn states that they were included in the contract by mutual error.

W. R. Griswold

W. R. Griswold

WRG/er

Copy to: Docket
Base Metals
Chron.

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

So. 157 Howard Street
Spokane 4, Washington

RECEIVED
APR 1 3 1956

April 6, 1956

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA 3112 (Copper)
Centrida Mines, Inc.
Pope-Shenon Mine
Lemhi County, Idaho
Contract No. Idm-E651

Dear Mr. Selfridge:

Reference is made to your letter of December 1, 1955 concerning royalty payments under the cited contract. The delay in answering your letter is due to the time required to assemble all the data.

Enclosed are the following:

(1) Memorandum from A. L. Service to the Field Team, dated December 20, 1955.

(2) Memorandum of Agreement between Fred J. Brough and Lester S. Harrison.

(3) Notice of Discontinuing of Development and Operations between Centrida Mines, Inc. and Fred J. Brough.

(4) A. S. & R. smelter sheets. Shipper's Lots 1 to 26 inclusive are mill tailings. Lots 1 to 12 inclusive were shipped by Gunderson. Lots 13 to 26 inclusive were shipped by Parks. All were shipped after the date of the contract.

(5) A. S. & R. smelter sheets. Shipper's Lots Y-1 to Y-10 inclusive and Lot 1. All these shipments made by Young. Lots Y-1 to Y-4 inclusive were shipped prior to date of contract (December 28, 1953) and clearly are not subject to royalty. Lots Y-5 to Y-10 inclusive and Lot 1 were shipped after date of the contract.

(6) A. S. & R. smelter sheets. Shipper's Lots 1, 100, 102 RS; RSG 103 to 107 inclusive, 108 RS, 109 RSG, RSG 110, 111 RSG to 113 RSG inclusive. These might be a bit confusing as Lot 1 should be Lot 101 and the series therefore is continuous from Lots 100 to 113 inclusive.

In further explanation, Lots 1 to 26 inclusive under Item (4) are tailings which we believed lie on the North Salmon Copper claim. This claim was located by the Operator (a lessee) on April 1, 1953 and became the property of the lessor under Article 5, New Locations, of the lease agreement. The North Salmon Copper claim is included in the contract. The royalty rate on these tailing shipments ranges from 1.5 to 5 percent and amounts to $625.31. No royalty has been paid on Item (4) shipments.

Under Item (5), Lots Y-5 to Y-10 inclusive and Lot 1 are subject to the Government's percentage royalty as they were shipped after the effective date of the contract. The first five of these shipments are the ones referred to in V. Z. Johnson's memorandum of July 9, 1954, as coming from the 500 level.

The delinquent royalty on Item (5) shipments is $657.98.

All royalty on Item (6) shipments, amounting to $674.48, has been paid.

The DMEA project discovered or developed a substantial amount of ore at the Pope-Shenon mine, mostly below the 400 level; the final field team report on the project, which should reach you in a short time, describes clearly where this ore lies. Very little of the production since the start of the contract has been ore discovered, developed or benefitted by DMEA; some of it was from old tailing pond and almost all of the newly mined ore has been fringe ore from old stopes by leasers. Leasing activity has increased recently, stimulated by the advance in the price of copper, but was going on, to a limited extent, before the contract date.

The Field Team was aware of the leasing and recommended that the fringe ore be excluded from royalty payment on the premise the ore was already known, was being mined and would not be benefitted by the DMEA project. DMEA informed us that it would be too difficult to distinguish DMEA ore from non-DMEA ore and the contract was written without any exclusion. The Operator, before he signed the contract, was informed that DMEA royalty would be payable on all ore produced and accepted this condition. In the face of this it is difficult to argue that the mine production should be exempted from DMEA royalty . The situation is complicated by the fact that it is the owners, not the Operator, with whom we are now dealing, as the Operator has abandoned his lease. Even though the owners

now regard the royalty as unfair, they apparently are bound to the terms of the contract by reason of having signed a consent to lien unless the Administrator should rule otherwise. No one envisioned a copper price that would give rise to this amount of leasing activity.

The matter of royalty from the old mill tailings is perhaps in a different category as there is good precedent for DMEA exempting mine dumps and mill tailings pre-existent to the contract. All parties to the contract were aware of the old mill tailings, but neither the Field Team, the Operator, nor the owners foresaw that an unprecedented rise in the price of copper would make it profitable to ship them and consequently, through a mutual error, we failed to exclude them. We were not alone in our inability to predict the rise in the price of copper; had we foreseen this we would have recommended exclusion of the tailings and dumps from royalty repayments. The tailings are identified on the settlement sheets and should be readily distinguishable from mine production.

None of the old mine dumps have been shipped as yet but the owners may do so in the near future. The Field Team regards them in the same category as the mill tailings and if the mill tailings are exempted the old mine dumps should be, too.

By Field Team Region I, NW District

A. E. Weissenborn

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

Wing G. Agnew

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

Enclosures

cc: USBM (2)
USBM(AD)
Nickelson
Auditor

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

1201 N. Division St.
Spokane 2, Washington
December 20, 1955

RECEIVED
APR 12 1956

MEMORANDUM

To: DMEA Field Team, Region I, Northwest District

From: A. L. Service, Mining Engineer, Bureau of Mines

Subject: Royalty inspection, Docket No. DMEA-3112 (copper), Centrida Mines, Inc., Pope-Shenon Mine, Lemhi County, Idaho, Contract No. Idm-E651 (completed and certified)

Mr. Fred L. Brough, owner, and Mr. C. Walker Lyon, attorney for the owner, were contacted on December 9 and 12, 1955, respectively.

Mr. Brough said that most of the production that has been shipped has come from the 500 and 600 levels with the bulk coming from the 600 level. Some tailings have been shipped during the past season.

The memorandum of July 9, 1954, by V. Z. Johnson, former Bureau of Mines engineer, referred to five carloads of ore that were shipped by Mr. Young. Mr. Brough stated that this ore had been mined prior to the effective date of the contract and was not subject to royalty. It is possible that he is referring to smelter return lots Y-1 to Y-4 inclusive; however, it is doubtful that any ore beginning with Lot Y-5 was mined prior to the date of the contract (Dec. 28, 1953).

Mr. Brough is confident that the production will increase in the spring, and he hopes to have the Government's share of the exploration program paid within 3 to 5 years. Mr. Lyon feels that the Field Team's decision to certify the property is unjust. He hopes the matter can be reconsidered. He said he would continue to have the royalties paid to the Government until an equitable agreement has been made.

A. L. Service

A. L. Service

Orig. & 3 cys - Wash.
USGS (2)
DMEA
AD
Fisher
M/D

Wash

RECEIVED
APR 12 1956

MEMORANDUM OF AGREEMENT

THIS AGREEMENT made and entered into this 1st day of May, 1953, by and between FRED J. BROWN, a widower, of Salmon, Lemhi County, State of Idaho, hereinafter known as the party of the first part, and LESTER S. HARRISON, of Kellogg, Shoshone County, State of Idaho, hereinafter known as the party of the second part.

RECITALS:

Party of the first part is the owner, in possession and entitled to possession of certain unpatented lode mining claims located in the Eureka Mining District of Lemhi County, State of Idaho, which said claims are more particularly named and hereinafter described, and original location notices for which are duly recorded and filed in the office of the County Auditor and Recorder of Lemhi County, State of Idaho, at Salmon, Idaho, reference to which said original location Notices with amendments, if any, as to name of locator or locators, date of location and Book and Page of Recording, are hereby specifically referred to, and the whole location record thereof, made a part hereof. Said lode claims are by name known and described as follows:

> Grandview No. 1, Grandview No. 2, Grandview No. 3, Grandview Extension No. 1, Grandview Extension No. 2, Grandview Extension No. 3, Grandview Extension No. 4, and Grandview Extension No. 5.

Together with all water rights, mill sites, power lines, telephone lines, power sites, water lines, flumes and ditches, and all appurtenances, including any and all mining equipment, but excluding the Snow Tailings dump, and buildings of any and every kind connected with said property, it being the intention of the parties hereto to include in this agreement all of the property, real, personal and mixed, and all rights of every kind belonging thereto, owned by the said first party herein, whether or not referred to above or correctly described.

Said second party or his assigns, are in position to

search and prospect for mines and ore bodies within mines, and are in position to take over the possession of the mining property of the party of the first part with a view to conducting an exploration and development thereon and thereafter, if warranted, arrange for the mining of the same.

IMPROVEMENTS:

Said claims have been developed by a series of six tunnels. Altogether there are more than 3,210 feet of drifts and crosscuts in the mine. The production record of the claims consists of over 2,400,00 lbs. of copper. There are also certain buildings located on the premises, which consist of a small building at the portal of the No. 5 tunnel, and there is also an old mill building located below the portal of No. 6 tunnel. There is no equipment belonging to said first party. Some milling equipment is installed in the mill building which belongs to one Mike Furch but subject to his removal on notice.

The annual assessment work required by the laws and statutes of the Federal Government and the State of Idaho and the local mining districts has been done and performed up to date. All proofs of labor have been properly filed and recorded.

That all indebtedness, including all present taxes, insurance and obligations of every kind and character, have been satisfied and fully paid and there are no known judgments, liens, mortgages or encumbrances of any kind or character against any of said property except as hereinafter related and stated.

The party of the first part is obligated for amounts of approximately $10,000.00 for money and property he has in the past received, and the amounts for said obligations are all now past due and owing. That the money, services or property received and which created said obligations was spent and used upon or for the benefit of said mining property and all are obligations that must be satisfied and paid. There is now the possibility of suits or actions being filed for the collection thereof and in such case there is danger of attachments being levied or

judgment liens being created against the property. Second party desires to evade any conditions of this kind and to assist first party by placing said outstanding obligations in a position that the title to the property cannot in anywise be affected or said obligations become a cloud on the title of the mining property. To assist first party in extending said claims second party will advance to first party as advance royalty, under the within contract, $954.60 and first party agrees that upon the payment thereof, he will procure from each of said debtors an extension of time to pay each and every of said obligations for a period of two (2) years from the date of this contract. The said $954.60 so advanced is to be immediately applied by first party on said obligations and acquittances from said debtors are to be received and evidence thereof delivered to second party. On May 1st, 1954, second party agrees that he will make another advance in the way of advance royalty to the first party equivalent to an amount of the interest due on each and every of said obligations. First party is to apply said amount on said obligations. At the maturity date of said obligations, May 1st, 1955, said second party is then to make a further advance in the way of an advance royalty, to satisfy all of said obligations. Any and all advances made as aforesaid for the retirement of said obligations, or the interest thereon, are to be charged against any and all royalty herein agreed to be paid first party.

That a portion of said mining ground, more particularly from the portal of No. 5 level to the present east face of No. 5 level, thence vertically to the No. 4 level, thence 200 feet east on No. 4 level, thence vertically to the surface, is under lease to Rulon Young, which said lease was made and engaged in by first party with Rulon Young on July 2, 1952, copy of which is hereto attached and made a part hereof. That this agreement is at all times subject to the said lease with Rulon Young, and second party herein is to be obligated to carry out the terms and conditions thereof with the said Rulon Young and protect and

save harmless the party of the first part from any and all further obligations of any kind or character thereunder.

NOW, THEREFORE, BY VIRTUE OF THE PREMISES, THE PARTIES HERETO AGREE, ONE WITH THE OTHER, AS FOLLOWS:

1. INTERESTS. Party of the first part hereby grants to party of the second part the exclusive and perpetual right to take immediate possession of said mining property and premises, and second party agrees to immediately enter upon and take charge of the same for the purpose of prospecting, developing and mining the same under such a program as may be warranted from the standpoint of a sound mining venture, and for such purpose will expend at least $40,000.00 for the physical benefit of such property on or before May 1st, 1956 and because of these agreements is hereby given the quiet, peaceful, complete, undisturbed and perpetual possession of the said mining claims and mining property, and all improvements, and any and everything located thereon or belonging to the same so long as he shall comply with the terms of this agreement. All work done and performed shall be done in accordance with practical prospecting methods and with good mining practice with the end in view of developing said mining claims into a workable and productive mine. Second party shall have complete charge of all exploration, development and mining of said claims.

2. PURCHASE PRICE: Party of the first part hereby gives and grants to party of the second part the right to purchase said mining claims and all of said mining property, and the appurtenances incident thereto, for a cash consideration of ONE HUNDRED FIFTY THOUSAND and NO/100 ($150,000.00) DOLLARS, said purchase price to be paid in cash or on the following royalty basis, to-wit: Ten per cent (10%) of the net smelter returns from all smelter shipments until the party of the first part has received $50,000.00; thereafter five per cent (5%) of the net smelter returns from all ores shipped from said mining claims until an additional $100,000.00 in cash has been

received by said first part , totaling $150,000.00. No interest shall be charged on the deferred payments.

Upon the receipt by party of the first part, or his heirs or assigns, of the said $150,000.00 in cash on the basis hereinbefore provided, then and in that event, all right, title and interest of the party of the first part shall pass to party of the second part, or his assigns. To facilitate said transfer, and at any time after the party of the first part has expended an amount of $10,000.00 in actual development upon said property, the said second party may require that the party of the first part deposit a copy of this agreement in escrow with a party to be agreed upon in Lemhi County, Idaho, along with a good and sufficient mining deed to said property so that the same may be ready and available for delivery to the party of the second part as soon as the purchase price herein agreed upon has been fully paid.

3. SPECIAL COVENANTS: It is agreed by the parties hereto that from and after January 1st, 1955, if shipments being made and royalties received by the said party of the first part, do not equal $200.00 per month, then and in that event second party will make advances to the party of the first part as advance royalties in an amount equivalent to $200.00 per month, and the said $200.00 per month shall continue to be paid by second party to first party monthly unless royalties received are in excess of said amount or amounts, in which event, second party shall be released from payment of said $200.00 per month advance royalty obligations. The said royalties received by said first party shall be cumulative and in no case shall the party of the first part receive said $200.00 per month, beginning January 1st, 1955, if the amount of royalties received have exceeded said amount. Any said payments of $200.00 shall, of course, be charged against the royalties herein agreed to be paid first party, as well as be applied upon purchase price of said mining property. Any advance royalty payments made to

Laura Ledbetter as hereinafter provided, or those made to creditors or claimants of the first party, shall not abrogate this $200.00 per month payment if royalties have not been sufficient to meet it otherwise.

4. RATE OF PROGRESS: Second Party agrees to proceed by a geological reconnaissance with a later prospecting program and finally the exploration and development of the property under the terms of this agreement as diligently as existing conditions will permit, but shall not be obligated to perform any specific amount of work continuously nor shall he be required to do the work at any particular time or place, on or off the said property. Provided, however, and following June 30, 1953, second party shall, as a minimum, do all required assessment or representation work, if required, to protect the unpatented claims from forfeiture under the present or future existing laws of the Federal Government, State, Municipal or local mining districts as respects annual work.

5. NEW LOCATIONS: In case the party of the second part should find new and additional ground, other than herein specifically described or herein included, that should be located and become a part of or be grouped with the claims already held by said first party, that any such locations made by second party will immediately be and become the property of the parties of the first part, and after location be included in and a part of this agreement, the same as if originally included herein.

6. INSURANCE AND LOCAL TAXES: It is agreed that second party is to pay all State, Federal and Municipal, as well as personal property taxes, that may be levied upon said property as the same are assessed and fall due, but he shall not be required to protect by insurance any of the buildings or structures or personal property or equipment now located on the property.

7. COSTS OF MAINTENANCE--OPERATION: All costs of maintaining said property, as well as all costs of all prospecting work, development work and mining work, shall be borne entirely

by second party, and first party shall not be obligated for any such costs and expenses, and second party agrees to assume and pay any and all such obligations to be hereinafter incurred, and further agrees that he will protect and save harmless the first party from any and all such obligations except as herein specifically excepted, and that second party will post notices at conspicuous places on said property, notifying all persons, including labor and materialmen, that second party is holding possession of the said premises under this agreement with first party, and that second party is wholly liable for all labor and materials connected with any and all mining operations and maintenance of said property, and that first party is not in anywise liable for the same.

8. PATENT: In case, during the existence of this contract, the party of the second part should decide to patent any or all of the unpatented mining claims made the subject of this agreement, it is understood and agreed between the parties hereto, that the second party shall have the right and privilege of instituting patent proceedings in the name of the parties of the first part, and when patent is obtained, the same is to be subject to the interest of the party of the second part in said mining claims, as herein agreed.

9. RIGHT OF INSPECTION: First party, through their duly authorized representative, shall be entitled to inspect all work done on the property at any reasonable time, but second party shall at all times have full charge of the operation and the complete direction of the same.

10. RIGHT TO DISCONTINUE: The party of the second part may at any time after date hereof, if he so elects, discontinue any operation, development or mining program on said property. In case second party desires to abandon the project and discontinue development or prospecting thereon, he shall, in such event, give to the party of the first part ninety (90) days notice of his intention so to do, and upon said abandonment, leave the

property in good state and condition, and any and all permanent improvements, including but not limited to all buildings, structures, and rail and water lines, that have been made thereon, by the said second party, shall be and become forfeited by said second party to said first party as and for liquidated and stipulated damages for failure of the party of second part to fulfill and carry out said prospecting and development. Party of the first part shall have no other recourse against second party, other than the forfeitures hereinbefore enumerated. In case of such abandonment, second party is to have the right to remove any and all equipment or movable improvements placed thereon by him within ninety (90) days following any abandonment. Any property not so moved will be forfeited to first party without obligation of the first party.

11. WORK OUTSIDE PROPERTY LINES: It is agreed between the parties hereto that in the development of the said mining claims, the second party will not be required to work within the lines of said claims, providing work done off of the said claims is for the benefit of said claims of first party, such as a deep shaft sunk on adjoining property with an arrangement that access can be had through said shaft to the lower levels and the veins in said property or a deep tunnel driven off of the said claims with the purpose of reaching and exploring veins on said property within its lines or extralaterally at depth.

12. FORFEITURE: In case the party of the second part fails to comply with the terms of this agreement, then and in that event, second party shall be in default and first party may then declare second party in default and give to second party notice of said default, specifying particularly wherein second party is in default, and unless said default is corrected in a period of ninety (90) days thereafter, said first party may then declare a forfeiture against said second party, and if the default is not corrected within thirty (30) days following the service of the forfeiture notice, then and in that event, first party may enter upon and take possession of

of said premises and declare all the rights of the second party terminated, and the same shall in that event cease and determine and the party of the second part agrees that in such event he will surrender up and deliver over the premises to first party, But second party shall have the right to remove any and all equipment of every kind and character which he had placed upon said premises.

Any default or forfeiture as in this section provided, is predicated upon the fact that no default or forfeiture can be declared against second party if the cause of default by second party has been due to war, scarcity of labor or materials, strikes, lockouts, mining casualty, extremely low metal prices, or causes beyond the control of second party, and in all such events, second party is to be excused from performance of the contract for such period as such disability beyond his control existed, and the time for performance under said agreement in any and all such events shall be automatically extended for such time as such disability existed, protection against forfeiture of unpatented claims for lack of required annual work alone excusing.

13. ASSIGNMENT: It is understood and agreed between the parties hereto that the party of the second part is acting for an undisclosed principal in accepting said obligations, and that as such he is to have the right and privilege, without the consent, oral, written or implied, of party of the first part to assign this said agreement to a newly organized corporation, or to one already in existence, and which said corporation will then and in that event and when said assignment is made, become the party of the second part herein, and the party of the second part shall be and become entirely released from any and all obligations hereunder, the same as if the said second party had been the said corporation or corporations in the original instance.

14. NEW LOAN: It is understood and agreed between the parties hereto that the party of the first part has heretofore applied to the Reconstruction Finance Corporation in an amount of $25,000.00,

but that said amount of money has never been finally approved by said Reconstruction Finance Corporation. Said first party now agrees that the party of the second part is to have the use and benefit of said loan provided the Reconstruction Finance Corporation will agree that the same may be granted second party. And for this purpose, said first party hereby assigns, sets over and transfers to said second party, or his assigns, all his right, title and interest in and to the said loan so applied for and subject only to the approval of said Reconstruction Finance Corporation.

15. FEDERAL LOANS: It is anticipated that in the prospecting, developing and mining of all deposits from the mining lands made the subject of this agreement, that financial assistance may be made further available by the Federal Government to the extent of 50% or more of certain expenditures which the second party, or his assigns, are planning to make on said property; that such additional assistance may be of great benefit in getting the mining property into production, and, in that manner, greatly benefit all parties. Should this assistance become available, party of the first part agrees to such a loan or loans, and also to the Federal Government holding a lien on the land and subject to repayment of any amounts from production. To assist in this connection and in case of an application being filed by second party or his assigns, the first party agrees that he will sign and execute a subrogation agreement when duly submitted for this purpose.

16. It is agreed between the parties hereto that the first party entered into a Memorandum of Agreement on the 3rd day of March, 1963, with Mr. Frank A. Taft, as second party. Said parties now represent that said agreement has been fully and completely cancelled and that party of the first part is in position to contract with the party of the second part herein with respect to all the matters and things in this contract particularly specified.

17. LEASEHOLD INTERESTS: Party of the first part represents

that he is the sole owner of all of said mining claims and mining property and that the same is free, clear and unencumbered, except as in this contract hereinbefore set forth, with the exception of the interest of one Laura Ledbetter of Maxville, Granite County, Montana, who is the record owner and owns an undivided one-half interest in and to said property. In this connection, said party of the first part represents that on the 27th day of June, 1952, he made and entered into a written agreement with said Laura Ledbetter wherein he acquired the right to purchase all of her right, title and interest in and to said mining property for the consideration of $12,500.00, said payment to be made at any time within five (5) years from June 27th, 1952, and said payment is to be without interest, but said Laura Ledbetter is to receive five per cent (5%) of all the net smelter returns from any ore shipped from said property during said period and until she receives the said $12,500.00. Upon the payment to said Laura Ledbetter of said $12,500.00 by royalty or otherwise, all her right, title and interest in and to said property will pass to the party of the first part herein. Party of the first part now agrees that upon the signing of this contract he will immediately procure from the said Laura Ledbetter, a good and sufficient mining deed to her interest in said property and have the same escrowed with a party to be agreed upon in Lemhi County, Idaho, so that the same may be available for delivery to him, or second party herein, as soon as the purchase price of $12,500.00 is fully paid to the said Laura Ledbetter. In the meantime and until said payment of $12,500.00 is made to the said Laura Ledbetter, any and all royalty or royalties paid from shipment of ores from said mining property to the said Laura Ledbetter, is to be deducted and charged to royalty payments herein agreed to be paid the said party of the first part. Said party of the second part is to have the right and privilege of paying to said Laura Ledbetter said $12,500.00 at any time during the life of this contract and obtain the said deed so that

title may pass to the party of the first part herein. In case, at the end of said five (5) year period for the payment thereof as provided in said agreement hereinbefore referred to, the full amount of said $12,500.00 has not been paid, then and in that event the second party agrees to take up and complete said payment so that the title may be placed in the said party of the first part herein. In case the party of the second part, or his assigns, should exercise his right to abandon said contract as provided in Section 10 of this agreement, then and in that event the provision last above referred to shall become null and void.

In addition to causing the said Laura Ledbetter to immediately deposit a mining deed in escrow to facilitate the transfer of said property when payment is made as aforesaid, first party agrees that he will procure the signature of said Laura Ledbetter to a Subrogation Agreement to assist second party, or his assigns, in obtaining a federal loan as provided in Section 15 of this Agreement.

That the first party shall have access to all maps, reports logs, Geological and other data and information concerning said property, and in the event this agreement is forfeited or terminated for any cause or the property is surrendered or abandoned, the second party or his assigns shall furnish and give to the first party the above or exact duplicates thereof.

It is agreed between the parties hereto that this Agreement and each and every cause and covenant hereunder, where the context require it, shall extend to and become binding upon the heirs, executors, administrators and assigns of all parties hereto.

IN WITNESS WHEREOF, the parties hereto have hereunto affixed their names and seals the day and year in this agreement first above written.

/s/ FRED J. LEIGH

Party of the First Part.

/s/ LESTER S. HARRISON

Party of the Second Part.

STATE OF IDAHO)
:SS.
County of Lemhi)

On this 9th day of May, 1953, before Me, C. Walker Lyon, a Notary Public in and for the State of Idaho, personally appeared FRED J. BROUGH and LESTER S. HARRISON, known to me to be the persons whose names are subscribed to the within instrument, and acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

(SEAL)

/s/ C. WALKER LYON

Notary Public in and for the State of Idaho, residing at Salmon, Idaho.
My Commission Expires 2/27/56.

The above contract was assigned by Lester S. Harrison to Centrica Mines, Inc., June 1, 1953.

Wash

CENTRIDA MINES, INC.
P. O. BOX 838
KELLOGG, IDAHO

RECEIVED
APR 12 1956

NOTICE OF DISCONTINUING OF DEVELOPMENT AND OPERATIONS

Mr. Fred J. Brough
Salmon, Idaho

Dear Mr. Brough:

Your attention is called to the contract between yourself and Lester S. Harrison, dated May 1, 1953. The contract was thereafter assigned by Lester S. Harrison to Centrida Mines, Inc., under the provison provided for in Section 13 of the contract. You are aware of the progress that has been made and the expenditure of over $60,000.00 worth of work upon the property, in addition to advances that were made to procure additional time among your creditors. There were also the royalties that you collected during the possession of Centrida Mines, Inc., of the property. The exploration does not justify further exploration and development from our standpoint. You are familiar with Section 10 of the contract above referred to, which reads as follows:

> 10. RIGHT TO DISCONTINUE: The party of the second part may at any time after date hereof, if he so elects, discontinue any operation, development or mining program on said property. In case second party desires to abandon the project and discontinue development or prospecting thereon, he shall, in such event, give to the party of the first part ninety (90) days notice of his intention so to do, and upon said abandonment, leave the property in good state and condition, and any and all permanent improvements, including but not limited to all buildings, structures, and rail and water lines, that have been made thereon, by the said second party, shall be and become forfeited by said second party to said first party as and for liquidated and stipulated damages for failure of the party of second part to fulfill and carry out said prospecting and development. Party of the first part shall have no other recourse against second party, other than the forfeitures hereinbefore enumerated. In case of such abandonment, second party is to have the right to remove any and all equipment or movable improvements placed thereon by him within ninety (90)

days following any abandonment. Any property not so removed will be forfeited to first party without obligation of the first party.

You are now notified that Centrida Mines, Inc., is discontinuing further operations or development programs on the property and desires to abandon the project, which right is given under the above styled section. The machinery and equipment will be removed within the time provided. Please take notice and govern yourself according.

Dated this 6th day of April, 1955.

CENTRIDA MINES, INC.

By Wendell R. Brainard
President.

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

RECEIVED
DEC 19 1955

December 8, 1955

Mr. C. Walker Lyon
Viel Building
Salmon, Idaho

Re: Docket No. DMEA-3112 (copper)
Centrida Mines, Inc.
Pope-Shenon Mine
Lemhi County, Idaho
Contract No. Idm-E651

Dear Mr. Lyon:

Your letter of October 28, 1955 has been referred to our Washington office as stated in our letter to you of November 2. We have been instructed to deposit these checks pending settlement of this matter. In order that our Washington office may reach a decision we have been requested to supply some additional information concerning production from the property which we are now in process of obtaining and in this connection Mr. A. L. Service, Bureau of Mines Engineer, may visit your office.

As far as we can tell, the royalties which you sent with your letter of October 28 are properly payable to the Government. Should it be determined that there has been an overpayment an appropriate refund can be made.

By Field Team, Region I, NW Dist.

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

Thomas E. Howard, Acting Member
U. S. Bureau of Mines

cc: DMEA (2)
[illegible] (2)
[illegible] (2)
Nickelson

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

RECEIVED
DEC 12 1955

December 8, 1955

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interio
Washington 25, D. C.

Re: Docket No. DMEA-3112 (copper)
Centrida Mines, Inc.
Pope-Shenon Mine
Lemhi County, Idaho
Contract No. Idm-E651

Dear Mr. Selfridge:

Your letter of December 1, 1955 concerning the Centrida royalties has been forwarded to Mr. Al Service, Bureau of Mines Engineer, who is now in the Salmon area. We have requested Mr. Service to clarify this matter and while he is in the field to obtain any information he does not already have to answer your letter. On Mr. Service's return a full reply to your letter will be prepared.

Meanwhile we have deposited in the regular fund account the checks that we were holding. We are advising Mr. C. Walker Lyon, attorney for the owner of the property, of this action and we are telling him that a refund can be made at a later date, should this be necessary.

Sincerely yours,

A. E. Weissenborn

A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region I, NW Dist.

cc: USBM (2)
USBM (AD)
Nickelson

FILE COPY
SURNAME:

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

DEC - 1 1955

Mr. A. E. Weissenborn
Executive Officer
DMEA Field Team, Region I
Northwest District
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA-3112 (Copper)
Centrida Mines, Inc.
Pope-Shenon Mine
Lemhi County, Idaho
Contract No. Idm-2651

Dear Mr. Weissenborn:

Reference is made to your letter of November 2, 1955, and the attached copy of a letter dated October 28, 1955, which you have received from Mr. C. Walker Lyon of Salmon, Idaho, Attorney for the owner of the subject property.

We note that you have advised Mr. Lyon that you are holding four checks, totalling $199.75, representing royalties on lots 100, 102, 103, and 104 for ore shipments from the property until you hear from Washington. These checks should be deposited promptly in the regular fund account. If it is necessary to make a refund at some future date, it can be done by drawing on this account.

Inasmuch as the project has been certified, in accordance with the provisions of the contract, royalties are due on all production made from the date of the contract until 10 years after such date.

There appears to be some misunderstanding regarding the production. In a memorandum dated July 9, 1954, from Mr. V. Z. Johnson to the Field Team, reference is made to five cars of ore from the 500 level as having been shipped by Mr. Young since the date of the contract. In a memorandum dated July 26, 1955, from Mr. A. L. Service to the Field Team, a statement is made that "Mr. Clint Gunderson of Mackay, Idaho has informed the writer that he has shipped at least two shipments of tailings during the past month or so". Your letter of November 2, 1955, indicates that Mr. Brough is mining fringe ore adjacent to old stopes. In order to clarify this matter we will need to know from what locations on the property each

lot of ore was mined, the date each lot was mined, and whether the lots were tailings or ore. We should also have copies of the settlement sheets for all production. In connection with this matter we would like to know when the operator officially surrendered his lease and the manner and circumstances surrounding his relinquishment of the property. Was this done voluntarily by the operator in accordance with the terms of his lease, by mutual agreement, or by cancellation of the lease by the owner?

We will appreciate receiving this information at your earliest convenience.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JHB)

APPROVED:

/s/ Robert W. Geehan (JHB)
Member, Bureau of Mines

Thor H. Kiilsgaard (JHB)
Member, Geological Survey

JWAlt/FEJohnson/bih 11/29/55

cc to: Docket
Admr. Reading File
Operating Committee
Mr. Geehan - USBM
Mr. Kiilsgaard - USGS
Mr. Griswold
Mr. Johnson

UNITED STATES
DEPARTMENT OF THE INTERIOR 500
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

Mr. A. E. Weissenborn
Executive Officer
DMEA Field Team, Region I
Northwest District
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA-3112 (Copper)
Centrida Mines, Inc.
Pope-Shenon Mine
Lemhi County, Idaho
Contract No. Idm-E651

Dear Mr. Weissenborn:

With reference to your letter of November 2, regarding the cited contract, we will need to know the date when the Operator officially surrendered the lease of this property and also the dates when any production was made while the contract was in effect and after the lease was surrendered.

We will appreciate receiving this information at your earliest convenience.

Sincerely yours,

Chairman, Operating Committee

APPROVED:

Member, Bureau of Mines

Member, Geological Survey

DRAFT
JWAlt/FEJohnson/bih
Nov. 25, 1955

Mr. Chambers
Mr. [illegible]
Mr. Johnson

Mr. A. E. Weissenborn
Executive Officer
DMEA Field Team, Region I
Northwest District
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA-3112 (Copper)
Centrida Mines, Inc.
Pope-Shenon Mine
Lemhi County, Idaho
Contract No. Idm-E651

Dear Mr. Weissenborn:

Reference is made to your letter of November 2, 1955, and the attached copy of ~~the~~ a letter dated October 28, 1955, which you have received from Mr. C. Walker Lyon of Salmon, Idaho, Attorney for the owner of the subject property.

We note that you have advised Mr. Lyon that you are holding four checks, totalling $199.75, representing royalties on lots 100, 102, 103, and 104 for ore shipments from the property until you hear from Washington. These checks ~~will~~ should be deposited promptly in the ~~reporting~~ Regular fund account. If it is necessary to make a refund at some future date, it can be done by drawing on this account.

We don't need this 1st.

~~As you are aware, in accordance with the provisions of the subject contract, as amended, regardless of whether the project is certified or not, any production from the land described in the contract is subject to royalty during the term of the contract. Inasmuch as the project has been certified, royalties are due on all production made from the date of the contract until 10 years after such date.~~

in accordance with the provisions of the contract

97023

DEFENSE MINERALS ADMINISTRATION

PRODUCTION EXPANSION DIVISION

PROCUREMENT APPLICATIONS

Name of Company and Address _____

Name of Mine and Location _____

Docket No. DMA - _____ Date received by P.E.D. _____

Metals or Minerals involved _____

Length of Contract (preproduction plus production) _____

Amount of Metals or Minerals in tons, units or pounds _____

Floor price or Guaranteed price and whether or not escalated _____

Maximum Government Commitment _____

Comments on Contract: _____

_____

_____

_____

_____

_____

Date sent to Legal Division _____

Date of Recommendation to D.P.A. for Certification _____

Date Certification sent to G.S.A. by D.P.A. _____

Date signed into Contract by G.S.A. _____

Additional Remarks: _____

_____

_____

_____

_____

NOTE: If application is denied, or if it is recommended for change into exploration, etc., please state under additional remarks.

Interior—Duplicating Section, Washington, D. C.

Signed _____

There appears to be some misunderstanding regarding the production. In a memorandum dated July 9, 1954 from Mr. V. Z. Johnson to the Field Team, reference is made to five cars of ore from the 500 level as ~~being~~ having been shipped by Mr. Young since the date of the contract. In a memorandum dated July 26, 1955, from Mr. A. L. Service, to the Field Team, a statement is made that "Mr. Clint Gunderson of Mackay, Idaho has informed the writer that he has shipped at least two shipments of tailings during the past month or so". ~~In~~ Your letter of November 2, 1955, ~~you~~ indicates that Mr. Brough is mining fringe ore adjacent to old stopes. In order to clarify this matter ~~focus~~ we will need to know from what ~~parts of the mine~~ locations on the property each lot of ~~the~~ ore was mined ~~produced~~, whether the lots were ~~material was~~ tailings or ore, ~~produced after the date of the contract~~. We should also have copies of the settlement sheets for all production. In connection with this matter we would like to know when the operator officially surrendered his lease and the manner and circumstances ~~sur~~rounding his relinquishment of the property ~~letters~~. Was this done voluntarily by the operator in accordance with the terms of his lease, ~~or wa~~ by mutual agreement, or by cancellation of the lease by the owner.

We will appreciate receiving this information at your earliest convenience.

Sincerely yours,

Chairman, Operating Committee

Copy of the data sent to Mr. Young (Mr.)

DEFENSE MINERALS ADMINISTRATION

97023

PRODUCTION EXPANSION DIVISION

PROCUREMENT APPLICATIONS

Name of Company and Address _____

Name of Mine and Location _____

Docket No. DMA - _____ Date received by P.E.D. _____

Metals or Minerals involved _____

Length of Contract (preproduction plus production) _____

Amount of Metals or Minerals in tons, units or pounds _____

Floor price or Guaranteed price and whether or not escalated _____

Maximum Government Commitment _____

Comments on Contract: _____

_____

_____

_____

_____

_____

Date sent to Legal Division _____

Date of Recommendation to D.P.A. for Certification _____

Date Certification sent to G.S.A. by D.P.A. _____

Date signed into Contract by G.S.A. _____

Additional Remarks: _____

_____

_____

_____

_____

NOTE: If application is denied, or if it is recommended for change into exploration, etc., please state under additional remarks.

Interior—Duplicating Section, Washington, D. C.

Signed _____

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SOLICITOR
WASHINGTON 25, D. C.

Phelin
Dwyer

NOV 10 1955

Memorandum

To: The Administrator, DMEA
Attention: Chief, Base Metals Division

From: Associate Solicitor, Division of Mineral Resources

Subject: Docket No. DMEA-3112, Centrida Mines, Inc., Contract No. Idm-E651 (Copper)

Mr. Griswold's memorandum dated November 8, 1955, requested that we prepare a response to a letter dated October 28, 1955, from the attorney for the landowner to Mr. Weissenborn, which was transmitted to the Operating Committee with a memorandum dated November 2, 1955, from the Field Team, Region I.

The attorney's letter states that the landowner did not understand the Consent to Lien extended to any production from the land which did not result from the discovery or development made under the contract. In this regard, the docket indicates that prior to the execution of the contract the Operator specifically was informed that all production was to be subject to royalty; however, it does not appear that this information was conveyed to the landowner. The Field Team is holding four checks of the American Smelting and Refining Company which were submitted by the landowner under protest, covering the Government's royalty on the production in question, pending instructions from the Washington office concerning them.

In a memorandum to you dated September 16, 1955, concerning a question of royalty due under the subject contract we pointed out that the contract in question contains an abandonment provision, but as we did not know at that time the details concerning the production nor the manner in which the lease was given up by the Operator, we could not discuss in that memorandum the abandonment question. We still do not know these facts. Therefore, it should be determined administratively when the production in question was made in relation to the time when the land was abandoned by the Operator. If it appears that production was after abandonment of the land by the

Operator, then no royalty is due the Government from either the Operator or the landowner. The attorney should be so advised and the four checks should be returned to the landowner. On the other hand, should it be determined that the production was made prior to the time of abandonment by the Operator, then the royalty is due the Government and the four checks should be retained. (See memorandum dated July 27, 1954, to the Administrator on a question of a landlord's liability for royalty.)

Robert P. Dwyer

HCRubin/emd

Copy to: DMEA Docket
Solicitor's Docket
W. R. Griswold (2)
G. C. Selfridge
R. P. Dwyer
H. C. Rubin
chron.

File Copy
Surname

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

500

November 8, 1955

Memorandum

To: Associate Solicitor, Division of Mineral Resources

From: Chief, Base Metals Division

Subject: Docket No. DMEA-3112, Centrida Mines, Inc., Pope-Shenon Mine, Lemhi County, Idaho, Contract No. Idm-E651, Copper.

Will you kindly prepare reply to the attached attorney's letter.

We see no point to the various arguments. It is pretty hard to believe that the property owner signed the Owner's Consent to Lien form with his eyes shut.

W. R. Griswold

W. R. Griswold

WRG/er

Copy to: Docket
Base Metals
Chron.

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

November 2, 1955

Air Mail

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-3112 (copper)
Centrida Mines, Inc.
Pope-Shenon Mine
Lemhi County, Idaho
Contract No. Idm-E651

Dear Mr. Selfridge:

Enclosed is a self-explanatory letter of October 28, 1955, from Mr. C. Walker Lyon, attorney for Mr. Fred J. Brough.

Although the Field Team had recommended exclusion from royalty payments of the fringe ore adjacent to old stopes that Mr. Brough is now mining, such ore was not excluded from royalty payment and according to the terms of the contract and the consent to lien which Mr. Brough signed all production from the property is subject to royalty. However, since Mr. Lyon, who is representing Mr. Brough in this matter, is an attorney we hesitate to reply to his letter and suggest that the legal staff make an appropriate answer.

In the last paragraph of his letter, Mr. Lyon presumes we would hold the checks and return them to Mr. Brough if "you believe, as he (Mr. Brough) contends, there should be no royalties required from his property". Although we realize that the royalties are payable unless the contract terms with respect to royalties are altered, we are honoring Mr. Lyon's request and we will hold the four checks totaling $199.75 (Lots 100, 102, 103 and 104) pending instructions from you. The checks are issued by American Smelting and Refining Company of Salt Lake City, Utah.

By Field Team, Region I, NW Dist.

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

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

Enclosure
cc: USBM (2) USBM (AD) Nickelson

LAW OFFICES
C. WALKER LYON
VIEL BUILDING
SALMON, IDAHO

CITY ATTORNEY

RECEIVED
NOV - 1 1955

Registered
OCT 31 1955
U.S.G.S.
SPOKANE, WASH.

October 28, 1955

PHONE 2814

Visual
AC
Mich
USGM
DMEA

Mr. A. E. Weissenborn, Executive Officer
U. S. Geological Survey
Defense Minerals Exploration Administration
So. 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA-3112 (copper)
Centrida Mines, Inc.
Pope-Shenon Mine
Lemhi County, Idaho
Contract No. IDm-E651

Dear Mr. Weissenborn:

Received your letter of September 28th concerning the Pope Shenon Mine, owned by Fred J. Brough, of Salmon, Idaho, with the inclosures therein contained.

Mr. Brough is very disturbed concerning his mine situation in that, when he signed the consent to lien, he was informed that the Government would only require royalty payments from ore that was discovered or developed by the sums of money the Government furnished or participated in and that this would not affect claims on parts of the mine which were not explored by Government participation.

Mr. Brough also understood that the Government would be reasonable in its certification of discovery and development on his property and can't understand why the Government would declare a certification when the Centrida Mines, Inc., abandoned the property back to him because the property did not warrant further development or mining because of the lack of and the low grade of ore.

Mr. Brough believes that there must be some mistake in the certification of discovery and development of ore and, also, that the Government should waive, under the circumstances, any lien upon his property and asks that you reconsider the certification and the matter of waiver.

I have advised Mr. Brough that, until such matter is adjusted, he should send to you the checks required by your previous letter and am, therefore, inclosing herewith the four (4) smelter returns and checks accompanying the

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

November 2, 1955

Mr. C. Walker Lyon
Viel Building
Salmon, Idaho

Re: Docket No. DMEA-3112 (copper)
Centrim Mines, Inc.
Pope-Shenon Mine
Lemhi County, Idaho
Contract No. Idm-8651

Dear Mr. Lyon:

Thank you for your letter of October 28, 1955.

We are forwarding your letter to the DMEA Washington office for reply.

As you requested, we will hold the four checks totaling $199.75 (for Lots 100, 102, 103 and 104) until we hear from Washington on this matter.

By Field Team, Region I, NW Dist.

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

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

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

Mr. A. E. Weissenborn, Executive Officer
U. S. Geological Survey, DMEA

same for five per cent (5%) royalty on the shipments of ore made from Mr. Brough's mine, Lots 100 to 104, inclusive, which, I presume, you will hold and return to Mr. Brough if your Department believes, as he contends, there should be no royalties required from his property.

Very truly yours,

O. WALKER LYON

CWL:ll

Incls.

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

September 28, 1955

Mr. C. Walker Lyon
Viel Building
Salmon, Idaho

Re: Docket No. DMEA-3112 (copper)
Centrida Mines, Inc.
Pope-Shenon Mine
Lemhi County, Idaho
Contract No. Idm-5651

Dear Mr. Lyon:

We have received permission to send you a copy of the exploration project contract with Centrida Mines, Inc. You requested a copy of the contract in your letter of August 26, 1955, on behalf of Fred J. Brough, owner of the property.

You will note that a Consent to Lien form signed by Fred J. Brough and Laura A. Ledbetter is attached to the contract.

Since your letter of August 26, 1955, Mr. Brough has been sent a copy of a Certification of Discovery and Development. It is hoped that the contract and the certification will clarify matters for Mr. Brough.

By Field Team, Region I, NW District

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

Stephen W. Zoldok, Acting Member
U. S. Bureau of Mines

Enclosures

File Copy
Surname

UNITED STATES
DEPARTMENT OF THE INTERIOR 500
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

SEP 22 1955

Mr. A. E. Weissenborn
Executive Officer
DMEA Field Team, Region I
Northwest District
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA-3112 (Copper)
Centrida Mines, Inc.
Pope-Shenon Mine
Lemhi County, Idaho
Contract No. Idm-E651

Dear Mr. Weissenborn:

With reference to your letter of September 6, covering the cited contract, we are enclosing copies of a memorandum dated September 16 by the Acting Assistant Solicitor. The memorandum is self-explanatory.

A certification of discovery or development was mailed to the Operator on September 19.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee

WmGriswold/er 9/21/55
Copy to: Docket
Admr R File
Op. Committee
Base Metals
Mr. Pennington, USBM
Mr. Kiilsgaard, USGS
Chron.

Enclosure

APPROVED:

/s/ Robert W. Geehan
Member, Bureau of Mines

N. E. Nelson
Member, Geological Survey

File Copy
Burname

Burnett
Talbert
Nelson
Yoss
Selfridge

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

SEP 19 1955

Mr. Wendell R. Brainard, Pres.
Centrida Mines, Inc.
Post Office Box 838
Kellogg, Idaho

Re: Docket No. DMEA-3112 (Copper)
Centrida Mines, Inc.
Pope-Shenon Mine
Lemhi County, Idaho
Contract No. Idm-E651

Dear Mr. Brainard:

Transmitted herewith is a certification of discovery or development related to the Exploration Project Contract No. Idm-E651, dated December 28, 1953, on the lands described in the contract.

By the terms of the Exploration Project Contract and of the Certification, all production from the land described in the contract after December 28, 1953, the date of the contract, is subject to the Government's percentage royalty as set forth in the said contract until the sum of $31,306.25 which the Government has advanced as its participating interest is repaid, or until December 28, 1963, whichever occurs first.

Payments should be made to Mr. A. E. Weissenborn, Executive Officer, DMEA Field Team, Region I, Northwest District, South 157 Howard Street, Spokane 4, Washington. Checks should be drawn in favor of the Defense Minerals Exploration Administration. The purchaser should be advised to deduct royalties from the amount due on each shipment and forward the checks to the Executive Officer.

Royalty payments to the Government should be accompanied by suitable evidence, such as copies of settlement sheets, showing quantity and grade of the products sold, the name of the purchaser, and the price and charges, certified to be correct by the purchaser.

You are requested to notify Mr. Weissenborn of any changes in ownership or production rights that might affect the Government's right to its percentage royalty. Also, if production ceases at any time for an extended period please notify Mr. Weissenborn at six-month intervals that such is the case.

Sincerely yours,

Frank E. Johnson (for)

ACTING Administrator

Enclosure

Base Metals
W. R. Griswold
Mr. Fred J. Brough
Chron.

Op. Committee
Cont. Adm.& Audit Div.
Dir., DM,EPS
Finance Office
Region I (2)
Mr. F. E. Johnson

Copy to: Docket
Mr. C. A. Fredell, Actg.
Mr. Geehan, 3608
Mr. Kiilsgaard, 5225
Admr R. File

R.G.G.

File Copy
Surname
Griswold
Talbert
Nelson
Yoder
Selfridge

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

SEP 1 9 1955

Mr. Fred J. Brough

Salmon, Idaho

Re: Docket No. DMEA-3112 (Copper)
Centrida Mines, Inc.
Pope-Shenon Mine
Lemhi County, Idaho
Contract No. Idm-E651

Dear Mr. Brough:

For your information, we are enclosing a copy of a certification of discovery or development covering the cited property, which has been sent to Centrida Mines, Inc. We are also enclosing a copy of our letter of transmittal of this certification.

The above are in connection with the Owner's Consent to Lien signed by you and Laura A. Ledbetter on May 28, 1953.

Sincerely yours,

Frank E. Johnson

ACTING Administrator

Enclosures

WRGriswold/er 9/14/55
Copy to: Docket
Admr R File
Op. Committee
Base Metals
Mr. Geehan, USBM,3608
Mr. Kiilsgaard, USGS
Region I (2), N.W. Dist.
Mr. Jay Chambers
Chron.

R.L.S.

File Copy
Surname

UNITED STATES
DEPARTMENT OF THE INTERIOR 500
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

SEP 19 1955

Mr. Clarence A. Fredell, Acting Director
Materials Division
Emergency Procurement Service
General Services Administration
Washington 25, D. C.

Re: Docket No. DMEA-3112 (Copper)
Centrida Mines, Inc.
Pope-Shenon Mine
Lemhi County, Idaho
Contract No. Idm-E651

Dear Mr. Fredell:

Enclosed is a copy of a certification of discovery or development related to Exploration Project Contract No. Idm-E651.

The contract was dated December 28, 1953, with the Government participating to the extent of 50 percent in an exploration project estimated to cost $63,140.00. Actual expenditures totalled $62,612.50, with the Government's share being half of such amount, or $31,306.25.

The total amount of work provided for under the contract consisted of 800 feet of drifting and crosscutting, 4,060 feet of diamond drilling, and the excavation of seven diamond drill stations. Work actually done consisted of 798 feet of drifting and crosscutting, 4,023 feet of diamond drilling and excavation of six diamond drill stations.

The discovery consisted of copper ores occurring in veins within quartzitic rocks. The ore reserves resulting from the work are estimated to consist of 10,000 tons of 5½ percent copper ore.

Sincerely yours,

Frank E. Johnson

ACTING Administrator

Enclosure

WRGriswold/er (9/14/55)
Copy to: Docket
Cont.Adm&Audit
Region I (2)
Base Metals
Admr R File
Op. Committee
Mr. Geehan, 3608
Mr. Kiilsgaard, 5225
F. E. Johnson
W. R. Griswold
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SOLICITOR
WASHINGTON 25, D. C.

September 16, 1955

Memorandum

To: The Administrator, DMEA
Attention: Mr. W. R. Griswold

From: Acting Assistant Solicitor, Defense Minerals

Subject: Docket No. DMEA-3112, Centrida Mines, Inc.
Copper

In a memorandum dated September 14 Mr. Griswold asks whether the request in a letter dated August 26 from the landowners' lawyer for a copy of the contract may be complied with. Landowners executed old Consent form.

In a letter dated August 2, 1955, the Field Team notified one of the two landowners of their obligation concerning the Government's royalty on production made after the date of the contract. The contract work has been completed, there has been some production by "leasors" (although the time when such production was made is not disclosed in the docket) and certification of the project is in process. As the Field Team has indicated that it intends to look to the landowners for payment of any royalty that may be due the Government, the landowners are entitled to know what their obligations and their rights are. Accordingly, it will be in order to disclose to them the provisions of the contract. If a copy of the contract is not available, in lieu thereof they should be furnished with a copy of MF-200A of February 1952, the exact royalty Annex II that was used in lieu of Article 6 of the contract form (49450), and a disclosure of the highlights of the contract, such as are contained in a letter to the Operator transmitting the certification of discovery or development.

We should like to point out to you that this contract form contains an abandonment provision which was not deleted. As we do not know the details concerning the production made nor the manner in which the lease was given up by the Operator, it is not appropriate to discuss the applicability of the abandonment provision at this time as to any production made after the date when the lease was relinquished by the Operator.

HCRubin/emd
Copy to: DMEA Docket
Solicitor's Docket
W. R. Griswold (2)
J. L. Hofflund
H. C. Rubin
chron.

/s/ Henry C Rubin
for J. L. Hofflund
Acting Assistant Solicitor
Defense Minerals

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

RECEIVED
SEP 13 1955

September 15, 1955

Re: DMEA 3112, Idm-E651
Centrida Mines, Inc.
Pope-Shenon Mine
Lemhi Co., Idaho
$63,140 - Copper

Memorandum

To: W. R. Griswold, Defense Minerals Exploration Administration

From: N. E. Nelson, U. S. Geological Survey

Subject: Review of geologist's recommendation for certification.

The work program for this project consisted of:--

800 feet of drifting and crosscutting
4,060 feet of diamond drilling
7 drill stations

The work was completed except for 2 feet of drifting and crosscutting, 37 feet of diamond drilling and one drill station. (Memorandum A. L. Service, April 19, 1955.)

As stated in the memorandum of the geologist (H. B. Nickelson), veins were cut of sufficient width and grade to be classed as ore.

I concur with the recommendation of certification of the Field Team.

N. E. Nelson

N. E. Nelson

File Copy
Surname

UNITED STATES
DEPARTMENT OF THE INTERIOR 500
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

September 14, 1955

Memorandum

To: Acting Assistant Solicitor, Defense Minerals

From: Chief, Base Metals Division

Subject: Re Docket No. DMEA-3112, Centrida Mines, Inc., Pope-Shenon Mine, Lemhi County, Idaho, Contract No. Idm-E651, Copper.

We call your attention to the attached request, dated August 26, from the attorney of the owner that he be given a copy of the contract. Would it be in order to comply with this request?

W. R. Griswold

W. R. Griswold

WRG/er

Copy to: Docket
Base Metals
Chron.

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

RECEIVED
SEP - 8 1955

September 6, 1955

Mr. George C. Selfridge, Chairman
DMEA Operating Committee
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-3112 (copper)
Centrida Mines, Inc.
Pope-Shenon Mine
Lemhi County, Idaho
Contract No. Idm-E651

Dear Mr. Selfridge:

Annex II of the Centrida Mines exploration contract provides for a royalty from all production from the land regardless of any certification. Inspections of the property have indicated that ore shipments have been made from the mine in recent months by leasers. Since we had been informed that Centrida Mines have relinquished their lease, we wrote the owner, Mr. Fred J. Brough, on August 2, 1955, advising him of his obligation as regards the Government's royalty and requesting copies of smelter return sheets so that the amount of royalty could be computed.

Mr. C. Walker Lyon, lawyer for Fred Brough, has requested a copy of the contract by letter dated August 26 (copy enclosed), and as Mr. Brough is apparently not aware of the contents of Annex II it would appear to be a reasonable request. We do not feel we have the authority to provide the owner with a copy of the contract, however, and ask your advice on the matter.

The enclosed memorandum by H. B. Nickelson, Geological Survey, presents a justification for issuing a Certificate of Discovery and Development for the exploration project. We agree with Mr. Nickelson and recommend that this be done even though the ore is perhaps marginal. We regret this recommendation was not sent to you at an earlier time.

By Field Team, Region I, NW District

A. E. Weissenborn / O.G.

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

Wing G. Agnew

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

Enclosures as indicated
cc: USBM (2)
USBM (AD)
Nickelson

DMEA

LAW OFFICES
C. WALKER LYON
VIEL BUILDING
SALMON, IDAHO

CITY ATTORNEY

PHONE 2814

RECEIVED
BUREAU
AUG 2
SPOKANE, Wash.

August 26, 1955

RECEIVED
SEP - 9 1955

Mr. A. E. Weissenborn, Executive Officer
U. S. Geological Survey
Defense Mineral Exploration Administration
1201 N. Division St.
Spokane 2, Washington

Re: Docket No. DMEA 3112 (copper)
Pope-Shenon Mine
Lemhi County, Idaho
Contract Idm-E651

Dear Mr. Weissenborn:

Mr. Fred Brough brought me your letter of August 2nd concerning the Pope Shenon Mine, which was leased to Lester S. Harrison.

Mr. Brough, of course, is at loss to know what is happening here because Mr. Harrison gave up the mine for the reason that no ore was discovered that could be profitably mined and Mr. Brough has never had the privilege of seeing any contract between Mr. Harrison and the Centrida Mines, Inc., and your department.

We question whether Mr. Harrison could relinquish the lease and leave your lien thereon under the circumstances and, in Mr. Harrison's lease, no dumps or tailings were included.

Would you please give us sufficient information, a copy of the contracts, reports, data, etc., so that we can make a decision in this matter.

Very truly yours,

C. Walker Lyon

CWL:li

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

RECEIVED
SEP - 9 1955

September 1, 1955

Mr. C. Walker Lyon
Viel Building
Salmon, Idaho

Re: Docket No. DMEA 3112 (copper)
Centrida Mines, Inc.
Pope-Shenon Mine
Lemhi County, Idaho
Contract No. Idm-8651

Dear Mr. Lyon:

We do not have authority to furnish you with a copy of the Pope-Shenon exploration project contract, and we have sent your request to the Defense Minerals Exploration Administration in Washington.

Sincerely yours,

Verne C. Fryklund, Jr.
for: A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region I, NW Dist.

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

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

RECEIVED
SEP - 0 1955

September 1, 1955

Memorandum

To: DMEA Field Team, Region I, NW District

From: Howard B. Nickelson, Geologist, U. S. Geological Survey

Subject: Recommendation for certification, Docket No. DMEA-3112, Centrida Mines, Inc., Pope-Shenon Mine, Lemhi County, Idaho, Contract No. Idm-E651

It is recommended that Contract No. Idm-E651 be certified as a discovery. The results of the exploration may be summarized as follows:

Diamond drill crosscut

A vein 6 feet wide averaging 3.7 percent copper was cut at the face.

Diamond Drilling

Hole No. 1 Direction S, Inclination -45°, Coordinates 9715N, 10607E. 600 Level.
144-145 Some seams of chalcopyrite.
189-191 8.36% copper as oxide, 9.40% copper. Vein 18" wide.

Hole No. 2 Direction S. 30 E. Inclination -45°. Coordinates 9715N, 10607 E. 600 Level.
146-151 0.64% copper, seams of chalcopyrite.
224-231 4.1% copper as oxide, 4.48% copper. vein width plus or minus 5 feet.

Hole No. 3 Direction S. 30 W. Inclination -45°. Coordinates 9715N, 10607E. 600 level.
154-158 0.08% copper as oxide, 0.28% copper. Strong oxidation.
230-233 1.86% copper. Vein 18"

Hole No. 4 Direction S. Inclination -65°. Coordinates 9718N, 10607E.
5-6 good chalcopyrite ore.
185-193 0.90% copper.
287-291½ 8.10% copper. plus or minus 3-foot vein.

Hole No. 5 Direction N. Inclination 0°. Coordinates 9720N, 10607 E. 600 Level.

Hole barren

Hole No. 6 Direction N. Inclination -30°. Coordinates 9614N, 10613E. 600 Level.

133-139 2.51% copper, 0.16% copper as oxide.

Hole No. 7 Direction N. 35 E. Inclination 0°. Coordinates 9614N, 10616 E. 600 Level.

110-114 0.31% copper, 0.04% copper as oxide. ore zone completely oxidized.

Hole No. 8 Direction N. 30W. Inclination -7°. Coordinates 9614N, 10610E. 600 Level.

89-90 ore zone completely leached and oxidized
126-129 0.14% copper.

Hole No. 9 Direction S. Inclination -45°. Coordinates 9610N, 10613E. 600 Level.

39-41 4.90% copper. 0.08% copper as oxide.
59-64 0.07% copper

Hole No. 10 Direction S. Inclination 0°. Coordinates 9430N, 10640E. 600 Level.

Barren except for a few seams of chalcopyrite.

Hole No. 11 Direction N. Inclination 0°. Coordinates 9640N, 11402E. 600 Level.

287-289 0.08% copper. 0.06% copper as oxide.

Hole No. 12 Direction S. Inclination 0°. Coordinates 9630N, 11402E. 600 Level.

Hole barren.

Hole No. 13 Direction N. Inclination 0°. Coordinates 9500N, 10940E. 600 Level.

Hole barren.

Hole No. 14 Direction S. Inclination 0°. Coordinates 9490N, 10940E. 600 Level.

Hole barren.

Hole No. 15 Direction S. 30 E. Inclination -60°. Coordinates 9720N, 10607E. 600 Level.

Hole barren.

Hole No. 16 Direction S. 30 W. Inclination -57°. Coordinates 9715N, 10607E. 600 Level.

182-184 3.14% copper
265-267 4.24% copper vein 18 inches

Hole No. 17 Direction S. 20 W. Inclination 0°. Coordinates 9585N, 10240E. 600 Level.

100-103 6.96% copper. 5.04% copper as oxide.

Hole No. 18 Direction N. Inclination 0°. Coordinates 9535N, 10620E. 500 Level.

140-145 mineralized zone strongly oxidized

Hole No. 19 Direction N. Inclination horizontal. Coordinates 9590N, 10920E. 500 level.

Hole barren.

The diamond drilling proved that the veins continue to depth below the 600 level, although the width of the veins is decreasing. Portions of the veins intersected by the holes are badly leached.

The Centrida Mines, Inc., did not develop sufficient ore reserves to warrant sinking for them; thus they have relinquished the lease and option to the owners.

Ore does exist on the fringes of the old stopes, and a limited sinking program below the 600 level would probably prove profitable to leasers. Leasers are now mining at the property and shipping ore.

It is recommended that the contract be certified because the exploration cut veins of sufficient width and grade to be classed as ore. Although the reserves found by the exploration are in the inferred category, there are 10,000 tons, below the 600 level, that may average 5½% copper over vein widths ranging from 1½ to 5 feet.

Distribution:
DMEA (orig. & 3)
USBM (2)
USBM (AD)
Docket
Nickelson

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D. C.~~
1201 N. Division St.
Spokane 2, Washington
August 2, 1955

RECEIVED
AUG - 5 1955

Certified Mail
~~REGISTERED~~
RETURN RECEIPT
REQUESTED

Mr. Fred J. Brough
Salmon, Idaho

Re: Docket No. DMEA 3112 (copper)
Pope-Shenon Mine
Lemhi County, Idaho
Contract Idm-E651

Dear Mr. Brough:

Your attention is called to the requirement of paying the Government a percentage royalty on all production from the Pope-Shenon mine (including dumps and tailings) from December 28, 1953, the date of the contract, until December 28, 1963, or until $31,306.25 which is the amount of the Government's participation, has been repaid, whichever occurs first.

We have been informed that Centrida Mines, Inc., assignee of a lease dated May 1, 1953 between Mr. Lester S. Harrison and Grace C. Harrison, lessees, and yourself, have relinquished their lease.

Under the terms of the Owner's Consent to Lien signed by yourself and Laura A. Ledbetter, it becomes your obligation to see that the Government receives it's percentage royalty.

Will you please furnish this office with copies of smelter return sheets for all shipments made after December 28, 1953 so that the proper amount of royalty can be computed.

By Field Team, Region I, NW District

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

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

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

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

1201 N. Division St.
Spokane 2, Washington
July 26, 1955

MEMORANDUM

To: DMEA Field Team, Region I, Northwest District

From: A. L. Service, Mining Engineer, Bureau of Mines

Subject: Recent production from Pope-Shenon Mine, Docket No. DMEA 3112 (copper), Centrida Mines, Inc., Lemhi County, Idaho, Contract No. Idm-E651 (completed)

The Pope-Shenon mine was visited on July 22, 1955 with Tom Huber, U.S.G.S. The trip was made to substantiate rumors of leasers shipping ore from the mine and from the old tailings ponds. There was no one at the mine, but there was ore in the bin and evidence of recent activity on the 600 level.

Mr. Clint Gunderson, Mackay, Idaho, has informed the writer that he has shipped at least two shipments of tailings during the past month or so.

A. L. Service

A. L. Service

Orig. & 3 cys - Wash.
USGS (2)
DMEA
AD
Auditor Fisher
ALS/he

xxxxxxxxxxxxxxxxx
1201 N. Division Street
Spokane 2, Washington
June 23, 1955

RECEIVED
JUL - 1 1955

Mrs. Myrtle Purdy, Certifying Officer
DMEA Field Team, Region I, NW District
1201 N. Division Street
Spokane 2, Washington

Re: Docket No. DMEA 3112
Contract Idm-E651
Centrida Mines, Inc.

Dear Mrs. Purdy:

Work under the subject contract has been completed to the satisfaction of the Government. A final report has been received from the operator and accepted by the Executive Officer.

The Government has no equity in equipment or supplies that were used in carrying out the exploration work.

The Field Team will recommend that a Certification of Discovery or Development be issued covering this project.

A final Report of Review dated April 26, 1955 by DMEA Auditor C. A. Turner has been received.

As all contract requirements have been met, it is requested that final settlement of our account with the operator be made.

Sincerely yours,

A. E. Weissenborn
Executive Officer
DMEA Field Team, Region I
Northwest District

cc: DMEA (2)
WSGS (2)

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

April 14, 1955

Mr. George C. Selfridge, Chairman
DMEA Operating Committee
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-3112 (copper)
Centrida Mines, Inc.
Pope-Shenon Mine
Lemhi County, Idaho
Contract No. Idm-E651

Dear Mr. Selfridge:

Attached are the original and two copies of a report received April 12, 1955, on the DMEA project at this property prepared by Mr. Frank A. Taft, engineer for the Centrida Mines, Inc. This is a very clear and lucid account of what was accomplished, and we are pleased to accept it as a final report.

By Field Team, Region I
Northwest District

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

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

Enclosure (in trip.)

cc: USBM (2)
USBM (AD)
Nickelson

U. S. BUREAU OF MINES
RECEIVED
APR 12 1955
SPOKANE, WASHINGTON

CENTRIDA MINES, INC.
P. O. BOX 838
KELLOGG, IDAHO

April 7, 1955

Mr. A. E. Weisenborn
Mr. W. G. Agnew
Field Team II
Defense Metals Exploration Administration
Spokane, Washington

Re: Docket No. DMEA-3112 (Copper)
Centrida Mines, Inc.
Pope-Shenon Mine
Lemhi County, Idaho
Contract No. Idm-E651

Final report on the completion of the contract involving 650 feet of drifting and 150 feet of cross-cutting in order to get suitable location for further exploration by diamond drilling. The drilling was to be of Ax core size and a total of 4060 feet.

This report contains two large 40 scale maps, one of the 600 level and one of the 500 level, showing the drifting and cross-cutting completed on each level and also plan of the horizontal diamond drill holes, their general geology and all assays. Also nine small sections showing the general geology and assays of the angle holes drilled to intersect the mineralized zone below the 600 level.

On the 28th of December, 1953, a contract was agreed upon between the DMEA and Centrida Mines, Inc., to do the work outlined above.

The first part of May, 1954, conditions at the property were suitable and work commenced. A 12' x 20' building was erected for a change house and also to house supplies and shop facilities. Also the shed over the coarse ore bin was closed in to house the electric motor and the gasoline charger for the batteries.

Track was laid on the 600 level dump. The track was worked over from the portal to the East face which involved a considerable amount of new ties and about 400 feet of new track. Also the air line was brought in from the outside and the water lines both ways from an underground winze which supplied ample water for drilling.

SECTION I: Drifting and crosscutting.

Work on the 150 foot diamond drill crosscut was started on the first of June and completed in July. The crosscut cut a mineralized zone at the very end of which was 6' wide and the average of two assays was 3.90% copper. The zone was on an East-West strike and dipped about 70 degrees to the north. Also 1000 cu. ft. was excavated for a diamond drill station at the end of the crosscut.

Work was then started on the 600 level east drift. The present face was in a fault zone and showed some mineralization. After following this zone for about 50 feet, the mineralization

diminished to nothing so it was then decided that the mineralization did not follow the fault zone, and the drift was swung to the north to get back into the projected mineralized zone. The ground was very tight and very difficult to drill and break. The last 80 feet of the drift showed some cross faulting and began to loosen up a bit along with a small amount of water coming from the fractures. This drift was completed the first of January.

The 500 level east drift was started the later part of July. The present face was also in a fault zone and had just gone through a small mineralized zone which had been stoped on immediately above the level. The drift was likewise continued for about 50 feet in the faulted zone until the mineralization diminished to nothing, and then it was swung to the north to get back into the projected zone. This work was carried on at the same time as the 600 level east drift. Both headings were driven in the fault zone where there was indication of mineralization. The drift entered some very hard ground and was difficult drilling and breaking. However, the last three rounds entered a shear zone and a crosscut for 12' was driven in an attempt to cross the zone. There was very little change so it was decided to further test it with a diamond drill hole. This 150 foot drift was completed in October, 1954.

Please refer to the two 40 scale plans of the 600 and the 500 levels for the location of the two east drifts and the 600 diamond drill crosscut.

SECTION II: Diamond Drilling.

Diamond drilling was begun the first of January, 1955, on a two-shift basis, and 19 holes were drilled with a total of 4023 feet of Ax core holes being completed on the last day of March, 1955. For their locations and general geology and assays, please refer to the two 40 scale plans and the sections.

Diamond drill hole #1 was drilled due South on a minus 45 degree from the diamond drill station at the end of the diamond drill crosscut. The ground was a grey quartzite and the drilling was very good. Several small seams of chalcopyrite were cut similar to those cut by the crosscut. At 189' to 191' a strong oxidized zone was cut and the assays ran 1.04% copper and 8.36% copper oxide. This being the first hole, it was decided to drill it to 401' to make sure there wasn't another mineralized zone immediately on the footwall. However nothing but a couple of dykes were cut.

Diamond drill hole #2 was collared within a couple offeet from #1 and was drilled on a S 30° E bearing and on a minus 45° angle. This hole cut 5' of 0.64% Cu from 146' to 151' and 7' of 0.47% Cu and 4.1% Cu Ox from 224' to 231'. The hole was stopped at 262'.

Diamond drill hole #3 was collared within a couple feet from #1 and was drilled on a S 30° W bearing and on a minus 45° angle. The hole cut a zone at 154' to 158' assaying 0.28% cu and 0.08% Cu Ox; also another between 230' to 233' assaying 1.86% Cu with no oxides. The hole was stopped at 252'.

Diamond drill hole #4 was collared within a few feet from #1 and was drilled on a due South bearing and on a minus 65° angle. The hole cut a zone between 185' to 193' assaying 0.90% Cu and another between 287' to 291½' assaying 8.10% Cu with no oxides in either sample. This last zone of 4½' gave an average width in the ore zone of about 2 feet. The hole was stopped at 311'.

Diamond drill hole #5 was collared within a few feet of hole #1 and was drilled on a due North bearing and horizontal. The hole was drilled to a depth of 187' and did not cut anything of interest, and indicated that the ground was quite oxidized and broken.

Diamond drill hole #6 was collared in the diamond drill crosscut about 107' due south of hole #1 and drilled on a due North bearing and at a minus 30° angle. The hole cut the downward extension of the mineralized zone cut in the end of the diamond drill crosscut at 133' to 139' assaying 2.51% Cu and 0.16% Cu Ox. The hole was stopped at 169'.

Diamond drill hole #7 was collared on the right rib alongside of hole #6 and was drilled on a N 30° E bearing and horizontal. The hole cut a zone at 110' to 114' assaying 0.31% Cu and 0.04% Cu Ox. The hole was stopped at 128'.

Diamond drill hole #8 was collared on the left rib alongside of hole #6 and was drilled on a N 30° W bearing and on a minus 7° angle. The hole cut a zone at 126' to 129' assaying 0.14% Cu and tr. Cu Ox. The hole was stopped at 149'.

Diamond drill hole #9 was collared a few feet south of hole #6 and was drilled on a due South bearing and on a minus 45° angle. The hole cut a zone at 39' to 41' assaying 4.90% Cu and 0.08% Cu Ox., also another zone at 59' to 64' assaying 0.07% Cu and tr. Cu Ox. The hole was stopped at 90'.

Diamond drill hole #10 was collared in the face of a foot wall or south crosscut which is located about due south of the above diamond drill crosscut. This hole was drilled into the foot wall to further explore it. The hole did not show anything of interest and the core showed that the ground was quite blocky and oxidized. The hole was drilled to 151'.

Diamond drill hole #11 was collared in the extreme end of the 600 level east drift. The hole was drilled on a due north bearing and horizontal. The first 132' showed the ground blocky and intersected several water seams which caused the hole to be running about half a hole of water. In the balance of the hole, the ground tightened up and showed very little change. At 287' to 289' an oxidized zone was cut assaying 0.08% Cu and 0.06%Cu Ox. The hole was drilled to 300'.

Diamond drill hole #12 was collared about 12 feet south of hole #11 and was drilled on a due South bearing and horizontal. The hole cut a strong fault at 70' to 73' which was open and also contained lots of water. The hole was drilled on to 156' cutting nothing of interest.

Diamond drill hole #13 is located in the 600 level east drift about half way between the diamond drill crosscut and hole #11. This hole was drilled on a due North bearing and horizontal. This hole was drilled to a depth of 301' and did not cut anything of interest. However it was very noticeable how much tighter the ground was in this area.

Diamond drill hole #14 was collared about 12' South of hole #13 and was drilled on a due South bearing and horizontal. The hole cut a strong fault at 10' and was drilled to 75'.

Diamond drill hole #15 was collared a couple feet from hole #1 and was drilled on a S 30° E bearing and on a minus

60° angle. The hole cut a strongly oxidized zone, no values, at 280' to 284'. The hole was stopped at 305'.

Diamond drill hole #16 was collared within a couple feet of hole #1 and was drilled on a S 30° W bearing and on a minus 57° angle. The hole cut a zone at 182' to 184' assaying 3.14% Cu and tr. Cu Ox., also another zone at 265' to 267' assaying 4.24% Cu and tr. Cu Ox. The hole was stopped at 280'.

Diamond drill hole #17 was collared in the 600 level adit crosscut (see map) and was drilled on a S 20° W bearing and horizontal. The ground was very broken and oxidized. This hole cut a zone at 100' to 103' assaying 1.92% Cu and 5.04% Cu Ox. The hole was stopped at 145'.

Diamond drill hole #18 was drilled on the 500 level north crosscut (see map) and was drilled on a due north bearing and horizontal. The hole cut a zone at 140' to 145' assaying 0.90% Cu and 0.28% Cu Ox. The hole was stopped at 150'.

Diamond drill hole #19 was collared on the 500 level in the extreme end of the 500 east drift just driven. The hole was drilled on a due north bearing and horizontal. At the collar of the hole the ground was rather blocky but became very tight as the hole deepened. The hole was stopped at 210'.

The new mineralized zone that is 6' wide and assayed 3.90% Cu that was cut at the end of the diamond drill crosscut was very interesting and also very encouraging. However, upon further exploring with diamond drilling with hole #7 cutting the zone about 60' to the east, showed it to be mostly oxidized and very little values. Hole #8 cut the zone about 65' to the west and it likewise showed strong oxidization and very little values. Hole #6 cut the zone about 70' below the level and this showed about 2.5% Cu for an actual width of 4'. Hole #18 on the 500 level showed a zone of about 5' of 0.90% Cu which is likewise very low in values. Therefore it seems as though this possible ore chute is of too low a value and so badly oxidized, along with being very irregular and small, that it is of no value for any potential ore reserve.

The holes drilled from the diamond drill crosscut to cut the main ore chute, which had been stoped on so strongly from the 600 level to a point about 80' above the 400 level, failed to show any potential commercial ore below the level. The best hole was #4 which showed 4½' of core assaying 8.1% Cu which gave only an actual width in the ore zone of 2'. On the strength of this hole, it was decided to drill holes #15 and #16 to intersect the zone on about the same elevation as in hole #4 to further explore this zone. Hole #15 cut the zone about 140' east of hole #4 and showed the zone to be completely oxidized and very narrow. Likewise hole #16 cut the zone about 130' to the west and showed only about 1' actual width of 4.24% Cu, however, the zone was the same as shown in #4, being all sulphides and no oxidization.

The horizontal holes drilled on both the 600 level and 500 level in the hanging wall and also the footwall failed to disclose any geology or mineralized zones of any interest.

CONCLUSION:

The exploration program was carried out very carefully with all possible effort in obtaining as much possible information concerning the geology and the mineralized zone within the reach of the program. The horizontal drilling did not show any promising structures or zone in the hanging wall as was anticipated from the geology gathered in the drifts. Likewise, the further drifting to the east showed no indication of another possible zone in the general shear zone.

The zone cut by the diamond drill crosscut was very encouraging but further exploration by drilling showed it to be highly oxidized and of very small size and not at all uniform either in width or values.

The drilling below the level indicates that the strong zone, which produced all of the mine's past production, still remains in a narrow width even narrower than indicated on the 600 level, in which these holes were drilled to determine if the zone would widen or not below the 600 level.

With the above facts in mind it is very doubtful that any further exploration would be recommendable from the additional information gathered by the program just completed. However, the fact that the zone which was the producer may widen in depth and prove out to be a commercial orebody is by all means possible. However, I think that it is not advisable at this stage to recommend any further exploration because deeper drilling would be very expensive and if any zone was outlined, it would require a deep shaft and all the expenses along with it to bring it into production, which is by all means a heavy burden for any commercial ore body to carry.

Very truly yours,

CENTRIDA MINES, INC.

Frank A. Taft

Frank A. Taft, Engineer

FAT:pjh
Enc.

xxxxxxxxxxxxxxxxx
So. 157 Howard Street
Spokane 4, Washington

March 4, 1955

Mr. Frank A. Taft
Box 751
Salmon, Idaho

Re: Docket No. DMEA-3112 (copper)
Cantrida Mines, Inc.
Pope-Shenon Mine
Lemhi County, Idaho
Contract No. Idm-E651

Dear Mr. Taft:

I find by plotting up hole No. 8 that it has not been drilled far enough to cut the vein found at the face of the diamond drill crosscut. This hole would have to be drilled about 30 to 40 feet farther to cut this vein according to my plotting. The small seam of chalcopyrite found at 86 feet corresponds to a similar seam cut in hole No. 1 at 39 feet.

If it is possible to get back in hole No. 8, I suggest this hole be drilled until the vein is intersected or about 40 feet longer. Since this hole has not reached the target and a small amount of drilling is needed to intersect the vein it is believed the hole should be lengthened, even though some of the drilling may have to be skimped on in other proposed holes.

If some reason exists that the hole cannot be lengthened please let us know.

I will be in Salmon on Friday the 11th. I hope the rest of the drilling is coming along O.K.

Yours truly,

Howard B. Nickelson
Geologist

cc: DMEA (2)
USBM (2)
Nickelson

XXXXXXXXXXXXXXXXX
1201 W. Division St.
Spokane 2, Washington
February 18, 1955

3112

Centrida Mines, Inc.
Box 838
Kellogg, Idaho

Re: Contract Idm-3651
Monthly operating report for the period of Dec. 1954 and Jan. 1955

Gentlemen:

The subject monthly operating report has been processed and forwarded to the Disbursing Officer in Portland, Oregon, for payment.

This is to inform you that payment could not be made in the full amount claimed. The amount deleted is explained in the attached copy of a memorandum to the Field Team, Region I, from the DMEA Certifying Officer.

By Field Team, Region I

Wing G. Agnew, Acting Exec. Officer
U. S. Bureau of Mines

cc: USGS (2)
DMEA (2)

John S. Vhay, Acting Member
U. S. Geological Survey

DMEA Field Team, Region I
Northwest District

February 18, 1955

DMEA Certifying Officer, Region I

Centrida Mines, Inc., Contract Idm-2631, Monthly operating report for Dec.-Jan.

The operating report covering the months of December 1954 and January 1955 has been received from the subject operator and has been processed for payment.

A deletion of $87.00 was made from the amount claimed by the operator, which represents 2 feet of drifting at $43.50 per ft.

The operator claimed 85 ft. of advance in the east drift on the 600 level for the month of December whereas the inspecting engineer measured 83 feet which he states completes the contract drifting units of 500 feet on the 600 level.

Mr. Service, the engineer assigned to the project, will take final measurements of the drift on the 600 level when he visits the property again and if the operator's measurements are found to be correct, he may reclaim the amount deleted on a subsequent MF-104.

Myrtle Purdy

cc: USGS
DMEA

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 20 1955

January 17, 1955

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-3112 (copper)
Centrida Mines, Inc.
Pope-Shenon Mine
Lemhi County, Idaho
Contract Idm-E651

Dear Mr. Selfridge:

Attached are the Government, Docket, and Division copies of Amendment No. 1 to the captioned contract and justification for this amendment.

Distribution of this amendment is being made in the usual manner.

Sincerely yours,

John S. Vhay

John S. Vhay
Acting Member, DMEA
Field Team, Region I

Attachments

cc: USBM(2)
USBM(AD) w/encl.
Nickelson

RECEIVED
FEB 8 1955
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

C

XXXXXXXXXXXXXXXXX
So. 157 Howard Street
Spokane 4, Washington

January 6, 1955

Mr. Wendell R. Brainard, President
Centrida Mines, Inc.
P. O. Box 838
Kellogg, Idaho

Re: Docket No. DMEA-3112 (copper)
Pope-Shenon Mine
Lemhi County, Idaho
Contract No. Idm-E651

Dear Mr. Brainard:

Enclosed are the original and six copies of proposed Amendment No. 1 to the cited contract which will change the completion period of the contract from 12 months to 24 months from the date of the contract, or until December 28, 1955.

If the terms and conditions of this amendment meet with your approval, please sign all copies, retain that copy marked for the Operator and return the remaining copies to this office.

Sincerely yours,

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

Enclosures

cc: DMEA (2)
USBM (2)
Nickelson

XXXXXXXXXXXXXXXX
1201 N. Division St.
Spokane 2, Washington

December 17, 1954

Centrida Mines, Inc.
Box 838
Kellogg, Idaho

Re: Contract Idm-E651
Docket DMEA 3112
Monthly Operating Report
for October and November
1954.

Gentlemen:

The subject monthly operating report has been processed and forwarded to the Disbursing Officer in Portland, Oregon, for payment.

This is to inform you that payment could not be made in the full amount claimed. Amounts deleted are explained in the attached copy of a memorandum to the Field Team from the DMEA Certifying Officer, Region II.

By Field Team, Region II

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

cc: DMEA (2) ✓
USGS (2)
AD

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

DMEA Field Team, Region II

December 17, 1954

DMEA Certifying Officer, Region II

Centrida Mines, Inc. Contract Idm-E651. Operating Report for October and November 1954.

The subject operating report has been received and processed for payment.

A deletion of $696.00 was made. This amount was claimed for 16 feet of crosscutting on the 500 level which is in excess of the amount allowed by the contract for this item.

Myrtle Purdy

cc: Operator
DMEA (2)
USGS

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 18 1954

xxxxxxxxxxxxxxxxxx
So. 157 Howard Street
Spokane 4, Washington

October 15, 1954

Mr. Wendell R. Brainard, President
Centrida Mines, Inc.
P. O. Box 838
Kellogg, Idaho

Re: Docket No. DMEA-3112 (copper)
Centrida Mines, Inc.
Pope-Shenon Mine
Lemhi County, Idaho
Contract No. Idm-8551

Dear Mr. Brainard:

This will acknowledge receipt of your letter of October 7, 1954, concerning royalties from ores produced at the Pope-Shenon mine since the date the DMEA contract became effective.

I will be glad to talk with Mr. Harrison on this matter at any time. I hope that with all the facts in hand any differences of opinion will disappear but any points that cannot be resolved to our mutual satisfaction can be referred to our Washington office.

Sincerely yours,

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

cc: Lester Harrison
P. O. Box 838
Kellogg, Idaho

DMEA (2) w/cy incoming
USBM (2) " "
USBM (AD) " "
Nickelson " "

REFER TO	ACTION	NOTED	DATE
al			
Jack			
Mick			
ANSWERED			

CENTRIDA MINES, INC.
P. O. BOX 838
KELLOGG, IDAHO

October 7, 1954

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 18 1954

Mr. A. E. Weissenborn
Defense Minerals Exploration Administration
So. 157 Howard Street
Spokane 4, Washington

Dear Mr. Weissenborn:

Re: Docket No. DMEA-5112 (copper)
Centrida Mines, Inc.
Pope-Shenon Mine
Lemhi County, Idaho
Contract No. Idm-E651

Your letter of October 4, directed to the writer, has been received, with regard to shipments that have been made by a leasor on the Pope-Shenon property. You advise that under the terms of the contract that any production from the property since the contract went into effect is subject to royalty. We are aware that some shipments have been made, however, it is our understanding that this was ore that was already broken down prior to the engagement in the contract and that none of the Government money was applied toward that development. Under these circumstances, we hardly see how the Government could claim that shipments by a leasor under these circumstances should be appropriated by the Government.

Mr. Harrison, our attorney, is looking into this matter and proposes consulting you in person concerning it. As he is away at the present time and will not return for ten days, we ask that you defer the matter until he can consult with you, at which time we will have all the facts pertaining to this matter.

Very truly yours,

CENTRIDA MINES, INC.

By Wendell R. Brainard
President

WRB:pjh

RECEIVED
OCT 8 1954
U. S. G. S.
SPOKANE, WASH.

XXXXXXXXXXXXXXXX
So. 157 Howard Street
Spokane 4, Washington

October 4, 1954

Mr. W. R. Brainard, President
P. O. Box 838
Kellogg, Idaho

Re: Docket No. DMEA-3112 (copper)
Centrida Mines, Inc.
Pope-Shenon Mine
Lemhi County, Idaho
Contract No. Idm-E651

Dear Mr. Brainard:

Our field man has reported that some small shipments of ore have been made from the Pope-Shenon mine since the start of the contract. As you know, under the terms of the contract any production from the property since the contract went into effect is subject to royalty.

We would appreciate receiving from you a statement of any shipments that have been made which should be subject to royalty. The check should be made out to the Defense Minerals Exploration Administration and sent to me at the above address.

Sincerely yours,

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

cc: Frank A. Taft
P. O. Box 838
Kellogg, Idaho

DMEA (2)
USBM (2)
Certifying Officer
Nickelson

File Copy
Surname

Griswold
Rubin
Chambers
Selfridge
Mittendorf

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

500

INTERIOR DEPT.
AUG 3 - 1954
SOLICITOR

AUG 2 1954

Mr. A. E. Weissenborn
Executive Officer
DMEA Field Team, Region II
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA-3112 (Copper)
Centrida Mines, Inc.
Pope-Shenon Mine
Lemhi County, Idaho
Contract No. Idm-5651

FROM SOLICITOR
AUG 5 - 1954
FOR SIGNATURE

Dear Mr. Weissenborn:

We have your letter of July 1 regarding royalty payments to the Government under the cited contract.

All the contract forms require the operator to pay royalty only in liquidation of the "net amount contributed by the Government." Until the Government has made some contribution by payments to the operator or for his account, there can be no liability on the operator to pay royalty. Once the Government has made a contribution, any receipts from production from the date of the contract become subject to that extent to the Government's royalty claim.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (24B)

APPROVED:

J. H. Hedges (24B)
Member, Bureau of Mines

s/ E. L. Newcomb (24B)
Member, Geological Survey

WRGriswold/er (rewritten 8/2/54)
72/3/54

Copy to: Docket
Admr. R. File
Op. Committee
Base Metals
Acctg. Asst. Solicitor, DMEA
Mr. Gildersleeve
Mr. C. H. Johnson
Mr. Chambers (DMEA)
Chron.

File Copy
Surname

UNITED STATES
DEPARTMENT OF THE INTERIOR 500
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

INTERIOR DEPT.
JUL 27 1954
SOLICITOR

Mr. A. E. Weissenborn
Executive Officer
DMEA Field Team, Region II
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA-3112 (Copper)
Centrida Mines, Inc.
Pope-Shenon Mine
Lemhi County, Idaho
Contract No. Idm-2651

Dear Mr. Weissenborn:

We have your letter of July 1 regarding royalty payments to the Government under the cited contract.

It is our opinion that the Government cannot properly expect to receive royalty payments until it has actually disbursed funds or incurred an obligation to make such disbursement, which would automatically take effect upon the start of project work. However, in this type of contract (see paragraph (b) of Annex II) royalty is due the Government to the extent of its contribution, either in cash or obligations, from the date of the contract, once contract exploration costs have been incurred. This contract with its Annex II differs in respect to royalty payments from the old type contract referred to in your letter of July 1, 1954.

Sincerely yours,

Chairman, Operating Committee

WRGriswold/er 7/23/54

Copy to: Docket
Admr. R. File
Op. Committee
Base Metals
Mr. Gildersleeve
Mr. C. H. Johnson
Mr. Chambers (DMEA)
Chron.

APPROVED:

Member, Bureau of Mines

Member, Geological Survey

DMEA
File Copy
Surname

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SOLICITOR
WASHINGTON 25, D. C.

July 30, 1954

Memorandum

To: The Administrator, DMEA
Through: Mr. E. R. Griswold

From: Acting Assistant Solicitor, Defense Minerals

Subject: Liability for Royalties prior to Expenditures by the Government (Docket No. DMEA-3112, Centrida Mines, Inc., Contract No. Idm-E651)

Reference is made to a letter from the Executive Officer, Field Team, Region II, to the Operating Committee, dated July 1, which raises the question of the liability of an operator for the payment of royalties on production which was made after the date of the contract prior to the commencement of the exploration work or any contribution by the Government.

but

The contract is written on the current short-form (MF-200A of February 1952) and has attached a royalty Annex which makes the operator liable for royalty regardless of any certification, from the date of the contract.

All the contract forms require the operator to pay royalty only in liquidation of the "net amount contributed by the Government." Until the Government has made some contribution by payments to the operator or for his account, there can be no liability on the operator to pay royalty. Once the Government has made a contribution, any receipts from production from the date of the contract become subject to that extent to the Government's royalty claim.

Under the earlier contract forms where any liability for royalty depends upon certification by the Government, the result might be different.

This matter was submitted to this office in the form of a letter from the Operating Committee to the

Executive Officer, which I have refrained from surnaming because it is not quite accurate. This letter indicates that the operator would be liable for royalty as soon as the contract work has started, regardless of any contribution made by the Government. As indicated above, this would not be correct.

J. L. Hofflund

J. L. Hofflund
Acting Assistant Solicitor
Defense Minerals

JLHofflund:lm

Copies to: Solicitor Docket
✓ DMEA Docket
Operating Committee
Mr. Griswold (2)
Mr. Hofflund
Mr. Rubin
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

July 1, 1954

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-3112 (copper)
Centrida Mines, Inc.
Pope-Shenon Mine, Lemhi Co., Idaho
Contract Idm-E651
Royalty payments under
Annex II to contract

Dear Mr. Selfridge:

A recent Field Team inspection of the property made on May 29, 1954, shows that the work on the Centrida contract has not yet started, although work preliminary to this contract is in progress and in addition some small amount of mining by leases is being done at the property.

You will recall that no exclusions were made of ore mined on the property and therefore royalty is due the DMEA on all ore mined from the Pope-Shenon property after the start of the contract. The contract is dated December 28, 1953, but actual work did not start until some time in early June or late May.

In a somewhat similar circumstance with the January mine, Contract Idm-E246, it was ruled that royalty payments would start following the date on which contract work actually began rather than the date of the contract, on the thesis that no ore was benefited until after contract work actually began. We would, however, appreciate your advice as to whether this is an identical circumstance or whether, because with a different contract form, royalties would be payable from December 28, 1953, the date the contract was signed.

If this is the case, we will instruct the operator that royalties are due on production since that date, but we do not wish to do so unless we are certain that this is correct.

Sincerely yours,

A. E. Weissenborn

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

cc: USBM (2)
Nickelson

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
1201 N. Division St.
Spokane 2, Washington
April 15, 1954

Centrida Mines, Inc.
P. O. Box 838
Kellogg, Idaho

Re: Docket No. DMEA 3112 (copper)
Pope Shenon Mine
Lemhi County, Idaho
Contract Idm-E651

Gentlemen:

Please refer to Annex II of the subject contract, article b, which states in part: "The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2,—(1) regardless of any certification of discovery or development, from the date of the contract . . ."

Your attention is also called to Annex I which describes the property subject to the terms of the contract. The last paragraph of Annex I states: "All production from the land heretofore leased to one Rulon Young, as mentioned in the aforesaid lease from Fred J. Brough to Lester S. Harrison, is subject to the royalty-payment provisions of Article 6 of the contract form."

The Field Team has been advised that Mr. Rulon Young is working the mine and will probably be making a shipment now that the road is drying out. Shipments from the property after December 28, 1953 are subject to royalty. ?

Royalty payments to the Government should be accompanied by suitable evidence, such as settlement sheets, showing the quantity and grade of ore sold, etc. The smelter should be advised to deduct the Government's percentage royalty on each shipment. Checks should be drawn in favor of the Treasurer of the United States and forwarded to Mr. A. E. Weissenborn, Executive Officer, DMEA Field Team, Region II, So. 157 Howard Street, Spokane 4, Washington.

By Field Team, Region II

A. E. Weissenborn, Executive Officer
(U. S. Geological Survey)

cc: DMEA, Wash. (2)
USGS (2)
Certifying Officer

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR - 2 1954

March 30, 1954

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-3112 (Copper)
Centrida Mines, Inc.
Pope-Shenon Mine
Lemhi County, Idaho

Dear Mr. Selfridge:

Reference is made to your letter of December 28, 1953, enclosing the original and five copies of an exploration contract for the above project, and the attached memorandum from the Chief Counsel to the Administrator. The various points mentioned in the Chief Counsel's memorandum have all been clarified. Therefore, enclosed are the original and two signed copies of Exploration Project Contract No. Idm-E651. Distribution of this contract is being made in the usual manner.

Sincerely yours,

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

Enclosure
cc: Finance Office w/encl.
USBM (2)
Geologist

C
O
P
Y

CENTRIDA MINES, INC.
P. O. BOX 838
KELLOGG, IDAHO

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
SPOKANE
MAR - 2 1954

March 25, 1954

United States Department of the Interior
Defense Minerals Exploration Administration
South 157 Howard Street
Spokane 4, Washington

Attention: Mr. A. E. Weissenborn, Executive Officer

Dear Mr. Weissenborn:

Re: Docket No. DMEA-3112 (copper)
Pope-Shenon Mine
Lemhi County, Idaho

This acknowledges receipt of your communication dated under March 24, 1954 enclosing original and five copies of a DMEA Exploration Contract in the total amount of $63,140.00, such funds to be expended in the exploration of the Pope-Shenon Mine in Lemhi County, Idaho.

The officers of Centrida Mines, Inc. have examined the terms and conditions of the contract and have signed all copies, retaining the one copy marked for the Operator. The remaining five copies are enclosed herewith.

It is noted that the contract is for only twelve months from the 28th day of December, 1953. Your comment to the effect that your office can issue a time extension amendment for a period up to two years from the date of the contract is noted. After the summer operation we will then be in position to get a better idea of the time required and at that time will advise you.

Sincerely,

/s/ Wendell R. Brainard
President

WRB:pjh
Enc. 5

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

So. 157 Howard Street
Spokane 4, Washington

March 24, 1954

Mr. Wendell R. Brainard, President
Centrida Mines, Inc.
P. O. Box 838
Kellogg, Idaho

Re: Docket No. DMEA-3112 (copper)
Pope-Shenon Mine
Lemhi County, Idaho

Dear Mr. Brainard:

Mr. Lester Harrison was in the office yesterday and provided the information requested in our letter to you of January 5 in order to meet certain requirements to complete the contract. Therefore, enclosed are the original and five copies of a DMEA exploration contract in the total amount of $63,140.00, such funds to be expended in the exploration of the Pope-Shenon mine.

If the terms and conditions of this contract meet with your approval, please sign all copies, retain that copy marked for the operator and return the remaining copies to this office.

In your letter of February 15 you have requested that the contract cover a period of 24 months rather than the one year specified. This office can issue a time extension amendment for a period up until two years from the date of the contract, but we are calling this to the attention of our Washington office for they may wish to wait until the end of this field season and until an appraisal of progress has been made before the contract is actually amended. It is obvious, of course, that you will be unable to complete the work outlined in the contract during one field season.

Sincerely yours,

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

Enclosure

cc: DMEA (2)
USBM (2)
Geologist

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 11 1954

March 8, 1954

Docket

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-3112 (copper)
Centrida Mines, Inc.
Pope-Shenon Mine
Lemhi County, Idaho
Contract No. Idm-E651

Dear Mr. Selfridge:

Reference is made to your letter of March 4 in which you inquire as to the status of the referenced contract.

On February 17, 1954, we received from the operator a letter, copies of which are enclosed, advising us that they were attempting to secure the information requested in our letter of January 5, and that when this information was assembled it would be forwarded to this office. We have also had occasion to meet with the operator, at which time we reminded him to submit to us the requested information as soon as possible.

We shall keep you advised of any further development in the negotiations of this contract.

Sincerely yours,

A. E. Weissenborn

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

Enclosure

cc: USBM (2)
Geologist

Defense Minerals Adm.
RECEIVED
FEB 11 1954

CENTRIDA MINES, INC.
410 Main Street
Kellogg, Idaho

February 15, 1954

United States Department of the Interior
Defense Minerals Exploration Administration
So. 157 Howard Street
Spokane 4, Washington

Attention: Mr. Thor H. Kiilsgaard

Dear Mr. Kiilsgaard:

Re: Docket No. DMEA-3112 (Copper)
Pope-Shenon Mine
Lemhi County, Idaho

Acknowledgment is made of your communication of January 5 advising of the granting of a contract for $63,140 subject to the furnishing of certain data, particularly, an assignment from Lester S. Harrison and wife of the Brough contract to Centrida Mines, Inc.; written permission of Rulon Young to do whatever is necessary on the leased land so that the exploration project may be carried through; and certain data to be furnished in connection with claims descriptions.

Replying will advise that it is the intention of Centrida Mines, Inc. to make this contract effective. The data requested before making the agreement effective is being assembled and will be forwarded to your office shortly. We presume that as soon as it is received you will then be in position to issue the contract, the term for which, as we discussed in your office last Monday, we would like to have fixed at 24 months.

Very truly yours,

CENTRIDA MINES, INC.

/s/ Wendell R. Brainard
President

ph

C
O
P
Y

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

500

Griswold
Selfridge
Bureau
Mr. Hendricks

MAR 4 1954

Mr. A. H. Weissenborn,
Executive Officer,
DMEA Field Team, Region II,
South 157 Howard Street,
Spokane 4, Washington.

Re: Docket No. DMEA-9112 (copper)
Centrida Mines, Inc.
Cone-Shenon Mine
Lemhi County, Idaho
Contract No. Idm-1651

Dear Mr. Weissenborn:

On January 5, 1954, you wrote the above Applicant referring to the pending contract. In that we have not received the signed copies of the contract, would you please advise us as to its present status.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JHB)

APPROVED:

J. H. Hedges
Member, Bureau of Mines (JHB)

D. M. Larrabee
Member, Geological Survey (JHB)

WRGriswold/bjl (3/1/54)

Copy to: Docket
Admr. R. File
Op. Committee
Base Metals
Mr. Bishop
Mr. Kinkel
Chron.

R.C.B. 3-9-54

500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
No. 157 Howard Street
Spokane 4, Washington

DEPARTMENT OF THE INTERIOR
Bureau Mines's Administration
RECEIVED
JAN 18 1954

January 5, 1954

Docket

Mr. Wendell F. Brainard, President
Centrida Mines, Inc.
P. O. Box 838
Kellogg, Idaho

Re: Docket No. DMA-3112 (Copper)
Pope-Shenon Mine
Lemhi County, Idaho

Dear Mr. Brainard:

We have received at this office six copies of a DMA exploration contract in the total amount of $63,143.00, such funds to be expended in the exploration of the Pope-Shenon mine, Lemhi County, Idaho. Accompanying the contract was a memorandum from the Chief Counsel, DMA, specifying that before the contract may be sent to the field for signature, certain provisions must be obtained from the applicant. These provisions are as follows:

1. In the lease between Lester S. Harrison and Centrida Mines, Inc., there is a statement that the lease was assigned to the Centrida Company, hereafter to be referred to as the Operator. We must have a copy of the assignment of lease before the contract can be considered as effective.

2. The lease in question makes a portion of the premises from the surface to the No. 5 level subject to a lease with one Mr. Rulon Young. As Mr. Young's lease could effect repayment to the Government, in the event a discovery is certified, it will be necessary to obtain from Mr. Young written permission to do whatever is necessary on the leased land so that the exploration project may be carried through. In the event Mr. Young is no longer interested in the subject property, we would like a copy of his canceled lease.

3. The third provisions has been lifted from the Chief Counsel's memorandum. It is as follows: "The Operator should be required to furnish the book and page number where the 5 claims owned by the Operator are recorded, and this information should be inserted in Annex I. Likewise, the page numbers where the Grandview extension claims were recorded as they now appear in

Annex I should be verified and corrected if need be. In the Owner's Consent to Lien, only 4 page numbers are given for 5 claims. It could be that 2 claims are recorded on the same page, but it is not known which 2 claims these are."

When the three provisions requested in this letter have been complied with, we shall immediately send the contract to you for signature. When you have signed the contract, you may consider it as being in effect.

Sincerely yours,

Thor H. Kiilsgaard
For: A. E. Weissenborn
Executive Officer, DMEA
Field Team, Region II

cc: DMEA (2)
USBM (2)
Geologist

FILE COPY
SURNAME:

500

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

Griswold
Ohrenschall
Selfridge
Michelson

DEC 28 1953

Docket

Mr. A. E. Weissenborn
Executive Officer
DMEA Field Team, Region II
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA-3112 (Copper)
Centrida Mines, Inc.
Pope-Shenon Mine
Lemhi County, Idaho

Dear Mr. Weissenborn:

Enclosed are the original and five copies of an exploration contract for the above project, which have been signed by the Administrator.

We refer you to the enclosed memorandum from the Chief Counsel to the Administrator, dated December 18, 1953, in which he mentions various points which require clarification before submitting the contract to the Applicant.

If such items are properly clarified, will you then present all copies to the Applicant for signature and make distribution in the usual manner. In the event that there might be provisions within the contract which do not meet with your approval, and which do not lie within the range of your delegated authority, kindly return all copies to this office with your recommendations.

Sincerely yours,

George C. Selfridge

(24B)

Chairman, Operating Committee

Enclosures 7

WRGriswold/bjl (12/22/53)

APPROVED:

J. H. Hedges (24B)
Member, Bureau of Mines

D. M. Larrabee (24B)
Member, Geological Survey

Copy to: Docket
Admr. R. File
Op. Committee
Base Metals
Mr. Kinkel
Mr. Bishop
Chron.

R.C.S. 12-29-53

FILE COPY
SURNAME:

500

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

December 22, 1953

Memorandum

To: Administrator

From: Chief, Base Metals Division

Subject: Contract for project DMSA-3112 (copper), Centrida Mines, Inc., Pope-Shenon Mine, Lemhi County, Idaho

The attached contract has been well endorsed both by the field and the commodity men in Washington. The mine in question has had a moderately substantial past production (stated to have been 60,000 tons of 4.2 per cent copper grade) and there seems to be a reasonable expectancy for additional ores.

The contract is written on an agreed unit cost base, with $43.50 per foot for crosscutting and drifting and $6.50 per foot for diamond drilling.

The basis for the estimated cost of $43.50 for drifting and crosscutting is as follows:

Labor, contract	$14.00
Labor, misc.	1.00
Supervision, accounting, consultants, assaying	4.90
Track	1.60
Pipe and fittings (air & water)	1.20
Drill steel and bits	4.00
Ventilation pipe and accessories	1.00
Small tools and misc. supplies	.50
Explosives	5.30
Maintenance of equipment	1.10
Fuel (compressor, generator, heating)	1.50
Moving equipment to property	.50
Initial work of rehabilitation and installation, including repairing and replacing track, air and water lines, installing equipment and construction of small building	2.40
Necessary initial road repairs	.50
Equipment depreciation	4.00
	$43.50

R.C.G. 12-29-53

The equipment depreciation allowance is based upon the following schedule of necessary equipment, all of which is to be furnished by the Operator

Item	Estimated Cost
1 Eimco loader	$ 3,000.00
1 Ventilating fan	250.00
2 Rock drills, complete	1,070.00
1 Compressor, air	9,840.00
Drill hose and fittings	160.00
1 Electric trammer	4,000.00
1 Extra battery for trammer	1,800.00
6 Mine cars at $425	2,550.00
1 M. G. gas generator	750.00
1 Small water pump	180.00
1 Grinder, compressed air driven	185.00
	$23,785.00
Rounded to	$24,000.00

$\frac{\$24,000.00}{60 \text{ months}}$ X 8 months = $3,200, or $4.00 per ft. of drifting.

The agreed unit cost of $6.50 per foot for diamond drilling is based upon the following estimate:

Bids proffered by diamond drill contracts in the area are (exclusive of charges for cementing and reaming) about $5.00 per foot.

Allowing a 10 per cent charge for cementing and reaming, plus $1.00 allowance per foot for assaying, supervision, power, and miscellaneous, gives a total charge of $6.50 per foot of diamond drilling.

W. R. Griswold

W. R. Griswold

WRGriswold/bjl
Copy to: Docket
Base Metals
Op. Committee
Chron.

140

FILE COPY
SURNAME:

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

Dekane
Rutin

December 18, 1953

Memorandum

To: The Administrator
Through: Mr. W. R. Griswold

From: Chief Counsel

Subject: Centrida Mines, Inc., Docket No. DMEA-3112 (Copper)

Attached in satisfactory legal form for execution is a contract covering the above-described project, subject to the following:

1. The property subject to exploration was leased to Lester S. Harrison, and there is a statement that the lease was assigned to the Operator. Before this contract is delivered to the Operator, the assignment or a copy thereof should be exhibited.

2. The lease in question makes a portion of the premises from the surface to the No. 5 level subject to a lease with one Rulon Young. The exploration project apparently is to be partly under this land, from the 500 level downward. It could be that Mr. Young could prevent the entire project from taking place, unless his lease expressly allows access through the ground he is working. Consequently, it is essential to see the lease to Mr. Young. Mr. Weissenborn says the Operator is willing to allow royalties to apply on all production from the land, including the land leased to Mr. Young. He adds:

> "He has done this simply by stopping the leasing operation."

If Mr. Weissenborn means by this that the lease has been cancelled, he should produce the cancelled lease or a statement from the lessee that the lease has been cancelled. If the lease is still extant, then the Operator, unless the lease itself provides for it, should obtain written permission from Mr. Young to do whatever is necessary on the leased land so that the exploration project may be carried through.

3. The Operator should be required to furnish the book and page number where the 5 claims owned by the Operator are recorded, and this information should be inserted in Annex I. Likewise, the page numbers where the Grandview Extension claims were recorded as they now appear in Annex I should be verified and corrected if need be. In the Owner's Consent to Lien, only 4 page numbers are given for 5 claims. It could be that 2 claims are recorded on the same page, but it is not known which 2 claims these are.

Albert E. Kane

for J. L. Hofflund
Chief Counsel

Attachments

AEKane:ep

Copy to: Docket
Mr. Griswold
Mr. Hofflund
Mr. Kane
Chron.

FILE COPY
SURNAME:

500

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

N.S. in R.R.

December 16, 1953

Docket

Memorandum

To: Chief Counsel

From: W. R. Griswold

Subject: Short form contract for project (copper).
Docket No. 3112, Centrida Mines, Inc.
Hope-Shenon Mine, Lemhi County, Idaho

We attach an outline of an agreed unit cost contract for the above Applicant.

We note that in applicants' recital of his mining ground he lists certain unpatented claims as having been located but (as of date of application) not recorded. He states that such claims "will be recorded July 1, 1953." However we do not know whether such recording was actually made. If not, it would be contrary to the Government interest to issue this contract.

/s/
W. R. Griswold

Attachment

WRGriswold/hmj
CC to: Docket
Base Metals
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

Keating

November 27, 1953

Griswold

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-3112 (copper)
Centrida Mines, Inc.
Pope-Shenon Mine
Lemhi County, Idaho

Dear Mr. Selfridge:

This is in reply to your letter of November 20, 1953, regarding the exclusion of certain ores for payment from the proposed DMEA contract at the Pope-Shenon mine. It had been and still is my feeling that inasmuch as there was a lessee already extracting some ore from the old workings, we should exclude this from payment of royalty. We had thought that this could be done rather simply by drawing a line of some sort through the end of the old workings.

We have discussed this matter with the applicant and he is willing to let the royalty apply on any production on the land included in the contract. He has done this simply by stopping the leasing operation. We feel that it would have been better to have foregone the very small amount of royalty that might have been derived from the leasing ore and to have let the lessor make such production as he could rather than close the operation, but since you feel that this ore should pay royalty, we are advising you that the operator will not object to the attachment of royalty from any ore produced.

Sincerely yours,

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

cc: USBM (2)

FILE COPY
SURNAME:

UNITED STATES
DEPARTMENT OF THE INTERIOR

500

DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

NOV 20 1953

Mr. A. E. Weissenborn
Executive Officer, Region II
DMEA Field Team
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA-3112 (Copper)
Centrida Mines, Inc.
Pope-Shenon Mine
Lemhi County, Idaho

Dear Mr. Weissenborn:

With reference to the above docket, we wrote you on November 4, 1953, and Mr. W. R. Griswold discussed the matter with you while you were here. In our November 4 letter, we stated:

> "Obviously, there could be instances where the Applicant had already fully developed an ore body with his own funds. The proper procedure would be to include all logical land parcels within the contract but to specifically exempt (with sharply delineated limits) the proven ore body."

In such an instance where exemption was being claimed from possible future certification, the Applicant should submit a proper assay map of either underground working or surface drill holes, as the case might be, with the indicated ore body outlined thereon. The outlining of such ore body should of course conform to standard and accepted engineering practice and would have to be substantiated by a sufficient number of assays to justify the ore body delineation.

A study of the sectional stope map of the Centrida Mines, on which assays are recorded, shows that most of such assays as are recorded are stope ends or fringes. From such meager data it would be quite impossible to delineate blocks of proven or probable ore for which the Applicant might properly claim exemption. We therefore do not feel that in this case we can properly write any exemption from certification into a contract.

R.C.B.
11-23-53

Kindly advise us if the Applicant wishes to proceed with the project with all production subject to certification.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JHB)

APPROVED:

J. H. Hedges

Member, Bureau of Mines (JHB)

T. P. Thayer

Member, Geological Survey (JHB)

WRG:iswold/bjl (11/18/53)

Copy to: Docket
Admr. R. File
Op. Committee
Base Metals
Mr. Bishop
Mr. Kinkel
Chron.

FILE COPY
SURNAME: 500

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

NOV 4 1953

Mr. [illegible] Weissenborn
Executive Officer, Region II
DMA Field Team
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. [illegible] 3112 (Copper)
Centrida Mines, Inc.
Pope-Shenon Mine
Lemhi County, Idaho

Dear Mr. Weissenborn:

With reference to your letter of September 28, 1953, regarding the above project, we note that Mr. T. H. Kiilsgaard, in his memorandum of September 18, states as follows:

> "The 600 level is currently accessible to mining operations to a point beneath the main oreshoot. The lessee who is working the stope fringes above the 600 level is currently using the level as a main haulage way. Inasmuch as ore in the old stoped areas will not benefit from the proposed program, and as leasing operations in this area will only complicate the production verification of royalty repayments that might ensue, should the project be certified as a discovery, it is recommended that only ground east of the 10,400 east coordinate, as shown on the applicant's maps, and all ground below the 600 level be subject to repayment. The 10,400 east coordinate may be fixed as a vertical plane extending north and south 300 feet east of the easternmost short winze extending below the 600 level, as measured on the center line of the drift."

We would not be willing to issue a contract under such a stipulation as it would present administrative complexities and we could not consider such a procedure to be to the best interest of the Government. Furthermore, part of the proposed project is to explore for possible parallel ore bearing structures, whose locations cannot be pin-pointed in advance.

The proposed project, if successful, would materially benefit the Pope-Shenon mine in its entirety. Hence, all mining claims cited by the applicant and shown on the submitted claim map should be included in the contract and subject to certification. The fact that a lessee is at work in the upper levels, extracting some small tonnage

R.C. 11-4-53

from stope fringes, is not considered pertinent. You will note that the applicant, in the application submitted, has not requested any special exemption from possible royalty payments due under the contract.

You are, of course, aware that such parcels of land as are stipulated in a new form contract are all subject to certification, and that if any special area within such cited land is to be free from later certification, such exemption must be clearly delineated in the contract.

Obviously, there could be instances where the applicant had already fully developed an ore body with his own funds. The proper procedure would be to include all logical land parcels within the contract but to specifically exempt (with sharply delineated limits) the proven ore body.

In the case of the Hope-Shenon mine, where the only known ores in question are "stope fringes", we would not be willing to write such a special exemption into the contract. It is our feeling that such exemptions should be used only sparingly, to cover known and definitely proven ore bodies of some importance.

We shall withhold action upon this docket until advised by you either by letter or teletype.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JHB)

APPROVED:

J. H. Hedges

Member, Bureau of Mines (JHB)

T. P. Thayer

Member, Geological Survey (JHB)

WRGriswold/hmj (10-29-53)
CC to: Docket
Adm. R. File
Op. Committee
Mr. Kinkel
Mr. Bishop
Base Metals Division
Chron.

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

Mr. A. E. Weissenborn
Executive Officer, Region II
DMEA Field Team
South 157 Howard Street
Spokane 4, Washington

Re: Docket No. DMEA 3112 (Copper)
Centrida Mines, Inc.
Pope-Shenon Mine
Lemhi County, Idaho

Dear Mr. Weissenborn:

With reference to your letter of September 28, 1953, regarding the above project, we note that Mr. T. H. Kiilsgaard, in his memorandum of September 18, states as follows:

> "The 600 level is currently accessible to mining operations to a point beneath the main oreshoot. The lessee who is working the stope fringes above the 600 level is currently using the level as a main haulage way. Inasmuch as ore in the old stoped areas will not benefit from the proposed program, and as leasing operations in this area will only complicate the production verification of royalty repayments that might ensue, should the project be certified as a discovery, it is recommended that only ground east of the 10,800 East coordinate, as shown on the applicant's maps, and all ground below the 600 level be subject to repayment. The 10,800 East coordinate may be fixed as a vertical plane extending north and south 300 feet east of the easternmost short winze extending below the 600 level, as measured on the center line of the drift."

We would not be willing to issue a contract under such a stipulation as it would present administrative complexities and we could not consider such a procedure to be to the best interest of the Government.

The proposed project, if successful, would materially benefit the Pope-Shenon mine in its entirety. Hence, all mining claims cited by the Applicant and shown on the submitted claim map should be included in the contract and subject to certification. The fact that a lessee is at work in the upper levels, extracting some small tonnage

Furthermore, part of the proposed is to explore for possible [illegible] in [illegible] locations [illegible] to [illegible]

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
WASHINGTON 25, D. C.

October 27, 1953

Memorandum

To: W. R. Griswold, DMEA

From: C. H. Johnson, Bureau of Mines

Subject: DMEA-3112, Centrida Mines, Incorporated, (Pope Sheenan Mine, Lemhi County, Idaho)

The Field Team report and recommendations of the above-named application have been reviewed by Mr. Olund and myself, and we are of the opinion that the information submitted justifies the favorable recommendations.

C. H. Johnson
C. H. Johnson

Copy to - Mr. Kinkel, GSA, B-242-A
Minerals Division
C. H. Johnson
Files

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

October 12, 1953

Memorandum

To: Mr. W. R. Griswold

From: E. L. Newcomb

Subject: Recommendation for approval

Re: IMEA-3112
Pope-Shenon Mine
Centrida Mines, Inc.
Lemhi County, Idaho
$63,140
Copper

The exploration work proposed by the applicant is recommended for approval by the field team.

The work is well planned geologically and should result in the discovery of additional ore or possibly new ore shoots below the 600 level.

Mineralization occurs in a strong shear zone which should persist beyond the depth of the proposed diamond drilling. All of the available geological information indicates the favorability of further exploration on this property.

I recommend the application be approved.

E. L. Newcomb

E. L. Newcomb
Geologist

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 1 1953

September 28, 1953

Mr. George C. Selfridge, Chairman
Operating Committee, DMEA
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-3112 (Copper)
Centrida Mines, Inc.
Pope-Shenon Mine
Lemhi County, Idaho

Dear Mr. Selfridge:

Enclosed are four copies of reports from T. H. Kiilsgaard, Geological Survey, and E. G. Erickson, Bureau of Mines, concerning the referenced application. These reports recommend that a contract of $63,140.00 be granted the Centrida Mines, Inc., to further explore the Pope-Shenon mine.

It will be noted in Mr. Erickson's memorandum on cost analyses that proposed repair and rehabilitation of existing workings is not to be done on a unit cost basis. Instead, the costs of this work have been incorporated into the recommended unit cost for drifting. This procedure does away with the necessity of measuring and agreeing upon what has been accomplished by rehabilitation work and also protects the Government in that payment will not be made until new exploration work is also done. This arrangement has been discussed with the applicant who has stated that it would be acceptable.

The Field Team recommends that the project as discussed in the attached reports be approved for contract.

By DMEA Field Team, Region II

Reviewed by
DMEA OPERATING COMMITTEE
10-7-53
(date)

A. E. Weissenborn
A. E. Weissenborn, Executive Officer
(U. S. Geological Survey)

M. E. Volin
M. E. Volin, Member
(U. S. Bureau of Mines)

Enclosures
cc: USBM (2)
Kiilsgaard

BN-SITE EXAM.

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

1201 N. Division St.
Spokane 2, Washington
September 28, 1953

Gal
12/28/53

MEMORANDUM

To: DMEA Field Team, Region II

From: E. G. Erickson, Mining Engineer, Bureau of Mines

Subject: Estimated cost of project, Centrida Mines, Inc.
Pope Shenon Mine, Lemhi County, Idaho
Docket No. DMEA 3112 (copper)

Recommended agreed unit costs for the proposed exploration project are as follows:

800 feet of drifting @ $43.50/ft. 1/	$34,800.
4060 feet of AX diamond drilling @ $6.50/ft. 1/	26,390.
1 drill station (est. 1000 cu. ft.) 1/	750.
6 drill stations (est. 6'x6'x7') @ $200/ea. 1/	1,200.
Total estimated cost of the project	$63,140.
Government's share (50%)	$31,570.

1/ Unit costs include all costs necessary to complete the work to the satisfaction of the Government.

Discussion

The applicants had estimated the total cost of the project at $74,225.50 as shown in their application. Mr. Taft, consulting engineer for the Centrida Mines, Inc., was contacted and the costs reviewed with him. The costs were carefully analyzed, and the apparent dual supervision charge and length of time necessary to complete the project were questioned.

Mr. Taft agreed that $6.50/ft. for diamond drilling should include supervision, assaying cores, core boxes, and any other necessary costs of drilling with the exception of diamond drill stations. This reduced the applicants' estimated cost for supervision because the drilling is about 50 percent of the time of the project and only 4 months supervision is allowed against drifting.

Mr. Taft agreed that all the work could be done in 8 months which also reduced his estimated costs, as he had based his estimate on 10 months. Depreciation is allowed on the equipment for 8 months because it is expected that drifting will be intermittent to allow drilling and will be extended over the 8 months.

Although the cost estimate is based on 8 months, it is recommended that the contract time be set at 12 months to allow for possible delay in getting started after the contract date is set.

The applicants' engineer believes any necessary timbering will be insignificant and if needed it will be done without charge of unit cost. The possibility of concurrent operations was considered, but air output will not allow two mechanical drifts, and if one drift is run "hand muck" the increased labor cost will offset the prorated charges. Added air facilities for this job would not be economically feasible.

In many contracts the work covered in Items Nos. 11, 12 and 13 listed in breakdown of drifting costs, is specified as separate work items but in this case it is recommended that they be included in the agreed unit cost for drifting. The estimated cost for performing the necessary preliminary work is conservative in view of preparation and repair costs on similar projects. The Government does not participate in any of the preparation, rehabilitation or installation costs unless the actual drifting is done. This gives the Government protection in case the Operator fails to perform the exploration; this was agreeable to Mr. Taft.

Breakdown of estimated cost of 800 feet drifting (5'x7')

	Item	Cost/ft.
1.	Labor (contract)	$14.00
	" (miscellaneous)	1.00
2.	Supervision, accounting, consultants, assays	4.90
3.	Track (complete)	1.60
4.	Pipe and fittings (air and water)	1.20
5.	Drill steel and bits	4.00
6.	ventilation pipe and accessories	1.00
7.	Misc. small tools and supplies	.50
8.	Powder and electric primers	5.30
9.	Maintenance of equipment	1.10
10.	Fuel (compressor, generator and heat)	1.50
11.	Moving equipment to property	.50
12.	Repairing and replacing track, placing air and water line and constructing small building and installing equipment	2.40
13.	Road repairs	.50
14.	Equipment depreciation 1/	4.00
	Total cost/ft.	$43.50

1/ Equipment depreciation allowance

Item	Est. cost
1 Eimco loader	$3,000.
1 Ventilating fan	250.
2 Atlas drills, complete	1,070.
Drill hose and fittings	160.
1 Compressor	9,840.
1 Mancha electric trammer	4,000.
1 Extra battery	1,800.
6 Mine cars @ $425/ea.	2,550.
1 M.G. gas generator	750.
1 Small water pump	180.
1 Grinder (air)	185.
Total estimated cost	$23,785.
SAY	$24,000.

$$\frac{\$24,000}{60 \text{ mos.}} \times 8 \text{ mo.} = \$3200 \text{ or } \$4.00/\text{ft.}$$

The over-all diamond drilling cost of $6.50 per foot is conservative in view of the latest contract bids for similar drilling which have run about $4.50-$5.00 for AX drilling and allowances for any cementing, reaming and delays, which, if estimated at 10%, would raise the contract drilling to $5.00-$5.50 per foot, leaving $1.00-$1.50 per foot to cover all other costs (power, supervision, engineering, assaying, core boxes, etc.).

The estimated and agreed unit costs for the drill station are considered reasonable and in line with costs for similar work.

Mr. Taft was in agreement with the revised costs as presented in this memorandum. A short form unit cost contract is recommended.

E. G. Erickson

E. G. Erickson

Orig. & 3 cys - Wash.
USGS (2)
DMEA
EGE/he

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

Memorandum

September 18, 1953

Reviewed by
DMEA OPERATING COMMITTEE
10-7-53
(date)

12/28/53

To: DMEA Field Team, Region II

From: T. H. Kiilsgaard, U. S. Geological Survey

Subject: Field examination, Docket No. 3112 (copper), Centrida Mines, Inc., Pope-Shenon mine, Lemhi County, Idaho

RECOMMENDATION

It is recommended that Centrida Mines, Inc., be granted a DMEA contract of $63,140.00 for work outlined in this report. To facilitate administration of the contract, it is recommended that all work be based on unit costs rather than Government participation in actual costs.

INTRODUCTION

This report is based on notes taken by Mr. A. E. Weissenborn, U. S. Geological Survey, during a field examination of the applicant's Pope-Shenon mine, Lemhi County, Idaho. The examination was devoted to checking the applicant's geologic maps, and as a means of studying the applicant's proposal for further exploration of the property. At the time of the examination, a lessee was working the stope fringes of the upper mine workings and was available to conduct Mr. Weissenborn through the mine workings.

APPLICANT

The applicant is Centrida Mines, Inc., an Idaho corporation, with offices at Kellogg, Idaho. No statement is included in the application as to how the applicant is prepared to furnish its share of the exploration costs and no attempt has been made to check on the financial status of the applicant. It is assumed, however, that the applicant is financially prepared to contribute its share of the proposed exploration costs.

Proposed project work will be under the direction of Mr. R. Svendson, a consulting geologist of many years' experience, who is considered capable of supervising operations.

PROPERTY AND GEOLOGY

The Pope-Shenon mine is capably described in considerable detail by Mr. A. L. Anderson, Idaho Bureau of Mines and Geology Pamphlet No. 60.

Copies of this report are attached to the application. No exploration work has been done at the mine since Anderson made his examination; therefore, further reporting on the property is considered needless, particularly in view of the fact that Anderson has presented an excellent report that describes various aspects of the property in considerable detail. Anderson's geologic map was not intended to serve as a detailed working map and, therefore, does not portray too much information on the structure of the mine; however, Svendson's maps, which are included with the application, give considerable detail and have been checked and found to be of acceptable accuracy. It is recommended that Svendson's maps of the 500- and 600-foot levels be incorporated in any DMEA contract that might be negotiated.

Mr. Weissenborn states that he is in agreement with Anderson's description of the geology of the mine, and also with his recommendations concerning further exploration.

PROPOSED EXPLORATION WORK

The applicant proposes to:

(1) drive 150 feet of crosscut on the 600-foot level to the north, opposite the mined-out oreshoot, and from the end of this crosscut, put down 5 diamond drill holes to test the extension of the oreshoot below the 500-foot level,

(2) drift 500 feet east on the 600 level and 150 feet east on the 500-foot level, such drifting to stay within the shear zone with the intent of exploring for additional ore bodies, and

(3) diamond drill north and south on the 500- and 600-foot levels to test for parallel or finger oreshoots.

DISCUSSION OF PROPOSED EXPLORATION PROGRAM

The applicant's proposal is considered technically sound. Diamond drilling will check the downward extensions of the known oreshoot and should give some indication of whether the oreshoot is large enough and of high enough grade to warrant development.

It is believed the major zone of shearing has not been adequately explored and that additional ore bodies may be found by drifting on the existing levels. Diamond drilling from such drifts should test the possibility of lateral oreshoots.

The proposed exploration program is believed to be the cheapest and most plausible way of further testing the applicant's property.

PROPERTY TO BE SUBJECTED TO ROYALTY REPAYMENT TO THE GOVERNMENT

The 600 level is currently accessible to mining operations to a point beneath the main oreshoot. The lessee who is working the stope fringes above the 600 level is currently using the level as a main haulage way. Inasmuch as ore in the old stoped areas will not benefit from the proposed program, and as leasing operations in this area will only complicate the production verification of royalty repayments that might ensue, should the project be certified as a discovery, it is recommended that only ground east of the 10,800 East coordinate, as shown on the applicant's maps, and all ground below the 600 level be subject to repayment. The 10,800 East coordinate may be fixed as a vertical plane extending north and south 30 feet east of the easternmost short winze extending below the 600 level, as measured on the center line of the drift.

PROJECT COSTS

Project costs are discussed in a separate memorandum by Eric G. Erickson, mining engineer, U. S. Bureau of Mines, which is attached hereto.

CONCLUSIONS

Production from the Pope-Shenon mine is reported to exceed 2,400,000 pounds of copper. This production has come from ore whose grade is believed to have averaged about 4.2 percent copper. The oreshoots that have been productive are known to extend below the lowest mine level and because of their geologic characteristics there is reason to believe these oreshoots will persist to depths considerably below the lower points to be tested by the proposed program.

In view of the mine's production record and in view of the excellent possibilities for extensions of existing oreshoots and the finding of additional oreshoots, the applicant's proposed exploration is recommended without reservation.

Enclosure

Distribution:
- DMEA (Orig. & 3)
- USBM (2)
- USGS (SRO)
- Docket
- Kiilsgaard

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
WASHINGTON 25, D. C.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 14 1953

July 13, 1953

Memorandum

To: W. R. Griswold, DMEA

From: C. H. Johnson, Bureau of Mines

Subject: DMEA-3112 (Copper) Centrida Mines, Inc., Pope-Shenon Mine, Lemhi County, Idaho

I have reviewed the above-named application which is returned herewith.

Exploration assistance for this property was requested of the DMA in November 1950 by Dean C. White, who asked for a loan to conduct a diamond drilling program costing $30,000 to $35,000, the purpose of which was to test the vein at depths of 200 to 500 feet below the east end of the mine. This application was received and processed before the exploratory program was formalized. The application was denied in a letter to Mr. White dated December 12, 1950 on the grounds that the project did not "compare well, in terms of its apparent chances for success and eventual cost of development and production, with some other projects that have been submitted." On April 23, 1951, Mr. White was sent a copy of a press release dated April 11, announcing the initiation of a formal exploratory program, together with regulations and forms for making application. Nothing further was heard from Mr. White. That was docket DMA-28.

July 19, 1952, Fred J. Brough submitted an application to DMPA (Docket 2647) for a loan of $25,000, the purpose of which was to rehabilitate the mine, move in and set up a 44-ton mill, provide mining equipment, and begin production. Mr. Brough submitted little information more than had been furnished by Mr. White, excepting a few smelter returns on crude ore shipped in 1947, '48 and '49. September 3, 1952, DMPA requested further details as to ore reserves, estimated operating costs and proposed expenditures. Subsequent inquiries elicited no response from Mr. Brough and in a letter dated April 6, 1953, he was informed that the application had been withdrawn from consideration.

The letter from the Field Team to the Operating Committee July 1, 1953, states that the Field Team will proceed to study and report on this application. If you wish to make a formal request for field team investigation for the sake of the record, I shall be glad to concur in this.

There are some points that the Field Team might be asked to give particular consideration to: The first is that the Albany Office of the Bureau of Mines might be asked to furnish a complete transcript of the production records of this mine. Incomplete and possibly erroneous records on file in this office suggest that the ore mined during the period of maximum production was about 2 percent copper with very low gold and silver content. Somewhat related to this question is the desirability of considering the economic aspects of this project, namely, whether or not if it is successful in developing ore of some reasonably assumed grade, the property could be equipped and operated at a sufficiently low cost to make the exploration worthy of support by DMEA.

C. H. Johnson

C. H. Johnson

Attachment

Copy to - Mr. Kinkel, GSA, B-242-A
Minerals Division
C. H. Johnson
Files

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

July 6, 1953

Memorandum

To: Executive Officer, DMEA Field Team, Region II

From: Chief, Operation's Control and Statistics Division

Subject: Assignment of Docket Number

There is listed below the assigned docket number to an application recently received from Region II

DMEA
- 3112 - Centrida Mines, Inc.

Robert E. Adams,
Chief, Operation's Control
and Statistics Division

38226

July 6, 1953

Centrida Mines, Inc.
c/o Wendell R. Brainard, President
P.O. Box 838
Kellogg, Idaho

Subject:
Re: DMEA-3112
Exploration Assistance
Pope Shenon Mine

My dear Mr. Brainard:

The receipt of your application dated June 25, 1953, for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-3112 and referred to the Base Metals Division.

Kindly refer to DMEA-3112 in any future correspondence relating to your application.

Sincerely yours,

Robert E. Adams,
Chief, Operation's Control
and Statistics Division